

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.  
Nur Barre  
M. Rory Bolger, Ph.D., FAICP  
Elizabeth Cabot, Esq.  
Tasha Cowan  
George Etheridge

# 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: October 26, 2021

RE: Brush8 Townhomes Brownfield Redevelopment Plan PA 381 of 1996  
**PUBLIC HEARING**

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.

## **Brush8 Townhomes Brownfield Redevelopment Plan**

Brush 8 LLC, an affiliate of City Growth Partners, LLC (CGP), a Detroit based real estate development company led by principal Moddie Turay, is the developer in the Brush8 Townhomes Brownfield Redevelopment Plan. The eligible property in the plan consists of two (2) parcels located at 313 Watson Street and 3119 Brush Street bounded by an alleyway to the north, Brush Street to the east, Watson Street to the south, and the property line to the west in the Brush Park neighborhood. The two (2) parcels are eligible property due to the fact that 313 Watson Street is a “*facility*,<sup>1</sup>” and 3119 Brush Street is “adjacent and contiguous.”

The Developer proposes to construct a one three-story building, which is currently under construction, featuring eight luxury residential townhomes. The development is in Detroit’s Brush Park Neighborhood, centrally located between Woodward Avenue and I-75. The property was originally developed as early as 1889, with residential dwellings and apartments. By 1921, stores were present in the area. The southern parcel at 313 Watson Street was previously occupied by a gasoline service station that was constructed in 1925. Records of four Underground Storage Tanks (USTs) of the recorded USTs on record in 1972. The gasoline service station was demolished between 1972 and 1974, and the remaining dwellings were

---

<sup>1</sup> **Facility:** any area, place, or property where a hazardous substance in excess of the established state cleanup standard for residential property has been released, deposited, disposed of, or otherwise comes to be located.

demolished in 2005. Subsequent to the demolitions, the property has been vacant until development activities began on the site in December 2020. The Brush Park Townhomes will provide a total of 13,693 square feet of livable residential space. Six of the units will offer two bedroom, two and a half bathroom arrangements, spanning between 1,797 to 2,137 square feet. Two units will offer three bedrooms and two and a half bathrooms with 1,909 square feet each. Private garages will be provided at ground level. Additional features will include second story balconies, a rooftop terrace, penthouse, garden, and alleyway improvements, which will incorporate pavers and signage.

The project will be designed according to the newly implemented Brush Park Form Based Code Design Standards and Guidelines.<sup>2</sup> Each townhome will feature high efficiency HVAC, plumbing and electrical systems. The improvements and fixtures selected for the project will provide the necessary energy efficiency, durability, and aesthetics to attract discerning buyers.

Upon completion, this project will remediate environmental contamination, bring a vacant property back to productive use, and address the growing demand for residential space within Brush Park, thereby bringing two vacant parcels back to productive use.

The eligible activities are estimated to commence within 18 months of approval of the plan and be completed within 3 years. The completed project is also expected to create an estimated 40 temporary construction jobs and no new full-time equivalent (FTE) jobs.<sup>3</sup>

The developer is requesting a **\$326,727** TIF<sup>4</sup> reimbursement, with the overall value of the plan estimated at **\$791,534**, which includes local brownfield costs.<sup>5</sup> The developer is also seeking the approval of a Neighborhood Enterprise Zone Act, P.A. 147 of 1992, as amended (NEZ) tax abatement. The estimated capital investment for this project is approximately **\$4.8 million**.

**Basis of Eligibility**

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

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

Address	Tax ID	Owner
3119 Brush Street	01000772	City Growth Partners, LLC
313 Watson Street	01000771	City Growth Partners, LLC

Address: 3119 Brush Street  
 Parcel ID: 01000772  
 Legal Description: N WATSON REAR N 75 FT OF 1BLK 8 BRUSH SUB L3 P24 PLATS, WCR 1/48 60 IRREG

Address: 313 Watson Street  
 Parcel ID: 01000771  
 Legal Description: N WATSON S 75 FT OF 1BLK 8 BRUSH SUB L3 P24 PLATS, WCR 1/48 60 IRREG

<sup>2</sup> [https://detroitmi.gov/sites/detroitmi.localhost/files/2020-12/2020\\_12\\_21%20BrushParkFBC.pdf](https://detroitmi.gov/sites/detroitmi.localhost/files/2020-12/2020_12_21%20BrushParkFBC.pdf)

<sup>3</sup> According to the jobs chart submitted to Council President Brenda Jones.

