David Whitaker, Esq. Director Irvin Corley, Jr. Executive Policy Manager Marcell R. Todd, Jr. Director, City Planning Commission Janese Chapman Director, Historic Designation Advisory Board

John Alexander Megha Bamola LaKisha Barclift, Esq. Nur Barre M. Rory Bolger, Ph.D., AICP Elizabeth Cabot, Esq. Christopher Gulock, AICP

# **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 Derrick Headd Marcel Hurt, Esq. Kimani Jeffrey Anne Marie Langan Jamie Murphy Kim Newby Analine Powers, Ph.D. Rebecca Savage Ryan Schumaker Sabrina Shockley Thomas Stephens, Esq. David Teeter Theresa Thomas Kathryn Lynch Underwood, MUP Ashley A. Wilson

TO:	COUNCIL MEMBERS
FROM:	David Whitaker, Director Legislative Policy Division Staff
DATE:	November 16, 2021
RE:	Jefferson Holcomb Brownfield Redevelopment Plan PA 381 of 1996 PUBLIC HEARING

## The Brownfield Redevelopment Financing Act

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.

## Jefferson Holcomb Brownfield Redevelopment Plan

Jefferson Holcomb Development, LLC, the project developer, acquired the property in 2021, which encompasses the Jefferson Holcomb Brownfield Redevelopment Plan. The project, located at 9101 and 9123 E. Jefferson Avenue, involves the redevelopment of a vacant, blighted commercial structure and adjacent parking lot into mixed retail and community gathering space.

The project is a commercial development designed around converging the arts with retail and community space. The community space will provide the local community an enclosed, open-air basketball court, along with a rooftop deck space for community gatherings and events. An existing building will be restored to house an approximately 507 square foot café with an additional roof deck. The completed project will provide approximately 8,205 square feet of leasable space for four (4) new tenant suites with newly constructed mezzanines to the east of the community space, with one suite planned to house Social Status,<sup>1</sup> a minority owned entrepreneurial clothing and lifestyle store. It is currently anticipated that construction will begin in the Winter of 2021 and eligible activities will be completed in early 2023.

<sup>&</sup>lt;sup>1</sup> <u>https://hypebeast.com/2020/6/james-whitner-interview-a-ma-maniere-social-status-harlem-detroit-baltimore-new-locations-2021</u>

The project is estimated to create sixty (60) construction jobs, and eighteen (18) permanent jobs by tenants at the property. The developer is also seeking support with a 12-year Obsolete Property Rehabilitation Act PA 146 Tax abatement,<sup>2</sup> in addition to the requested Brownfield TIF. If approved by Council, the new plan would grant the developer a \$591,504 TIF<sup>3</sup> reimbursement, with the total costs for the plan at \$1,000,964, which includes local brownfield costs.<sup>4</sup> The total investment in the project is estimated at \$1.76 million.

## **Basis of Eligibility**

The Property is considered "eligible property" as defined by Act 381, Section 2, because (a) it was previously utilized for a commercial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the parcels comprising the Property are a "facility" as defined by Act 381 due to the presence of hazardous substances including arsenic, chromium, tetrachloroethylene and trichloroethylene in the soil above Part 201 of the Natural Resources and Environmental Protection Act, Michigan PA 451, 1994, as amended ("NREPA") unrestricted residential criteria, and the development of these parcels is estimated to increase the captured taxable value of the property.

Address	9101 and 9123 E. Jefferson Avenue				
Parcel ID	19000031 and 19000032-3				
Owner	Jefferson Holcomb Development, LLC				
	LAND SITUATED IN THE COUNTY OF WAYNE, CITY OF DETROIT, STATE OF MICHIGAN, IS DESCRIBED AS FOLLOWS:				
Legal Description	Lots 110, 111, and 112, except that part taken for the widening of Jefferson Avenue, Holcomb and Sears Subdivision, as recorded in Liber 7 of Plats, Page 74, Wayne County Records.				

