



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
SPECIAL COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, AUGUST 2, 2023 - 4:00 PM**

COMMITTEE MEMBERS

PRESENT:

Rico Razo
Abir Ali
Byron Osbern (arrival at 4:15 pm)
George Etheridge
Ponce Clay
Jeffrey Evans
Marloshawn Franklin
Dr. Regina Randall (arrival at 4:17 pm)

COMMITTEE MEMBERS

ABSENT:

Abir Ali
Omar Hasan

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Monika Mc-Kay Polly (DEGC/DBRA)
Sierra Spencer (DEGC/DBRA)
Ryan Higuchi (EBE Bethune LLC)
Edi Demaj (EBE Bethune LLC)
Samantha Seimer (Piquette Holdings LLC)
Apostolos Sinanis (Piquette Holdings LLC)
Christos Moises (Piquette Holdings LLC)
Jeremy McCallion (Piquette Holdings LLC)



Call to Order

Mr. Razo called the meeting to order at 4:08 p.m.

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

General

Approval of Minutes

Vice Chair Mr. Osborn called for approval of the minutes of the May 10, 2023 (resolution) DBRA-CAC meeting, as presented.

Mr. Etheridge noted Mr. Razo had been listed as both in attendance and absent.

Mr. Razo called for a motion to approve the minutes as amended.

The Committee took the following action:

Mr. Franklin made a motion approving the minutes of the May 10, 2023, meeting, as amended. Mr. Etheridge seconded the motion.
DBRA-CAC Resolution Code 23-08-02-177 was unanimously approved.

Projects

210 Bethune Brownfield Redevelopment Plan

Mr. Vosburg, Mr. Demaj and Mr. Higuchi presented the 210 Bethune Brownfield Redevelopment Plan.

Project Introduction

EBE Bethune, LLC is the project developer ("Developer"). The Property is occupied by a two-story building (the main building) that was previously utilized as a mounted police station, and a two-story building (the eastern building) that was previously utilized for storage and horseshoeing. Both buildings were operated by the City of Detroit's Police Department until the mounted police division was disbanded in 2005 and the buildings have been unoccupied since that time. Prior to its use as a mounted police station, the Property was occupied by residential dwellings as early as 1897. Phase I of the project will redevelop the main building into office space consisting of approximately 9,067 square feet which will be occupied Kode Labs, the Developer's parent entity. Phase II of the project will commence after the redevelopment of the main building has been completed and will consist of approximately 1,150 square feet of retail or restaurant space. Additionally, the overgrown vegetation on the eastern portion of the Property will be cleared to create an outdoor event space that will be open for public use with landscaping that includes open green space, native pollinator garden beds, street trees, and sidewalk improvements. It is currently anticipated construction for Phase I will begin in the fall of 2023 and all eligible activities are anticipated to be completed within two (2) years thereafter. Phase II is estimated to begin in late 2025.

The total investment is estimated to be \$2.7 million. The Developer is requesting \$826,203.00 in TIF reimbursement.

There will be approximately 48 temporary construction jobs and approximately 20 permanent jobs are expected to be created by the project.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcel, bounded by East Bethune Street to the north, John R Street to the east, Custer Avenue to the south, and the property line to the west in North End 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 is determined to be a “facility” 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 environmental assessment activities, due care activities, interior demolition and asbestos abatement, infrastructure improvements, site preparation, and the development, preparation and implementation of a brownfield plan and an Act 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 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. Environmental Assessment Activities	\$31,320.00
2. Department Specific Activities	\$138,000.00
3. Demolition	\$92,400.00
4. Asbestos and Lead Abatement	\$215,000.00
5. Site Preparation	\$52,050.00
6. Infrastructure Improvements	\$158,970.00
7. Brownfield Plan & Work Plan	\$40,000.00
8. Contingency (15%)	\$98,463.00
Total Reimbursement to Developer	\$826,203.00
9. Authority Administrative Costs	\$160,140.00
10. State Brownfield Redevelopment Fund	\$51,327.00
11. Local Brownfield Revolving Fund	\$37,811.00
TOTAL Estimated Costs	\$1,075,481.00

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 are 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.



The floor was opened for questions.

Mr. Clay asked what the anticipated date for completion is. Mr. Higuchi answered that the estimated completion is early 2025.

Mr. Etheridge asked Mr. Vosburg if the tax capture starting in 2025 would be one continuous timeline or two separate capture timelines due to the separate structures. Mr. Vosburg explained that the second structure is small, but ultimately would result in a slight increase in TIF reimbursement once the structure is complete.

Mr. Osbern asked for the development team to elaborate on how they conducted community outreach and how they were able to obtain their letters of support. Mr. Demaj stated that through their continuous work in Detroit, they have been able to be introduced to individuals in the community and have had communications with them. Mr. Demaj added that he and his team have been able to explain their goals and desire to be a part of the community.

Mr. Clay asked when community engagement began with Lower North End and Urban Farming. Mr. Demaj responded that engagement had begun prior to COVID-19, and some engagement has been facilitated through those individuals. Mr. Higuchi added that they met with members of the community on May 4, 2023, to answer any outstanding questions, along with staying in communication with active members of the community.

