



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, MAY 22, 2024
4:15 PM**

BOARD MEMBERS PRESENT:

John George
Raymond Scott
Pamela McClain
Amanda Elias
Maggie DeSantis
Jose Lemus

BOARD MEMBERS ABSENT:

Juan Gonzalez
Sonya Mays
Eric Dueueke

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Sierra Spencer (DEGC/DBRA)
Nasri Sobh (DEGC)
Kevin Johnson (DEGC)
Orza Robertson (DEGC)
Anne Jamieson (Jamieson Consulting)
Marc Maxey (Ultreia)
Ellen Donnelly (Ultreia)
Sara Jo Shipley (PM Environmental)
Dan Gough (EGLE)
Jalaine Kane
Luke Fray
Matthew Fuller
Steve Kraihanzel
Brenda Shapiro



**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, MAY 22, 2024**

CALL TO ORDER

Chairperson Ray Scott 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

Mr. Scott called for a motion approving the agenda of the May 22, 2024 DBRA meeting, as presented.

The Board took the following action:

Ms. McClain made a motion approving the agenda of the May 22, 2024 DBRA meeting, as presented. Mr. George seconded the motion.

Approval of Minutes:

Mr. Scott called for a motion approving the minutes of April 17, 2024, as presented.

The Board took the following action:

Ms. DeSantis made a motion approving the minutes of the April 17, 2024 Board meeting, as presented. Ms. Elias seconded the motion.
DBRA Resolution Code 24-05-02-336 was unanimously approved.

Treasurer's Reports – March 2024

Ms. Kanalos presented the March 2024 Treasurer's Report.

Seeing no questions, Mr. Scott called for a motion to accept March 2024 Treasurer's Report, as presented.

The Board took the following action:

Mr. George made a motion accepting the March 2024 Treasurer's Report, as presented. Ms. McClain seconded the motion.
DBRA Resolution Code 24-05-03-246 was unanimously approved.

PUBLIC COMMENT

None.

PROJECTS

Land Assembly Project: Kettering Demolition and Remediation Authorization to Enter into Contract with Homrich, Inc.

Mr. Robertson presented the Land Assembly Project: Kettering Demolition and Remediation Authorization to Enter into Contract with Homrich, Inc. to the DBRA Board.

The DBRA staff is preparing the former Kettering High School in Detroit for demolition.

DBRA staff issued a Request for Proposals (“RFP”) on April 24, 2024 for Demolition and Remediation Services. The respondents to the RFP submitted proposals, which were reviewed by DBRA Staff to determine the most responsive firm to provide a cost proposal for the activities as described in the scope of work.

DBRA received six (6) responses to the RFP as follows:

Bidder	Location	Base Bid Price
Homrich, Inc.	Detroit, MI	\$2,733,000.00
Rentascent, Inc.	Indianapolis, IN	\$2,900,000.00
Adamo	Detroit, MI	\$3,156,900.00
Dore & Associates	Bay City, MI	\$3,529,600.00
Green City Demolition	Detroit, MI	\$3,855,000.00
Salenbien Trucking	Dundee, MI	\$6,371,657.37

The DBRA staff reviewed the proposals and determined the proposal submitted by Homrich, Inc. (the “Contractor”) to be most responsive based on the following reasons:

- Price comparable for requested scope
- Previous work experience with DBRA

The Contractor proposed a **not to exceed amount** of Two Million Seven Hundred Thirty-Three Thousand and 00/100 (\$2,733,000.00) Dollars for the performance of the Services.

DBRA staff is requesting the DBRA Board of Directors to authorize the execution of an agreement with the Contractor to provide the requested demolition and remediation Services as expressed in the RFP for the not to exceed price of Two Million Seven Hundred Thirty-Three Thousand and 00/100 (\$2,733,000.00) Dollars.

