



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
MINUTES OF THE  
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING  
WEDNESDAY, SEPTEMBER 28, 2022 - 5:00 PM**

**COMMITTEE MEMBERS**

**PRESENT:**

Rick Blocker  
Brad Lutz  
Dr. Regina Randall  
Rico Razo  
Kamal Cheeks

**COMMITTEE MEMBERS**

**ABSENT:**

Michelle Lee  
Allen Rawls  
Simone Sagovac

**OTHERS PRESENT:**

Jennifer Kanalos (DEGC/DBRA)  
Brian Vosburg (DEGC/DBRA)  
Cora Capler (DEGC/DBRA)  
Monika McKay-Polly (DEGC/DBRA)  
Roger Basmajian (Broadway Detroit Development II, LLC)  
Jessica DeBone (PM Environmental)  
Hari Krishna (Broadway Detroit Development II, LLC)  
Sam Sherman (Broadway Detroit Development II, LLC)  
Byron Osburn (IBEW 58)



### **Call to Order**

Mr. Cheeks, Chairperson, called the meeting to order at 5:00 p.m.

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

### **General**

#### **Approval of Minutes**

Mr. Cheeks called for approval of the minutes of the June 13, 2022 (resolution) DBRA-CAC meeting, as presented. The Committee took the following action:

Mr. Lutz made a motion approving the minutes of the June 13, 2022, meeting, as presented. Mr. Razo seconded the motion.

DBRA-CAC Resolution Code 22-09-02-169 was approved.

### **Projects**

#### **Amended and Restated Broadway Lofts Brownfield Redevelopment Plan**

Mr. Vosburg presented the Amended and Restated Broadway Lofts Brownfield Redevelopment Plan.

#### **Project Introduction**

Broadway Detroit Development II, LLC, a subsidiary of Basco of Michigan, Inc. is the project developer (the "Developer") for the Plan which entails the conversion of three buildings into a single multistory mixed-use building, with the addition of five stories of residential space above and will feature three retail spaces on both the ground and lower levels. There will be approximately 75 new residential units on floors 2 through eight, and will consist of studio, one bedroom, and two-bedroom layouts. A minimum of 20% of the residential units will be available at 80% of the Area Median Income (AMI).

Additionally, the first-floor retail space will feature an alleyway entrance between the Broadway Lofts Development and the north adjoining property. The existing alleyway will be reclaimed as a community gathering space and will be excavated, any utility services that can be upgraded will be, new pavements in both concrete and brick will be installed, and the alley will be revitalized through lighting, landscaping, artwork and murals. Green walls and planters will be installed to promote a more sustainable space.

The total investment has increased from an estimated \$11.9 million to \$32.5 million. The Developer is requesting \$3,831,257.00 in TIF reimbursement, an increase of \$2,703,807.00 from the Original Plan.

There will be 36 temporary construction jobs and 1 FTE job. The 36 temporary construction jobs are expected to be created over a 2-year period once construction begins. The 1 FTE jobs will be created directly by the Developer.

#### **Property Subject to the Plan**

The eligible property (the "Property") consists of three (3) parcels located at 1320, 1322 and 1332 Broadway on the eastern side of Detroit's Central Business District in the Paradise Valley neighborhood, on the east side of Detroit, bounded by an alley to the north, the property line of 1314 Broadway to the East, Broadway Street to the south, and the property line of 1344 Broadway Street to the west.

#### **Basis of Eligibility**

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized for a commercial and residential 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 “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 pre-approved activities, demolition, asbestos activities, infrastructure improvements, site preparation, interest, and preparation and implementation of Brownfield Plan and/or 381 Work Plan. 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 the summer of 2019 and will be completed within 10 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**

|   | <b>Original Plan</b>  | <b>Amended Plan</b>   |
|---|-----------------------|-----------------------|
| 1. Environmental Assessments                      | \$6,500.00            | \$6,500.00            |
| 2. <b>Demolition</b>                              | <b>\$300,000.00</b>   | <b>\$879,281.00</b>   |
| 3. Lead and Asbestos Activities                   | \$10,000.00           | \$10,000.00           |
| 4. <b>Infrastructure Improvements</b>             | <b>\$365,000.00</b>   | <b>\$369,500.00</b>   |
| 5. <b>Site Preparation</b>                        | <b>\$278,000.00</b>   | <b>\$806,694.00</b>   |
| 6. <b>Brownfield Plan &amp; Act 381 Work Plan</b> | <b>\$25,000.00</b>    | <b>\$40,000.00</b>    |
| 7. <b>Contingency (15%)</b>                       | <b>\$142,950.00</b>   | <b>\$309,821.00</b>   |
| 8. <b>Interest</b>                                |                       | <b>\$1,409,461.00</b> |
| <b>Total Reimbursement to Developer</b>           | <b>\$1,127,450.00</b> | <b>\$3,831,257.00</b> |
| 9. Authority Administrative Costs                 | \$145,765.00          | \$712,133.00          |
| 10. State Brownfield Redevelopment Fund           | \$165,572.00          | \$400,772.00          |
| 11. Local Brownfield Revolving Fund               | \$82,701.00           | \$0.00                |
| <b>TOTAL Estimated Costs</b>                      | <b>\$1,521,488.00</b> | <b>\$4,944,162.00</b> |

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.

