



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, MAY 24, 2023
4:15 PM**

BOARD MEMBERS PRESENT:

John George
Pamela McClain
Juan Gonzalez
Sonya Mays
Eric Dueweke
Maggie DeSantis

BOARD MEMBERS ABSENT:

Stephanie Washington
Amanda Elias
Raymond Scott

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Sierra Spencer (DEGC/DBRA)
Monika McKay-Polly (DEGC/DBRA)
Paul Kako (DEGC)
Glen Long (DEGC)
Jessica DeBone (PM Environmental)
Nevan Shokar (Basco)
Dan Gough (EGLE)
Pamela Travis
Melinda



**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, MAY 24, 2023**

CALL TO ORDER

Vice-Chairperson John George called the meeting to order at 4:15 PM.

Ms. Kanalos took a roll call of the DBRA Board Members present and a quorum was established.

GENERAL

Approval of Agenda:

Mr. George called for a motion approving the agenda of the May 24, 2023 DBRA meeting, as presented.

The Board took the following action:

Ms. DeSantis made a motion approving the agenda of the May 24, 2023 DBRA meeting, as presented. Ms. McClain seconded the motion.

Approval of Minutes:

Mr. George called for a motion approving the minutes of May 10, 2023, as presented.

The Board took the following action:

Ms. DeSantis made a motion approving the minutes of the May 10, 2023 Board meeting, as presented. Ms. McClain seconded the motion.
DBRA Resolution Code 23-05-02-323 was unanimously approved.

Treasurer's Report – April 2023

Mr. Long presented the April 2023 Treasurer's Report.

Mr. George called for a motion accepting the April 2023 Treasurer's Report, as presented. The Board took the following action:

Ms. McClain made a motion accepting the April 2023 Treasurer's Report, as presented. Mr. Gonzalez seconded the motion.
DBRA Resolution Code 23-05-03-235 was unanimously approved.

ADMINISTRATIVE

DBRA Budget FY 2023-2024

Ms. Kanalos presented the DBRA Budget FY 2023-2024 to the DBRA Board.

The Detroit Brownfield Redevelopment Authority (DBRA) held a DBRA Budget Committee meeting on May 24, 2023 at 4:00 pm at the Detroit Economic Growth Corporation (DEGC) offices on the DBRA Budget for FY 2023-2024. Attached please find the proposed DBRA Budget for FY 2023-2024 and resolution approving the DBRA Budget for FY 2023-2024.

A resolution was attached for the Board's consideration.

Ms. DeSantis asked for more information on what is included in the "Special Projects" line item on the Budget. Ms. Kanalos stated that "Special Projects" includes work that the DBRA performs for land assembly projects.

Ms. DeSantis asked if there are any specific projects and corresponding amounts included in the "Special Projects" line item on the Budget for FY 2023-2024. Mr. Long stated that the DBRA needs the placeholder for "Special Projects" in the Budget for flexibility in the Budget should the DBRA be asked to take on a project, and that any project that the DBRA works on would have items that come to the DBRA Board for review and approval.

Mr. George called for a motion approving the DBRA Budget for FY 2023-2024, as presented.

The Board took the following action:

Ms. Mays made a motion approving the DBRA Budget for FY 2023-2024, as presented. Mr. Gonzalez seconded the motion.
DBRA Resolution Code 23-05-01-238 was unanimously approved.

PUBLIC COMMENT

Mr. George called for public comment. Seeing none, public comment was closed.

PROJECTS

Amended and Restated Harmonie Social Club Brownfield Plan

Mr. Vosburg presented the Amended and Restated Harmonie Social Club Brownfield Plan to the DBRA Board.

On March 13, 2019, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors recommended approval to City Council of the Brownfield Plan for the Harmonie Social Club Redevelopment Project (the "Original Plan"). The Detroit City Council approved the Plan on April 16, 2019. A Reimbursement Agreement (the "Agreement") was entered into between the DBRA and 311 Grand River, LLC on June 25, 2019.

During the construction of the project, the Developer ran into significantly higher demolition, abatement, and infrastructure improvement costs than originally anticipated resulting in an increase in the amount for Eligible Activities. In order to increase the amount of TIF requested under the Plan to cover the increased Eligible Activities, the Developer is requesting an amendment to the Plan.

