



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, SEPTEMBER 13, 2023
4:00 PM**

BOARD MEMBERS PRESENT:

Amanda Elias
John George
Sonya Mays
Raymond Scott
Eric Dueweke
Maggie DeSantis

BOARD MEMBERS ABSENT:

Juan Gonzalez
Stephanie Washington
Pamela McClain

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Sierra Spencer (DEGC/DBRA)
Lanard Ingram (DEGC)
Nasri Sobh (DEGC)
Rebecca Navin (DEGC)
Glen Long, Jr. (DEGC)
Medvis Jackson (DEGC)
Ngozi Nwaesei (Lewis & Munday)
David Alade (Century Partners)
Nevan Shokar (Basco)
Dan Gough (EGLE)



**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, SEPTEMBER 13, 2023**

CALL TO ORDER

Chairperson Raymond Scott called the meeting to order at 4:05 PM.

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

GENERAL

Approval of Agenda:

Mr. Scott called for a motion approving the agenda of the September 13, 2023 DBRA meeting, as presented.

The Board took the following action:

Ms. DeSantis made a motion approving the agenda of the September 13, 2023 DBRA meeting, as presented. Mr. George seconded the motion.

Approval of Minutes:

Mr. Scott called for a motion approving the minutes of August 23, 2023, as presented.

The Board took the following action:

Ms. Elias made a motion approving the minutes of the August 23, 2023 Board meeting, as presented. Mr. Dueweke seconded the motion.
DBRA Resolution Code 23-09-02-328 was unanimously approved.

Treasurer's Reports – June 2023 and July 2023

Mr. Long presented the June 2023 and July 2023 Treasurer's Reports.

Mr. Scott called for a motion accepting the June 2023 and July 2023 Treasurer's Reports, as presented.

The Board took the following action:

Ms. McClain made a motion accepting the June 2023 and July 2023 Treasurer's Reports, as presented. Mr. Dueweke seconded the motion.
DBRA Resolutions Code 23-09-03-237 and 23-09-03-238 were unanimously approved.

PUBLIC COMMENT

None.

PROJECTS

Amended and Restated Harmonie Social Club Brownfield Plan: Amended Reimbursement Agreement

Ms. Capler presented the Amended and Restated Harmonie Social Club Brownfield Plan: Amended Reimbursement Agreement to the DBRA Board.

On May 24, 2023, the City of Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution authorizing the transmittal of the Brownfield Plan for Amended and Restated Harmonie Social Club project (the "Plan") to Detroit City Council ("City Council") with a recommendation for approval. The City Council public hearing for the Plan was held on June 15, 2023 and City Council approved the Plan on June 20, 2023. 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 311 Grand River, LLC. The Agreement has been prepared between the DBRA and 311 Grand River, LLC and is presented to the DBRA for review and approval.

On March 13, 2019, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors recommended approval to City Council of the original Brownfield Plan for the Harmonie Social Club Redevelopment Project (the "Original Plan"). The Detroit City Council approved the Original Plan on April 16, 2019. A Reimbursement Agreement (the "Agreement") was entered into between the DBRA and 311 Grand River, LLC on June 25, 2019.

During the construction of the project, the Developer ran into significantly higher demolition, abatement, and infrastructure improvement costs than originally anticipated resulting in an increase in the amount for Eligible Activities. In order to increase the amount of TIF requested under the Plan to cover the increased Eligible Activities, the Developer is requesting an amendment to the Plan.

Project Introduction

311 Grand River, LLC, an affiliate of Basco of Michigan, Inc., is the project developer (the "Developer") for the Plan which entails the renovation of the existing historic structure to include updated tenant spaces, including a speakeasy bar and dining room at the basement level and a bright restaurant and lounge on the main level. The second and third floor entailed the rehabilitation of the vacant office space and mezzanine for use by Lighthouse Immersive, which offers a destination art space totaling approximately 16,400 gross square feet. The renovation maintained and restored the historic features of the space, including the columns that dot the area. On a monthly basis, the current tenant attracts approximately 10,000 visitors to the space each month.

The total investment is estimated to be \$12.1 million. The Developer is requesting \$2,878,864.00 in TIF reimbursement, an increase of \$2,299,654.00 from the Original Plan.

Approximately 28 temporary construction jobs, 20 venue production and equipment installation jobs and 1 FTE job. The tenant has created 45 jobs to date (30 are Detroit residents) and is working to hire additional positions. Additional tenant jobs will also be created through the final buildout of the basement space.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcel located at 311 East Grand River on the eastern side of Detroit's Central Business District in the Paradise Valley neighborhood, just two blocks east of Grand Circus Park, bounded by Centre Street to the south, the property line to the west, the alley between John R Street and Grand River Avenue to the north, and Grand River Avenue to the east.

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 a historic resource as defined by Act 381, as amended.

The property was listed as a Michigan Historic Site in 1975 and was individually listed in the National Register of Historic Places in 1980. In addition, the property is listed in Detroit's local Madison-Harmonie Historic District.

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 pre-approved activities, demolition and asbestos abatement, infrastructure improvements, site preparation, development/preparation and implementation of brownfield plan and/or 381 work plan, interest, and a 15% contingency. 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 in summer of 2019 and be completed within 9 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

	<u>Original Plan</u>	<u>Amended Plan</u>
1. Environmental Assessments	\$7,600.00	\$7,186.00
2. Demolition	\$149,000.00	\$583,687.00
3. Asbestos Activities	\$50,000.00	\$168,620.00
4. Infrastructure Improvements	\$75,000.00	\$577,172.00
5. Site Preparation	\$201,313.00	\$115,404.00
6. Brownfield Plan & Act 381 Work Plan	\$25,000.00	\$60,000.00
7. Contingency (15%)	\$71,297.00	\$216,732.00
8. Interest		\$1,150,063.00
Total Reimbursement to Developer	\$579,210.00	\$2,878,864.00
9. Authority Administrative Costs	\$24,267.00	\$505,425.00
10. State Brownfield Redevelopment Fund	\$82,856.00	\$269,379.00
11. Local Brownfield Revolving Fund	\$55,643.00	\$0.00
TOTAL Estimated Costs	\$741,975.00	\$6,532,531.00

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 will include local and/or state approval of Obsolete Property Rehabilitation Act (OPRA) Tax Abatement and Historic Tax Credits.

