



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, JANUARY 10, 2024
4:00 PM**

BOARD MEMBERS PRESENT:

Jose Lemus
John George
Raymond Scott
Eric Dueweke
Maggie DeSantis
Sonya Mays
Amanda Elias
Pamela McClain
Juan Gonzalez

BOARD MEMBERS ABSENT:

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)	Aaron Goodman (City of Detroit)
Brian Vosburg (DEGC/DBRA)	Edwina King (City of Detroit)
Cora Capler (DEGC/DBRA)	Hassan Beydoun (Mayor's Office, City of Detroit)
Sierra Spencer (DEGC/DBRA)	Brittney Hoszkiw (Mayor's Office, City of Detroit)
Kenyetta Bridges (DEGC/DBRA)	Melia Howard (Mayor's Office, City of Detroit)
David Howell (DEGC)	Antoine Bryant (City of Detroit)
Nasri Sobh (DEGC)	Rebecca Labov (City of Detroit)
Rebecca Navin (DEGC)	Venita Thompkins (Virginia Park Community)
Lanard Ingram (DEGC)	Josh Roberson (City of Detroit)
Glen Long, Jr. (DEGC)	Dan Gough (EGLE)
David Howell (DEGC)	JC Reindl (Detroit Free Press)
Alton Williams (DEGC)	Candice Williams (The Detroit News)
Kevin Johnson (DEGC)	John Perkins
Nicole Scott (DEGC)	Theo Pride
Ngozi Nwaesei (Lewis & Munday)	Apollos Robbins
Richard Barr (Honigman)	Russ Bellant
Stefan Welch (Detroit Pistons)	Steven Hawring
Jerry Darby (Henry Ford Health)	Charlie Keranen
Denise Brooks-Williams (Henry Ford Health)	Linda Campbell
Richard Haddad (Detroit Pistons)	Jared Fleisher
Jake Austermann (Plante Moran)	Joyce Moore
Maria Mastej (Plante Moran)	Pam Hazel
Bill Lichwalla (Plante Moran)	Ruth Johnson
Max Langenbach (Plante Moran)	Solomon Medintz
Owen Laverty (Plante Moran)	Tonya Myers-Philips
Barry Blackwell (Henry Ford Health)	Adam
Arlynn Dailey (Michigan State University)	DPP
Norman Hubbard (Michigan State University)	Michelle



**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, JANUARY 10, 2024**

CALL TO ORDER

Chairperson Raymond Scott called the meeting to order at 4:01 PM.

Ms. Kanalos 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 January 10, 2024 DBRA meeting, as presented.

The Board took the following action:

Ms. DeSantis made a motion approving the agenda of the January 10, 2024 DBRA meeting, as presented. Ms. Elias seconded the motion.

Mr. Vosburg provided an overview of the DBRA's Rules for Public Meetings and Public Comment.

Approval of Minutes:

Mr. Scott called for a motion approving the minutes of December 13, 2023, as presented.

Ms. DeSantis asked if there is typically a listing of the Board Members' votes for items, regardless of if they voted in favor, against, or abstained. Ms. Kanalos stated that unless there is a roll call vote conducted, only the Board Members who voted against the motion or abstained from voting are listed. Ms. McClain stated that the assumption is made that unless a Board Member present votes against a motion or abstains from voting on a motion that they voted in favor of the motion. Ms. Navin added that the way that the minutes are presently drafted to reflect votes is acceptable, but if the Board would like all votes to be listed then going forward the minutes can be drafted that way. Mr. Scott stated that roll call votes can be taken for motions to be reflected in the minutes going forward.

The Board took the following action:

Ms. McClain made a motion approving the minutes of the December 13, 2023 Board meeting, as presented. Mr. Gonzalez seconded the motion.
DBRA Resolution Code 24-01-02-332 was approved.

PUBLIC COMMENT

Mr. Scott stated that each speaker would have two (2) minutes to provide public comment and that the collection of public comments was now closed.

Mr. John Perkins stated that he represents the Michigan Regional Council of Carpenters and Millwrights and that he would like to express his support for the Future of Health project which will provide work for carpenters and Detroit residents who will then be able to support themselves and their families and give

back to the community themselves, and that projects like the Future of Health project will support apprenticeship programs for the trades and encouraged the Board to approve the Future of Health TBP.

Mr. Steven Hawring stated that he is a business owner and longtime resident of Detroit and he sees the potential for positive outcomes from the Future of Health projects and that the opposition to the projects and the requests for tax incentives for the project lack an understanding of real estate development, and while there is a problem of displacement, projects like the Future of Health with Community Benefits Agreements have protected longtime residents from being displaced, and that Henry Ford Health has been an institution in the community for decades and that the investment they are making in the community is much needed.

