


David Whitaker, Esq.  
Director  
Irvin Corley, Jr.  
Executive Policy Manager  
Marcell R. Todd, Jr.  
Senior City Planner  
Janese Chapman  
Deputy Director

John Alexander  
LaKisha Barclift, Esq.  
M. Rory Bolger, Ph.D., FAICP  
Elizabeth Cabot, Esq.  
Tasha Cowan  
Richard Drumb  
George Etheridge  
Deborah Goldstein

**City of Detroit**  
**CITY COUNCIL**  
**LEGISLATIVE POLICY DIVISION**  
208 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Phone: (313) 224-4946 Fax: (313) 224-4336

Christopher Gulock, AICP  
Derrick Headd  
Marcel Hurt, Esq.  
Kimani Jeffrey  
Anne Marie Langan  
Jamie Murphy  
Kim Newby  
Analine Powers, Ph.D.  
Jennifer Reinhardt  
Rebecca Savage  
Sabrina Shockley  
Thomas Stephens, Esq.  
David Teeter  
Theresa Thomas  
Kathryn L. Underwood, MUP  
Ashley A. Wilson

TO: COUNCIL MEMBERS

FROM: David Whitaker, Director   
Legislative Policy Division Staff

DATE: May 27, 2020

RE: Dakkota Integrated Systems Brownfield Redevelopment Plan  
PA 381 of 1996 **PUBLIC HEARING**

**The Brownfield Redevelopment Financing Act 381 of 1996**

The Brownfield Redevelopment Financing Act 381 of 1996 provides tax incentives (i.e. tax increment financing) to develop brownfields properties in an area at or on which there has been a release (or threat of release) or disposal of a hazardous substance.

Dakkota Integrated Systems, LLC, is the project developer and owner of the parcel located at 5905 Van Dyke Avenue, which is located on the former site of Kettering High School.<sup>1</sup> The Detroit Public Schools closed Kettering High School in 2012 and it has remained vacant for the past eight (8) years.

This project involves the construction of a 300,000 sqft manufacturing facility for Dakkota. The total investment is estimated to be approximately \$45,000,000. Approximately one hundred fifty-five (155) construction jobs are anticipated to be created, in addition to four hundred nineteen (419) permanent full-time jobs. On November 26, 2019, the Detroit City Council approved both a Public Act 198 IFEC<sup>2</sup> and a Next Michigan Renaissance Zone for the parcel.<sup>3</sup>

<sup>1</sup> **Auto supplier plans \$55M plant at Detroit Kettering High School site** by Ian Thibodeau, The Detroit News July 9, 2019 <https://www.detroitnews.com/story/business/autos/2019/07/09/auto-supplier-dakkota-integrated-systems-plans-factory-detroit-kettering-high-school-site/1683615001/>

<sup>2</sup> An Industrial Facilities Exemption Certificate (IFEC) under Act 198 of 1974 - PLANT REHABILITATION AND INDUSTRIAL DEVELOPMENT DISTRICTS (MCL 207.551 - 207.572)

<sup>3</sup> Act 376 of 1996 - MICHIGAN RENAISSANCE ZONE ACT (MCL 125.2681 - 125.2696)

The developer is requesting a **\$3,708,214<sup>4</sup> TIF**,<sup>5</sup> with the overall value of the plan estimated at **\$4,364,420**, which includes local brownfield costs. The estimated total years of this Brownfield plan is 35 years.

**Description of the Eligible Property & Legal Description**

The “eligible activities” that have been carried out or are intended to be carried out at the Property are considered “eligible activities” as defined by Section 2 of Act 381, because they consist of department specific activities (including baseline environmental assessments, due care activities and response activities), asbestos abatement, demolition, site preparation, infrastructure improvements, brownfield plan preparation and implementation, and interest. Some activities have been performed prior to the adoption of this Plan, but may be considered eligible activities to the full extent permitted under Act 381 and Section 2a of the DBRA Guidelines, as in effect as of the time the Plan is approved by the governing body.

Eligible activities described under this Plan began July, 2019 and are expected to be completed by December, 2020; however, in no event shall the commencement of all eligible activities begin later than eighteen (18) months after the date the governing body approves this Plan, unless otherwise agreed to in writing by DBRA. All eligible activities will be completed within three (3) years of the date the governing body approves this Plan; provided however, any long-term monitoring or operation and maintenance activities or obligations that may be required will be performed in compliance with the terms of this Plan and any documents prepared pursuant to this Plan.

