

# DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY MINUTES OF THE REGULAR COMMUNITY ADVISORY COMMITTEE MEETING WEDNESDAY, MARCH 27, 2024, 5:00 PM

COMMITTEE MEMBERS PRESENT: Abir Ali

Jeffrey Evans Dr. Regina Randall

Rico Razo

Marloshawn Franklin

COMMITTEE MEMBERS ABSENT: Omar Hasan

Byron Osbern George Etheridge Ponce Clay

OTHERS PRESENT: Byron Osbern (DBRA-CAC)\*

Brian Vosburg (DEGC/DBRA) Jennifer Kanalos (DEGC/DBRA) Cora Capler (DEGC/DBRA) Sierra Spencer (DEGC/DBRA)

Anne Jamieson (Jamieson Consulting) Brandon Hodges (Tribe Development) George Roberts (Civic Companies) Ginny Dougherty (PM Environmental) Kevin Kovachevich (District Capital)

Chase Cantrell (Building Community Value)

Justin Fiema (SmithGroup)
Paul Codreanu (SmithGroup)
Sandy Laux (SmithGroup)

<sup>\*</sup>Attended via Zoom and was not counted toward quorum.



#### **Call to Order**

Chairperson, Mr. Razo, called the meeting to order at 5:30 p.m.

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

#### General

#### **Approval of Minutes**

Mr. Razo called for approval of the minutes of the December 13, 2023 DBRA-CAC meeting, as presented.

The Committee took the following action:

Dr. Randall made a motion approving the minutes of the December 13, 2023, meeting, as presented. Mr. Evans seconded the motion.

DBRA-CAC Resolution Code 24-03-02-180 was approved.

#### **Projects**

# Shop at 6 Brownfield Redevelopment Plan

Ms. Capler presented the Shop at 6 Brownfield Redevelopment Plan.

### **Project Introduction**

7326 West McNichols, LLC is the project developer ("Developer"). The project will demolish a one-story building, built in 1946, and spans approximately 10,366 square feet that was occupied by various retail tenants, salons, and a church until the 1990s and includes the new construction of a two-story, 14,500 square foot building. Following construction, the commercial building will feature an artisan market for emerging small businesses and creative entrepreneurs, dedicated office and co-working space, and a community event space. It is currently anticipated construction will begin in the fall of 2024 and eligible activities will be completed within 18 months.

The total investment is estimated to be \$6.9 million. The Developer is requesting \$521,147.00 in TIF reimbursement.

There will be approximately 30 temporary construction jobs expected and approximately 8 permanent jobs to be created by the developer.

#### Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcel, 7326 West McNichols, bounded by an alleyway to the north, the property line to the east, West McNichols Road to the South, and Prairie Street to the west in the Bagley 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 has been 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 work plan exempt activities, demolition, lead and asbestos abatement, site preparation, infrastructure activities, and the development, preparation and implementation of a brownfield plan and/or Act 381 work plan. The eligible activities are to be financed solely by the Developer. The DBRA will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated and captured from the Property. No advances have been or shall be made by the City or the DBRA for the costs of eligible activities under this Plan. 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**

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Work Plan Exempt Activities	\$15,400.00
2. Demolition	\$99,400.00
Asbestos and Lead Abatement	\$77,250.00
Infrastructure Improvements	\$37,000.00
5. Site Preparation	\$187,000.00
6. Contingency (15%)	\$60,098.00
7. Brownfield Plan & Work Plan	\$45,000.00
Total Reimbursement to Developer	\$521,148.00
8. Authority Administrative Costs	\$101,168.00
State Brownfield Redevelopment Fund	\$29,899.00
10. Local Brownfield Revolving Fund	\$22,242.00
TOTAL Estimated Costs	\$674,457.00
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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 a Commercial Rehabilitation Act (PA 210) 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. Hodges introduced himself and Mr. Chase Cantrell and their work for Building Community Value, their ties to the community and development experience, and provided more information about the project including the project location, and the plans for retail spaces included in the project in response to the needs of the community.