The Agreement and a resolution approving the Agreement and its subsequent execution were attached for the Board’s review and approval.

Me. George asked for clarification on the TIF request that was approved in the Amended Plan.

Mr. Scott called for a motion to approve the Amended and Restated Harmonie Social Club Brownfield Plan: Amended Reimbursement Agreement, as presented. The Board took the following action:

Mr. George made a motion to approve the Amended and Restated Harmonie Social Club Brownfield Plan: Amended Reimbursement Agreement, as presented. Ms. Elias seconded the motion.

DBRA Resolution Code 23-09-267-06 was unanimously approved.

Mr. Dueweke asked if the Amended Plan needs to be approved by Detroit City Council. Ms. Capler stated that the Amended Plan was approved by Detroit City Council in June 2023.

Ms. DeSantis asked for clarification on what the Board was approving for this item. Ms. Capler stated that the Board was being asked to approve the Amended and Restated Reimbursement Agreement which now includes language regarding the reimbursement of interest which was approved in the Amended Plan and was not included in the Original Plan.

100 Clairmount Brownfield Plan

Ms. Capler presented the 100 Clairmount Brownfield Plan to the DBRA Board.

Project Introduction

Clairmount Apartments LLC is the project developer (“Developer”). Developer intends to rehabilitate the building and upon completion it is anticipated that the project will consist of a four-story approximately 26,018 square feet residential space housing approximately forty-two (42) units (studio, one-, two-, and three-bedroom units). The basement will house approximately five (5) garden level units, fitness, and laundry space. The building is in extreme disrepair and will require an entire overhaul in order to ready the site for prospective residential tenants. The project will commence with selective interior demolition and lead/asbestos abatement. Construction of the project will begin in fall 2023. The project will be completed in phases; however, this Plan only contemplates eligible activities associated with Phase 1 of the project.

The total investment is estimated to be \$8.9 million. The Developer is requesting \$472,750.00 in TIF reimbursement.

There will be approximately 69 temporary construction jobs expected and approximately 3 permanent jobs to be created by the developer.

Property Subject to the Plan

The eligible property (the “Property”) consists of one (1) parcel, 100 Clairmount, located east of the John C. Lodge Freeway and west of Woodward Avenue in the Boston Edison 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 department specific activities, demolition, lead and asbestos abatement, 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

1. Department Specific Activities	\$10,000.00
2. Demolition	\$325,000.00
3. Asbestos and Lead Abatement	\$25,000.00
4. Infrastructure Improvements	\$25,000.00
5. Contingency (15%)	\$57,750.00
6. Brownfield Plan & Work Plan	\$30,000.00

Total Reimbursement to Developer	\$472,750.00
7. Authority Administrative Costs	\$189,923.00
8. State Brownfield Redevelopment Fund	\$58,129.00
9. Local Brownfield Revolving Fund	\$451,907.00
TOTAL Estimated Costs	\$1,172,709.00

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.

DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the August 23, 2023 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 will be held on Monday, September 11, 2023 at 5:00 pm at the Ruth Ellis Center. The results of the DBRA public hearing are attached.

Attached for the Board's review and approval was a resolution approving the 100 Clairmount Brownfield Redevelopment Plan and its submittal to Detroit City Council.

Mr. Scott called for a motion to approve the 100 Clairmount Brownfield Plan and its submittal to Detroit City Council, as presented. The Board took the following action:

Mr. Dueweke made a motion to 100 Clairmount Brownfield Plan and its submittal to Detroit City Council, as presented. Ms. DeSantis seconded the motion.
DBRA Resolution Code 23-09-321-02 was unanimously approved.

ADMINISTRATIVE

Ms. Navin introduced Mr. Nasri Sobh as the new Associate General Counsel at the Detroit Economic Growth Corporation.

OTHER

None.

ADJOURNMENT

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

On a motion by Mr. George, seconded by Mr. Dueweke, the meeting was unanimously adjourned at 4:17 PM.



CODE DBRA 23-09-02-328

APPROVAL OF MINUTES OF AUGUST 23, 2023

RESOLVED, that the minutes of the special meeting of August 23, 2023 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.

September 13, 2023



DBRA 23-09-03-237

ACCEPTANCE OF TREASURER'S REPORT FOR JUNE 2023

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period June 1 through June 30, 2023, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

September 13, 2023



DBRA 23-09-03-238

ACCEPTANCE OF TREASURER'S REPORT FOR JULY 2023

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period July 1 through July 31, 2023, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

September 13, 2023



CODE DBRA 23-09-267-06

**AMENDED AND RESTATED HARMONIE SOCIAL CLUB BROWNFIELD REDEVELOPMENT PLAN:
REIMBURSEMENT AGREEMENT**

WHEREAS, on May 24, 2023, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution recommending approval by the Detroit City Council of the Amended and Restated Brownfield Plan (the "Plan") for a project captioned Harmonie Social Club (the "Project"); and

WHEREAS, on June 20, 2023, 2023, 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 311 Grand River, 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.

September 13, 2023



CODE DBRA 23-09-321-03

100 CLAIRMOUNT 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 **100 Clairmount 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 **100 Clairmount 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.

September 13, 2023