DBRA staff is also recommending that an owner’s contingency of approximately twenty percent (20%) of the contract value or Five Hundred Forty-Six Thousand Six Hundred and 00/100 (\$546,600.00) Dollars be established to be disbursed for the purpose of addressing possible unknown conditions upon the authorization of any two Officers, or any one of the Officers and any of the Authorized Agents of the DBRA.

The Services will be paid using State Land Bank Authority funding through the DBRA’s subgrant with the City of Detroit.

A resolution was attached for the Board’s consideration.

Mr. Scott asked if the contract amount includes the remediation services. Mr. Robertson confirmed that the contract amount includes remediation services.

Mr. George asked if DEGC Staff has contracted with the Contractor on past projects. Mr. Robertson stated that DEGC Staff has contracted with the Contractor in the past but it has been a few years and this would be the largest contract with the Contractor.

Mr. Scott called for a motion to approve the Land Assembly Project: Kettering Demolition and Remediation Authorization to Enter into Contract with Homrich, Inc., as presented. The Board took the following action:

Ms. McClain made a motion to approve the Land Assembly Project: Kettering Demolition and Remediation Authorization to Enter into Contract with Homrich, Inc., as presented. Mr. George seconded the motion.

DBRA Resolution Code 24-05-262-59 was unanimously approved.

Red Arrow Brownfield Redevelopment Plan: Security Agreement and Collateral Assignment of Tax Increment Revenues

Ms. Capler presented the Red Arrow Brownfield Redevelopment Plan: Security Agreement and Collateral Assignment of Tax Increment Revenues to the DBRA Board.

On January 11, 2023, the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) Board of Directors adopted a resolution authorizing the transmittal of the Brownfield Plan for Red Arrow (the “Plan”) to Detroit City Council (“City Council”) with a recommendation for approval. Detroit City Council approved the Plan on February 7, 2023. The Reimbursement Agreement (the “Agreement”) between the DBRA and Oxford Perennial Corktown PropCo II, LLC was entered into on September 19, 2023.

Since then, the Developer has requested that the DBRA sign-off on the attached Security Agreement and Collateral Assignment of Tax Increment Revenues (“Assignment”). As a result, the Developer would like to collaterally assign the TIF capture from the Plan to CIBC Bank USA (“Lender”) as a condition to secure a loan made to the Developer by Lender.

A copy of the Assignment and a resolution approving the Assignment and its subsequent execution were attached for the Board’s review and approval.

Mr. Scott called for a motion to approve the Red Arrow Brownfield Redevelopment Plan: Security Agreement and Collateral Assignment of Tax Increment Revenues, as presented. The Board took the following action:

Ms. DeSantis made a motion to approve the Red Arrow Brownfield Redevelopment Plan: Security Agreement and Collateral Assignment of Tax Increment Revenues, as presented. Mr. George seconded the motion.

DBRA Resolution Code 24-05-312-04 was unanimously approved.

16131 East Warren Avenue Brownfield Plan

Mr. Vosburg presented the 16131 East Warren Avenue Brownfield Plan to the DBRA Board.

Project Introduction

Ultreia, LLC is the project developer (“Developer”). The project contemplated at the Property consists of the renovation of a vacant mixed-used building into a 7-unit (4 commercial, 3 residential) modern building emphasizing the historic architectural characteristics. In addition to restoring the existing building, the developer’s goal is to provide well-designed, energy efficient, affordable residential units. In addition to a targeted rental range falling between 70%-80% Area Medium Income (AMI), affordability will be enhanced by equipping each unit with a highly efficient heat pump for heating and cooling and a solar array with a Powerwall (battery storage) to keep electric costs down and to provide power to each unit in the case of power outages. The ground floor commercial storefronts will be returned to their original configuration: the storefronts will be fully re-opened with large windows to emphasize the pedestrian-friendly scale and character of the East Warren Corridor. In addition, the developer will assume responsibility for the adjacent city-owned green spaces, to enhance, beautify, and maintain the corridor. It is currently anticipated that construction will begin in the summer of 2024 and eligible activities will be completed within eighteen (18) months thereafter.