## Legal Description of the Eligible Property



**Project Rendering** 

<sup>&</sup>lt;sup>2</sup> **The Obsolete Property Rehabilitation Act (OPRA)**, PA 146 of 2000, (MCL 125.2781 - 125.2797) as amended, provides property tax exemptions for commercial projects and commercial housing properties that are rehabilitated and meet the requirements of the Act.

<sup>&</sup>lt;sup>3</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>&</sup>lt;sup>4</sup> The duration of the TIF plan is 29 years.

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:

ITEM	COST
Environmental Assessment Activities	\$53,738
Due Care Activities	\$116,520
Asbestos Assessment and Abatement	\$27,500
Demolition	\$43,500
Site Preparation	\$29,000
Infrastructure Improvements	\$30,000
Brownfield Plan & Work Plan	\$60,000
Contingency (15%)	\$36,978
Interest	\$194,269
Total Reimbursement to the Developer	<u>\$591,505</u>
Authority Administrative Costs	\$134,765
State Brownfield Redevelopment Fund	\$44,603
Local Brownfield Revolving Fund	<u>\$230,092</u>
Total Estimated Costs	\$1,000,965
Figures subject to rounding	

COSTS .	REIMBURSED	
60313	REINIDURGED	

All School Taxes	Totals	Reimbursement of Costs and Interest	DBRA Admin. Costs	State Redev. Fund	Local Brownfield Revolving Fund
School Operating	\$316,781	\$234,004	\$0	\$0	\$82,777
State Education Tax	\$112,747	\$56,319	\$0	\$44,603	\$11,825
Total	\$429,528	\$290,323	\$0	\$44,603	\$94,602
City Non-School Taxes	]				
City Operating	\$276,065	\$145,503	\$65,106	\$0	\$65,456
Library	\$64,072	\$33,770	\$15,111	\$0	\$15,192
County Non-School Taxes	]				
Wayne County Operating-Summer	\$77,845	\$41,029	\$18,359	\$0	\$18,45
Wayne County Operating-Winter	\$13,766	\$7,255	\$3,247	\$0	\$3,264
Wayne County Parks-Winter	\$3,402	\$1,793	\$802	\$0	\$80
Wayne County Jail-Winter	\$12,980	\$6,841	\$3,061	\$0	\$3,07
Huron Clinton Metropolitan Authority (HCMA)	\$2,911	\$1,534	\$687	\$0	\$69
Wayne County ISD (RESA)	\$47,934	\$25,264	\$11,304	\$0	\$11,365
Wayne County Special ISD/RESA	\$27,620	\$14,558	\$6,514	\$0	\$6,549
Wayne County Community College	\$44,841	\$23,634	\$10,575	\$0	\$10,632
Total Incremental Local Taxes Paid	\$571,436	\$301,181	\$134,765	\$0	\$135,49
Total Schools and Non-Schools Capturable Millage	\$1,000,964	\$591,504	\$134,765	\$44.603	\$230.092

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

Non-Capturable Taxes		
City Debt		\$184,294
School Debt		\$2,835
DIA Tax		\$1,418
Zoo Tax		<u>\$316,135</u>
	Total Debt Millages	\$504,681

## **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 Section 2 of Act 381 because they include baseline environmental assessment activities, department specific activities, due care activities, site preparation, infrastructure improvements, development, preparation and implementation of a brownfield plan and work plan, and interest.

cc:

Auditor General's Office Donald Rencher, Chief of Services and Infrastructure Katy Trudeau, Planning and Development Department Julie Schneider, HRD Veronica Farley, HRD Charles Ericson, Office of the CFO/Office of the Assessors 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