Mr. Evans asked which construction company was being utilized for the project. Mr. Demaj stated their construction was being done by Artisan and added that they are based in Detroit.

Mr. Etheridge if a company had been identified to handle asbestos mitigation. Mr. Higuchi responded that there is asbestos in the building, but a thorough survey of the building has not been completed yet, as a result a contractor has not been selected.

Mr. Clay asked how Mr. Demaj plans to hold Artisan accountable for their efforts to hire a Detroit-based subcontractor. Mr. Demaj answered that each company hired to complete a task must have at least three bids, one of which will need to be Detroit based. Mr. Demaj added that their push is to hire Detroit-based companies.

Mr. Razo asked if a retailer had been identified for the secondary space. Mr. Demaj stated that no retailer has been chosen, but they are open to any ideas. Mr. Razo asked what the community wanted the space to be used for. Mr. Demaj answered that ideas surrounding artistic venues and coffeeshops had been discussed but nothing definitive has been determined.

Mr. Razo called for public comment. Hearing none, Mr. Razo called for a motion regarding the 210 Bethune Brownfield Redevelopment Plan.

Mr. Osbern made a motion to recommend approval of the 210 Bethune Brownfield Redevelopment Plan to the DBRA Board. Mr. Clay seconded the motion.
DBRA-CAC Resolution Code 23-08-319-01 was unanimously approved.

610 Piquette Brownfield Redevelopment Plan

Mr. Vosburg and Mr. Moises presented the 601 Piquette Brownfield Redevelopment Plan

Project Introduction

601 Piquette Holdings, L.L.C. is the project developer ("Developer"). The project will include rehabilitation and extensive repair to the current ~515,000 square foot building and associated parking located on the



Property. A comprehensive redevelopment plan has not yet been finalized, but will likely incorporate high-tech manufacturing, logistics, distribution, and warehousing associated with manufacturing operations. The proposed redevelopment will allow for the expansion of existing businesses in Detroit and will create a viable industrial property which meets the demands of modern industrial operations. It is currently anticipated that pre-development activities will begin in the summer of 2023 and eligible activities will be completed within twelve (12) months.

The total investment is estimated to be \$22.3 million. The Developer is requesting \$11,868,246.00 in TIF reimbursement.

There will be approximately 60 temporary construction jobs expected and approximately 3 permanent jobs to be created by the developer. Additional jobs are anticipated to be created by the end user of the project.

Property Subject to the Plan

The eligible property (the “Property”) consists of two (2) parcels, 601 Piquette and 530 Piquette, bounded by a rail line (prior to East Milwaukee Avenue) to the north, Hastings Street to the east, Harper Avenue to the south and Beaubien Boulevard to the west. Piquette Avenue runs between the two parcels in the Milwaukee Junction 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 Properties are determined to be “facilities” 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, due care activities, demolition, lead, asbestos and mold survey and abatement, infrastructure improvements, interest, and the development, preparation and implementation of a brownfield plan and an Act 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 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 Environmental Activities	\$199,000.00
2. Due Care Compliance Activities	\$3,029,000.00
3. Demolition	\$1,154,821.00
4. Asbestos, Lead, and Mold Activities	\$2,810,000.00
5. Infrastructure Improvements	\$89,701.00
6. Contingency (15%)	\$1,062,528.00
7. Brownfield Plan & Work Plan	\$60,000.00
8. Interest	\$3,463,196.00
Total Reimbursement to Developer	\$11,868,246.00
9. Authority Administrative Costs	\$1,796,198.00



10. State Brownfield Redevelopment Fund	\$465,725.00
11. Local Brownfield Revolving Fund	\$740,455.00
TOTAL Estimated Costs	\$14,870,624.00

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 Industrial Facilities Exemption (PA 198) Tax Abatement.

Attached for the Board’s review and approval are 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.

The floor was opened for questions.

Mr. Evans asked what their position is on the content of Detroit companies and workers on this project. Mr. Moisesides responded that they have worked with a plethora of Detroit and minority-based companies with other projects and maintain those relationships and strive to exceed the requirements for Detroit companies and residents for the current project.

Mr. Clay asked Mr. Moisesides if the rail spur at the rear of the building was still active. Mr. Moisesides stated that it was recently purchased by a Soave affiliated company and is not active, though they are looking at options to activate this if potential tenants may have a need for rail.

Mr. Osbern asked Mr. Moisesides if they are using a general contractor or construction management firm. Mr. Moisesides explained that they have worked with general contractors and construction management teams in the past but usually serve as their own construction manager. Mr. Moisesides stated that given the thin margins on this project, they will be acting as their own construction manager for this project. Mr. Osbern asked how bids will be taken and how requests for proposals will be handled. Mr. Moisesides responded that typically they will seek at least three bids for each trade.