Mr. Russ Bellant stated that he served on the Detroit Library Commission for 12 years and he would like to speak in opposition to the tax incentives being pursued for the Future of Health projects, but not against the projects themselves. Mr. Bellant stated that he has been engaged with Detroit Public Schools for 30 years and has seen firsthand the struggles that have faced the school districts and that the tax incentives will take funding away from public institutions that are greatly needed by the community such as parks, libraries, and schools, and that he thinks that tax captures should end.

Adam stated that he does not support the tax incentives being requested by the Future of Health and he understands that everyone wants more development in the City, but it should not come at the cost of Detroit residents.

Mr. Theo Pride stated that he represents the Detroit People's Platform and is a resident of District 2, and that he thinks the new hospital campus and the proposed medical research center are great, but that there are a few problems with the residential developments included in the Future of Health projects including the proposed rental rates for the residential units, the sizes of the residential units, the anticipated construction costs for the projects are higher than similar projects in the City, and the displacement that will occur in the area as a result of the projects.

Mr. Apollos Robbins stated that he is with the Michigan Regional Council of Carpenters and Millwrights and that he supports the Future of Health projects not only because he works in the trades, but because his brother lives within the impact area for the projects and the projects will help lower the crime rates in the area while providing job and educational opportunities for Detroit residents as well as benefitting the City overall to attract new businesses and residents.

Additional written public comments were received and are attached.

PROJECTS

Future of Health Transformational Brownfield Plan

Ms. Capler presented the Future of Health Transformational Brownfield Plan to the DBRA Board.

Transformational Brownfield Plan Introduction

Transformational Brownfield Plans ("TBPs") are defined as plans that will have a "transformational impact on local economic development and community revitalization based on the extent of brownfield redevelopment and growth in population, commercial activity, and employment that will result from the Plan."

Per Michigan Public Act 381 of 1996, as amended ("Act 381"), TBPs must be a mixed-use development and, with respect to TBPs in Detroit, with certain exceptions, must have a minimum level of capital investment of \$500 million or more. This investment can be one project or a series of developments on eligible property that are a "related program of investment." In addition to the capture of property tax increment revenues by the brownfield authority ("TIR"), TBPs allow for the capture by the State of Michigan of construction period tax revenues, state income tax revenues, and withholding tax revenues ("TR" and together with TIR, "TCR") as well as certain sales tax exemptions. Eligible activities under TBPs are expanded to include the "construction, restoration, alteration, renovation or improvement of buildings."

A proposed TBP for the Future of Health Transformation Brownfield Plan Redevelopment Projects (the “Plan”) is being submitted for review and consideration and will be described by project.

Palace Sports & Entertainment, LLC (“PSE”) and/or its affiliate DP Amsterdam, LLC, Henry Ford Health System (“HFH”), and Michigan State University (“MSU”) will be the developers of the projects (collectively the “Developer”).

6175 THIRD AVENUE – RESEARCH CENTER

Project Introduction

The new-construction 326,362 square foot building will be the location of advanced health science and medical research to be conducted pursuant to a collaboration agreement between HFH and MSU. The research conducted at the facility will include activities currently conducted at the One Ford Place HFH headquarters as well as advance research in areas including cancer, neurosciences, immunology, hypertension, and dermatology pursuant to programs funded by the National Institutes of Health and other sources. In addition, a portion of the building will be used by the Nick Gilbert Neurofibromatosis Research Institute in partnership with the Gilbert Family Foundation to conduct research into neurofibromatosis.

It is currently estimated that this project will create 1,096 direct onsite construction jobs and 558 direct permanent jobs with an average wage of \$66.25 per hour and 3,020 indirect and induced jobs. Three hundred sixty-three (363) of the direct permanent jobs are anticipated to be “net new” to the City and State, with 195 of the permanent jobs relocating from the existing One Ford Place.

Total investment is estimated at \$393 million. The Developer is requesting approximately \$39.6M in TCR reimbursement for this component of the Plan.

Property Subject to the Plan

The eligible property (the “6175 Third Street Site”) will consist of a single parcel bounded by railroad tracks to the north, Third Avenue to the east, Holden Street to the south and the John C. Lodge Freeway to the west in Detroit’s New Center neighborhood.

Basis of Eligibility

The 6175 Third Street Site is considered “eligible property” as defined by Act 381, Section 2 because (a) the property was previously used for a commercial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the 6175 Third Street Site is determined to be facility.

Eligible Activities and Projected Costs

The “eligible activity” that is intended to be carried out at the 6175 Third Street Site is considered an “eligible activity” as defined by Sec 2 of Act 381, because it includes new construction. The eligible activity and budgeted costs are intended as part of the development of the 2200 Woodward Avenue Site and will be financed solely by the Developer. The City of Detroit Brownfield Redevelopment Authority (the “DBRA”) is not responsible for any costs of the eligible activity and will incur no debt. Construction is estimated to begin in the second quarter of 2024 and be complete within six (6) years of the Michigan Strategic Fund’s (“MSF”) approval of this Plan.

