



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, OCTOBER 26, 2022
4:00 PM**

BOARD MEMBERS PRESENT:

John George
Raymond Scott
Pamela McClain
Maggie DeSantis
Donele Wilkins

BOARD MEMBERS ABSENT:

Sonya Mays
Juan Gonzalez
Amanda Elias
Stephanie Washington

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Malinda Jensen (DEGC/DBRA)
Monika McKay-Polly (DEGC/DBRA)
Paul Kako (DEGC)
Ngozi Nwaesei (Lewis & Munday)
Elizabeth Masserang (PM Environmental)
Emery Matthews (Real Estate Interests, LLC)
Rev. Dr. Oscar King (CCA Midtown Detroit, LLC)
Jonathan Sherman (CCA Midtown Detroit, LLC)
Karriem Holman (CCA Midtown Detroit, LLC)
Paul Fromm (CCA Midtown Detroit, LLC)



MINUTES OF THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY REGULAR MEETING WEDNESDAY, OCTOBER 26, 2022

CALL TO ORDER

Chairperson Raymond Scott called the meeting to order at 4:00 PM.

Ms. Kanalos took a roll call of the DBRA Board Members present and a quorum was established.

GENERAL

Approval of Minutes:

Mr. George called for a motion approving the minutes of October 12, 2022, as presented.

The Board took the following action:

Ms. DeSantis made a motion approving the minutes of the October 12, 2022 Board meeting, as presented. Mr. George seconded the motion.

DBRA Resolution Code 22-10-02-313 was unanimously approved.

PROJECTS

City Club Apartments Midtown Brownfield Plan

Mr. Vosburg presented the City Club Apartments Midtown Brownfield Plan to the DBRA Board.

Project Introduction

CCA Midtown Detroit, LLC is the project developer ("Developer"). The project includes the redevelopment the Property into a mixed-use development, including approximately 318,000 square feet of residential and commercial space. Within a three-building design, the development will feature approximately 344 residential units, 40,296 square feet of commercial space which will include a restaurant, café, bank, and retail space, and 186 underground parking spaces. Residential units will range in size from studio to 3-bedroom apartments. Resort-class amenities, multiple pocket parks, and an outdoor art park will be incorporated within the development, to enhance the community's livability. It is currently anticipated construction will begin in the winter of 2022 and eligible activities will be completed within 24 months.

The total investment is estimated to be \$103 million, with hard costs totaling approximately \$84 million. The Developer is requesting \$23,956,477.00 in TIF reimbursement.

There will be approximately 130 temporary construction jobs and approximately 60 permanent jobs are expected to be created by the project.

Property Subject to the Plan

The eligible property (the "Property") consists of five (5) parcels, 3510 and 3540 Woodward Avenue, 80 and 90 Mack Avenue, and 33 Eliot Street, which are bounded by Mack Avenue to the north, John R Street to the east, Eliot Street and the property line to the south, and Woodward Avenue 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 an industrial or commercial purpose; (b) is located within the City of Detroit, a qualified local governmental unit; and (c) determined to be a “facility” 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 Assessment activities, due care activities, additional response activities, site demolition, infrastructure improvements, site preparation, interest, and the development, 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 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. Department Specific Activities	\$1,626,145.00
2. Demolition	\$912,273.00
3. Lead, Asbestos, or Mold Abatement	\$160,000.00
4. Site Preparation	\$8,231,000.00
5. Public ROW Infrastructure Improvements	\$695,040.00
6. Public/Private Infrastructure Improvements	\$6,200,000.00
7. Brownfield Plan & Work Plan	\$60,000.00
8. Contingency (15%)	\$2,655,452.00
9. Interest	\$3,416,567.00
Total Reimbursement to Developer	\$23,956,477.00
10. Authority Administrative Costs	\$2,643,883.00
11. State Brownfield Redevelopment Fund	\$1,061,058.00
12. Local Brownfield Revolving Fund	\$1,581,416.00
TOTAL Estimated Costs	\$29,242,834.00

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 Neighborhood Enterprise Zone (PA 147) Tax Abatement.

DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the October 19, 2022 CAC meeting. Attached is the DBRA-CAC’s letter of recommendation for the DBRA Board’s consideration.

Public Comments

The DBRA public hearing for the Plan was held on Tuesday, October 25, 2022 at 5:00 pm via Zoom. The results of the DBRA public hearing are attached.

Attached for Board review and approval was a resolution approving the City Club Apartments Midtown Brownfield Redevelopment Plan and its submittal to Detroit City Council.

