



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, MARCH 10, 2021
4:00 PM**

BOARD MEMBERS PRESENT:

Donele Wilkins
Pamela McClain
Maggie DeSantis
Sonya Mays
Stephanie Washington
Juan Gonzalez

BOARD MEMBERS ABSENT:

Raymond Scott
Amanda Elias
John George

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Paul Kako (DEGC)
Glen Long (DEGC)
Charlotte Fisher (DEGC)
Ngozi Nwaesei (Lewis & Munday)
Rod Hardamon (URGE Development)
Benecia Cousin (URGE Development)
Bret Stuntz (SME)
Jason Grobbel (Grobbel)
Ryan Chapp (Grobbel)
Dan Gough (EGLE)



**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, MARCH 10, 2021
HELD VIA ZOOM VIRTUAL MEETING**

CALL TO ORDER

Vice-Chairperson Maggie DeSantis called the meeting to order at 4:01 PM.

Ms. Kanalos took a roll call of the DBRA Board Members present.

GENERAL

Approval of Minutes:

Ms. DeSantis called for a motion approving the minutes of February 10, 2021 as presented. The Board took the following action:

Ms. Washington made a motion approving the minutes of the February 10, 2021 Board meeting, as presented. Ms. McClain seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Ms. Wilkins, Ms. Mays, Ms. Washington, Mr. Gonzalez, and Ms. McClain
Nays: None.

DBRA Resolution Code 21-03-02-288 was approved.

Treasurer's Report – January 2021

Mr. Long presented the January 2021 Treasurer's Report.

Ms. DeSantis called for a motion accepting the January 2021 Treasurer's Report as presented. The Board took the following action:

Ms. Wilkins made a motion accepting the January 2021 Treasurer's Report, as presented. Ms. McClain seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Ms. Wilkins, Ms. Mays, Ms. Washington, Mr. Gonzalez, and Ms. McClain
Nays: None.

DBRA Resolution Code 21-03-03-208 was approved.

PROJECTS

Grobbel Cold Storage Brownfield Redevelopment Plan: Reimbursement Agreement

Mr. Vosburg presented the Grobbel Cold Storage Brownfield Redevelopment Plan: Reimbursement Agreement to the DBRA Board.

On January 27, 2021, the City of Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution authorizing the transmittal of the Brownfield Plan for the Grobbel Cold Storage Redevelopment Project (the "Plan") to Detroit City Council ("City Council") with a recommendation for approval. The City Council public hearing for the Plan was held on February 18, 2021 and City Council is approved the Plan on March 9, 2021.

Project Introduction

E.W. Grobbel Sons, Inc. is the project developer (the “Developer”) for the Plan. The project entails the construction of a new cold storage facility on the Property (defined below). Construction is planned in two phases: an approximately 87,000 sq. ft. Phase I on the southern portion of the Property, and an approximately 53,000 sq. ft. Phase II expansion on the northern portion of the Property for a total of approximately 140,000 sq. ft. The storage facility will include a cooler, freezer, shipping and receiving, and office areas. The project will also include stormwater detention ponds designed to meet current City requirements. A bioswale and greenway are planned for the eastern side of the Property. Permeable paving is planned in the alley that runs north-south, adjacent to the planned bioswales/greenway.

The total investment is estimated to be \$33 million total for both phases. The Developer is requesting \$10,535,146.00 in TIF reimbursement.

There will be approximately 200 temporary construction jobs and a total of 300 FTE jobs created (150 FTE for Phase I and 150 FTE for Phase II).

Property Subject to the Plan

The eligible property (the “Property”) consists of fifty-five (55) parcels located east of Dequindre Street, west of St. Aubin Street, south of Superior Street and north of Illinois Street in Detroit’s Eastern Market district.

Basis of Eligibility

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Property was previously utilized for commercial, industrial, public, or residential purposes; (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 “Blighted” as defined by Act 381 or adjacent and contiguous to a blighted parcel.

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 site assessment and baseline environmental assessment (BEA) activities, due care activities, infrastructure improvements, demolition, site preparation, and preparation and implementation of a Brownfield Plan and 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. BEA Activities	\$34,000.00
2. Due Care Activities	\$67,250.00
3. Additional Response Activities	\$1,378,132.00
4. Demolition & Abatement	\$408,000.00
5. Site Preparation	\$2,180,700.00
6. Infrastructure Improvements	\$2,494,000.00
7. Brownfield Plan & Work Plan Preparation	\$30,000.00
8. Brownfield Plan & Work Plan Implementation	\$30,000.00
9. Contingency (15%)	\$979,212.00
10. Interest	\$2,933,852.00

Total Reimbursement to Developer	\$10,535,146.00
11. Authority Administrative Costs	\$2,326,873.00
12. State Brownfield Redevelopment Fund	\$547,031.00
13. Local Brownfield Revolving Fund	\$2,103,436.00
TOTAL Estimated Costs	\$15,512,486.00

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 an Industrial Facilities Exemption Abatement (PA 198).