TBP Capture

The 6175 Third Street Developer desires to be reimbursed for the costs of eligible activities. TCR generated by the 6175 Third Street Site will be captured by the DBRA and the State of Michigan, as applicable, and used to reimburse the cost of the eligible activities. The reimbursement for eligible activities completed on the 6175 Third Street Site and each of the eligible properties referenced hereinafter and contained in the Plan after approval of this Plan will be governed by the terms of a Reimbursement Agreement with the DBRA, the MSF and the Michigan Department of Treasury (the “Reimbursement Agreement”).

COSTS TO BE REIMBURSED WITH TCR

1. Eligible Construction Costs	\$39,580,808.00
Total Reimbursement to Developer	\$39,580,808.00

2. Authority Administrative Costs	\$0.00
3. State Brownfield Redevelopment Fund	\$0.00
4. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$39,580,808.00

The actual cost of those eligible activities encompassed by this component of the Plan that will qualify for reimbursement from TCR from the 6175 Third Street Site shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Developer is not seeking additional incentives for the 6175 Third Street Site.

6005 SECOND AVENUE – ONE FORD PLACE (RESIDENTIAL 1)

Project Introduction

This component of the Plan entails the planned adaptive reuse and renovation of the historic One Ford Place building located at 6005 Second Avenue, which is currently the HFH corporate headquarters building. The adaptive reuse will convert the building into the mixed-use residential building consisting of approximately 403 mixed-income residential apartments, including 20% (81) units with rents affordable to occupants with average incomes of 50% of AMI and 17,060 GSF of retail/commercial. Current plans indicate the residential portion of the Residential 1 building will include 181 studio apartments each with an average of 565 square feet of interior space, 168 one-bedroom apartments each with an average of 718 square feet of interior space, and 43 two-bedroom apartments each with an average of 1,070 square feet of interior space. The historic designation is anticipated to be approved in 2024.

It is currently estimated that this project will create 539 direct onsite construction jobs. Ongoing economic impacts of the commercial activity following completion of the project are expected to create 11 permanent property management jobs by the owner and 87 permanent jobs by tenants operating businesses which will be identified during and after the building’s construction phase. The projected 98 direct permanent jobs are anticipated to earn upon completion an average wage of approximately \$17 per hour.

Total investment is estimated at \$189 million. The Developer is requesting approximately \$103.3M in TCR reimbursement for this component of the Plan.

Property Subject to the Plan

The eligible property (the “6005 Second Avenue Site”) will consist of a single parcel bounded by Ford Place to the north, Second Avenue to the east, York Street to the south, and Third Avenue to the west in Detroit’s New Center neighborhood.

Basis of Eligibility

The 6005 Second Avenue Site is considered “eligible property” as defined by Act 381, Section 2 because (a) the 6005 Second Avenue Site was previously used for commercial purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the 6005 Second Avenue Site is determined to be a facility.

Eligible Activities and Projected Costs

The “eligible activity” that is intended to be carried out at the 6005 Second Avenue Site is considered an “eligible activity” as defined by Sec 2 of Act 381, because it includes new construction. The eligible activity and budgeted costs are intended as part of the development of the 6005 Second Avenue Site and will be financed solely by the Developer. The DBRA is not responsible for any costs of the eligible activity and will incur no debt. Construction is estimated to begin in the second quarter of 2027 and be complete within six (6) years of the MSF’s approval of this Plan.

TBP Capture

The Developer desires to be reimbursed for the costs of eligible activities. TCR generated by the 6005 Second Avenue Site will be captured by the DBRA and the State of Michigan, as applicable, and used to

reimburse the cost of the eligible activities completed on eligible property under the Plan after approval of this Plan pursuant to the terms of the Reimbursement Agreement.

COSTS TO BE REIMBURSED WITH TIF

1. Eligible Construction Costs	\$108,784,891.00
Total Reimbursement to Developer	\$108,784,891.00
2. Authority Administrative Costs	\$2,802,857.00
3. State Brownfield Redevelopment Fund	\$2,326,537.00
4. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$113,914,286.00

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from TCR from the 6005 Second Avenue Site shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Developer is seeking additional incentives through a Commercial Rehabilitation Act (PA 210) and Neighborhood Enterprise Zone (NEZ) abatements.

725 AMSTERDAM – RESIDENTIAL 2

Project Introduction

This component of the Plan entails the planned new construction of approximately 154 mixed-income apartments in five stories above first floor retail/commercial.

The newly constructed mixed-use Residential 2 building is projected to contain approximately 159,204 GSF with 151,189 GSF for 154 apartments, 20% (31) of which will be affordable at an average of 50% AMI, as well as 8,015 GSF for retail/commercial. Current plans indicate the residential portion of the Residential 2 building will include 75 studio apartments each with an average of 514 square feet of interior space, 69 one-bedroom apartments each with an average of 793 square feet of interior space, and 10 two-bedroom apartments each with an average of 1,117 square feet of interior space.