	Estimated Costs
MSF Eligible Activities	
1. Site Preparation	\$29,000
2. Asbestos Assessment and Abatement	\$27,500
3. Demolition	\$43,500
4. Infrastructure Improvements	\$30,000
Subtotal MSF Eligible Activities	\$130,000
<ol><li>MSF Activities Contingency (15%)</li></ol>	\$19,500
6. Brownfield Plan and Work Plan Preparation (50%)	\$15,000
7. Brownfield Plan Implementation (50%)	\$15,000
Subtotal MSF Eligible Activities	\$179,500
8. Interest on MSF Eligible Activities	\$87,785
Total MSF Eligible Activities	\$267,285
ELGE Eligible Activities	
1. Phase I, Phase II and BEA Activities	\$53,738
2. Due Care Activities	<u>\$116,520</u>
Subtotal EGLE Eligible Activities	\$170,258
4. EGLE Activities Contingency (15% of Due Care/Add. Resp.)	\$17,478
5. Brownfield Plan and Work Plan Preparation (50%)	\$15,000
6. Brownfield Plan Implementation (50%)	<u>\$15,000</u>
Subtotal EGLE Eligible Activities	\$217,736
7. Interest on EGLE Eligible Activities	<u>\$106,484</u>
Total EGLE Eligible Activities	\$324,219
Total Payments to Developer	\$591,504
DBRA Administrative Fees	\$134,765
Local Brownfield Revolving Fund	\$134,765
State Brownfield Redevelopment Fund	
A	\$44,603
Estimated Total Disbursements	\$1,000,964

## **Estimated Costs of Activities Table**

## ATTACHMENT H

## **INCENTIVE INFORMATION CHART:**

## City of Detroit

CITY COUNCIL COUNCIL PRESIDENT BRENDA JONES

Project Type		ect Type Incentive Type		Investment Amount					
Re	tail	OPRA & Brownfield TIF		1,760,000	5				
	Jobs Available								
Construction					Post	Construct	ion		
Professiona	l Non- Professional	Skilled Labor	Non- Skilled Labor	Professional	Non- Professional	Skilled Labor	Non- Skilled Labor		

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

60

 Subcontractor selection for the Project (as defined in this Plan) shall include a prequalification assessment prior to bidding. As part of the prequalification process, evaluation of geographic location of the business and their associated staff assigned to the Project will occur along with capacity assessment, relevant work experience, financial standing, and insurance and performance qualifications. It is the team's goal to provide local subcontracts that are qualified with the opportunity to participate within the Project based on a qualified and competitive process.

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- **2.** Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc.
  - Construction related jobs shall include, but not limited to; skilled trades such as carpentry, electrical, mechanical, plumbing, finish work (painting, flooring and millwork), building facade and enclosure work. These jobs shall be provided via subcontractors selected to the project team. In addition to subcontract related positions, general labor

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positions will be available as well. Qualifications are subject to the individual business hiring requirements. A contact name and information shall be provided for inquiries.

- Post construction jobs will be tenants' employees and limited services for property management.
- 3. Will this development cause any relocation that will create new Detroit residents?
  - New residents are not anticipated at this time; however, community spaces such as presented by the Project are a draw for new residents. We will not be displacing any current residents/business owners as this development will be rehabilitation and new construction on vacated lots.
- **4.** Has the developer reached out to any community groups to discuss the project and/or any potential jobs?
  - The developer has met with and has the support of community groups including residents and other local property owners, as well as Hantz Woodlands.
- 5. When is construction slated to begin?
  - Construction is slated to begin in December 2021
- 6. What is the expected completion date of construction?
  - Construction is estimated to be completed in 2022.

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

## Exhibit B



October 13, 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 Jefferson-Holcomb 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 October 13, 2021, adopted a resolution approving the proposed Brownfield Plan for the Jefferson-Holcomb 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 Jefferson-Holcomb Redevelopment.