Project Introduction

311 Grand River, LLC, an affiliate of Basco of Michigan, Inc., is the project developer (the "Developer") for the Plan which entails the renovation of the existing historic structure to include updated tenant spaces, including a speakeasy bar and dining room at the basement level and a bright restaurant and lounge on the main level. The second and third floor entailed the rehabilitation of the vacant office space and mezzanine for use by Lighthouse Immersive, which offers a destination art space totaling approximately 16,400 gross square feet. The renovation maintained and restored the historic features of the space, including the columns that dot the area. On a monthly basis, the current tenant attracts approximately 10,000 visitors to the space each month.

The total investment is estimated to be \$12.1 million. The Developer is requesting \$2,878,864.00 in TIF reimbursement, an increase of \$2,299,654.00 from the Original Plan.

Approximately 28 temporary construction jobs, 20 venue production and equipment installation jobs and 1 FTE job. The tenant has created 45 jobs to date (30 are Detroit residents) and is working to hire additional positions. Additional tenant jobs will also be created through the final buildout of the basement space.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcel located at 311 East Grand River on the eastern side of Detroit's Central Business District in the Paradise Valley neighborhood, just two blocks east of Grand Circus Park, bounded by Centre Street to the south, the property line to the west, the alley between John R Street and Grand River Avenue to the north, and Grand River Avenue to the east.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized or is currently utilized for a commercial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be a historic resource as defined by Act 381, as amended.

The property was listed as a Michigan Historic Site in 1975 and was individually listed in the National Register of Historic Places in 1980. In addition, the property is listed in Detroit's local Madison-Harmonie Historic District.

Eligible Activities and Projected Costs

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Sec 2 of Act 381, because they include pre-approved activities, demolition and asbestos abatement, infrastructure improvements, site preparation, development/preparation and implementation of brownfield plan and/or 381 work plan, interest, and a 15% contingency. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to commence in summer of 2019 and be completed within 9 months.

Tax Increment Financing (TIF) Capture

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan pursuant to the terms of a Reimbursement Agreement with the DBRA.

COSTS TO BE REIMBURSED WITH TIF

	<u>Original Plan</u>	<u>Amended Plan</u>
1. Environmental Assessments	\$7,600.00	\$7,186.00
2. Demolition	\$149,000.00	\$583,687.00
3. Asbestos Activities	\$50,000.00	\$168,620.00
4. Infrastructure Improvements	\$75,000.00	\$577,172.00
5. Site Preparation	\$201,313.00	\$115,404.00
6. Brownfield Plan & Act 381 Work Plan	\$25,000.00	\$60,000.00
7. Contingency (15%)	\$71,297.00	\$216,732.00
8. Interest		\$1,150,063.00
Total Reimbursement to Developer	\$579,210.00	\$2,878,864.00
9. Authority Administrative Costs	\$24,267.00	\$505,425.00
10. State Brownfield Redevelopment Fund	\$82,856.00	\$269,379.00
11. Local Brownfield Revolving Fund	\$55,643.00	\$0.00
TOTAL Estimated Costs	\$741,975.00	\$6,532,531.00

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Developer is seeking additional incentives, which will include local and/or state approval of Obsolete Property Rehabilitation Act (OPRA) Tax Abatement and Historic Tax Credits.

DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the May 10, 2023 CAC meeting. Attached is the DBRA-CAC's letter of recommendation for the DBRA Board's consideration.

Public Comments

Attached were the results of the DBRA public hearing for the Plan that was held on Wednesday, May 17, 2023 in-person at the DEGC Offices.

Attached for the Board's review and approval was a resolution approving the Amended and Restated Harmonie Social Club Brownfield Plan and its submittal to Detroit City Council.

Mr. George called for a motion to approve the Amended and Restated Harmonie Social Club Brownfield Plan and its submittal to Detroit City Council, as presented. The Board took the following action:

Ms. McClain made a motion to approve the Amended and Restated Harmonie Social Club Brownfield Plan and its submittal to Detroit City Council, as presented. Ms. DeSantis seconded the motion.

DBRA Resolution Code 23-05-267-05 was unanimously approved.

ADMINISTRATIVE

DBRA Meeting Dates (FY 2023-2024)

Ms. Kanalos presented the DBRA Meeting Dates (FY 2023-2024) to the DBRA Board.