The total investment is estimated to be \$3 million. The Developer is requesting \$722,471.00 in TIF reimbursement.

There are approximately 48 temporary construction jobs and approximately 1 permanent job is expected to be created by the project. Additional jobs are expected to be created by the future commercial tenants.

Property Subject to the Plan

The eligible property (the “Property”) consists of one (1) parcel, 16131 East Warren Avenue, and is bounded by East Warren Avenue to the south, Bedford Avenue to the East, a public alley to the north, and commercial properties to the west in the Morningside neighborhood.

Basis of Eligibility

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) it was previously utilized for a commercial purpose; (b) is located within the City of Detroit, a qualified local governmental unit; and (c) the Property has been determined to be “functionally obsolete” as defined by Act 381.

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 department specific activities, hazardous building materials survey, engineering studies, interior demolition and lead and asbestos abatement, site preparation, public infrastructure improvements, and the development, preparation and implementation of a brownfield plan and/or Act 381 work plan. The eligible activities are to be financed solely by the Developer. The DBRA will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated and captured from the Property. No advances have been or shall be made by the City or the DBRA for the costs of eligible activities under this Plan. The eligible activities are estimated to commence within 18 months of approval of the Plan and be completed within 3 years.

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

1. Pre-Approved Department Specific Activities	\$55,020.00
2. Due Care Activities	\$87,725.00
3. Demolition and Abatement	\$273,280.00
4. Infrastructure Improvements	\$126,500.00
5. Site Preparation	\$47,300.00
6. Brownfield Plan & Work Plan	\$45,000.00
7. Contingency (15%)	\$87,646.00
Total Reimbursement to Developer	\$722,471.00
8. Authority Administrative Costs	\$170,673.00
9. State Brownfield Redevelopment Fund	\$24,037.00
10. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$917,181.00

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 includes local and/or state approval of an Obsolete Property Rehabilitation Act (PA 146) Tax Abatement.

Attached for the Board’s review and approval was a resolution authorizing the 16131 East Warren Avenue Brownfield Plan for submittal to the Community Advisory Committee for consideration and comment within

30 days of their receipt of the proposed Plan. In addition, it authorizes the President of the Detroit Economic Growth Corporation or any person designated by him, as a representative of the DBRA, to conduct a public hearing in the area to which the Proposed Plan applies within the next 30 days. This public hearing may be held jointly with any public hearing conducted by the Community Advisory Committee.

Ms. Donnelly and Mr. Maxey provided more information about the project including the history of the Property, the goals of the project to restore the Property and help to strengthen the East Warren Avenue commercial corridor, the plans to make the commercial spaces universally accessible, to find Detroit-based small businesses to fill the commercial spaces on the Property, the outreach the Developers have done and plan to do to connect with the small businesses and the community, the plans for the residential units to be included in the project, the energy efficiency and solar power systems to be installed for the residential units, and the plans for outdoor spaces included in the project.

Ms. McClain stated that she is excited about the project, which is located not far from her home, and asked if the Developers have been in contact with the owners of the adjacent properties. Mr. Maxey stated that they have been in contact with the adjacent property owner who is looking forward to the project and would like to either sell or redevelop the property that he owns, and that the next building over is City-owned, but the Developer is hoping to encourage the redevelopment of the other properties on the block. Ms. Donnelly added that she believes the City is looking to gray-box the property that they own.

Ms. DeSantis asked for more information on the financing for the project. Mr. Maxey stated that the loan from Invest Detroit can be flexible if they are not able to secure commercial tenants in all the commercial spaces.

Ms. DeSantis asked if the loan from Invest Detroit is a construction loan. Mr. Maxey stated that the loan from Invest Detroit is a ten-year loan that is renewable and flexible. Ms. Jamieson added that the loan from Invest Detroit has flexible terms and does not have interest, and once the project has a certain debt service coverage ratio, the Developer will begin to pay down the principal amount of the loan.

