



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
REGULAR BOARD OF DIRECTORS MEETING  
WEDNESDAY, AUGUST 26, 2020  
4:00 PM**

**BOARD MEMBERS PRESENT:**

Donele Wilkins  
John George  
Juan Gonzalez  
Amanda Elias  
Pamela McClain  
Stephanie Washington  
Maggie DeSantis  
Raymond Scott

**BOARD MEMBERS ABSENT:**

Sonya Mays

**OTHERS PRESENT:**

Jennifer Kanalos (DEGC/DBRA)  
Brian Vosburg (DEGC/DBRA)  
Cora Capler (DEGC/DBRA)  
Paul Kako (DEGC)  
Glen Long (DEGC)  
Rebecca Navin (DEGC)  
Kaci Jackson (DEGC)  
Sarah Pavelko (DEGC)  
Kenyetta Bridges (DEGC)  
Ngozi Nwaesei (Lewis & Munday)  
Ginny Dougherty (PM Environmental)  
Brian McKinney (Gayanga)  
Damion Ellis (Gayanga)  
Adam Schloff (K8 Partners)



**MINUTES OF THE DETROIT BROWNFIELD  
REDEVELOPMENT AUTHORITY REGULAR MEETING  
WEDNESDAY, AUGUST 26, 2020  
HELD VIA ZOOM VIRTUAL MEETING**

**CALL TO ORDER**

Vice-Chair Maggie DeSantis called the meeting to order at 4:07 PM.

Ms. Kanalos took a roll call of the DBRA Board Members present.

**GENERAL**

**Approval of Minutes:**

Ms. DeSantis called for a motion approving the minutes of August 12, 2020 as presented. The Board took the following action:

Mr. George made a motion approving the minutes of the August 12, 2020 Board meeting, as presented. Ms. Wilkins seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Mr. George, Ms. Elias, Ms. McClain, Ms. Wilkins, Ms. Washington, and Mr. Gonzalez

Nays: None.

DBRA Resolution Code 20-08-02-281 was approved.

**Treasurer's Report – July 2020**

Mr. Long presented the July 2020 Treasurer's Report.

Ms. DeSantis called for a motion accepting the July 2020 Treasurer's Report as presented. The Board took the following action:

Mr. George made a motion accepting the July 2020 Treasurer's Report, as presented. Ms. Wilkins seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Mr. George, Ms. Elias, Ms. McClain, Ms. Wilkins, Ms. Washington, and Mr. Gonzalez

Nays: None.

DBRA Resolution Code 20-08-03-202 was approved.

Mr. Scott joined the meeting at 4:15 pm.

**PROJECTS**

**Land Assembly Project: Approval of Terms and Authorization to Enter into a Land Transfer Agreement and Development Agreement with Gayanga Co. LLC for 14584 Livernois, 14445 Lawton, 14440 Wildemer, and 14445 Linwood**

Ms. Jackson presented the Land Assembly Project: Approval of Terms and Authorization to Enter into a Land Transfer Agreement and Development Agreement with Gayanga Co. LLC for 14584 Livernois, 14445 Lawton, 14440 Wildemer, and 14445 Linwood to the DBRA Board.

The City of Detroit (the “City”) administration has requested the assistance of the Detroit Brownfield Redevelopment Authority (“DBRA”) in industrial land assembly activities aimed at establishing market-ready industrial sites within City limits in order to attract manufacturing and logistics companies (the “Land Assembly Project”).

DBRA staff has identified sites located at 14584 Livernois, 14445 Lawton, 14440 Wildemere, and 14445 Linwood, Detroit, MI, (collectively, the “Properties”) as a location which is ideal to support an industrial development. The Properties are currently owned by the City and the Detroit Land Bank Authority (“DLBA”) and prior to the transactions referenced herein, it is contemplated that the City and DLBA will transfer the Properties to the DBRA pursuant to the terms of a land transfer agreement (the “Land Transfer Agreement”).

DBRA staff has identified Gayanga Co., LLC (the “Developer”) as a potential end-user of the Properties. Developer proposes to construct an approximately 20,000 sf commercial and industrial space for business offices, training facilities, and equipment rental and storage facilities on the Properties. The proposed terms for the sale and development of the Properties are provided in **Exhibit A** (the “Proposed Terms”) and include the sale of the Properties for a purchase price of \$701,000 with a credit provided to Developer at closing for an amount equal to the eligible brownfield costs for demolition and remediation activities. The final purchase price may vary, as contemplated by the Proposed Terms and the amount of the credit will be determined by a mutually agreed upon third party bid to complete the demolition and remediation activities received by the Developer and approved by DBRA.

