



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, MAY 22, 2024, 5:00 PM**

COMMITTEE MEMBERS PRESENT: **Omar Hasan**
Jeffrey Evans
Byron Osbern
George Etheridge
Ponce Clay
Rico Razo

COMMITTEE MEMBERS ABSENT: Abir Ali
Dr. Regina Randall
Marloshawn Franklin

OTHERS PRESENT: Brian Vosburg (DEGC/DBRA)
Jennifer Kanalos (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Sierra Spencer (DEGC/DBRA)
Anne Jamieson (Jamieson Consulting)
Marc Maxey (Ultreia)
Ellen Donnelly (Ultreia)



Call to Order

Chairperson, Mr. Razo, called the meeting to order at 5:10 p.m.

Ms. Kanalos took a roll call of the CAC Members present.

General

Approval of Minutes

Mr. Razo called for approval of the minutes of the March 27, 2024 DBRA-CAC meeting, as presented.

The Committee took the following action:

Mr. Etheridge made a motion approving the minutes of the March 27, 2024, meeting, as presented.

Mr. Osbern seconded the motion.

DBRA-CAC Resolution Code 24-05-02-181 was approved.

Projects

16131 East Warren Avenue Brownfield Redevelopment Plan

Mr. Vosburg presented the 16131 East Warren Avenue Brownfield Redevelopment Plan.

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 CAC’s review and approval were three (3) resolutions: 1.) a resolution supporting the Plan in the event the Committee does not deem it necessary to conduct a CAC public hearing and 2.) a resolution authorizing a public hearing in the project area and 3.) a resolution authorizing a public hearing in the project area and to appoint up to two special CAC members. The public hearing may be held jointly with any public hearing conducted by the Detroit Brownfield Redevelopment Authority.

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.



Mr. Razo asked if there would be any benefit to the commercial spaces from the solar panel system. Mr. Maxey stated that unfortunately there will not be any benefit to the commercial spaces from the solar panel system, but the commercial spaces will be energy efficient.

Mr. Razo asked if the Developer has considered installing garage door style windows in any of the commercial spaces to allow them to be opened and allow for café style seating. Mr. Maxey stated that they haven't considered garage door style windows for the commercial spaces but would be interested in enabling some café style seating for the commercial spaces.

Mr. Osbern stated that he thinks the energy efficiency goals of the project are commendable and asked what the construction timeline for the project is. Mr. Maxey stated that construction will begin once the tax incentives are in place, likely late summer 2024, and are hoping to complete construction in 18 months. Ms. Donnelly added that the majority of the predevelopment activities have been completed.

Mr. Osbern asked if there have been any efforts made for local hiring for the construction of the project. Ms. Donnelly stated that the general contractor for the project will be Artisan Construction, which is Detroit-based. Mr. Maxey added that Artisan Construction is also working on the Ribbon project, also located on East Warren Avenue.

Mr. Razo called for a motion regarding the 16131 East Warren Avenue Brownfield Redevelopment Plan.

Mr. Osbern made a motion to recommend approval of the 16131 East Warren Avenue Brownfield Redevelopment Plan to the DBRA Board. Mr. Hasan seconded the motion. DBRA-CAC Resolution Code 24-05-327-01 was 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 DBRA Board's consideration at a future meeting.

Mr. Razo asked if the renovation of single-family homes would qualify for the housing TIF program. Mr. Vosburg confirmed that the renovation of single-family homes would qualify for the housing TIF program.

Ms. Kanalos stated that there will be requirements for the rental rates for rental residential units, and for the sale prices of for-sale residential units.

Other

None.

Adjournment

Citing no further business, on a motion by Mr. Etheridge, seconded by Mr. Evans, Mr. Razo adjourned the meeting at 5:38 p.m.



CODE DBRA CAC 24-05-02-181

APPROVAL OF MINUTES OF MARCH 27, 2024

RESOLVED, that the minutes of the regular meeting of March 27, 2024 are hereby approved and all actions taken by the members present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Community Advisory Committee of the Detroit Brownfield Redevelopment Authority.

May 22, 2024



CODE DBRA-CAC 24-05-328-01

BROWNFIELD PLAN FOR 16131 EAST WARREN AVENUE

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") 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, pursuant to the resolution establishing the DBRA and the bylaws of the DBRA, the DBRA has submitted the proposed **Brownfield Plan for 16131 East Warren Avenue** (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its May 22, 2024 meeting, received, evaluated and considered the proposed Plan; and

WHEREAS, in accordance with the provisions of the resolution establishing the DBRA and the bylaws of the DBRA, the Community Advisory Committee desires to make recommendations to the DBRA and the Detroit City Council on the proposed Plan.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. After consideration of the proposed Plan, the Community Advisory Committee makes the following comment and recommendations on the proposed Plan:
 - a. The Community Advisory Committee has determined that it is appropriate for the achievement of the purposes of Act 381 of the DBRA to adopt a Brownfield Plan for the **16131 East Warren Avenue Redevelopment Project**.
 - b. The Community Advisory Committee recommends support of the proposed Plan presented to it.
2. The Chairperson of the Community Advisory Committee is authorized and directed to transmit a copy of this Resolution and the minutes of the public hearing on the proposed Plan and of the meeting at which this Resolution was adopted to the DBRA and the Detroit City Council as the report of the findings and recommendations of the Community Advisory Committee on the proposed Plan.
3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

May 22, 2024