The Agreement and a resolution approving the Agreement and its subsequent execution were attached for the DBRA Board’s review and approval.

Ms. DeSantis called for a motion to approve the Grobbel Cold Storage Brownfield Redevelopment Plan: Reimbursement Agreement, as presented. The Board took the following action:

Ms. Washington made a motion to approve the Grobbel Cold Storage Brownfield Redevelopment Plan: Reimbursement Agreement, as presented. Ms. Wilkins seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Ms. Wilkins, Ms. Mays, Ms. Washington, Mr. Gonzalez, and Ms. McClain

Nays: None.

DBRA Resolution Code 21-03-294-03 was approved.

7303 W. McNichols Brownfield Redevelopment Plan: Reimbursement Agreement

Ms. Capler presented the 7303 W. McNichols Brownfield Redevelopment Plan: Reimbursement Agreement to the DBRA Board.

On February 10, 2020, the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) Board of Directors adopted a resolution authorizing the transmittal of the Brownfield Plan for the 7303 W. McNichols Redevelopment Project (the “Plan”) to Detroit City Council (“City Council”) with a recommendation for approval. The City Council public hearing for the Plan was held on March 4, 2021 and City Council approved the Plan on March 9, 2021.

Project Introduction

7303 West McNichols, LLC is the project developer (the “Developer”) for the Plan. The project entails the demolition of the current vacant structures and the construction of a new mixed-use development with approximately 6,100 square feet of retail space on the ground floor with approximately 38 residential units on the upper floors. The residential units will consist of studio, one and two-bedroom units. All 38 of the residential units will be affordable with rental rates between 60-80% of the Area Median Income (AMI). The development is designed to have both a walk-up style building along Prairie Street and a traditional apartment building with elevator entry along McNichols Road. There will be a shared outdoor roof deck space available to the residents. With respect to parking there will be a surface lot on-site with 29 parking spaces to the rear of the development which will include approximately 14 covered spots and 15 uncovered spots. Additional parking is expected to be available on a City-owned offsite parking lot.

The total investment is estimated to be \$9.7 million. The Developer is requesting \$1,155,552.00 in TIF reimbursement however, only \$1,115,686 is projected to be captured over the life of the Plan.

There will be approximately 103 temporary construction jobs, 2 permanent jobs related to property management will be created by the Developer and approximately 23 permanent jobs are expected to be created by the retail tenants.

Property Subject to the Plan

The eligible property (the “Property”) consists of three (3) parcels bounded to the north by McNichols Road; to the south by a public alley; to the west by Prairie Street, and to the east by Monica Street along the northern border of the Fitzgerald neighborhood.

Basis of Eligibility

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Property was previously utilized for commercial and industrial purposes; (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 “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, department specific activities and additional response activities, demolition, site preparation, infrastructure improvements, and preparation and implementation of a Brownfield Plan and 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 Activities	\$32,100.00
2. Environmental Remediation Activities	\$274,900.00
3. Demolition & Asbestos Abatement	\$239,500.00
4. Site Preparation	\$30,884.00
5. Infrastructure Improvements	\$368,500.00
6. Urban Stormwater Management System	\$50,000.00
7. Brownfield Plan & Work Plan Preparation	\$15,000.00
8. Brownfield Plan & Work Plan Implementation	\$15,000.00
9. Contingency (15%)	\$144,568.00
Total Reimbursement to Developer	\$1,155,452.00
10. Authority Administrative Costs	\$211,174.00
11. State Brownfield Redevelopment Fund	\$80,967.00
12. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$1,447,593.00

*Developer is only projecting to receive \$1,115,686 in TIF Reimbursement.

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 a Commercial Rehabilitation Act (PA 210) and a Neighborhood Enterprise Zone (PA 147) Abatement. The Developer also plans to pursue a loan through the Michigan Economic Development Corporation's Community Revitalization Program (CRP) and a grant through the Michigan Department of Environment, Great Lakes, and Energy (EGLE).