Mr. George called for a motion approving the DBRA Meeting Dates (FY 2023-2024), as presented. The Board took the following action:

Ms. Mays made a motion approving the DBRA Meeting Dates (FY 2023-2024), as presented. Ms. DeSantis seconded the motion.

DBRA Resolution Code 23-05-01-240 was approved.

DBRA/DEGC Professional Services Agreement (FY 2023-2024)

Ms. Kanalos presented the DBRA/DEGC Professional Services Agreement (FY 2023-2024) to the DBRA Board.

Attached to the resolution, was a Professional Services Agreement for FY 2023-24 between the Detroit Brownfield Redevelopment Authority ("the DBRA") and the Detroit Economic Growth Corporation ("the DEGC") in the amount of Eight Hundred Forty Thousand (\$840,000.00) Dollars for the Board's review and approval.

Mr. George called for a motion approving the DBRA/DEGC Professional Services Agreement (FY 2023-2024), as presented. The Board took the following action:

Ms. DeSantis made a motion approving the DBRA/DEGC Professional Services Agreement (FY 2023-2024), as presented. Ms. McClain seconded the motion.

DBRA Resolution Code 23-05-01-241 was approved.

Election of Officers (FY 2023-2024)

Ms. Kanalos presented the Election of Officers (FY 2023-2024) to the DBRA Board.

The Brownfield Redevelopment Financing Act 381, Public Acts of Michigan Act 1996, as amended, states that the Officers of the Board of Directors shall be elected annually.

The current DBRA Board officer positions are as follows:

Raymond Scott-Chairperson
John George-Vice Chairperson
Pamela McClain-Secretary
Stephanie Washington-Treasurer.

DBRA staff proposed that the Board Chair open the floor to nominations, followed by a vote of the Board.

The Board took the following action:

Ms. McClain made a motion to table the Election of Officers (FY 2023-2024) until the next DBRA Board meeting. Mr. Gonzalez seconded the motion.

OTHER

Ms. DeSantis asked if there were any updates on the reappointments of the current DBRA Board Members. Mr. Vosburg stated that there are no updates on the reappointments of the current DBRA Board Members.

ADJOURNMENT

Citing no further business, Mr. George called for a motion to adjourn the meeting.

On a motion by Ms. DeSantis, seconded by Mr. Gonzalez, the meeting was unanimously adjourned at 4:25 PM.



CODE DBRA 23-05-02-323

APPROVAL OF MINUTES OF MAY 10, 2023

RESOLVED, that the minutes of the regular meeting of May 10, 2023 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Detroit Brownfield Redevelopment Authority.

May 24, 2023



DBRA 23-05-03-235

ACCEPTANCE OF TREASURER'S REPORT FOR APRIL 2023

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period April 1 through April 30, 2023, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

May 24, 2023



CODE DBRA 23-05-01-239

ADMINISTRATION: DBRA BUDGET FOR FY 2023-2024

WHEREAS, the DBRA is receiving revenue from Brownfield Plan application and processing fees and from administrative fees permissible under Act 381, Public Acts of Michigan, 1996, as amended (“Act 381”); and

WHEREAS, the DBRA staff has prepared the attached DBRA Budget for FY 2023-2024 (the “Budget”) (Exhibit “A”); and

WHEREAS, on May 24, 2023 the DBRA Budget Committee reviewed and recommended adoption of the presented DBRA Budget for FY 2023-2024.

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors hereby approves the DBRA Budget for FY 2023-2024, as presented.

BE IT FINALLY RESOLVED, that all acts and transactions of any Officer or Authorized Agent of the DBRA, in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, as well as all budgets and budget amendments presented to the DBRA for the current and prior fiscal years, are hereby in all respects confirmed, approved and ratified.