It is currently estimated that this project will create 248 direct onsite construction jobs. Ongoing economic impacts of the commercial activity following completion of the project are expected to create 4 permanent property management jobs by the owner and 41 permanent jobs by tenants operating businesses which will be identified during and after the building’s construction phase. The projected 45 direct permanent jobs are anticipated to earn upon completion an average wage of approximately \$16 per hour.

Total investment is estimated at \$79 million. The Developer is requesting approximately \$36.6M in TCR reimbursement for this component of the Plan.

Property Subject to the Plan

The eligible property (the “725 Amsterdam Site”) will consist of a one parcel bounded by Amsterdam Street to the north, Second Avenue to the east, Ford Place to the south, and Third Avenue to the west in Detroit’s New Center neighborhood.

Basis of Eligibility

The 725 Amsterdam Site is considered “eligible property” as defined by Act 381, Section 2 because (a) the 725 Amsterdam Site was previously used for a commercial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the 725 Amsterdam Site is determined to be a facility.

Eligible Activities and Projected Costs

The “eligible activity” that is intended to be carried out at the 725 Amsterdam Site is considered an “eligible activity” as defined by Sec 2 of Act 381, because it includes eligible construction costs. The eligible activity and budgeted costs are intended as part of the development of the 725 Amsterdam Site and will be financed solely by the 725 Amsterdam Developer. The DBRA is not responsible for any costs of the eligible activity

and will incur no debt. Construction is estimated to begin in the second quarter of 2025 and be complete within six (6) years of the MSF's approval of this Plan.

TBP Capture

The 725 Amsterdam Developer desires to be reimbursed for the costs of eligible activities. TCR generated by the 725 Amsterdam Site will be captured by the DBRA and the State of Michigan, as applicable, and used to reimburse the cost of the eligible activities completed on eligible property under the Plan after approval of this Plan pursuant to the terms of the Reimbursement Agreement.

COSTS TO BE REIMBURSED WITH TCR

1. Eligible Construction Costs	\$39,634,717.00
Total Reimbursement to Developer	\$39,634,717.00
2. Authority Administrative Costs	\$847,491.00
3. State Brownfield Redevelopment Fund	\$995,776.00
4. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$41,477,984.00

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from TCR from the 725 Amsterdam Site shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Developer is seeking additional incentives through a Commercial Rehabilitation Act (PA 210) abatement.

675 AMSTERDAM – RESIDENTIAL 3

Project Introduction

This component of the Plan entails the new construction of approximately 105 mixed-income apartments in five stories above first floor retail/commercial.

The newly constructed mixed-use Residential 3 building is projected to contain approximately 112,395 GSF with 106,122 GSF for 105 apartments, 20% (21) of which will be affordable at an average of 50% AMI, as well as 6,273 NRSF/GSF of retail/commercial space. Current plans indicate the residential portion of the Residential 3 building will include 55 studio apartments each with an average of 493 square feet of interior space, 40 one-bedroom apartments each with an average of 796 square feet of interior space, and 10 two-bedroom apartments each with an average of 1,060 square feet of interior space.

It is currently estimated that this project will create 158 direct onsite construction jobs. Ongoing economic impacts of the commercial activity following completion of the project are expected to create 3 permanent property management jobs by the owner and 31 permanent jobs by tenants operating businesses which will be identified during and after the building's construction phase. The projected 34 direct permanent jobs are anticipated to earn upon completion an average wage of approximately \$17 per hour.

Total investment is estimated at \$54 million. The Developer is requesting approximately \$25.7M in TCR reimbursement for this component of the Plan.

Property Subject to the TBP

The eligible property (the "675 Amsterdam Site") will consist of a single parcel bounded by Amsterdam Street to the north, Second Avenue to the east, Ford Place to the south and Third Avenue to the west in Detroit's New Center neighborhood.

Basis of Eligibility

The 675 Amsterdam Site is considered "eligible property" as defined by Act 381, Section 2 because (a) the 675 Amsterdam Site was previously used for a commercial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the 675 Amsterdam Site is determined to be a facility.

Eligible Activities and Projected Costs

The “eligible activity” that is intended to be carried out at the 675 Amsterdam Site is considered an “eligible activity” as defined by Sec 2 of Act 381, because it includes new construction. The eligible activity and budgeted costs are intended as part of the development of the 675 Amsterdam Site and will be financed solely by the 675 Amsterdam Developer. The DBRA is not responsible for any costs of the eligible activity and will incur no debt. Construction is estimated to begin in the second quarter of 2027 and be complete within six (6) years of MSF approval of this Plan.

TBP Capture

The 675 Amsterdam Developer desires to be reimbursed for the costs of eligible activities. TCR generated by the 675 Amsterdam Site will be captured by the DBRA and the State of Michigan, as applicable, and used to reimburse the cost of the eligible activities completed on the eligible property under the Plan after approval of this Plan pursuant to the terms of the Reimbursement Agreement.