Positioning the project on these sites will invigorate the Dexter-Fenkell and Oakman Boulevard communities by providing a significant amount of job opportunities to the area, while creating a pipeline of qualified truck drivers, auto mechanics, and pre-apprentices for the Local 1191 and Local 324 Union apprenticeships. The proposed development will bring \$6 Million in investment to the neighborhoods and a total of 198 job opportunities for Detroit residents, with an additional 360 students being trained annually through the union apprenticeships.

DBRA staff seeks the Board’s approval of the Proposed Terms, the negotiation and execution of the Land Transfer Agreement with the City and DLBA for the transfer of the Properties, and the negotiation and execution of a Development Agreement with the Developer consistent with the Proposed Terms (the “Development Agreement”).

A resolution approving the Proposed Terms, the negotiation and execution of the Land Transfer Agreement, and the negotiation and execution of the Development Agreement was attached for the Board’s consideration.

Mr. George asked if the Developer is a for-profit organization. Mr. Ellis stated that the Developer is a for-profit organization.

Ms. McClain asked how many new jobs the Developer will be creating. Mr. Ellis stated that the Developer is focused on the training component of the project and once the program is up and running they will be able to train approximately 200 construction workers per year with the first few years being less than 200 and that the Developer has partnered with the Emerging Industries Training Institute and is actively training students now and will have trained 50 students in asbestos and carpentry by the end of 2020 and by July of 2020 will have trained an additional 50 students and that the training will include CDL truck drivers, construction workers, heavy equipment operators, lead and asbestos abatement and the Developer will hire directly from the pool of students as well as the students being prepared for employment by other organizations.

Ms. Washington asked if there is a preference for Detroit residents or residents in the Metro Detroit area and how the Developer will market the training programs. Mr. McKinney stated that the training programs will be marketed primarily to Detroit residents and that the Developer has partnered with Access for All and Workforce of the Future and is working to help fill the need for heavy machinery construction workers by

training Detroit residents for those positions by marketing to high school programs and returning citizen programs and as the training program is more established there will be a more robust marketing plan for Detroit residents. Mr. Ellis added that the focus will be in Detroit residents for the training program and the students can then be hired by Metro Detroit companies.

Ms. Washington asked if the Developer has been working with Detroit Employment Solutions Corporation. Mr. McKinney confirmed that the Developer has been working with Detroit Employment Solutions to train Detroit residents for the construction job opportunities.

Ms. DeSantis asked about the funding sources for the Developer. Mr. McKinney stated that the Developer has been contracted by the City of Detroit to perform demolitions in the City in addition to performing construction services for other clients and has received grants for the training programs.

Ms. Washington asked how long the Developer has been training students. Mr. McKinney stated that the Developer's partner Emerging Industries Training Institute has been training students since 2011 and the Developer has been training students for the last three years or so through on the job training.

Ms. Wilkins asked how COVID-19 has affected the current and future training programs. Mr. McKinney stated that the heavy civil work performed by the Developer has been deemed to be "essential" under Executive Orders in the State of Michigan and by its nature is socially-distanced work and for the in-person training certain health measures have been put in place in light of COVID-19.

Ms. DeSantis called for a motion to approve the Land Assembly Project: Approval of Terms and Authorization to Enter into a Land Transfer Agreement and Development Agreement with Gayanga Co. LLC for 14584 Livernois, 14445 Lawton, 14440 Wildemere, and 14445 Linwood, as presented. The Board took the following action:

Mr. George made a motion to approve the Land Assembly Project: Approval of Terms and Authorization to Enter into a Land Transfer Agreement and Development Agreement with Gayanga Co. LLC for 14584 Livernois, 14445 Lawton, 14440 Wildemer, and 14445 Linwood, as presented.

Ms. Washington seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Mr. George, Ms. Elias, Ms. McClain, Ms. Wilkins, Ms. Washington, Mr. Scott, and Mr. Gonzalez

Nays: None.

DBRA Resolution Code 20-07-291-01 was approved.

Mr. Scott assumed the position of Chairperson for the remainder of the meeting.

### **2119 Field Street Brownfield Plan: Reimbursement Agreement**

Mr. Vosburg presented the 2119 Field Street brownfield Plan: Reimbursement Agreement to the DBRA Board.

On November 6, 2019, the City of Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution authorizing the transmittal of the Brownfield Plan for the 2119 Field Street Redevelopment Project (the "Plan") to Detroit City Council ("City Council") with a recommendation for approval.