Mr. Evans asked if there are any retail tenants confirmed for the retail spaces. Mr. Hodges stated that they have been working with Jennifer Crawford from All Things Detroit on curating the small businesses that would work well together within the space with enough retail spaces for 25-35 different small businesses that need physical retail space but also need a sustainable and cost-effective option, and that they are looking into some arts and culture programming for the community. Mr. Cantrell added that Jennifer Crawford has experience in programming retail events in the City and is well connected with small businesses in the area that would work well in the retail spaces included in the project.



Ms. Ali asked for more information on the structure of the retail spaces, community event space, and office space and how the Developer expects to structure those arrangements. Mr. Hodges stated that ideally All Things Detroit would have a master lease for the ground-floor retail space with a separate lease for the retail space adjacent to the artisan market and another tenant with a lease for the office space on the second floor.

Mr. Razo asked if the Developer has received any pushback from the community about demolishing the existing structure on the Property. Mr. Hodges stated that there was a healthy debate with the community about demolishing the structure on the Property, but that there are so many unknowns when redeveloping an existing structure that has fallen into disrepair, especially when you are looking to build a second floor, and that the new structure will adhere to strict design guidelines that will blend into the existing architecture on the corridor.

Mr. Evans asked if the general contractor for the project has been determined. Mr. Hodges stated that they have selected Nora Contracting which is a Detroit-based, minority owned construction company that has experience in the City mostly with schools and municipal work.

Mr. Razo called for a motion regarding the Shop at 6 Brownfield Redevelopment Plan.

Mr. Evans made a motion to recommend approval of the Shop at 6 Brownfield Redevelopment Plan to the DBRA Board. Dr. Randall seconded the motion. DBRA-CAC Resolution Code 24-03-325-01 was approved.

#### **Woodward and Charlotte Brownfield Redevelopment Plan**

Mr. Vosburg presented the Woodward and Charlotte Brownfield Redevelopment Plan.

#### **Project Introduction**

Landy Land, LLC is the project developer ("Developer"). The Project contemplated at the Property consists of an infill mixed-use development incorporating retail fronting Woodward and a mixed-use rental residential development inclusive of integrated multistory parking along Charlotte. The rehabilitation and adaptive reuse of a portion of the Walker Building along Woodward Avenue for retail space will be integrated into the design. The first floor of the historic building will be fully rehabbed to provide additional pedestrian access from Woodward Avenue to the residential mixed-use development along Charlotte. Approximately 20% of the residential units in the building will be affordable to those earning no more than 55% - 80% Area Medium Income (AMI), The Developer plans to integrate activated alleyways, public art space, and green space, as well as Low Impact Design stormwater management, into the design. It is currently anticipated that construction will begin in the Spring of 2025 and eligible activities will be completed within thirty-six (36) months thereafter.

The total investment is estimated to be \$66 million. The Developer is requesting \$18,320,802.00 in TIF reimbursement.

There are approximately 130 temporary construction jobs and approximately 50 permanent jobs expected to be created by the project.

#### Property Subject to the Plan

The eligible property (the "Property") consists of five (5) parcels bounded by Peterboro Street to the north, Woodward Avenue to the east, Charlotte Street to the south, and residential properties to the west in the Midtown 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 has been determined to be "facilities" or "adjacent and contiguous" 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 Baseline Environmental Site Assessment Activities (BEA), Due Care and Response Activities, hazardous building materials survey, site and selective building demolition and lead and asbestos abatement, site preparation, infrastructure improvements, and the development, preparation, and implementation of a brownfield plan and/or Act 381 work plan. The eligible activities are to be financed solely by the Developer. The DBRA will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated and captured from the Property. No advances have been or shall be made by the City or the DBRA for the costs of eligible activities under this Plan. 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**