<sup>4</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>5</sup> The duration of the TIF plan is 19 years.



**Rendering of the completed project<sup>6</sup>**

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:

**COSTS TO BE REIMBURSED WITH TIF<sup>7</sup>**

<b>COSTS TO BE REIMBURSED WITH TIF</b>	<b>Chart</b>
1. Pre-Approved Activities	\$20,607
2. Department Specific Activities	\$65,874
3. Demolition	\$4,700
4. Site Preparation	\$139,630
5. Infrastructure Improvements	\$29,900
6. Brownfield Plan & Work Plan	\$30,000
7. Contingency (15%)	<u>\$36,016</u>
<b>Total reimbursement to the Developer</b>	<b>\$326,727</b>
8. Authority Administrative Costs	\$122,251
9. State Brownfield Redevelopment Fund	\$55,307
10. Local Brownfield Revolving Fund	\$287,249
<b>TOTAL Estimated Costs*</b>	<b>\$791,534</b>
<i>*Figure subject to rounding</i>	

<sup>6</sup> Source: <https://www.brush8detroit.com/>

<sup>7</sup> A maximum fifteen percent (15%) contingency for unforeseen circumstances and cost overruns may be added to the estimated cost of the proposed activities. The contingency should not be calculated on the costs for Brownfield Plan, Work Plan preparation or implementation, or for activities conducted prior to Work Plan submittal. Act 381 Work Plan Guidance

	Reimbursement Costs	Admin. Costs	State Brownfield Fund	Local Brownfield Revolving Fund	Totals
School Operating Tax	\$27,286	\$0	\$0	\$0	\$ 27,286
State Education Tax	\$4,548	\$0	\$55,307	\$0	\$ 59,855
City Operating	\$149,622	\$62,027	\$0	\$145,742	\$ 357,391
Library	\$34,726	\$14,396	\$0	\$33,825	\$ 82,948
Wayne County	\$58,658	\$24,317	\$0	\$57,137	\$ 140,112
HCMA	\$1,605	\$665	\$0	\$1,568	\$ 3,838
RESA/Special Ed	\$25,979	\$10,770	\$0	\$25,305	\$ 62,054
Wayne County Community Colleg	\$24,303	\$10,075	\$0	\$23,673	\$ 58,051
<b>TOTAL</b>	<b>\$326,727</b>	<b>\$122,251</b>	<b>\$55,307</b>	<b>\$287,249</b>	<b>\$ 791,535</b>

<i>In Addition the following taxes are projected to be generated but shall not be captured during the life of this Plan:</i>				
City Debt	\$153,486			
School Debt and Judgment	\$221,701			
DIA	\$3,411			
Zoo	\$1,705			
<b>Total</b>	<b>\$380,303</b>			

### **Feasibility of the Brownfield Approval**

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, department specific activities, site preparation, and development, preparation, and implementation of brownfield plan and Act 381 Work Plan. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to commence within 18 months of approval of the Plan and be completed within 3 years.

A Leaking Underground Storage Tank (LUST) release was discovered on November 16, 2006, during the completion of a Phase II Environmental Site Assessment (ESA). The underground storage tank (UST) system was reported removed in 1972; however, a 2015 geophysical survey investigation identified an anomaly that indicated an additional UST may have been located on the property.

ASTI Environmental conducted a test pit investigation on April 2, 2019, to a depth of 6 feet below ground surface (bgs). No USTs were identified during completion of the test pitting activities; however, debris including brick, concrete, and metal was observed in the test pit. ASTI also conducted a Limited Subsurface Investigation on April 11, 2019, that included the advancement of four soil borings (SB-1 through SB-4) and the collection of soil samples for laboratory analysis of volatile organic compounds (VOCs), polynuclear aromatic compounds (PNAs), polychlorinated biphenyls (PCBs), Resource Conservation Recovery Act (RCRA) 8 metals (arsenic, barium, cadmium, chromium, lead, mercury, selenium, and silver), diesel range organics (DRO), and gasoline range organics (GRO), or some combination thereof. The laboratory analytical results for soil reported a concentration of arsenic above the SDBLs and the Part 201 Residential/Nonresidential DWP and GSIP cleanup criteria in SB-4.