#### **Original Brownfield Plan Submittal to City Council**

On February 11, 2020 the DBRA withdrew the Plan from Council's consideration in order to complete further community outreach and review concerns related to outstanding blight tickets for unaffiliated projects for which the Developer was a passive investor. Since then, the following milestones have occurred:

- A Consent Agreement was signed on February 28, 2020 between the developer of the unaffiliated projects and the City and said developer is in compliance with the agreement.
- COVID-19 has hindered the Developer's and the City's ability to complete community outreach leading to an extended timeline for engagement.

- The Planning and Development Department, the Housing Revitalization Department, and the Departments of Neighborhoods organized a community meeting held on June 25, 2020. P&DD and HRD staff indicated that the majority of attendees at the meeting indicated their support for the slate of projects presented which included the 2119 Field Street project.
- Additional support letters from members of the community are attached as “Exhibit B”
- The City Council public hearing for the Plan was held on July 23, 2020 and City Council approved the Plan on July 28, 2020.

A requirement for Tax Increment Financing reimbursement pursuant to the Plan is that a Reimbursement Agreement (the “Agreement”) be entered into between the DBRA and K8 Partners LLC. The Agreement has been prepared between the DBRA and K8 Partners LLC and is presented to the DBRA for review and approval.

Project Introduction

K8 Partners LLC is the project developer (the “Developer”) for the Plan which entails the rehabilitation of the existing building into eight residential townhome apartments units. Each unit will include modern floorplans and finishes with private entry and exit, including covered porches which face the streets and rear porches that access private parking.

The total investment is estimated to be \$2.46 million. The Developer is requesting \$276,897.00 in TIF reimbursement.

There will be 73 temporary construction jobs and 1 FTE jobs. The 1 FTE job will be related to property management.

Property Subject to the Plan

The eligible property (the “Property”) consists of one (1) parcels located in Detroit’s Islandview neighborhood, on the east side of Detroit, bounded by the property line to the north, Field Street to the east, Kercheval Avenue to the south, and the property line to the west.

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 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 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 demolition and lead and asbestos abatement, infrastructure improvements, site preparation, and development and preparation of 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 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. Pre-Approved Activities	\$14,850.00
2. Demolition	\$75,250.00
3. Asbestos and Lead Activities	\$13,750.00

4. Infrastructure Improvements	\$30,500.00
5. Site Preparation	\$82,280.00
6. Brownfield Plan & Work Plan Preparation and Implementation	\$30,000.00
7. Contingency (15%)	\$30,267.00
<b>Total Reimbursement to Developer</b>	<b>\$276,897.00</b>
8. Authority Administrative Costs	\$64,333.00
9. State Brownfield Redevelopment Fund	\$15,111.00
10. Local Brownfield Revolving Fund	\$76,241.00
<b>TOTAL Estimated Costs</b>	<b>\$448,326.00</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 an Obsolete Property Rehabilitation Act (PA 146) Abatement.

The Agreement (attached as “Exhibit A”) and a resolution approving the Agreement and its subsequent execution were attached for the DBRA Board’s review and approval.

Ms. DeSantis stated that she will be voting in opposition to the 2119 Field Street Brownfield Plan: Reimbursement Agreement and while she appreciates the effort involved in obtaining the support from the community and all of the support letters presented, she is very closely involved in the issues surrounding the project and those facing this community.

Mr. Scott called for a motion to approve the 2119 Field Street Brownfield Plan: Reimbursement Agreement, as presented. The Board took the following action:

Ms. Washington made a motion to approve the 2119 Field Street Brownfield Plan: Reimbursement Agreement, as presented. Mr. George seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. George, Ms. Elias, Ms. Washington, Mr. Scott, and Mr. Gonzalez

Nays: Ms. DeSantis

Abstentions: Ms. McClain and Ms. Wilkins,

DBRA Resolution Code 20-08-280-03 was approved.

**ADMINISTRATIVE**

None.

**OTHER**

Mr. Scott stated that the work that Mr. George has been performing in the area of Grand River Avenue and Lahser Road has been outstanding and encouraged everyone to go take a look if they have a chance.

**PUBLIC COMMENT**

None.

**ADJOURNMENT**

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

On a motion by Mr. George, seconded by Ms. Wilkins the meeting was unanimously adjourned at 4:37 PM.



**CODE DBRA 20-08-02-281**

**APPROVAL OF MINUTES AUGUST 12, 2020**

RESOLVED, that the minutes of the regular meeting of August 12, 2020 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.