COSTS TO BE REIMBURSED WITH TCR

1. Eligible Construction Costs	\$27,084,984.00
Total Reimbursement to Developer	\$27,084,984.00
2. Authority Administrative Costs	\$529,631.00
3. State Brownfield Redevelopment Fund	\$700,027.00
4. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$28,314,642.00

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from TCR from the 675 Amsterdam Site shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Developer is seeking additional incentives through a Commercial Rehabilitation Act (PA 210) abatement.

6205 THIRD STREET – PARKING GARAGE

Project Introduction

This component of the Plan entails the new construction of an 804-space, six story parking garage to provide parking for the Research Center and the Residential 1, Residential 2 and Residential 3, mixed-use buildings.

It is currently estimated that this project will create 104 direct onsite construction jobs. No permanent jobs are expected to be created by the Parking Garage.

Total investment is estimated at \$58 million. The Developer is requesting approximately \$14.4M in TCR reimbursement for this component of the Plan.

Property Subject to the TBP

The eligible properties (the “6205 Third Street Site”) will consist of a single parcel bounded by railroad tracks to the north, Third Avenue to the east, Holden Street to the south, and John C. Lodge Freeway to the west in Detroit’s New Center neighborhood.

Basis of Eligibility

The 6205 Third Street Site is considered “eligible property” as defined by Act 381, Section 2 because (a) the 6205 Third Street Sites was previously used for a commercial purpose; (b) is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the 6205 Third Street Site are determined to be a facility.

Eligible Activities and Projected Costs

The “eligible activity” that is intended to be carried out at the 6205 Third Street Site is considered an “eligible activity” as defined by Sec 2 of Act 381, because it includes new construction. The eligible activity and budgeted costs are intended as part of the development of the 6205 Third Street Site and will be financed

solely by the 6205 Third Street Developer. The DBRA is not responsible for any costs of the eligible activity and will incur no debt. Renovation is estimated to begin in the fourth quarter of 2025 and be complete within six (6) years of MSF approval of this Plan.

TBP Capture

The 6205 Third Street Developer desires to be reimbursed for the costs of eligible activities. TCR generated by the 6205 Third Street Site will be captured by the DBRA and the State of Michigan, as applicable, and used to reimburse the cost of the eligible activities completed on the eligible property under the Plan after approval of this Plan pursuant to the terms of the Reimbursement Agreement.

COSTS TO BE REIMBURSED WITH TCR

1. Eligible Construction Costs	\$16,689,402.00
Total Reimbursement to Developer	\$16,689,402.00
2. Authority Administrative Costs	\$1,042,468.00
3. State Brownfield Redevelopment Fund	\$662,058.00
4. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$18,393,928.00

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from TCR from the 6205 Third Street Site shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Developer is not seeking additional incentives for the 6205 Third Street Site.

OVERALL TRANSFORMATIONAL IMPACTS

- \$773 million in capital investment, significantly exceeding the \$500 million statutory threshold.
- A total of 4 new construction development projects exceeding 917,961 total square feet of redevelopment on current surface parking lots in addition to the adaptive reuse of a 626,953 SF historic structure in Detroit’s New Center neighborhood.
- Constructing approximately 662 new residential units, of which 132 units will be reserved for residents making an average of 50% of the Area Median Income to grow the City’s population and tax base.
- Creating or supporting approximately 2,145 direct construction jobs with total wages expected to exceed \$133 Million throughout the construction period (an annual average wage of \$61,921 per job), and a total economic output of \$474 Million.
- Creating or supporting approximately 735 direct permanent jobs in the City to expand economic opportunity and grow the City’s tax base.

TOTAL TBP COSTS TO BE REIMBURSED WITH TCR

1. Eligible Construction Costs	\$231,774,802.00
Total Reimbursement to Developer	\$231,774,802.00
2. Authority Administrative Costs	\$5,222,447.00
3. State Brownfield Redevelopment Fund	\$4,684,399.00
4. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$241,681,648.00

DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the December 13, 2023 CAC meeting. Attached was the DBRA-CAC’s letter of recommendation for the DBRA Board’s consideration.

Public Comments

Attached were the results of the DBRA public hearing for the Plan that was held on Thursday, January 4, 2024 at the Pistons Performance Center.

Attached for the Board's review and approval was a resolution approving the Future of Health Transformational Brownfield Redevelopment Plan and its submittal to Detroit City Council.

Ms. Mays joined the meeting at 4:48pm.

Ms. Brooks-Williams provided an overview of the projects included in the Future of Health TBP as well as the projects planned for the new hospital campus.

Mr. George asked for clarification on the total investment amount for the projects included in the Future of Health TBP and the total investment amount including the new hospital campus for Henry Ford Health. Mr. Barr stated that the total investment amount for the projects included in the TBP is approximately \$773 million and when combined with the new hospital campus, the total investment amount for all of the projects is approximately \$3 billion.

Mr. George asked what the total request is under the TBP. Mr. Barr stated that the total request under the TBP is \$231,774,802 which includes all tax captures under the Plan.