May 24, 2023



CODE DBRA 23-05-267-05

AMENDED AND RESTATED HARMONIE SOCIAL CLUB BROWNFIELD REDEVELOPMENT PLAN

WHEREAS, pursuant to 381 PA 1996, as amended (“Act 381”), the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) has been established by resolution of the City Council of the City of Detroit (the “City Council”) for the purpose of promoting the revitalization of certain properties in the City of Detroit; and

WHEREAS, under Act 381 the DBRA is authorized to develop and propose for adoption by City Council a brownfield plan for one or more parcels of eligible property; and

WHEREAS, in accordance with the policies, procedures and bylaws governing the DBRA, the DBRA has submitted a proposed **Amended and Restated Brownfield Plan for Harmonie Social Club** (the “Plan”) to the Community Advisory Committee for its consideration and comment and has solicited comments from the public by publication of notice stating that the proposed Plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies; and

WHEREAS, the Community Advisory Committee has considered the proposed Plan and approved a resolution recommending the approval of the proposed Plan by the DBRA and the City Council as presented by the DBRA; and

WHEREAS, in accordance with the provisions of Act 381, the Board of Directors of the DBRA has considered the proposed Plan and desires to approve the proposed Plan and to request that City Council call a public hearing in accordance with Sections 14 and 14a of Act 381 to consider and adopt a resolution approving the proposed Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the DBRA has determined that the adoption of the **Amended and Restated Brownfield Plan for Harmonie Social Club** is consistent with the purposes and requirements of Act 381 and recommends submittal of the Plan to City Council for approval.

2. The Board of Directors of the DBRA has determined that the Plan constitutes a “Qualifying Downtown Brownfield Project” under that certain Interlocal Agreement by and between the DBRA and the City of Detroit Downtown Development Authority.

3. The Board of Directors of the DBRA approves the Plan substantially in the form attached hereto and on file with the Secretary of the DBRA.

4. Any Authorized Agent of the DBRA is hereby authorized and directed by the Board of the Directors of the DBRA to submit a certified copy of this Resolution and the Plan, substantially in the form attached hereto, to the City Clerk, together with a request that the City Council call a public hearing concerning the Plan and take all other actions required to approve the Plan in accordance with Act 381.

5. That any one of the officers and any one of the Authorized Agents of the DBRA or any two of the Authorized Agents of the DBRA shall hereafter have the authority to negotiate and execute all documents, contracts, or other papers, and take such other actions, necessary or appropriate to implement the provisions and intent of this Resolution on behalf of the DBRA.

6. That all of the acts and transactions of any officer or authorized agent of the DBRA, in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

7. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

May 24, 2023



CODE DBRA 23-05-01-240

ADMINISTRATION: SCHEDULE OF DBRA MEETINGS FOR FY 2023-2024

RESOLVED, that the Board of Directors of the Detroit Brownfield Redevelopment Authority (“the DBRA”) hereby adopts the following as its schedule for regular meetings for the fiscal year 2024-2024. Unless otherwise indicated or posted, such meetings will be held on the **second and fourth Wednesday** of each month at **4:00 PM** in the offices of the Detroit Economic Growth Corporation, 500 Griswold Street, Suite 2200, as follows:

2023

July 12, 2023
 July 26, 2023
 August 9, 2023
 August 23, 2023
 September 13, 2023
 September 27, 2023
 October 11, 2023
 October 25, 2023
 November 8, 2023
 November 29, 2023*
 December 13, 2023
 December 20, 2023*

2024

January 10, 2024
 January 24, 2024
 February 14, 2024
 February 28, 2024
 March 13, 2024
 March 27, 2024
 April 10, 2024
 April 24, 2024
 May 8, 2024
 May 22, 2024
 June 12, 2024
 June 26, 2024

*Due to a holiday, this meeting date varies from the regular schedule.

May 24, 2023



CODE DBRA 23-05-01-241

ADMINISTRATION: PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY AND THE DETROIT ECONOMIC GROWTH CORPORATION

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors hereby approves the Professional Services Agreement between the City of Detroit Brownfield Redevelopment Authority ("the DBRA") and the Detroit Economic Growth Corporation (the "DEGC") substantially as to form with the attached (Exhibit A), for FY 2023-24, and for the amount of Eight Hundred Forty Thousand (\$840,000.00) Dollars.

BE IT FURTHER RESOLVED, that the DBRA Board hereby authorizes any two Officers or designated Authorized Agents or one Officer and one designated Authorized Agent of the DBRA to execute the Agreement, and any and all documents necessary to implement the provisions and intent of this resolution.

BE IT FINALLY RESOLVED, that all of the acts and transactions of any Officer or Authorized Agent of the DBRA in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolution except that such acts were taken prior to execution of these resolution, are hereby in all respects confirmed, approved and ratified.

May 24, 2023