Mr. Lemus asked for more information about the demolition activities that will be completed as part of the project. Ms. Jamieson stated that due to the current condition of the building, there is significant interior demolition that will need to be completed and then stabilization for the building will need to be completed prior to the build out of the residential and commercial units. Mr. Maxey stated that the building was constructed in such a way that should there be a collapse of the roofing due to fire or water damage, the main structure of the building would remain intact and allow for the structure to remain standing.

Ms. McClain asked when the project will begin construction. Ms. Donnelly stated that once the tax incentives are in place, construction would begin as soon as possible and likely in late summer of 2024.

Mr. George asked for the square footage of the second floor. Mr. Maxey stated that the second floor of the building is approximately 2,700 square feet.

Ms. Elias asked for clarification on which tax incentives are being pursued for the project. Ms. Jamieson stated that the project is seeking approval of an OPRA tax abatement and a brownfield plan.

Mr. Scott called for a motion to authorize a public hearing for the 16131 East Warren Avenue Brownfield Plan and its referral to the DBRA-CAC, as presented. The Board took the following action:

Ms. McClain made a motion to authorize a public hearing for the 16131 East Warren Avenue Brownfield Plan and its referral to the DBRA-CAC, as presented. Ms. DeSantis seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Ms. Elias, Mr. George, Mr. Lemus, Ms. McClain, and Mr. Scott

Nays: None.

DBRA Resolution Code 24-05-328-01 was unanimously approved.

ADMINISTRATIVE

Mr. Vosburg thanked Ms. Sierra Spencer for the work she did to upgrade the video and audio-conferencing system that will be used for all DBRA Board meetings going forward.

Mr. Vosburg also wanted to inform the Board that DBRA Staff have been working toward bringing the new housing TIF program online in the City and that there will be draft guidelines presented for the Board's consideration at a future meeting.

Ms. DeSantis asked if the State policy is what enables the local BRA's to utilize the new housing TIF program. Mr. Vosburg stated that a local policy is optional in order for local BRA's to utilize the new housing TIF program, and that the DBRA Staff has been waiting for MSHDA to release the State guidelines for the program in order to ensure the DBRA's guidelines are in line with the State.

Ms. DeSantis asked if developers have been contacting DBRA Staff with proposed projects to utilize the new housing TIF program. Mr. Vosburg stated that there have been several developers that have reached out to get more information about the housing TIF program and how it might help their projects.

Ms. DeSantis stated that she is looking forward to the launch of the housing TIF program and hopes that it will bring more residential projects that will have home ownership opportunities in the City.

OTHER

Ms. DeSantis stated that she would like to thank the DBRA Staff for working with the City Administration on the reappointments of DBRA Board Members.

Mr. Scott stated that BSEED has recently received two grants from EGLE, one for a specific project and one for environmental assessments that will be made available for a variety of projects in the City with a focus on properties adjacent to the Joe Louis Greenway.

ADJOURNMENT

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

On a motion by Mr. George, seconded by Mr. Lemus, the meeting was unanimously adjourned at 4:56 PM.



CODE DBRA 24-05-02-337

APPROVAL OF MINUTES OF APRIL 17, 2024

RESOLVED, that the minutes of the special meeting of April 17, 2024 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 22, 2024



DBRA 24-05-03-246

ACCEPTANCE OF TREASURER'S REPORT FOR MARCH 2024

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period March 1 through March 31, 2024, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

May 22, 2024



CODE DBRA 24-05-262-59

LAND ASSEMBLY PROJECT: KETTERING DEMOLITION AND REMEDIATION AUTHORIZATION TO ENTER INTO CONTRACT WITH HOMRICH, INC.

