



Detroit Brownfield Redevelopment Authority  
500 Griswold Street • Suite 2200  
Detroit, Michigan 48226  
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**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
REGULAR BOARD OF DIRECTORS MEETING  
WEDNESDAY, FEBRUARY 13, 2019  
4:00 PM**

**BOARD MEMBERS PRESENT:**

Stephanie Washington  
Pamela McClain  
John George  
Matthew Walters  
Maggie DeSantis

**BOARD MEMBERS ABSENT:**

Juan Gonzalez  
Donele Wilkins  
Sonya Mays  
Ray Scott

**OTHERS PRESENT:**

Jennifer Kanalos (DEGC/DBRA)  
Brian Vosburg (DEGC/DBRA)  
Cora Capler (DEGC/DBRA)  
Paul Kako (DEGC)  
Ngozi Nwaesei (Lewis & Munday)  
Richard Barr (Honigman)  
Matthew Sosin (Albert Kahn)



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**MINUTES OF THE DETROIT BROWNFIELD  
REDEVELOPMENT AUTHORITY REGULAR MEETING  
WEDNESDAY, FEBRUARY 13, 2019  
DETROIT ECONOMIC GROWTH CORPORATION  
500 GRISWOLD SUITE 2200 DETROIT, MI – 4:00 PM**

**CALL TO ORDER**

Chair Matthew Walters called the meeting to order at 4:12 PM.

**GENERAL**

**Approval of Minutes:**

Mr. Walters called for a motion approving the minutes of January 23, 2019 as presented. The Board took the following action:

On a motion by Ms. DeSantis, seconded by Ms. McClain, DBRA Resolution Code 19-02-02-248 was unanimously approved.

**PROJECTS**

**Albert Kahn: Brownfield Redevelopment Plan**

Ms. Kanalos presented the Brownfield Plan for the Albert Kahn project to the DBRA Board.

**Project Introduction**

AK Owner LLC is the project developer (the “Developer”) for the Plan which entails the redevelopment of the Albert Kahn Building to create at least approximately 190 apartments (approximately 156 one-bedroom units, 21 two-bedroom units and 13 three-bedroom units) and rehabilitate or create up to 64,000 to 108,000 square feet of retail and other commercial space on the main floor and lower level concourse of the building. At least 20% of the building’s residential apartments will be affordable units offering rents considered affordable to residents with incomes of not more than 80% of the area median income. The overall building restoration will include improvements to the exterior and interior, including full redesigns of public areas. One of the parcels will be used for surface parking for residential tenants and may be available for customers of retail and other commercial tenants.

The total investment is estimated to be \$48 million. The Developer is requesting \$2,976,700.00 in TIF reimbursement.

There will be 300 temporary construction jobs and 6 FTE jobs. The 300 temporary construction jobs are expected to be created over a 2-year period once construction begins. The 6 FTE jobs may be related to property management.

### Property Subject to the Plan

The eligible property (the "Property") consists of two (2) parcels located in Detroit's New Center area, east of Second Avenue, on the south sides of Bethune Street.

### 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 and/or public purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; (c) it is functionally obsolete as defined by Act 381 and an historic resource, or, as to certain parcels, are adjacent and contiguous to the functionally obsolete property and historic resource and the development of the adjacent or contiguous parcels is estimated to increase the captured taxable value of the remainder of the eligible property.

### 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 demolition, asbestos and lead based paint assessment and abatement, infrastructure improvements, development and preparation of a brownfield plan and work plan, and brownfield plan implementation. 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 Assessments             | \$4,300.00            |
| 2. Demolition                            | \$1,857,400.00        |
| 3. Lead and Asbestos Activities          | \$855,000.00          |
| 4. Infrastructure Improvements           | \$200,000.00          |
| 5. Brownfield Plan & Act 381 Work Plan   | \$30,000.00           |
| 6. Cost Tracking Compliance              | \$30,000.00           |
| <b>*Total Reimbursement to Developer</b> | <b>\$2,976,700.00</b> |
| 7. Authority Administrative Costs        | \$860,539.00          |
| 8. State Brownfield Redevelopment Fund   | \$175,013.00          |
| 9. Local Brownfield Revolving Fund       | \$2,774,731.00        |
| <b>TOTAL Estimated Costs</b>             | <b>\$6,786,983.00</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 Commercial Rehabilitation Act (CRA) and Neighborhood Enterprise Zone (NEZ) Tax Abatements.

### DBRA-CAC Letter of Recommendation

The DBRA-CAC reviewed the plan at its special meeting on February 13, 2019 at 3:00pm and recommended approval as presented.

### Public Comments

The DBRA public hearing for the Plan was held on Thursday, February 7, 2019 at 5:30 pm at the Fisher Building located at 3011 W. Grand Blvd. in Detroit, Michigan. The results of the DBRA were attached for Board review.

Attached for Board review and approval was a resolution approving the Albert Kahn Brownfield Redevelopment Plan and its submittal to Detroit City Council.

Mr. George asked who currently owns the Albert Kahn Building. Mr. Sosin stated that he purchased the Albert Kahn Building in May 2018 from The Platform and he currently owns the Albert Kahn Building.

Mr. Walters called for a motion approving the Albert Kahn Brownfield Redevelopment Plan and its submittal to City Council as presented. The Board took the following action:

On a motion by Mr. George, seconded by Ms. Washington, DBRA Resolution Code 19-02-264-02 was unanimously approved.

### OTHER

Mr. George asked about the status of the DBRA purchasing tablets for use during DBRA Board meetings. Ms. Kanalos stated that the DBRA will provide a report at the next DBRA Board meeting scheduled for February 27, 2019.

### PUBLIC COMMENT

None.

### ADJOURNMENT

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

On a motion by Ms. DeSantis, seconded by Ms. McClain the meeting was unanimously adjourned at 4:18 PM.



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**CODE DBRA 19-02-02-248**

**APPROVAL OF MINUTES JANUARY 23, 2019**

RESOLVED, that the minutes of the regular meeting of January 23, 2019 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.

February 13, 2019



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**CODE DBRA 19-02-264-02**

**ALBERT KAHN 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 Council”) for the purpose of promoting the revitalization of environmentally distressed areas in the City of Detroit; 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, in accordance with the policies, procedures and bylaws governing the DBRA, the DBRA has submitted a proposed Brownfield Plan for the Albert Kahn Redevelopment Project (the “Plan”) to the Community Advisory Committee for its consideration and comment and has solicited comments by the public by publication of notice stating that the proposed Plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies; and

WHEREAS, the Community Advisory Committee has considered the proposed Plan and approved a resolution recommending the approval of the proposed Plan by the DBRA and the City Council as presented by the DBRA; and

WHEREAS, in accordance with the provisions of Act 381, the Board of Directors of the DBRA has considered the proposed Plan and desires to approve the proposed Plan and to request that City Council call a public hearing to consider and adopt a resolution approving the proposed Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the DBRA has determined that the adoption of the Brownfield Plan for the **Albert Kahn Redevelopment Project** is in keeping with the purposes of Act 381 and recommends submittal of the Plan to City Council for approval.

2. The Board of Directors of the DBRA approves the Plan substantially in the form attached hereto and on file with the Secretary of the DBRA.

3. Any Authorized Agent of the DBRA is authorized and directed to submit a certified copy of this Resolution and the Plan to the City Clerk, together with a request that the City Council call a public hearing concerning the Plan and to take all other actions required to approve the Plan in accordance with Act 381.

4. 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.

5. 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.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

February 13, 2019