The property comprising the eligible property consists of one tax parcel which is the location of the Dakkota Integrated Systems, L.L.C. project in Detroit. The tax parcel is a facility.<sup>6</sup> The tax parcel and all tangible personal property located thereon will comprise the eligible property and is collectively referred to herein as the “Property.”

Property Subject to the Plan

Address	Tax ID	Basis of Eligibility	Developer
5905 Van Dyke Avenue	17010043-56	Facility	Dakkota Integrated Systems, L.L.C.

---

<sup>4</sup> The maximum reimbursement of eligible activities costs and payment of interest shall not exceed \$5,442,244, which represents an estimate of the sum of (i) the portion of the overall projected eligible activities expected to be payable from non-school taxes, (ii) the portion of Department-specific activities which may be reimbursed with school taxes without the Michigan Department of Environment, Great Lakes, and Energy (EGLE) approval of a work plan, and (iii) the maximum projected interest to accrue in this Plan.

<sup>5</sup> Tax Increment Financing (TIF) subsidizes an entity by refunding or diverting a portion of their taxes to help finance development in an area or on a project site.

<sup>6</sup> The Property is a “facility” pursuant to Part 201 of Michigan’s Natural Resources and Environmental Protection Act (MCL324.20101 et seq.), due to the presence of lead in soil above its generic residential cleanup criteria.

## ATTACHMENT B

### Legal Description of Eligible Property to which the Plan Applies

Certain real property situated in the City of Detroit, County of Wayne, State of Michigan, as more particularly described as follows:

LOTS 76 THROUGH 123, BOTH INCLUSIVE, OF POTTER'S SUBDIVISION OF THE EAST PART OF P.C. 390, NORTH OF GRATIOT AVE., ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 13 OF PLATS, PAGE 92, WAYNE COUNTY RECORDS; ALSO LOTS 91 THROUGH 134, OF GEO. H. MARTZ'S SUBDIVISION OF THE WEST PART OF P.C. 390, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 14 OF PLATS, PAGE 5, WAYNE COUNTY RECORDS; ALSO PART OF LOTS 512 AND 513, AND ALL OF LOTS 514 THROUGH 550 AND LOTS 663 THROUGH 672, ALL INCLUSIVE, OF WILLIAM TAIT'S SUBDIVISION OF PART OF CHURCH FARM (P.C. 16) NORTH OF GRATIOT AVE., ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 16 OF PLATS, PAGE 87, WAYNE COUNTY RECORDS; ALSO LOTS 62 THROUGH 81, AND LOTS 204 THROUGH 213, AND LOTS 340 THROUGH 349, ALL INCLUSIVE OF WILLIAM TAIT'S SUBDIVISION OF PART OF CHURCH FARM (P.C. 16) NORTH OF GRATIOT AVE., ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 16 OF PLATS, PAGE 87, WAYNE COUNTY RECORDS; ALSO VACATED TOWNSEND BETWEEN MEDBURY AVENUE AND HENDRIE AVENUE ALL BEING IN THE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN AND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 115 OF SAID POTTER'S SUBDIVISION; THENCE SOUTH 62 DEGREES 50 MINUTES 00 SECONDS WEST 540.64 FEET ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF HENDRIE BOULEVARD (80.00 FEET WIDE); THENCE SOUTH 26 DEGREES 56 MINUTES 05 SECONDS EAST 17.16 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF BALDWIN AVENUE (60.00 FEET WIDE); THENCE SOUTH 62 DEGREES 50 MINUTES 18 SECONDS WEST 883.46 FEET ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF HENDRIE AVENUE (60.00 FEET WIDE); THENCE NORTH 27 DEGREES 11 MINUTES 09 SECONDS WEST 313.98 FEET ALONG THE EASTERLY RIGHT-OF-WAY LINE OF FIELD AVENUE (66.00 FEET WIDE); THENCE NORTH 62 DEGREES 51 MINUTES 21 SECONDS EAST 609.28 FEET ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF MEDBURY AVENUE (60.00 FEET WIDE); THENCE NORTH 27 DEGREES 15 MINUTES 02 SECONDS WEST ALONG THE EASTERLY RIGHT-OF-WAY LINE OF TOWNSEND AVENUE (60.00 FEET WIDE) 470.62 FEET; THENCE NORTH 62 DEGREES 47 MINUTES 32 SECONDS EAST 278.16 FEET; THENCE NORTH 64 DEGREES 10 MINUTES 27 SECONDS EAST 60.01 FEET; THENCE NORTH 62 DEGREES 36 MINUTES 31 SECONDS EAST 450.49 FEET ALONG A LINE PARALLEL WITH AND 30 FEET SOUTHERLY OF THE NORTHERLY LINE OF CONGER AVENUE (60.00 FEET WIDE); THENCE SOUTH 29 DEGREES 11 MINUTES 01 SECOND EAST 768.33 FEET TO THE POINT OF BEGINNING. PARCEL INCLUDES ALL VACATED STREETS AND ALLEYS WHICH ARE LOCATED WITHIN THE FOREGOING METES AND BOUNDS DESCRIPTION. CONTAINS 18.62 ACRES, MORE OR LESS.

### Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized for public (school) purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is a "facility" pursuant to Part 201 due to the presence of lead in soil above the Part 201 generic residential cleanup criteria.

The Developer represents and warrants that a Phase I Environmental Site Assessment ("ESA") has been performed on the Property ("Environmental Documents"). If appropriate, a Phase II ESA, baseline environmental assessment and due care plan will be prepared or conducted pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act (MCL 324.20101 et seq.), Attached hereto as Attachment G is the City of Detroit's Department of Buildings, Safety Engineering and Environmental acknowledgement of its receipt of the Phase I ESA, and if appropriate, the Phase II ESA.

Tax increments are projected to be captured and applied to (i) reimbursement of eligible activity costs and payment of DBRA administrative and operating expenses, (ii) make deposits into the State Brownfield Redevelopment Fund, and (iii) make deposits into the DBRA’s Local Brownfield Revolving Fund, as follows:

Captured Taxes	Totals	Reimbursement of costs & interest	DBRA Admin. Fees	State Redev. Fund	Brownfield Revolving
State Education Tax (SET)	\$ 3,086	\$ 1,543	\$ -	\$ 1,543	\$ -
School Operating Tax	\$ 18,700	\$ 18,700	\$ -	\$ -	\$ -
School Taxes Total	\$ 21,785	\$ 20,243	\$ -	\$ 1,543	\$ -
				\$ -	\$ -
				\$ -	\$ -
City Operating	\$ 2,073,548	\$ 1,760,955	\$ 312,593	\$ -	\$ -
Library	\$ 481,252	\$ 408,702	\$ 72,550	\$ -	\$ -
Wayne County Operating	\$ 812,919	\$ 690,369	\$ 122,550	\$ -	\$ -
Huron Clinton Metropolitan Authority	\$ 22,125	\$ 18,790	\$ 3,335	\$ -	\$ -
Wayne County ISD	\$ 360,035	\$ 305,759	\$ 54,276	\$ -	\$ -
Wayne County ENH	\$ 255,952	\$ 217,367	\$ 38,585	\$ -	\$ -
Wayne County Community College	\$ 336,804	\$ 286,030	\$ 50,774	\$ -	\$ -
Local Taxes Total	\$ 4,342,635	\$ 3,687,972	\$ 654,663	\$ -	\$ -
Total Captured Incremental Taxes	\$ 4,364,420	\$ 3,708,214	\$ 654,663	\$ 1,543	\$ -

In addition, the following taxes are projected to be generated but shall not be captured during the life of this Plan:

Taxes Not Captured	
City Debt	\$ 1,151,779
School Debt	\$ 1,663,686
DIA Tax	\$ 20,783
Zoo Tax	\$ 10,395
Total Debt and Special Millages	\$ 2,846,643

### Feasibility of the Brownfield Approval

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Property was previously utilized for public (school) purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is a “facility” pursuant to Part 201 due to the presence of lead in soil above the Part 201 generic residential cleanup criteria.

The project also includes a stormwater management system designed to retain a 100 year storm.<sup>7</sup>

<sup>7</sup> A 100-year storm refers to rainfall totals that have a one percent probability of occurring at that location in that year. [https://www.nrcs.usda.gov/wps/portal/nrcs/detail/wi/programs/?cid=nrcs142p2\\_020752](https://www.nrcs.usda.gov/wps/portal/nrcs/detail/wi/programs/?cid=nrcs142p2_020752)

A summary of the eligible activities and the estimated cost of each eligible activity intended to be reimbursed with Tax Incremental Revenues from the Property are shown in the table below:

### Estimated Cost of Eligible Activities Table

	Estimated Cost
<b>Department Specific Eligible Activities</b>	
1. Brownfield Plan and Work Plan Preparation	\$30,000
2. Baseline Environmental Assessment Activities	\$55,096
3. Additional Response Activities	\$207,714
4. Department Specific Activities Contingency	\$31,157
<b>Subtotal Department Specific Eligible Activities</b>	<b>\$323,967</b>
<b>MSF Eligible Activities</b>	
5. Site Preparation	\$1,064,937
6. Infrastructure Improvements (includes \$66,468 of incremental stormwater management costs)	\$1,144,816
7. Site and Building Demolition (includes asbestos abatement)	\$2,632,703
8. MSF Activities Contingency	\$422,949
<b>Subtotal MSF Eligible Activities</b>	<b>\$5,265,405</b>
9. DBRA Administrative Fees	\$654,663
10. Local Brownfield Revolving Fund	\$0
11. State Brownfield Redevelopment Fund	\$1,543
<b>Subtotal of Costs to be Funded Through TIF</b>	<b>\$6,245,578</b>
Interest (accrued; only \$172,415 is projected to be paid)	\$1,875,178
<b>Total Eligible Costs and Estimated Accrued Interest*</b>	<b>\$8,120,756</b>
<p>*Only \$3,567,065 of the eligible activities (\$3,546,823 from non-school taxes and \$20,242.50 from school taxes) and \$141,149 of interest (from non-school taxes only), for a total of \$3,708,214, are projected to be funded through available TIF revenues. The maximum reimbursement of eligible activities costs and payment of interest shall not exceed \$5,442,244, which represents an estimate of the sum of (i) the portion of the overall projected eligible activities expected to be payable from non-school taxes, (ii) the portion of Department-specific activities which may be reimbursed with school taxes without EGLE approval of a work plan, and (iii) the maximum projected interest to accrue under this Plan.</p>	

Please contact us if we can be of any further assistance.

cc: Auditor General's Office  
 Arthur Jemison, Chief of Services and Infrastructure  
 Katy Trudeau, Planning and Development Department  
 Donald Rencher, HRD  
 Veronica Farley, HRD  
 Stephanie Grimes Washington, Mayor's Office  
 Avery Peeples, Mayor's Office  
 Malinda Jensen, DEGC  
 Kenyetta Bridges, DEGC  
 Jennifer Kanalos, DEGC  
 Brian Vosburg, DEGC



The only piece of the school expected to survive construction is the large blue Kettering (High School) "K" on the site.<sup>8</sup>

---

<sup>8</sup> Source (Photo: Ian Thibodeau, The Detroit News):  
<https://www.detroitnews.com/story/business/autos/2019/07/09/auto-supplier-dakota-integrated-systems-plans-factory-detroit-kettering-high-school-site/1683615001/>



Dakota Project site map<sup>9</sup>

---

<sup>9</sup> Courtesy of DEGC

Project Description and Rendering

The project consists of the construction of an approximately 300,000 square foot light industrial building and related site improvements on the Property and on adjacent property.

The total investment is expected to be approximately \$45,000,000. An estimated one hundred fifty-five (155) construction jobs have been or are expected to be created at the overall property. Approximately four hundred nineteen (419) permanent full-time jobs are expected to be created at the Property by the Developer or its affiliates. The Developer has entered into agreements with the City that provide for hiring practices intended to maximize the hiring of nearby and other Detroit residents.

The project includes a stormwater management system designed to retain a 100 year storm.

The Developer has received approval of property tax abatements under the Renaissance Zone Act and P.A 198 of 1974, as amended. The abatements will reduce the property tax obligations of the Property for the periods applicable under the abatement certificates, thereby reducing the amount of tax increment revenues available pursuant to this Plan.



Dakota Watering Plant

January 2020





**Incentives Table**



**INCENTIVE INFORMATION CHART:**

Project Type	Incentive Type	Investment Amount	District
Manufacturing	PA 199/Renaissance Zone	\$38,005,000	5

Jobs Available							
Construction				Post Construction			
Professional	Non-Professional	Skilled Labor	Non-Skilled Labor	Professional	Non-Professional	Skilled Labor	Non-Skilled Labor
15	0	140	0	50	0	102	287

1. What is the plan for hiring Detroiters? The company is working with Detroit at Work, CRO and the Mayor's office to hire as many Detroiters as possible using tools such as first opportunities for Detroiters to apply for jobs, Ban the Box, and no screening for use of alcohol and marijuana.
2. Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc. See attached job descriptions.
3. Will this development cause any relocation that will create new Detroit residents? New employees may wish to live near the business location.
4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs? Yes. The company has met with local church and community groups, held one community meeting and will hold a 2nd community meeting in November.
5. When is construction slated to begin? November 21, 2019
6. What is the expected completion date of construction? Open for business in mid-2020 with final equipment installation by 2021.