WHEREAS, DBRA staff is preparing the former Kettering High School in Detroit for demolition and remediation (the “Services”); and

WHEREAS, DBRA staff determined that it is necessary to obtain demolition and remediation services and on April 24, 2024, DBRA staff issued a Request for Proposals (“RFP”) for such services; and

WHEREAS, DBRA received 6 responses to the RFP and selected Homrich, Inc. as the lowest, most responsive bidder. (the “Contractor”); and

WHEREAS, DBRA staff is requesting the DBRA Board of Directors to authorize the execution of an agreement with the Contractor to provide the requested demolition and remediation services as expressed in the RFP for the not to exceed price of Two Million Seven Hundred Thirty Three Thousand and 00/100 (\$2,733,000.00) Dollars; and

WHEREAS, DBRA staff is also recommending that an owner’s contingency of approximately twenty percent (20%) of the contract value or Five Hundred Forty Six Thousand Six Hundred and 00/100 (\$546,600.00) Dollars be established for the purpose of addressing possible unknown conditions.

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors hereby authorizes the engagement of the Contractor to provide the Services for the not to exceed price of Two Million Seven Hundred Thirty-Three Thousand and 00/100 (\$2,733,000.00) Dollars.

BE IT FURTHER RESOLVED, that the DBRA Board of Directors hereby authorizes an Owner’s contingency of 20% of the contract value Five Hundred Forty-Six Thousand Six Hundred and 00/100 (\$546,600.00) Dollars for the purpose of addressing possible unknown conditions.

BE IT FURTHER RESOLVED, 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.

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 resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

May 22, 2024



CODE DBRA 24-05-312-04

RED ARROW BROWNFIELD REDEVELOPMENT PLAN: SECURITY AGREEMENT AND COLLATERAL ASSIGNMENT OF TAX INCREMENT REVENUES

WHEREAS, on January 11, 2023, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution recommending approval by the Detroit City Council of the Brownfield Plan (the "Plan") for a project captioned Red Arrow (the "Project"); and

WHEREAS, on February 7, 2023, the Detroit City Council approved the Plan;

WHEREAS, on September 19, 2023 the Reimbursement Agreement (the "Agreement") was made and entered into between the DBRA and Oxford Perennial Corktown PropCo II, LLC as developer of the Project; and

WHEREAS, the Assignment needs to be executed by Oxford Perennial Corktown PropCo, LLC and CIBC Bank USA with acknowledgement and approval by DBRA; and

WHEREAS, the DBRA Board of Directors desire to approve the substantial form of the Assignment and authorize its execution and delivery on behalf of the DBRA.

NOW THEREFORE BE IT RESOLVED, by the DBRA Board of Directors as follows:

1. The Assignment, substantially the form attached to this Resolution as Exhibit A, is hereby approved, with such necessary or desirable modifications, additions, deletions or revisions as are approved by DBRA legal counsel and the Officers or Designated Agents of the DBRA executing the Assignment.
2. The Certificate substantially the form attached to this Resolution as Exhibit B, is hereby approved, with such necessary or desirable modifications, additions, deletions or revisions as are approved by DBRA legal counsel and the Officers or Designated Agents of the DBRA executing the Assignment.
3. Any two (2) Officers or Designated Authorized Agents or any one (1) Officer and one (1) Designated Authorized Agent of the DBRA is hereby authorized and directed to execute and deliver the Assignment and Certificate.
4. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be repealed insofar as such conflict arises.
5. This Resolution shall take effect immediately upon its adoption.

BE IT FINALLY RESOLVED that all of the acts and transactions of any officer or authorized agent of the DBRA, in the name of 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.
May 22, 2024



CODE DBRA 24-05-328-01

16131 EAST WARREN AVENUE BROWNFIELD REDEVELOPMENT PLAN – TRANSMITTAL OF BROWNFIELD PLAN TO THE COMMUNITY ADVISORY COMMITTEE

WHEREAS, pursuant to 381 PA 1996 (“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”) for the purpose of promoting the revitalization of environmentally distressed areas in the City; 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, under the resolution establishing the DBRA and the bylaws of the DBRA requires the DBRA, prior to the approval of a brownfield plan, submit the proposed brownfield plan to the Community Advisory Committee for consideration and comment and solicit comments by publication of notice that the proposed brownfield plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies.