August 26, 2020



**DBRA 20-08-03-202**

**ACCEPTANCE OF TREASURER'S REPORT FOR JULY 2020**

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period July 1 through July 31, 2020, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

August 26, 2020



**CODE DBRA 20-08-291-01**

**LAND ASSEMBLY PROJECT: APPROVAL OF TERMS AND AUTHORIZATION TO ENTER INTO A LAND TRANSFER AGREEMENT AND DEVELOPMENT AGREEMENT WITH GAYANGA CO. LLC FOR 14584 LIVERNOIS, 14445 LAWTON, 14440 WILDEMER, AND 14445 LINWOOD**

**WHEREAS**, the City of Detroit (the “City”) administration has requested the assistance of the City of Detroit Brownfield Redevelopment Authority (“DBRA”) in industrial land assembly activities aimed at establishing market-ready industrial sites within City limits in order to attract manufacturing and logistics companies (the “Land Assembly Project”); and

**WHEREAS**, DBRA staff has identified sites located at 14584 Livernois, 14445 Lawton, 14440 Wildemere, and 14445 Linwood, Detroit, MI, (collectively, the “Properties”) as a location which is ideal to support an industrial development; and

**WHEREAS**, the Properties are currently owned by the City and the Detroit Land Bank Authority (“DLBA”) and prior to the transactions referenced herein, it is contemplated that the City and DLBA will transfer the Properties to the DBRA pursuant to the terms of a land transfer agreement (the “Land Transfer Agreement”); and

**WHEREAS**, DBRA staff has identified Gayanga Co., LLC (the “Developer”) as a potential end-user of the Properties to construct an approximately 18,000 sf advanced manufacturing, assembly, and logistics center at the Properties; and

**WHEREAS**, DBRA staff seeks the Board’s approval of the proposed terms for the sale and development of the Properties as provided in **Exhibit A** (the “Proposed Terms”), the negotiation and execution of the Land Transfer Agreement with the City and DLBA for the transfer of the Properties to the DBRA, and the negotiation and execution of a Development Agreement with the Developer and consistent with the Proposed Terms (the “Development Agreement”); and

**WHEREAS**, the transactions contemplated herein are consistent with the DBRA’s purposes of promoting the revitalization and reuse of certain properties and is otherwise consistent with its powers and purposes.

**NOW, THEREFORE, BE IT RESOLVED**, that the DBRA Board of Directors hereby approves the Proposed Terms, together with such changes that are reasonably required for the Project and are approved by DBRA Authorized Agents and counsel, which changes are not inconsistent with the intent of this resolution, and the DBRA’s actions required to be undertaken thereunder.

**BE IT FURTHER RESOLVED**, 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 the Land Transfer Agreement and the Development Agreement consistent with the Proposed Terms, together with such changes to either document that are reasonably required for the Project and are approved by DBRA Authorized Agents and counsel, which changes are not inconsistent with the intent of this resolution, and 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.

**BE IT FINALLY RESOLVED**, 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.

August 26, 2020



**CODE DBRA 20-08-280-03**

**2119 FIELD STREET BROWNFIELD REDEVELOPMENT PLAN: REIMBURSEMENT AGREEMENT**

WHEREAS, on November 6, 2019, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution recommending approval by the Detroit City Council of the Brownfield Plan (the "Plan") for a project captioned 2119 Field Street Redevelopment (the "Project"); and

WHEREAS, on July 28, 2020, the Detroit City Council voted to approve the Plan; and

WHEREAS, a condition to reimbursing the developer for eligible activities under the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA and K8 Partners LLC as developer of the Project; and

WHEREAS, the Agreement has been drafted, approved as to form by DBRA legal counsel; and

WHEREAS, the Board of Directors desires to approve the Agreement and authorize its execution and delivery on behalf of the DBRA; and

NOW THEREFORE, BE IT RESOLVED, by the DBRA Board of Directors as follows:

1. The Agreement, in substantially the form attached to this Resolution as Exhibit A, is hereby approved, with such necessary or desirable modifications additions, deletions or completions as are approved by DBRA legal counsel and the Officers or designated Authorized Agents of the DBRA executing the Agreement.
2. Any two Officers or designated Authorized Agents or one Officer and one designated Authorized Agent of the DBRA are authorized and directed to execute and deliver the Agreement.
3. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be and the same hereby are repealed insofar as such conflict arises.
4. This Resolution shall take effect immediately upon its adoption.

BE IT FINALLY RESOLVED 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.

August 26, 2020