The Agreement and a resolution approving the Agreement and its subsequent execution are attached for your review and approval.

Ms. DeSantis called for a motion to approve the 7303 W. McNichols Brownfield Redevelopment Plan: Reimbursement Agreement, as presented. The Board took the following action:

Ms. McClain made a motion to approve the 7303 W. McNichols Brownfield Redevelopment Plan, as presented. Ms. Wilkins seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Ms. Wilkins, Ms. Mays, Ms. Washington, Mr. Gonzalez, and Ms. McClain

Nays: None.

DBRA Resolution Code 21-03-295-03 was approved.

ADMINISTRATIVE

Ms. Kanalos provided an update to the DBRA Board regarding the Amended and Restated Former Free Press Building redevelopment project and the related Michigan Business Tax (MBT) Credit stating that the total investment amount and project scope were amended resulting in an adjustment to the MBT Credit amount at the Michigan Strategic Fund Board meeting on February 23, 2021.

OTHER

Ms. McClain asked if there is an estimate on when the DBRA Board meetings will resume in person. Ms. Jensen stated that according to the Open Meetings Act, as amended, we are able to hold DBRA Board meetings virtually through March 31, 2021 and DBRA Staff has not heard if there will be an extension of the State of Emergency at the State level or City level, and that DEGC Staff is still working in a remote work environment so there will need to be considerations taken when in person meetings resume.

PUBLIC COMMENT

None.

ADJOURNMENT

Citing no further business, Ms. DeSantis called for a motion to adjourn the meeting.

On a motion by Ms. Washington, seconded by Ms. McClain the meeting was unanimously adjourned at 4:12 PM.



CODE DBRA 21-03-02-288

APPROVAL OF MINUTES FEBRUARY 10, 2021

RESOLVED, that the minutes of the regular meeting of February 10, 2021 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.

March 10, 2021



DBRA 21-03-03-208

ACCEPTANCE OF TREASURER'S REPORT FOR JANUARY 2021

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period January 1 through January 31, 2021, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

March 10, 2021



CODE DBRA 21-03-294-03

GROBBEL COLD STORAGE BROWNFIELD REDEVELOPMENT PLAN: REIMBURSEMENT AGREEMENT

WHEREAS, on January 27, 2021, 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 Grobbel Cold Storage Redevelopment (the "Project"); and

WHEREAS, on March 9, 2021, the Detroit City Council voted to approve the Plan; and

WHEREAS, a condition to reimbursing the developer for eligible activities under the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA and E.W. Grobbel Sons, Inc. as developer of the Project; and

WHEREAS, the Agreement has been drafted, approved as to form by DBRA legal counsel; and

WHEREAS, the Board of Directors desires to approve the Agreement and authorize its execution and delivery on behalf of the DBRA; and

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

1. The Agreement, in substantially the form attached to this Resolution as Exhibit A, is hereby approved, with such necessary or desirable modifications additions, deletions or completions as are approved by DBRA legal counsel and the Officers or designated Authorized Agents of the DBRA executing the Agreement.
2. Any two Officers or designated Authorized Agents or one Officer and one designated Authorized Agent of the DBRA are authorized and directed to execute and deliver the Agreement.
3. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be and the same hereby are repealed insofar as such conflict arises.
4. 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 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.

March 10, 2021



CODE DBRA 21-03-295-03

7303 W. MCNICHOLS BROWNFIELD REDEVELOPMENT PLAN: REIMBURSEMENT AGREEMENT

WHEREAS, on February 10, 2021, 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 7303 W. McNichols Redevelopment (the "Project"); and

WHEREAS, on March 9, 2021, the Detroit City Council voted to approve the Plan; and

WHEREAS, a condition to reimbursing the developer for eligible activities under the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA and 7303 West McNichols, LLC as developer of the Project; and

WHEREAS, the Agreement has been drafted, approved as to form by DBRA legal counsel; and

WHEREAS, the Board of Directors desires to approve the Agreement and authorize its execution and delivery on behalf of the DBRA; and

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

1. The Agreement, in substantially the form attached to this Resolution as Exhibit A, is hereby approved, with such necessary or desirable modifications additions, deletions or completions as are approved by DBRA legal counsel and the Officers or designated Authorized Agents of the DBRA executing the Agreement.
2. Any two Officers or designated Authorized Agents or one Officer and one designated Authorized Agent of the DBRA are authorized and directed to execute and deliver the Agreement.
3. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be and the same hereby are repealed insofar as such conflict arises.
4. 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 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.

March 10, 2021