COSTS TO BE REIMBURSED WITH TIF	
Pre-Approved Department Specific Activities	\$253,200.00
Due Care Activities	\$514,700.00
Environmental Response Activities	\$1,217,000.00
Demolition and Abatement	\$398,500.00
5. Infrastructure Improvements	\$8,094,500.00
6. Site Preparation	\$2,063,590.00
7. Brownfield Plan & Work Plan	\$60,000.00
8. Contingency (15%)	\$1,843,243.00
9. Interest	\$3,876,068.00
Total Reimbursement to Developer	\$18,320,802.00
10. Authority Administrative Costs	\$3,354,074.00
11. State Brownfield Redevelopment Fund	\$812,770.00
12. Local Brownfield Revolving Fund	\$23,796.00
TOTAL Estimated Costs	\$22,511,441.00

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 a Commercial Rehabilitation Act (PA 210), Obsolete Property Rehabilitation Act (PA 146), and a Neighborhood Enterprise Zone (PA 147) Tax Abatements.

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. Roberts introduced the development team and provided more information on the project including the project location and prior uses of the Property, the plans for parking for the project, the ground-floor retail space, and the community engagement that has been conducted for the project.

Mr. Evans asked if a general contractor has been selected for the project and if the Developer is aware that the project will be subject to the City's Executive Orders around the hiring of Detroit residents on the construction of the project. Mr. Roberts stated that a general contractor has not yet been selected for the project and that they are aware that the project will be subject to the City's Executive Orders around the hiring of Detroit residents on the construction of the project.

Mr. Evans asked if the Developer would like any assistance identifying candidates for the general contractor for the project. Mr. Roberts stated that they would be interested in receiving suggestions on potential general contractors for the project.

Mr. Franklin asked for more information on the permanent jobs to be created by the project. Mr. Roberts stated that the primary source of the new permanent jobs will be the future retail tenant and that there will be a few jobs related to the management and operations of the Property and that they will be working with City agencies to identify Detroit residents for those positions.

Mr. Evans asked if the Developer has any development experience in the City. Mr. Roberts stated that they have worked on various single family and multi-family residential projects in the Woodbridge, North End, North Corktown, Midtown, Brush Park, and Corktown neighborhoods in addition to projects outside of the City.

Mr. Franklin asked if there were any two-bedroom units included in the project. Mr. Roberts confirmed that there will be some two-bedroom units included in the project.

Mr. Evans asked if any of the Developer's other projects have received approval of brownfield plans or other tax incentives. Mr. Vosburg stated that the project in Woodbridge did have a brownfield plan approved and some of the other projects have received approval of tax incentives.

Ms. Ali asked for more information on the green infrastructure elements included in the project. Mr. Roberts stated that they are still working on some of the green infrastructure elements of the project. Ms. Laux stated that there will be some rooftop terraces included in the project along with some other greenspaces on side lots and are looking into options for stormwater management.

Mr. Razo called for a motion regarding the Woodward and Charlotte Brownfield Redevelopment Plan.

Mr. Franklin made a motion to recommend approval of the Woodward and Charlotte Brownfield Redevelopment Plan to the DBRA Board. Dr. Randall seconded the motion. DBRA-CAC Resolution Code 24-03-326-01 was approved.

#### Administrative

Ms. Capler stated that DBRA-CAC Member Mr. Osbern attended the meeting via Zoom and was not counted toward the quorum.

#### Other

None.



<u>Adjournment</u>
Citing no further business, on a motion by Mr. Franklin, seconded by Mr. Evans, Mr. Razo adjourned the meeting at 6:04 p.m.



# **CODE DBRA CAC 24-03-02-180**

# **APPROVAL OF MINUTES OF DECEMBER 13, 2023**

RESOLVED, that the minutes of the regular meeting of December 13, 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.

March 27, 2024



### CODE DBRA-CAC 24-03-326-01

# **BROWNFIELD PLAN FOR SHOP AT 6**

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 Shop at 6** (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its March 27, 2024 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 **Shop at 6 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.

March 27, 2024



#### CODE DBRA-CAC 24-03-327-01

# **BROWNFIELD PLAN FOR WOODWARD AND CHARLOTTE**

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 Woodward and Charlotte** (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its March 27, 2024 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 **Woodward and Charlotte 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.

March 27, 2024