



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, JUNE 12, 2019 -- 5:00 PM
AT DEGC OFFICES
500 GRISWOLD, SUITE 2200
DETROIT, MI**

COMMITTEE MEMBERS

PRESENT:

Rick Blocker
Kamal Cheeks
Brad Lutz
Allen Rawls
Rico Razo

COMMITTEE MEMBERS

ABSENT:

Michelle Lee
Simone Sagovac
Dr. Regina Randall
Sandra Stahl

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Emery Matthews (Real Estate Interests LLC)
Bret Stuntz (SME)
Kirstie Hardy (AKT Peerless)
Greg Rose (FCA)
Marc Brazeau (FCA)
Ron Stallworth (FCA)
Gianmarco Grogli (Tiberina)



Call to Order

Mr. Rawls, Chairperson, called the meeting to order at 5:22 p.m.

General

Approval of Minutes

Mr. Rawls called for approval of the minutes of the May 8, 2019 (resolution) DBRA-CAC meeting. The Committee took the following action:

On a motion by Mr. Cheeks, seconded by Mr. Razo, DBRA-CAC Resolution Code 19-06-02-140, approving the May 8, 2019 CAC minutes, as presented, was unanimously approved.

Projects

Brownfield Plan for Mack and Conner

Mr. Vosburg introduced the Brownfield Plan for Mack and Conner to the CAC members present.

Project Introduction

The Detroit Brownfield Redevelopment Authority (DBRA), is the project developer (the "Developer") for the Plan. The DBRA will conduct eligible activities to prepare the Property (defined below) for redevelopment and then transfer the Property to Fiat Chrysler Automobiles (FCA) or a related entity. Investigation and remediation activities will be conducted to prepare the Property for a \$1.6 billion investment that will revive and expand FCA's existing Mack Engine II Plant which will produce a new generation of Jeep cars and SUVs to keep the company competitive in the evolving international market. FCA hopes to reopen the plant by late 2020.

The Targeted Redevelopment Area (TRA) includes 276 adjacent parcels, including the Mack Engine Plant, which will undergo significant redevelopment activities to prepare for and support the Mack Engine Plant expansion. The redevelopment will have enormous economic impacts and remove blight conditions persistent throughout the area. City of Detroit City Council and the Michigan Strategic Fund must designate the TRA.

The total investment is estimated to be \$1.6 billion. The Developer is requesting \$200,087,692.00 in TIF reimbursement, however only \$33,526,056.00 in TIF Reimbursement is projected to be captured for the life of the Plan.

It is estimated that approximately 2,300 temporary construction jobs and new 3,850 FTE jobs will be created as a result of the FCA expansions at the Mack Engine II Plant.

Property Subject to the Plan

The eligible property (the "Property") includes a 276-parcel TRA, 8 parcels to the south along the Detroit River and two parcels to the north of the TRA. The Property is located on the east side of Detroit, south of I-94 and west of Conner Street.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized or is currently utilized for commercial, residential and/or industrial purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the parcels which comprise the Property are included within the TRA; or (d) if the parcel is not within the TRA, the

parcel has been determined to be a “facility,” functionally obsolete, blighted as defined by Act 381, or is adjacent and contiguous to one of the “facilities,” functionally obsolete, or blighted parcels.

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 (i.e. due care investigations, due care planning, soil remediation, dewatering and underground storage tank removal), property acquisition for economic development purposes, demolition, site preparation activities and public infrastructure improvements as well as the 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 eligible activities are estimated to commence within 18 months of approval of the Plan and be completed within 3 years after approval of the Michigan Strategic Fund work plan, if applicable, or 3 years after execution of the Reimbursement Agreement.

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. Predevelopment Activities (enviro investigation & planning)	\$1,179,997.00
2. Due Care Compliance & Response Activities	\$43,036,026.00
3. Property Acquisition for Economic Development	\$60,998,400.00
4. Demolition	\$2,783,480.00
5. Lead and Asbestos Activities	\$197,500.00
6. Site Preparation	\$31,145,880.00
7. 15% Contingency	\$11,249,682.00
8. Brownfield Plan & Act 381 Work Plan Prep	\$30,000.00
9. Brownfield Plan & Act 381 Work Plan Implementation	\$30,000.00
10. Interest (5% Simple)	\$49,403,728.00
*Total Reimbursement to Developer	\$200,087,692.00
11. Authority Administrative Costs	\$2,983,222.00
12. State Brownfield Redevelopment Fund	\$1,185,264.00
13. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$204,256,178.00

*Developer is only projecting to receive \$33,526,056 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

FCA will be seeking additional incentives, which will include local and/or state approval of Industrial Facilities Exemption PA 198 Tax Abatement.