Mr. George asked why the Parking Garage will not generate any new jobs. Mr. Barr stated that the Parking Garage will be largely automated and will have security and maintenance services that will likely be provided by current employees of Henry Ford Health or one of its vendors.

Mr. Dueweke asked for clarification on the capture of State income taxes for the new employees and the new residents of the projects and if there will be capture of City income taxes. Mr. Barr stated that only State income tax would be captured and City income tax would be unaffected. Mr. Dueweke acknowledged Mr. Barr's statement and noted that some of the State income tax would flow through to the City of Detroit.

Ms. DeSantis asked the development team to explain what is meant by "an average of 50% AMI." Mr. Barr explained that the original proposal stated that 20% of units would be made available at rental rates consistent with 50% AMI and that during the CBO process the Neighborhood Advisory Council (NAC) requested deeper affordability and it was negotiated that 10% of units be made available at 30% AMI and 10% of the units would be made available at 70% AMI, which results in an average of 50% AMI.

Ms. DeSantis asked for clarification on the language used in the memorandum which states that the projects will be "creating or supporting approximately 735 direct permanent jobs." Mr. Barr stated that all 735 jobs are new and will be created by the projects included in the TBP.

Ms. DeSantis stated that at the DBRA meeting on December 13, 2023 the DBRA Board raised concerns about the proposed funding for a home repair program within the impact area through the Community Benefits Ordinance (CBO) process and expressed a desire for that funding to be provided to a nonprofit organization in the community to operate the program as opposed to the City to operate the program which would involve a lot of bureaucratic red tape and asked if the development team has made a determination or progress in this regard. Mr. Haddad stated that the development team has been in contact with and has had meetings with Central Detroit Christian CDC as well as another nonprofit organization in the community regarding the proposed funding for home repair and that the conversations have gone well, however there has not been a final decision made on which entity will receive the home repair funding and operate the program.

Ms. DeSantis asked how the impact area for the CBO process was determined and why the community organizations located west of Rosa Parks Boulevard were not included in the CBO process. Ms. King stated that this situation is unique considering the development costs and geographic location of the projects and pursuant to the ordinance which mandates that when doing a CBO that the impact area includes the census track(s) in which the projects are located and other areas deemed appropriate by Planning and

Development Department and from this guidance, three census tracts were identified. Ms. King stated she would like to clear up the misconception that the Northwest Goldberg neighborhood was excluded as the area was included in one of the three census tracts that formed the impact area for the CBO process. Ms. King further explained that there were approximately 6,300 residents making up 3,800 households, all of which had information mailed to their residence in addition to outreach conducted in partnership with the City of Detroit Department of Neighborhoods. Ms. King concluded that no matter where a Detroit resident lives, they are encouraged to participate in the CBO process and provide their feedback. Mr. Goodman added that the impact area as determined contained a significant number of residents as compared to other CBO impact areas. Mr. Welch added that Henry Ford Health has met with residents and organizations both within and outside of the CBO impact area and will continue to have those conversations going forward throughout the development process. Mr. Blackwell added that he has personally been in contact with leaders from community groups throughout the planning process for the projects and that there is a neighborhood group that consists of business owners, residents, and neighborhood organizations that was formed in order to provide feedback to Henry Ford Health on their proposed projects.

Mr. George asked if there is a possibility that the funding for the home repair program can be extended for a longer period of time than what is provided for in the Community Benefits Agreement (CBA). Mr. Haddad stated that the Detroit Pistons is open to additional requests and proposals to extend the reach of the funding for the home repair program than what is provided for in the CBA.

Mr. Dueweke asked for clarification on which development entities will be developing the projects. Mr. Haddad stated that Detroit Pistons will be the developer for the three mixed-use projects and will likely form single-purpose entities for each of the projects, which is common for developers when completing more than one project.

Mr. Lemus asked for more details on the proposed adaptive reuse of the One Ford Place property into residential units and commercial space. Mr. Darby stated that with the changing landscape for office use in the City and across the State and country, Henry Ford Health is happy that One Ford Place will be redeveloped into housing and that the building layout is conducive for a residential use.

Ms. Mays stated that she would like to thank the DEGC and DBRA Staff for taking the time to meet with her, answer her questions, and respond to her concerns regarding the projects and that the information that was provided to her was helpful in her understanding of the projects and the requests for the projects.

Ms. Mays stated that she would like to recognize Henry Ford Health for being a long-standing institution in the City and that the proposed new hospital campus and the Research Center are strengths and drivers of economic development for the area.

Ms. Mays stated that she would like to see a comprehensive housing plan for the area west of the John C. Lodge Freeway and that she would like the process for creating that housing plan include key stakeholders in the area, of which Henry Ford Health is one, so that the housing needs of that community can be addressed and represented in the housing plan.