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.

Mr. Vosburg provided more information about the project and how its structural obsolescence, and the financial climate has created the need for additional funding.

Mr. Vosburg also explained how the necessary reconfiguration of the architectural plan the project no longer meets the standard of historic rehabilitation, and the Michigan Strategic Fund (MSF) has asked that the qualification be changed from “historic” to “functionally obsolete” and that a letter from the City Assessor’s office is included in the Plan and supports this qualifying change.

Mr. Basmajian explained that he was experiencing technical difficulties with his Zoom connection and that Jessica DeBone of PM Environmental would do the presentation, and that he would be available for questions.

Ms. DeBone provided a recap of the project, details of the need for the Amended Plan, information on how the cost-effective approach of the project will retain the Property's historic character and façade, and that the proposed technique upholds industry standards.

Mr. Razo asked how the current project buildout might be impacted if the anticipated funding sources are not acquired. Mr. Basmajian stated that any funds that have not been secured would not require any additional amendments to the Plan.

Mr. Blocker asked if once the Amended Plan is approved if cost overruns would hinder the project from being completed. Mr. Basmajian stated that the project would be completed one way or another and that any additional funds needed would come from additional equity and/or additional lending. After tracking construction costs for several years, Mr. Basmajian felt that the project costs he currently has are solidified and include any potential additional inflationary costs.

Mr. Lutz asked what amenities associated with this project would be of benefit to the public. Mr. Basmajian stated that extensive alley work, as well as public infrastructure improvements around the Property, and landscaping improvements would benefit the City and the neighborhood.

Dr. Randall asked if there are community groups in the area. Mr. Basmajian stated that the Paradise Valley Conservancy is a community group in the area and has provided written support for the project.

Mr. Cheeks asked if there were any alternative construction methods and materials that have been considered considering rising costs. Mr. Basmajian explained the constraints that are experienced when redeveloping this historic structure, the alternative engineering methods that are being used, and provided a summary of the efforts made for value engineering.

Mr. Blocker asked for the explanation of the change in qualification for the Properties included in the Plan. Mr. Vosburg stated that since the project no longer qualifies as a historic rehabilitation, the MSF has requested that the Property be qualified as Functionally Obsolete.

Mr. Cheeks called for a motion regarding the Amended and Restated Broadway Lofts Brownfield Redevelopment Plan, as presented.

Dr. Randall made a motion to recommend approval of the Amended and Restated Broadway Lofts Brownfield Redevelopment Plan. Mr. Lutz seconded the motion.  
DBRA-CAC Resolution Code 22-09-266-02 was approved.

## **Administrative**

### **Election of Ninth Member**

Ms. Kanalos provided information regarding need to appoint of a ninth board member and the criteria for being considered for the DBRA-CAC.

The DBRA Bylaws provide that four members of the DBRA-CAC are appointed by City Council, four by the Mayor, and one member is appointed by the Committee itself.

Allen Rawls was first appointed by the DBRA-CAC as the ninth member of the DBRA-CAC on September 8, 2010, and has been subsequently reappointed to that position through 2022. Earlier this year, Mr. Rawls stated that he intends to step down from the DBRA-CAC in the fall of 2022.

DBRA staff wanted to listen to the DBRA-CAC on their thoughts about the nomination process for the ninth member position and the format the Committee would like to use to review the election of the ninth member.

Mr. Razo asked about an individual that he has considered recommending for the available position. Since they work for a popular general contractor, he wondered if there would be a possible conflict of interest for this person. Mr. Vosburg stated that there would only be a potential conflict if the company the person worked for was bidding or working on a project before the DBRA-CAC. If there was conflict of interest, the DBRA-CAC member would recuse themselves from discussing and voting on the agenda item.

Ms. Kanalos explained that she would like to have several people available for the board to consider and vote on at a future DBRA-CAC meeting.

**Other**

None.

**Public Comment**

None.

**Adjournment**

Citing no further business, Mr. Cheeks called for a motion to adjourn the meeting. On a motion by Mr. Blocker, seconded by Dr. Randall, Mr. Cheeks adjourned the meeting at 5:25 p.m.



**CODE DBRA CAC 22-09-02-169**

**APPROVAL OF MINUTES OF JUNE 13, 2022**

RESOLVED, that the minutes of the regular meeting of June 13, 2022, 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.

September 28, 2022



CODE DBRA-CAC 22-09-266-02

**AMENDED AND RESTATED BROADWAY LOFTS 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") 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 Amended and Restated Broadway Lofts Project** (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its September 28, 2022 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 **Amended and Restated Broadway Lofts Brownfield 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.

September 28, 2022