

City of Detroit

# Brownfield Redevelopment Authority

## Community Advisory Committee

500 Griswold Street • Suite 2200

Detroit, Michigan 48226

Phone: 313 963-2940

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DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
MINUTES OF THE  
SPECIAL COMMUNITY ADVISORY COMMITTEE MEETING  
WEDNESDAY, April 12, 2017 -- 5:00 PM  
AT DEGC OFFICES  
500 GRISWOLD, SUITE 2200  
DETROIT, MI

### COMMITTEE MEMBERS

PRESENT: Kamal Cheeks  
Julian Hill  
John George  
Brad Lutz  
Allen Rawls  
Simone Sagovac  
Sandra Stahl

### COMMITTEE MEMBERS

ABSENT: Michelle Lee

### OTHERS PRESENT:

Brian Vosburg (DEGC/DBRA)  
Ayesha Maxwell (DEGC/DBRA)  
Jennifer Kanalos (DEGC/DBRA)  
Malinda Jensen (DEGC/DBRA)  
Jason Headen (Quicken Loans)  
Gabriellen Poshadlo (Bedrock)  
Anne Jamieson (Jamieson Development Consulting)  
Scott Collins (Bedrock)  
Mark Jacobs (Dykema)  
Steve Ogden (Quicken)

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### **Call to Order**

Mr. George, Vice Chair, called the meeting to order at 5:01 p.m.

### **General**

#### **Approval of Minutes**

Mr. George called for approval of the minutes of the March 15, 2017 (resolution) DBRA-CAC meeting. The Committee took the following action:

On a motion by Mr. Hill, seconded by Ms. Stahl, DBRA-CAC Resolution Code 17-04-02-122, approving the March 15, 2017 CAC minutes, was unanimously approved.

### **Projects**

#### **Former Free Press Building Brownfield Redevelopment Plan**

Mr. Vosburg presented the Detroit Free Press project was submitted for review and consideration. A PowerPoint presentation provided renderings and maps. Mr. Vosburg answered questions about the previous Brownfield Plan for the site that has been recommended for termination by the DBRA Board. Mr. Collins and Mr. Ogden presented additional details on the project and answers questions about current conditions of the building, eligible costs, sustainable building elements, Detroit jobs and contractors, lease rates and affordable housing, and historic preservation.

#### **Project Introduction**

Pyramid Development Co., LLC, a Bedrock Detroit affiliate, is the project developer (the "Developer") for the Plan which entails the rehabilitation of the 276,183 square foot former Detroit Free Press building into a mixed-use building with retail on the first floor, office on the second and third floors, and residential on floors 4-17 and an undetermined use for the basement and sub-basement. First through third floor tenants have not been determined at this time.

It is estimated that 196 temporary construction jobs will be created and 10 direct permanent jobs will be created in connection with the redevelopment. Additional permanent jobs are expected to be created by the retail and office tenants. The Developer has agreed to comply with City Executive Orders.

Total investment is expected to be approximately \$69,660,000.00. The Developers are requesting \$7,029,190.00 in TIF reimbursement under the proposed Plan.

### Property Subject to the Plan

The eligible property (the “Property”) consists of a single (1) parcel containing only the Free Press Building located at 321 West Lafayette Boulevard on the west side of downtown Detroit.

### 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 a commercial purpose; (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 Functionally Obsolete.

### 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 demolition, selective building demolition, lead & asbestos surveying, asbestos abatement, air monitoring, hazardous material removal, site preparation, and preparation of a brownfield plan and 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 begin in the summer of 2017 and be complete no later than December 2020.

### 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. Site Demolition	\$121,701.00
2. Selective Building Demolition	\$951,503.00
3. Lead & Asbestos Survey	\$55,000.00
4. Asbestos Abatement	\$951,503.00
5. Air Monitoring	\$145,000.00
6. Hazardous Material Removal	\$895,100.00
7. Brownfield Plan	\$10,000.00
8. Work Plan	\$15,000.00
<b>Total Reimbursement to Developer</b>	<b>\$7,029,190.00</b>
9. Authority Administrative Costs	\$1,169,001.00
10. State Brownfield Redevelopment Fund	\$1,012,326.00

11. Local Brownfield Revolving Fund	\$0.00
<b>TOTAL Estimated Costs</b>	<b>\$9,210,517.00</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 Development Incentives

The Developers of this Plan will seek additional support through the transfer of the existing Michigan Business Tax Credit for the property as well as a Neighborhood Enterprise Zone Abatement (PA 147).

Attached for your review and approval are three (3) resolutions: 1.) a resolution supporting the Plan Amendment 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. George called for a motion recommending the Former Free Press Building Brownfield Redevelopment Plan.

Mr. Hill motioned to recommend approval of the Former Free Press Building Brownfield Redevelopment without a CAC public hearing and without appointing special members. Mr. Lutz seconded the motion. DBRA-CAC Resolution Code 17-04-245-01, recommending approval of the Former Free Press Building Brownfield Redevelopment Plan, was unanimously approved.

Other Matters

None

Public Comment

None

Adjournment

Citing no further business, Mr. George called for a motion to adjourn. Ms. Sagovac made a motion to adjourn, Mr. Hill seconded the motion and it was unanimously approved at 5:29 pm.

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**CODE DBRA CAC 17-04-02-122**

#### **APPROVAL OF MINUTES OF MARCH 15, 2017**

RESOLVED, that the minutes of the special meeting of March 15, 2017 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.

April 12, 2017

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**CODE DBRA-CAC 17-04-245-01**

#### **FORMER FREE PRESS BUILDING 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 Former Free Press Building Project (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its April 12, 2017 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 **Former Free Press Building 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.

April 12, 2017