Ms. Mays asked for clarification on the amount of equity that will be included in the financing for the residential developments. Mr. Austermann stated that the Detroit Pistons are providing an equity contribution of \$75 million toward the financing for the three residential projects and that the total equity contribution for all of the projects included in the TBP as well as the new hospital campus totals approximately \$514 million and that the equity is in the form of a cash contribution.

Ms. Mays stated that she would like to see larger developers consider making equity contributions in projects being led by smaller developers to assist them and the challenges in financing smaller, neighborhood projects which don't have access to some of the economic development tools that are available for larger projects and developers.

Ms. DeSantis asked why there is not a contribution to the Affordable Housing Trust Fund included in the CBA. Mr. Haddad stated that during the CBO process the NAC proposed that a contribution be made to

the Affordable Housing Trust Fund and that the development team asked the NAC to identify which contributions were the highest priority to be included in the CBA and the NAC indicated that the funding for home repair and rental assistance were the highest priority.

Ms. DeSantis asked if the Neighborhood Advisory Council that exists in the area north of the current Henry Ford Hospital will still be in effect and consulted with by Henry Ford Health into the future. Mr. Blackwell stated that Henry Ford Health has had continued engagement with the Neighborhood Advisory Council that exists in the area and will continue that engagement into the future.

Ms. DeSantis asked if the Detroit Pistons would be willing to work with the Neighborhood Advisory Council into the future along with Henry Ford Health. Mr. Haddad confirmed that the Detroit Pistons would be willing to work with the Neighborhood Advisory Council into the future along with Henry Ford Health. Ms. Brooks-Williams added that during the CBO process, the development team indicated that they would be willing to continue to engage with the Neighborhood Advisory Council to address the challenges that the community is facing.

Ms. DeSantis stated that she believes the City and stakeholders need to prioritize making home ownership affordable and accessible for long-term Detroit residents and that she has concerns about the residential developments in the TBP, but that she applauds Henry Ford Health for expanding and developing a new hospital campus in an area when there aren't any other hospitals proposing the same type of investment. Ms. Brooks-Williams stated that even prior to the proposed projects moving forward, Henry Ford Health has been committed to the progress of the area.

Mr. Scott called for a motion to approve the Future of Health Transformational Brownfield Redevelopment Plan and its submittal to Detroit City Council, as presented. The Board took the following action:

Mr. George made a motion to approve the Future of Health Transformational Brownfield Redevelopment Plan and its submittal to Detroit City Council, as presented. Mr. Gonzalez seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. Elias, Mr. George, Mr. Gonzalez, Mr. Lemus, Ms. Mays, Ms. McClain, and Mr. Scott

Nays: Mr. Dueweke.

Abstentions: Ms. DeSantis.

DBRA Resolution Code 24-01-324-02 was approved.

ADMINISTRATIVE

None.

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. Gonzalez, the meeting was unanimously adjourned at 5:16 PM.



CODE DBRA 24-01-02-332

APPROVAL OF MINUTES OF DECEMBER 13, 2023

RESOLVED, that the minutes of the regular meeting of December 13, 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.

January 10, 2024



CODE DBRA 24-01-324-02

TRANSFORMATIONAL BROWNFIELD PLAN FOR THE FUTURE OF HEALTH REDEVELOPMENT PROJECTS

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 certain properties 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 transformational brownfield plan for the Future of Health (the “Plan”) to the Community Advisory Committee for its consideration and comment and has solicited comments from 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 in accordance with Sections 14 and 14a of Act 381 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 transformational brownfield plan for the Future of Health is consistent with the purposes and requirements 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 hereby authorized and directed by the Board of the Directors of the DBRA to submit a certified copy of this Resolution and the Plan, substantially in the form attached hereto, to the City Clerk, together with a request that the City Council call a public hearing concerning the Plan and 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.

January 10, 2024

COMMENTS from Joyce Moore

DBRA Meeting Held 4:00 P.M. to 6:00 P.M. on Wednesday, January 10, 2024

Subject: Future of Health Transformational Brownfield Plan Local Public Hearing

The **ZOOM** meeting was held with an unreasonable amount of time for closing Public Comments. I was trying to get on at 4:15 P.M. but ZOOM wanted an update. Not your fault but 4:30 P.M. would have been reasonable.

Additional comments are the following:

1. We the people, voted on certain millages for schools and libraries to be taken out of our property taxes for these specific city services. My question would have been simply who gave the city, the state the right to divert my/our tax money. The diversion of our property tax money is given to developers who will profit millions off of their development projects.
2. The housing plan for this development should be re-evaluated and the Affordable Trust Fund for housing should be added.
3. \$2,000,000.00 is not enough for the Home Repair Program.

Further,. Billionaires are using our tax money for their development projects.

The Brownfield uses Tax Increment Financing (TIF). The diversion of these TIF tax takes money from our library funds, schools, various departments, etc.

1.) This is TAXATION WITHOUT REPRESENTATION:

We did not go to the election polls and VOTE for any of our property taxes to be used for the monetary benefit/gain for developers.