\*Please contact Linda Wesley at (313) 628-2993 or [wesley@detroitmi.gov](mailto:wesley@detroitmi.gov) to schedule a date to attend the Skilled Trades Task Force.

H-1

Supportive Letters



January 29, 2020

To Whom It May Concern:

Alkebu-lan Village is aware that the Dakkota Integrated Systems, LLC has submitted a Brownfield Redevelopment Plan to the DEGC for the construction of a manufacturing assembly center on the former Kettering High School that has been closed since 2012. We have been fortunate to host two community events at our center where we learned about the project and the passion that Dakkota brings to the project. There was overwhelming support from the community for this project. We are excited to partner with Dakkota to have an impact on the area.

Sincerely,

Marvis Cofield

BOARD OF DIRECTORS  
GARY HENNING, President  
TERRY CLAYTON, Treasurer  
JILL HENNING, Secretary  
BRYAN ANDERSON  
SARA JONES  
LOUIE SCHWARTZ  
TOM HUGHES  
EVAN HENNING  
NORMAN HENNING, II, BOSS  
DANIEL LINDSEY  
MICHAEL O'NEIL, Esq.  
DANIEL HENNING  
SARA JONES  
BRYAN ANDERSON  
COUNCIL OF ELDERS  
TERRY HENNING  
JILL HENNING  
TERRY HENNING  
MICHAEL O'NEIL  
YOUNG HENNING  
SARA JONES  
WILLIAM HENNING  
WILLIAM HENNING, CEO



Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 808  
Detroit, Michigan 48226

Phone: 313.224.1339  
Fax: 313.224.1310  
[www.detroitmi.gov/pdd](http://www.detroitmi.gov/pdd)

February 6, 2020

Ms. Jennifer Kanalos  
Authorized Agent  
Detroit Brownfield Redevelopment Authority  
500 Griswold, Suite 2200  
Detroit, Michigan 48226

**RE: Dakota Integrated Systems, L.L.C. Brownfield Redevelopment Plan**

Dear Ms. Kanalos,

The Detroit Brownfield Redevelopment Authority (DBRA) has asked that the Planning and Development Department to review and comment on the Dakota Integrated Systems, L.L.C. Brownfield Redevelopment Plan (the "Plan").

Dakota Integrated Systems, L.L.C. is the project developer ("Developer"). The property in the Plan is located on 120 platted parcels and multiple tax parcels in the process of being combined into a single tax parcel, bounded by Van Dyke Avenue to the east, Hendrie Street to the south, Townsend and Field Streets to the west and the former Conger Street to the north on Detroit's east side.

The project will include the construction of an approximately 300,000 square foot light industrial building and related site improvements on the property. The Developer has entered into agreements with the City of Detroit that provide for hiring practices intended to maximize the hiring of nearby and other Detroit residents. The project includes a stormwater management system designed to retain a 100-year storm.

The development will develop an underutilized property and create approximately 419 permanent jobs on the east side of Detroit. Total investment is estimated at \$45 million.

The review for this brownfield plan is complete and all comments have been forwarded to the developer. No adverse comments were received. The Planning and Development Department recommends approval of the brownfield plan as submitted.

Sincerely,

Russell Baltimore  
Assistant Director Design Review  
Planning and Development Department

c: B. Vosburg  
C. Capler

## Cathedral Abbey of St. Anthony



5247 Sheridan Street  
Detroit, MI 48213  
(313) 279-5551

[www.cathedralofstanthonydetroit.org](http://www.cathedralofstanthonydetroit.org)

February 1<sup>st</sup>, A. D. 2020

Dear Mr. Barr, Richard A.  
And To Whom It May Concern:

St. Anthony is aware that Dakota Integrated Systems has sent a Brownfield Redevelopment Plan to the DEGC for the construction of an assembly plant for the new Chrysler assembly plants in Southeast Detroit.

I have supported this project from the first community meeting where I met with Dakota representatives, and I saw the presentation about the project. I am excited for the jobs and the impact it will have on our community. I strongly believe Dakota will be a difference maker in our community.

We are also very grateful for donating the playground equipment to our church that existed on the Rose Elementary location. This will be of good use for our Neighborhood children.

We appreciate your presence in our Neighborhood and wish you all God's blessings for your work among us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Karl Rodig", written over a horizontal line.

Bishop Dr. Karl Rodig, D. Min., Mag. Theol.

D-2

33256295.4