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

cc: Auditor General's Office  
Donald Rencher, Chief of Services and Infrastructure  
Katy Trudeau, Planning and Development Department  
Julie Schneider, HRD  
Veronica Farley, HRD  
Stephanie Grimes Washington, Mayor's Office  
Gail Fulton, Mayor's Office  
Malinda Jensen, DEGC  
Kenyetta Bridges, DEGC  
Jennifer Kanalos, DEGC  
Brian Vosburg, DEGC  
Cora Capler, DEGC



Incentive Information Chart: 313 Watson St – Brush 8 Development, Detroit

Project Type	Incentive Type	Investment Amount	District
Residential – For Sale	Brownfield TIF, NEZ	\$4-5mm	Brush Park

Jobs Available							
Construction				Post Construction			
Professional	Non-Professional	Skilled Labor	Non-Skilled Labor	Professional	Non-Professional	Skilled Labor	Non-Skilled Labor
2	5	8	25	0	0	0	0

**1. What is the plan for hiring Detroiters?**

The general contractor has maintained a vendor list of Detroit-based and minority-owned vendors and trades. These subcontractors have been given priority in an invitation to bid on the scope of work. Detroit based companies have been and are being utilized for earthwork, water and sewer utilities, and electrical work, with Detroit residents hired within the GCs labor force in both skilled and non-skilled labor.

Similarly, the developer has prioritized Detroit-based companies to guide and advise throughout the pre-development and development process. As needed, Detroit-based companies will continue to be prioritized as development activities continue.

**2. Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc.**

Available construction jobs include earthwork, site utilities, concrete, masonry, carpentry, steel work, architectural woodwork, roofing, window glass and glazing, framing, painting, flooring, tiling, plumbing and HVAC, and electrical.

**3. Will this development cause any relocation that will create new Detroit residents?**

The development is anticipated to create an estimated 8 new residential units in the City of Detroit. No relocation will occur as the property is currently vacant.

**4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs?**

Yes. The project was awarded via a City of Detroit Request for Proposals (RFP) selection. The Brush Park CDC was also consulted as part of the process and have expressed their support for the project as well.

# City of Detroit

CITY COUNCIL

COUNCIL PRESIDENT BRENDA JONES

## **5. When is construction slated to begin?**

Construction began in December 2020 and eligible activities will be completed in Quarter 1 2022.

## **6. What is the expected completion date of construction?**

Construction is expected to be completed in Spring 2022.



CITY OF DETROIT  
BUILDINGS, SAFETY ENGINEERING  
& ENVIRONMENTAL DEPARTMENT  
ENVIRONMENTAL AFFAIRS

401 COLEMAN A. YOUNG  
MUNICIPAL CENTER  
DETROIT, MICHIGAN 48226  
Phone 313 • 628 • 2459  
Fax 313 • 224 • 2745

**Attachment B**

TO: THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
FROM: DETROIT, BUILDINGS, SAFETY ENGINEERING, AND  
ENVIRONMENTAL DEPARTMENT  
PROJECT: 313 Watson Street  
DATE: August 13, 2021

The undersigned, from the City of Detroit, Buildings, Safety Engineering, and Environmental Department acknowledges the receipt of the environmental documents listed below, which have been submitted by Brush 8, LLC as developer, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment Authority (DBRA), for the 313 Watson Street project.

- Phase I Environmental Site Assessment, pursuant to USEPA's All Appropriate Inquiry using American Society of Testing Materials (ASTM) Standard E 1527-13
- Phase II Environmental Site Assessment, pursuant to ASTM Standard 1903 (if appropriate)
- Baseline Environmental Assessment, pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act, MCL 324.20101 *et seq.* (if appropriate).
- Due Care Plan, pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act, MCL 324.20101 *et seq.* (if appropriate).

Based upon its review of the above environmental documents and the representations of the developer, the City of Detroit, Buildings, Safety Engineering, and Environmental Department agrees with the environmental consultant that the site is a facility and has determined that the documents received for this project satisfy the DBRA Guidelines.