NOW, THEREFORE, BE IT RESOLVED:

1. The City of Detroit Brownfield Redevelopment Authority acknowledges receipt of the proposed Brownfield Plan for the **16131 East Warren Avenue Brownfield Redevelopment Plan** (the “Proposed Plan”) and authorizes and directs the Chairperson to cause the Proposed Plan to be transmitted to the Community Advisory Committee for consideration and comment within 30 days of their receipt of the Proposed Plan.

2. The President of the Detroit Economic Growth Corporation or any person designated by him, as a representative of the DBRA, shall conduct a public hearing in the area to which the Proposed Plan applies within the next 30 days. This public hearing may be held jointly with any public hearing conducted by the Community Advisory Committee.

3. The Chairperson is authorized and directed to cause there to be published notice that the Proposed Plan has been submitted to the Community Advisory Committee and of the public hearing to be held pursuant to 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 22, 2024



DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY

DBRA BOARD MEETING & CAC MEETING

Wednesday, May 22, 2024



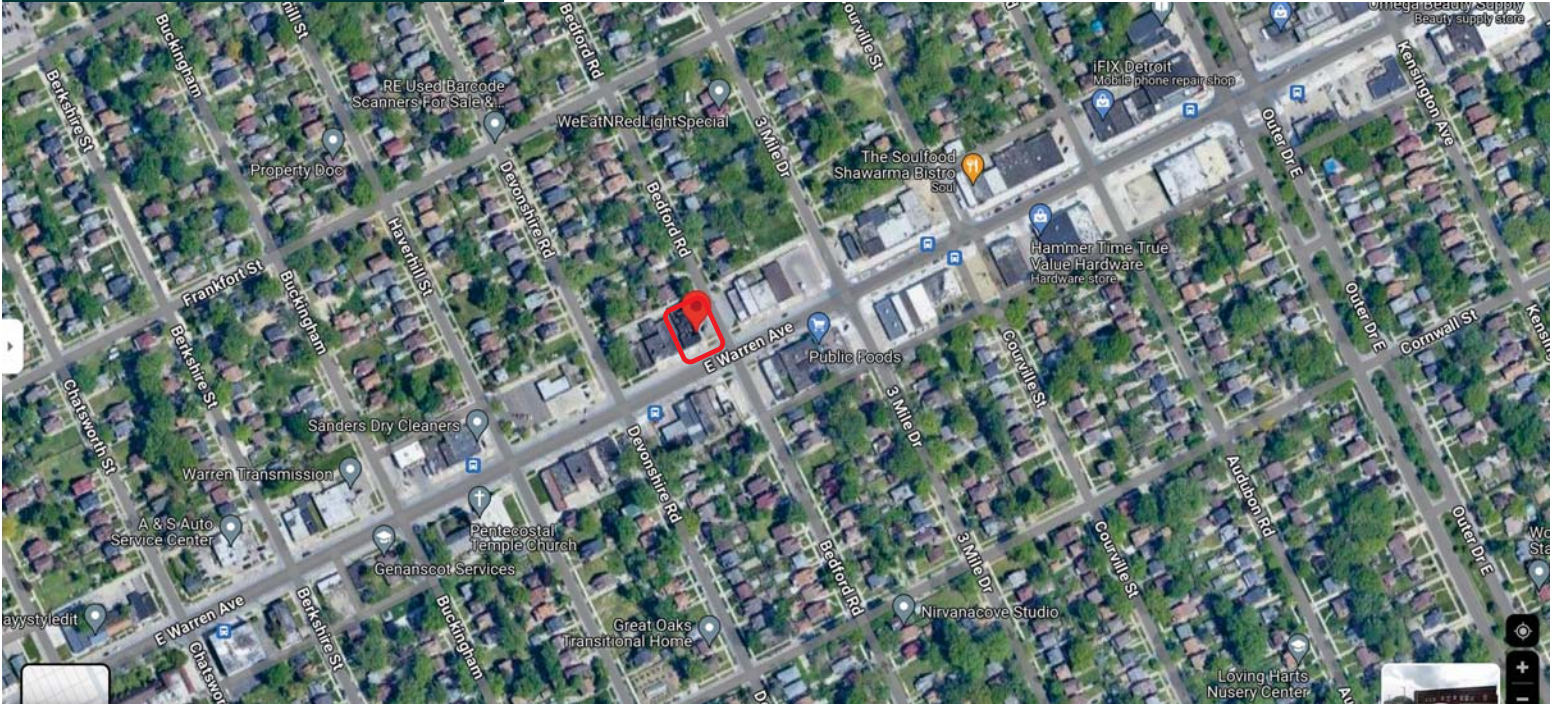
16131 E. Warren Avenue Brownfield Plan

**PUBLIC ACT
381**





16131 E. Warren Brownfield Plan | Location Map



16131 E. Warren Brownfield Plan | Current Conditions

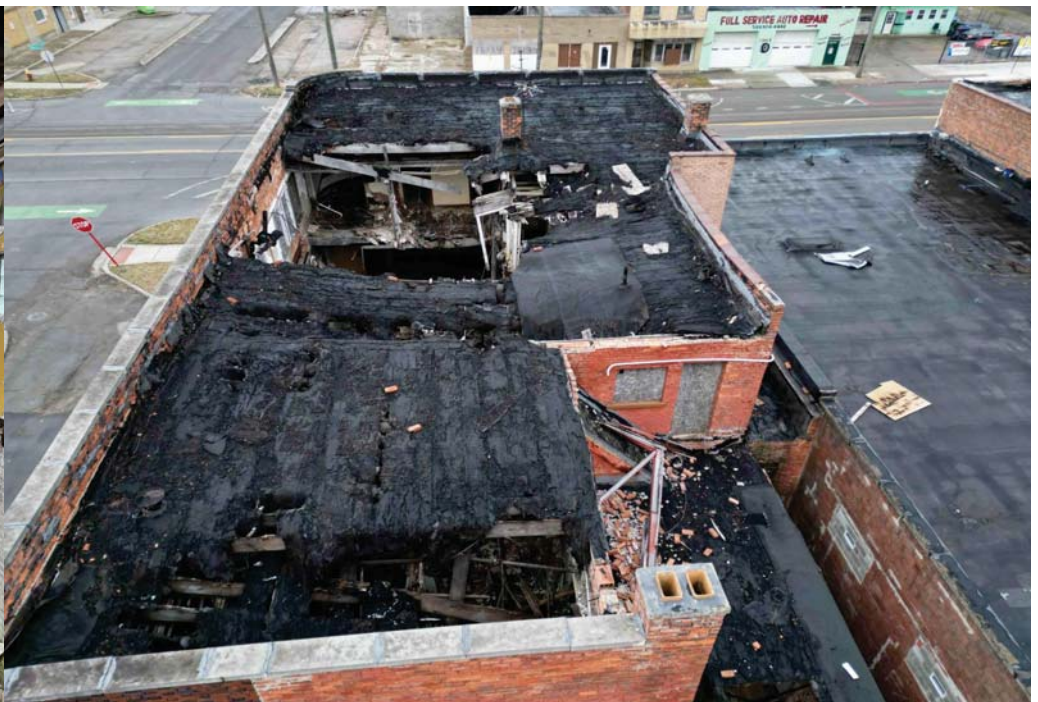




16131 E. Warren Brownfield Plan | Current Conditions



16131 E. Warren Brownfield Plan | Current Conditions





16131 E. Warren Brownfield Plan | Current Conditions

Detroit, Michigan

Google Street View

Sep 2023 See more dates



16131 E. Warren Brownfield Plan | Rendering





Invest Detroit Loan	\$475,000
Invest Detroit -SNF Loan	\$2,324,678
Deferred Developer Fees	\$100,000
Cash Equity Owner	\$152,946
Land/Building Contribution	\$9,000.00
Total	\$3,061,624