Mr. Scott called for a motion to approve the City Club Apartments Midtown Brownfield Plan and its submittal to Detroit City Council, as presented. The Board took the following action:

Mr. George made a motion to approve the City Club Apartments Midtown Brownfield Plan and its submittal to Detroit City Council, as presented. Ms. McClain seconded the motion. DBRA Resolutions Code 22-10-311-02 was unanimously approved.

Mr. Scott asked for more information on the notification process for DBRA public hearings. Mr. Vosburg stated that DBRA Staff notify organizations and community groups near the subject project, as well as forwarding the public hearing notice to the City of Detroit Department of Neighborhoods, City Council staff for the appropriate Council District, and to the Developer to forward to any neighboring residents, business or property owners, organizations, or other groups they have been in contact with about the project. Mr. Vosburg added that the DBRA Staff require that the developer collect support letters to be included in the brownfield plan and that through that process, awareness of the project spreads and by the time the brownfield plan is ready to come to the DBRA Board for consideration, the project has become fairly well known in the area already. Ms. McClain inquired regarding the effectiveness of advertising and social media posts. Ms. Kanalos responded that with respect to the City Club Apartments Midtown Brownfield Plan, there were several community meetings that had taken place, so the public was well informed but that with other projects, such as the AMC site, DBRA Staff knew that the social media posts regarding the public hearings were viewed and shared by many people. Ms. DeSantis added that developers have been smarter about meeting with community groups regarding project plans than in the past so unless it's something controversial and they haven't talked to the community at all, most are informed. Mr. Vosburg reiterated the requirement to inform the community and provide evidence of support.

ADMINISTRATIVE

Ms. Kanalos stated that DBRA Staff attended a planning event for the Brownfields 2023 conference coming to Detroit in August 2023 and will be involved in the planning of mobile workshops, tours, and educational sessions to take place during the conference and that if any of the DBRA Board Members would like to participate in the planning of the conference to let her know and she will connect them with the International City/County Management Association (ICMA).

OTHER

Mr. George shared information on the Motor City Blight Busters Angel's Night event taking place at the Artists Village on October 29, 2022 and extended an open invitation for the event.

Ms. DeSantis asked for an update on the inquiry to the Building Safety Engineering, and Environment Department (BSEED) regarding blight on the property owned by Crown Enterprises on the eastside of Detroit. Mr. George stated that he called Mr. David Bell from BSEED to ask if anything can be done to get Crown Enterprises to clean up the property and that he would follow up with Mr. Bell on solutions.

PUBLIC COMMENT

None.

ADJOURNMENT

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

On a motion by Ms. McClain, the meeting was unanimously adjourned at 4:10 PM.



CODE DBRA 22-10-02-313

APPROVAL OF MINUTES OF OCTOBER 12, 2022

RESOLVED, that the minutes of the regular meeting of October 12, 2022 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.

October 26, 2022



CODE DBRA 22-10-311-02

CITY CLUB APARTMENTS MIDTOWN 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 Council”) for the purpose of promoting the revitalization of environmentally distressed areas in the City of Detroit; 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, in accordance with the policies, procedures and bylaws governing the DBRA, the DBRA has submitted a proposed Brownfield Plan for the **City Club Apartments Midtown Redevelopment Project** (the “Plan”) to the Community Advisory Committee for its consideration and comment and has solicited comments by the public by publication of notice stating that the proposed Plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies; and

WHEREAS, the Community Advisory Committee has considered the proposed Plan and approved a resolution recommending the approval of the proposed Plan by the DBRA and the City Council as presented by the DBRA; and

WHEREAS, in accordance with the provisions of Act 381, the Board of Directors of the DBRA has considered the proposed Plan and desires to approve the proposed Plan and to request that City Council call a public hearing to consider and adopt a resolution approving the proposed Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the DBRA has determined that the adoption of the Brownfield Plan for the **City Club Apartments Midtown Redevelopment Project** is in keeping with the purposes of Act 381 and recommends submittal of the Plan to City Council for approval.
2. The Board of Directors of the DBRA approves the Plan substantially in the form attached hereto and on file with the Secretary of the DBRA.
3. Any Authorized Agent of the DBRA is authorized and directed to submit a certified copy of this Resolution and the Plan to the City Clerk, together with a request that the City Council call a public hearing concerning the Plan and to take all other actions required to approve the Plan in accordance with Act 381.
4. 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 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.

5. 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.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

October 26, 2022