City of Detroit, Buildings, Safety  
Engineering, and Environmental Department  
By: Anita Harrington  
Its: Environmental Specialist III

**Michael E. Duggan, MAYOR**



Exhibit B



September 22, 2021

The Honorable City Council  
City of Detroit  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 1340  
Detroit, Michigan 48226

City of Detroit Brownfield Redevelopment Authority  
Board of Directors  
500 Griswold Street, Suite 2200  
Detroit, Michigan 48226

Re: Recommendation for Approval of the Brush8 Townhomes Brownfield Redevelopment Plan

Honorable Members of the Detroit City Council and the City of Detroit Brownfield Redevelopment Authority Board of Directors:

In accordance with the resolution of the Detroit City Council creating the City of Detroit Brownfield Redevelopment Authority (the "Authority"), the Community Advisory Committee, at its meeting of September 22, 2021, adopted a resolution approving the proposed Brownfield Plan for the Brush8 Townhomes Redevelopment and recommending adoption of this Brownfield Plan by the Authority and City Council.

Please accept this letter of recommendation for approval from the Community Advisory Committee on the Brownfield Plan for the Brush8 Townhomes Redevelopment.

Very truly yours,

By:   
Kamal Cheeks, Chairperson  
Community Advisory Committee to the City of Detroit  
Brownfield Redevelopment Authority



**PLANNING AND  
DEVELOPMENT DEPARTMENT**

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

Phone 313•224•1339  
www.detroitmi.gov

August 27, 2021

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

**RE: Brush8 Townhomes 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 Brush8 Townhomes Brownfield Redevelopment Plan (the "Plan").

City Growth Partners, LLC's single-purpose entity, Brush 8 LLC, is the project developer ("Developer"). The property in the Plan consists of two (2) parcels bounded by an alleyway to the north, Brush Street to the east, Watson Street to the south, and the property line to the west in the Brush Park neighborhood of Detroit.

The project consists of the development of eight, three-story luxury condominiums which will be made available for purchase. Each condo will feature two bedrooms and two bathrooms, a one car garage, a second story balcony, and spacious kitchen, living, and dining areas. Additional amenities include private rooftop decks, penthouses, and gardens. The project includes the following Brownfield eligible activities: demolition, site preparation, infrastructure improvements, environmental studies, and environmental remediation.

The project will redevelop vacant and contaminated property to increase density and provide new, for-sale housing stock in the Brush Park neighborhood of Detroit. Total investment is estimated at \$4.8 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



November 28, 2018

Moddie Turray  
City Growth Partners  
[moddie@citygrowthpartners.com](mailto:moddie@citygrowthpartners.com)

**Re: Brush 8 Development**

The Brush Park Community Development Corporation (the "CDC") forwards this letter to indicate our support for the proposed "Brush 8" development for the property located at Brush Street and Watson Street (the "Project").

The Project plan for the proposed new construction of an eight-unit townhouse building was presented before the CDC and the Brush Park community at a public meeting held on November 13, 2018. Community members attending the meeting were generally receptive of the Project.

By a vote of 6 in favor, 0 objections, and 0 abstentions, the Board voted to support the Project. Attachment A contains the opinions offered by the Board during the voting process for your consideration; please note, the opinions have no bearing on the Board's vote and are included for reference only.

We thank you again for your commitment to Brush Park and making a positive impact in our community.

Sincerely,

A handwritten signature in black ink that reads "Karissa Holmes".

Karissa Holmes, Secretary

Cc: City of Detroit Planning & Development

September 10, 2021

Detroit City Council  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 1340  
Detroit, Michigan 48226

Dear Council Members:

My wife and I, Kayla & Steven Halmaghi, would like to express support of Brush 8 LLC's redevelopment project that is located within Brush Park. The redevelopment at 313 Watson and 3119 Brush Street will assist in making the community and immediate surrounding area more attractive to individuals who may consider shopping, working and living in Brush Park. As a result of the project, the entire City will benefit as the local economy and quality of life improves with new businesses and a healthier environment.

We appreciate the Council's efforts to assist in the redevelopment and reuse of brownfield and obsolete properties and looks forward to the continuation Detroit's economic growth.

Sincerely,

Kayla & Steven Halmaghi