

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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Call to Order

Mr. Rawls, Chair, called the meeting to order at 5:02 p.m.

General

Approval of Minutes

Mr. Rawls called for approval of the minutes of the June 8, 2016 DBRA-CAC meeting. The Committee took the following action:

On a motion by Mr. Choske, seconded by Mr. George, DBRA-CAC Resolution Code 16-10-02-119, approving the June 8, 2016 CAC minutes, was unanimously approved.

Projects

St. Charles School Brownfield Redevelopment Plan

Mr. Vosburg presented the St. Charles School Brownfield Redevelopment Plan. A PowerPoint presentation provided renderings and maps. Mr. Vosburg responded to CAC a member question regarding TIF and the developer responded to CAC member questions regarding the architect, salvaging the school materials, the floor plan, rental rates, security features, community engagement, green building features and mitigating lead exposure to those nearby during the redevelopment of the school.

Project Introduction

FSI 4, LLC is the project developer (the "Developer") for the Plan which entails the rehabilitation of the vacant former St. Charles School, which is next door to St. Charles Borromeo Catholic Church, into a 27-unit loft-style rental building which will include a new construction fourth floor. A new construction 11-unit two-story townhome building will be built directly to the south of the school building on what are four vacant lots. One, two and three bedroom units will be created, with 8 of the 11 new construction townhomes reserved as affordable units for renters with incomes below 80% of the area median income (AMI). The parking areas of the development will be located away from the street view and have green storm water features.

Approximately 5 permanent full time equivalent jobs and 100 temporary construction jobs are expected to be created as a result of the project. The total investment is estimated to exceed \$8.3 million. The Developer is requesting \$851,295 in TIF reimbursement.

Property Subject to the Plan

The eligible property (the “Property”) is located at 1432-1454 Townsend Street, five parcels on the eastside of Townsend Street between St. Paul and Agnes Streets in the Islandview Village neighborhood of Detroit, just east of East Grand Boulevard and just north of East Jefferson Avenue near Belle Isle.

Basis of Eligibility

The property is considered “eligible property” as defined by Act 381, Section 2 because (a) the property was previously utilized for a commercial and/or residential 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, blighted and/or adjacent to or contiguous to an eligible parcel and is estimated to increase the captured taxable value of that property as defined by Act 381. 1454 Townsend, the former school building, has been certified functionally obsolete by a level 3 or level 4 assessor, a letter to that effect can be found in Attachment D of the Plan. The three vacant lots identified as 1432, 1438 and 1444 Townsend are owned by the Detroit Land Bank Authority and thus automatically qualify as blighted per Act 381, the initial determination of blight letter is pending from Detroit City Planning Commission staff. The parcel identified as 1450 Townsend is adjacent and contiguous to eligible parcels at 1444 and 1454 Townsend Street.

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 a Phase I Environmental Site Assessment, demolition, lead and asbestos abatement, infrastructure improvements, site preparation, and development and preparation of a brownfield plan and/or 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 fall/winter of 2016 and complete within eighteen (18) months.

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. Phase I ESA	\$2,800.00
2. Demolition	\$231,500.00
3. Lead & Asbestos Abatement	\$197,000.00
4. Infrastructure Improvements	\$427,370.00
5. Site Preparation	\$138,700.00
6. Brownfield Plan & Act 381 Work plan	\$20,000.00
7. Contingency (15%)	\$149,186.00
Total Reimbursement to Developer	\$1,166,556.00

8. Authority Administrative Costs	\$276,275.00
9. State Brownfield Redevelopment Fund	\$209,816.00
10. Local Site Remediation Revolving Fund	\$664,517.00
TOTAL Estimated Costs	\$2,314,364.00

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 Development Incentives

The Developer of this Plan will seek additional support through a Commercial Rehabilitation Act Abatement (PA 210).

Attached for review and approval were 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.

Ms. Stahl asked what the difference was in holding off recommendation until after the public hearing, Ms. Kanalos clarified that in the event, there would need to be another CAC meeting held directly after to vote on the project.

Mr. Rawls called for a motion recommending the St. Charles School Brownfield Redevelopment Plan.

Mr. George motioned to recommend approval of the St. Charles School Brownfield Redevelopment Plan without a CAC public hearing and without appointing special members. Mr. Hill seconded the motion. DBRA-CAC Resolution Code 16-06-241-01, recommending approval of the St. Charles School Brownfield Redevelopment Plan, was unanimously approved.

Other Matters

Mr. Rawls introduced Brad Lutz, who was recently appointed to the CAC. Mr. Lutz briefly addressed the CAC.

Ms. Stahl asked DBRA staff regarding the Senate Bills 1061-1065. DBRA staff provided additional information with respect to the bills.

Public Comment

None

Adjournment

Citing no further business, Mr. Rawls called for a motion to adjourn. Mr. George motioned to adjourn the meeting. Mr. Hill seconded the motion and it was unanimously approved at 6:00 pm.

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CODE DBRA CAC 16-10-02-119

APPROVAL OF MINUTES OF JUNE 8, 2016

RESOLVED, that the minutes of the regular meeting of June 8, 2016 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.

October 12, 2016

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CODE DBRA-CAC 16-10-241-01

ST. CHARLES SCHOOL 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 St. Charles School Project (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its October 12, 2016 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 **St. Charles School 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.

October 12, 2016