2.) STARVES THE LOCAL BUDGET:

TIF takes any increase of the property value and uses it for development, instead of going into the general fund for city services such as education through the school systems; policing, through the police departments; firefighting, through the fire department light in addition to our libraries, etc.

3.) RAISES PROPERTY TAXES:

TIF projects can last 20 to 30 years as a debt. As TIF developments INCREASE: 1.) property values increase and 2.) property owners pay more property taxes. The cost of living remains basically the same which leads to more foreclosures. There is no generational wealth as this tax puts a burden on our children, grand children and other family members if the home is passed on. Simply that debt of the TIF is passed on with the house and property taxes to whoever inherits the house.

4.) RISK WITH NO BENEFITS:

If the project is no longer profitable to the developer and the developer drops the project – Property tax-payers are still obligated to pay the incremental tax amount for the period created by the contract. Again this contract could be 10, 20 or 30 years. This provides no financial

compensation to the local homeowner, yet provides a 0% loan to the developer. Developers should pay back the money as they will make a substantial amount (usually millions) upon completion of the project.

Joyce Moore

pg 1 of 2

December 31, 2023

Dear Barry:

I am writing in regard to the last NAC meeting, held Monday, December 11, 2023. A legacy resident and NAC member indicated that there previously existed the Virginia Park/Henry Ford Hospital Non-Profit Housing Corporation as a joint venture. This joint venture was developed in July 28, 1975 to stimulate urban renewal development for continued neighborhood improvements. We, the Virginia Park Community are an old partner of Henry Ford Hospital and we are requesting to be made whole. If the joint venture was dissolved December 1, 2017, the question then becomes "WHAT HAPPENED TO THE CASH AND ASSETS?"

Having been a board member of the Virginia Park/Henry Ford Hospital Non-Profit Housing Corporation, I am in total agreement of this Cold Case of Assets. The money was ear-marked and designated for home improvements in the Virginia Park Community. NBD held the trust to this venture and there were no outstanding developing projects at that time as we were looking for an executive director. The trust number was 52689400 under NBD. The total assets are to include cash in the amount of \$487,114.00, bonds which have matured and common stocks, with total assets in the amount of \$1,421,244.00. The Virginia Park Community is considered an adjacent area to the impacted area of the Future of Health Project.

Census Tract 5326: Poe, Seward, Euclid, Virginia Park, South of W. Grand Blvd., will be eligible for proposed home repair benefits. We are simply requesting that a way for resolution to the assets of the Cold Case issue would be to address much needed home improvements for legacy residents. These legacy residents work and live in the Virginia Park Community and some cannot afford these improvements in the Virginia Park Community as related to the following census tracts:

Census Tract 5331: Clairmount, Taylor, Hazelwood, Gladstone which is West of 12th Street.
Census Tract 5327: Pingree, Lee Place, Gladstone, Hazelwood, Philadelphia, Taylor and Clairmount which is East of 12th Street.

These census tracts are considered a Low-Income Community Opportunity Zone and this would be an opportunity to continue neighborhood improvements for the adjacent impact area of the Future of Health - Detroit project. In addition, the Virginia Park/Henry Ford Hospital Non-Profit Housing Corporation assets can fund the neighborhood home improvements and any additional reimbursements to the specific Census Tracts, 5331 and 5327 in the Virginia Park Community.

In any Cold Case there has to be a willingness to resolve the case!

Your immediate response is greatly appreciated.

Sincerely,

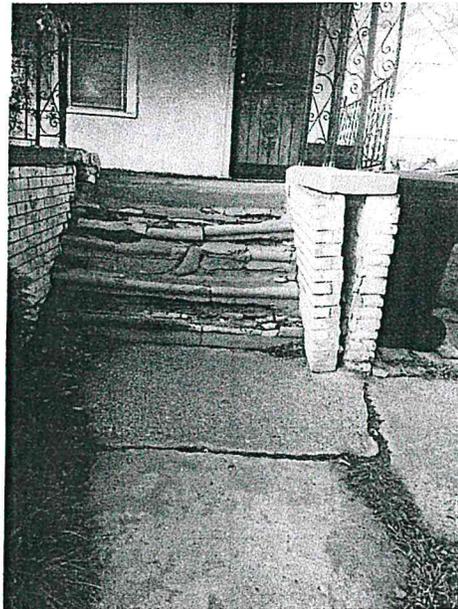
Joyce Moore
Former VP/HFH Board Member

Submitted by Verita Thompson

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Submitted by Venita Thompson



- \$ 2.18 Million for Tax Incentive for Partner
- \$ 0 for adjacent resident that were in Virginia Park- Henry Ford Non profit Housing Joint venture for 50 yrs of Henry Ford 109 year History

Client of Henry Ford Hospital: Kidney Transplant
Dialysis patient that needs to go up stairs to enter/exit 3-4 times week
Dialysis. Client needs Home repair