Other Incentives

The Developer is seeking additional incentives, which will include local and/or state approval of Industrial Facilities Exemption PA 198 Tax Abatement.

Attached for 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. Stallworth provided more information on the project including what the hiring process will be for the new jobs, the expansion of the Jefferson North Assembly Plant, the retooling of the Mack Avenue Engine Plant, and which vehicles are currently assembled and will be assembled in those facilities, planned infrastructure and environmental improvements, and the results of the Community Benefits Ordinance.

Mr. Blocker stated that he supports the project but has concern that after applicable members of the United Auto Workers (UAW) exercise their recall rights there will not be as many new jobs available for Detroit residents as anticipated. Mr. Stallworth stated that FCA will comply with the collective bargaining agreement with UAW. Mr. Razo stated that FCA has a commitment to give Detroit residents first priority for the jobs created by the project for the next 30 years and not only for the first round of hiring when the project is completed.

Mr. Rawls asked if there have been efforts to prepare land near the project for suppliers to locate their facilities there. Mr. Stallworth stated that the City of Detroit has been making efforts to prepare land within the City so that it is ready and available for suppliers to locate near the project.

Mr. Rawls asked if FCA has been working with Southeastern High School to create training programs. Mr. Stallworth stated that FCA has been working with Southeastern High School to become an advanced manufacturing school in order to increase the enrollment and that FCA is giving the school a grant of \$1 million which will be matched by other institutions and along with other donations to make a significant investment in the school and the new programs. Mr. Stallworth also stated that FCA is also partnering with Wayne County Community College to create an advanced manufacturing program which will result in Associate degrees. FCA will also be hosting a manufacturing day at Southeastern High School and will be offering an internship program to the students at the school.

Mr. Cheeks asked why the DBRA is the developer for the Plan. Mr. Vosburg stated that the City of Detroit has asked the DBRA to perform land acquisition and site preparation activities on behalf of the City for the project.

Mr. Lutz asked if the \$200 million is inclusive of all eligible expenses for the project. Mr. Vosburg stated that the \$200 is inclusive of all eligible expenses for the project.

Mr. Razo asked if DTE is responsible for the eligible activities at the Conner Creek property. Mr. Vosburg stated that DTE will be demolishing the power plant at the Conner Creek property and following all clean up requirements mandated by the State of Michigan for power plants. The DBRA doesn't know the extent of DTE's demolition scope at this time. It is anticipated that the DBRA will have to perform some additional site preparation and environmental remediation activities after DTE finished the demolition anticipated to be complete by February 2020.

Mr. Rawls asked who the project team was for the project. Mr. Vosburg stated that AKT Peerless, SME, DLZ, and, Mannik & Smith, Angelo Iafrate, Blaze Contracting, the City of Detroit and DEGC staff all performed services for the project.

Mr. Rawls asked if there will be more Detroit-based contractors working on the project in the future. Mr. Vosburg confirmed that there will be more Detroit-based contractors working on the project in the future and that it is anticipated that pieces of the project may be broken into smaller parts that may be easier for smaller Detroit-based contractors to bid on. The DBRA is following the applicable Executive Orders.

Mr. Rawls called for a motion recommending approval of the Brownfield Plan for Mack & Conner.

Mr. Blocker motioned to recommend approval of the Brownfield Plan for Mack and Conner without a CAC public hearing and without appointing special members. Mr. Lutz seconded the motion. DBRA-CAC Resolution Code 19-06-269-01, recommending approval of the Brownfield Plan for Mack and Conner was unanimously approved.

Brownfield Plan for Marston and Morrow

Mr. Vosburg introduced the Brownfield Plan for Marston and Morrow to the CAC members present.

Project Introduction

Tiberina Detroit Inc. is the project developer (the "Developer") for the Plan which entails the construction of an industrial building on the property in each phase. It is anticipated that an approximately 74,350 square-foot industrial building will be constructed on the eastern side of the Property (defined below) as part of the first phase of the project. The second phase is anticipated to include the construction of an approximately 63,750 square-foot industrial building on the western side of the Property.

The total investment is estimated to be \$18.4 million for Phase 1 and \$17 million for Phase 2, for a total of approximately \$35.4 million. The Developer is requesting \$7,697,003.00 in TIF reimbursement.