Mr. Etheridge asked staff if it is typical to receive applications for TIF that are speculative buildings that don’t have an identified end user. Mr. Vosburg stated that there have been many office buildings that fall under this category. Mr. Vosburg further explained that industrial buildings typically fall under this category because the construction timeline for industrial buildings is often longer than the amount of time prospective industrial tenants have to open their facilities.

Mr. Etheridge asked if there were any additional tax incentives being offered. Mr. Vosburg stated that no additional funds are being offered by the City at this time, however additional incentives could be offered to potential tenants of the building.

Mr. Osbern asked what parking would be available for employees of a user of the property. Mr. Moisesides referenced the map of the property and noted existing parking areas adjacent to the building and across the street that would be used for tenant parking.



Mr. Osbern suggested that Mr. Moises implement electric chargers in the parking lots. Mr. Moises stated that they have been planning to install EV chargers in the parking lot.

Mr. Razo called for public comment. Hearing none, Mr. Razo called for a motion regarding the 601 Piquette Brownfield Redevelopment Plan.

Mr. Osbern made a motion to recommend approval of the 601 Piquette Brownfield Redevelopment Plan to the DBRA Board. Mr. Clay seconded the motion.
DBRA-CAC Resolution Code 23-08-320-01 was unanimously approved.

Administrative

Meeting Dates for FY 2023-2024

Mr. Vosburg presented the proposed meeting dates for FY 2023- 2024.

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.

Mr. Razo called for a motion to approve the meeting dates for FY 2023-2024.

Mr. Osbern made a motion to approve the meeting dates for FY 2023-2024 as presented. Mr. Clay seconded the motion.
DBRA-CAC Resolution Code 23-08-01-59 was unanimously approved.

Election of the Ninth Member FY 2023-2024

Mr. Vosburg explained that with the June 30, 2023 expiration of the term of office of Mr. Byron Osbern, who continues to serve until he is reelected or a replacement member is elected, there is a need for a reelection or election of a new person to fill this position for a term to expire June 30, 2024.

Dr. Randall made a motion to reelect Mr. Osbern as the ninth committee member. Mr. Clay seconded the motion.
DBRA-CAC Resolution Code 23-08-01-60 reelecting Mr. Byron Osbern was unanimously approved.

Election of Officers FY 2023-2024

Mr. Vosburg explained that per the DBRA Bylaws, the Officers of the DBRA-CAC shall be elected annually.

Mr. Vosburg proposed that the CAC Chair open the floor to nominations, followed by a vote of the CAC members.



Dr. Randall made a motion to re-elect the current slate of officers. Mr. Franklin seconded the motion. Mr. Clay called for discussion.

Mr. Razo opened the floor for discussion. Mr. Clay asked Mr. Razo if, given his busy schedule, he accepts the reappointment nomination. Mr. Razo stated that he is more than willing to continue serving as Chair and enjoys the role.

Mr. Etheridge asked if Mr. Hasan could be elected, noting his absence. Mr. Vosburg stated that there are no prohibitions to electing an absent member to an officer position.

Mr. Razo asked if there was any further discussion. Hearing none, he asked for a vote on the Election of Officers for FY 2023-2024. DBRA-CAC Resolution Code 23-08-01-61 re-electing the current slate of officers was unanimously approved.

Other

None

Public Comment

None.

Adjournment

Citing no further business, on a motion by Mr. Osbern, seconded by Mr. Franklin, Mr. Razo adjourned the meeting at 5:00 p.m.



CODE DBRA CAC 23-08-02-177

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 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.

August 2, 2023



CODE DBRA-CAC 23-08-319-01

210 BETHUNE 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 210 Bethune** (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its July 26, 2023 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 **210 Bethune 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.

August 2, 2023



CODE DBRA-CAC 23-08-320-01

601 PIQUETTE 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 601 Piquette** (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its July 26, 2023 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 **601 Piquette 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.

August 2, 2023



CODE DBRA-CAC 23-08-01-59

ADMINISTRATION: SCHEDULE OF DBRA-CAC MEETINGS FOR FY 2023-2024

RESOLVED, that the Detroit Brownfield Redevelopment Authority Community Advisory Committee (“the DBRA-CAC”) hereby adopts the following as its schedule for regular meetings for fiscal year 2023-2024. Unless otherwise indicated or posted, such meetings will be held on the **second and fourth Wednesday** of each month at **5:00 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.

August 2, 2023



DBRA-CAC CODE 23-08-01-60

ADMINISTRATION: REAPPOINTMENT/APPOINTMENT OF NINTH CAC MEMBER

RESOLVED, that Byron Osbern is hereby reappointed/appointed as a DBRA Community Advisory Committee member for a term to expire June 30, 2024.

August 2, 2023



DBRA-CAC CODE 23-08-01-61

ADMINISTRATION: ELECTION OF OFFICERS FOR FY 2023-2024

RESOLVED, that the following are hereby elected as Officers of the Detroit Brownfield Redevelopment Authority Community Advisory Committee:

Rico Razo

Chairperson

Byron Osbern

Vice Chairperson

Dr. Regina Randall

Secretary

Omar Hasan

Treasurer

August 2, 2023