Property Subject to the Plan

The eligible property (the "Property") will consist of two (2) parcels located north of the intersection of Marston and Morrow Streets, west of St. Aubin near Detroit's Milwaukee Junction neighborhood.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was is currently utilized for an industrial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the parcels that compose the Property are 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 site assessment and baseline environmental assessment (BEA) activities, due care activities, response activities, environmental insurance, demolition activities, asbestos, lead, and mold abatement, infrastructure improvements, site preparation activities, land bank title clearing, and preparation and implementation of a brownfield plan and 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 Assessments	\$97,000.00
2. Due Care and Other Response Activities	\$2,656,768.00
3. Demolition	\$628,000.00
4. Mold, Lead and Asbestos Activities	\$25,000.00
5. Infrastructure Improvements	\$817,600.00
6. Site Preparation	\$1,403,189.00
7. Brownfield Plan & Work Plan Preparation	\$30,000.00
8. Brownfield Plan & Work Plan Implementation	\$65,000.00
9. Contingency (15%)	\$829,583.00
10. Interest (5% simple)	\$1,417,863.00
Total Reimbursement to Developer	\$7,697,003.00
11. Authority Administrative Costs	\$1,733,739.00

12. State Brownfield Redevelopment Fund	\$612,496.00
13. Local Brownfield Revolving Fund	\$3,293,213.00
TOTAL Estimated Costs	\$13,336,451.00

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 PA 198 Tax Abatement.

Attached for 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. Matthews provided more information on the project including more information on the operations of the Developer, the estimated number of new jobs to be created which is 63, the training planned for the new jobs, the Developer’s contact with Detroit Employment Solutions and compliance with the applicable Executive Orders.

Mr. Stuntz provided more details on the historic uses of the Property and the required environmental remediation that needs to occur on the Property.

Mr. Razo asked if the projected number of jobs to be created is a fixed number. Mr. Matthews stated that the projected number of jobs to be created is for the first phase of the project. Mr. Grogli stated that if the the second phase were to occur, it would likely result in the doubling of employment at the project.

Mr. Rawls called for a motion recommending approval of the Brownfield Plan for Marston and Morrow.

Mr. Blocker motioned to recommend approval of the Brownfield Plan for Marston and Morrow without a CAC public hearing and without appointing special members. Mr. Lutz seconded the motion. DBRA-CAC Resolution Code 19-06-270-01, recommending approval of the Brownfield Plan for Marston and Morrow was unanimously approved.

Administrative

Approval of DBRA-CAC Meeting Dates (FY 2019-2020)

Ms. Kanalos presented the suggested FY 2019-2020 meeting schedule, keeping with the tradition of scheduling a meeting the second and fourth Wednesdays of each month, except for adjustments needed for holidays, at 5:00 pm at the DEGC offices at 500 Griswold, Suite 2200, Detroit, MI.

Mr. Rawls called for a motion recommending adoption of the FY 2019-2020 DBRA-CAC meeting schedule. The Committee took the following action:

On a motion by Mr. Blocker, seconded by Mr. Lutz, DBRA-CAC Resolution Code 19-06-01-47, approving the FY 2019-2020 DBRA-CAC meeting schedule, was unanimously approved.

Other

None.

Public Comment

None.

Adjournment

Citing no further business, Mr. Rawls adjourned meeting at 6:15 PM.



CODE DBRA CAC 19-06-02-140

APPROVAL OF MINUTES OF MAY 8, 2019

RESOLVED, that the minutes of the regular meeting of May 8, 2019 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.

June 12, 2019



CODE DBRA-CAC 19-06-269-01

MACK & CONNER 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 the Mack & Conner Project (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its June 12, 2019 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 **Mack & Conner 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.

June 12, 2019



CODE DBRA-CAC 19-06-270-01

MARSTON AND MORROW 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 the Marston and Morrow Project (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its June 12, 2019 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 **Marston and Morrow 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.

June 12, 2019



CODE DBRA-CAC 19-06-01-47

ADMINISTRATION: SCHEDULE OF DBRA-CAC MEETINGS FOR FY 2019-2020

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 2019-2020. 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:

2019

July 10, 2019
 July 24, 2019
 August 14, 2019
 August 28, 2019
 September 11, 2019
 September 25, 2019
 October 9, 2019
 October 23, 2019
 November 13, 2019
 November 20, 2019*
 December 4, 2019*
 December 18, 2019*

2020

January 8, 2020
 January 22, 2020
 February 12, 2020
 February 26, 2020
 March 11, 2020
 March 25, 2020
 April 8, 2020
 April 22, 2020
 May 13, 2020
 May 27, 2020
 June 10, 2020
 June 24, 2020

*Due to holiday

June 12, 2019