Very truly yours,

By:

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



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: Jefferson-Holcomb Development, LLC
- DATE: 09/21/2021

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 Jefferson-Holcomb Development, LLC c/o Mr. Anthony Curis LLC, as developer, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment Authority (DBRA), for the Jefferson-Holcomb 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)
- \_x\_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

City of Detroit Brownfield Redevelopment Authority

June 14, 2021

I have had the pleasure of meeting with Anthony Curis concerning the properties located at the corner of E. Jefferson and Holcomb. For the past several years these properties have been vacant. Anthony and his partners have presented a plan to revitalize the properties for the benefit of our Community. Anthony intends to honor the architectural character of the building while providing spaces for the entire community. Our Community is looking forward to the completion of this project. Projects like this give us a picture of what the future of Detroit will look like, and we're excited.

If you have any further questions, please feel free to contact me, my information is listed below.

Thank you,

Delores Orr President Cadillac Blvd. Block Club Board member East Village Association Board member Eastside Community Center Co-Chair Neighborhood Improvement Committee (313) 308-7568

Detroit Brownfield Redevelopment Authority 500 Griswold, Suite 2200 Detroit, MI 48226

Detroit Brownfield Redevelopment Authority Members,

My family has lived on McClellan Avenue in the East Village neighborhood for over 50 years. We have witnessed an overall decline in the community for far too long. The vast majority of the homes on our block were vacant and neglected until recently. In the last few years, Anthony Curis has taken the initiative to restore nearly all of these properties adjacent to our home. It has improved our quality of life and our neighborhood hasn't looked this good in decades. For the first time in a long time, we are proud to be residents in East Village.

Mr. Curis has shared with me his plans for the redevelopment of the vacant retail building at the corner of Jefferson & Holcomb. The project is being spearheaded by Mr. Curis and his partner James Whitner, a socially conscious entrepreneur who I believe will make a lasting impact in this neighborhood.

Their plans for the development are highly creative and will integrate seamlessly into the character of the Jefferson streetscape. This development will be a catalyst for the Jefferson corridor, hopefully encouraging other property owners to improve their properties. At the same time, the proposed development will inspire community engagement through the creation of an outdoor courtyard. This is the type of development that the City should be seeking out in developers. I encourage the Detroit Brownfield Redevelopment Authority to approve and support the project proposed by Jefferson Holcomb LLC.

Please let me know if I can be of further assistance. Thank you.

Sincerely,

Darryl Estes 1510 McClellan Avenue Detroit, MI 48214

Wednesday, May 26, 2021

To Whom It May Concern:

This letter is in response to the proposed redevelopment of the vacant building at the corner of Jefferson and Holcomb. This building is adjacent to several of our properties in East Village and has been an eyesore in the community for quite some time. The proposed redevelopment will not only beautify an important corner in the neighborhood but bring much-needed retail opportunities, community programming and arts & culture.

We have reviewed the plans and have met with the developer of the project several times. We support this project and encourage the Detroit Brownfield Redevelopment Authority to do so as well.

Sincerely,

7.

Matthew Temkin 313-355-3125



5/25/2021

Letter Of Support

Mr. Anthony Curis, and his network of collaborators, has been working and investing to improve properties near St Paul and Parkview. Participating investors and entrepreneurs are working around themes of neighborhood revitalization, entrepreneurship, and the arts. Work is being completed to create opportunity for neighborhood residents, and to reinforce local schools. The vacant building at the corner of E. Jefferson and Holcomb is an important component of their overal! plan.

The overall investment fits well with surrounding resources. The area is adjacent to Pewabic Pottery. It is also within easy walking distance of historic Indian Village, and West Village. Expanded commercial and residential development will be supported by existing transportation corridors on Kercheval, and East Jefferson. In terms of timing, this venture coincides with proposed new residential development at Van Dyke and Kercheval and at Crane and St Paul.

Hantz Woodlands has spent several million dollars removing blight, rehabilitating houses, investing in schools, and improving neighborhood landscapes. We made our investment anticipating that our fundamental work would support innovative new cultural and economic development. We find that the work that is being coordinated by Mr Curis accelerates neighborhood revitalization. We strongly support this initiative.

Michael

President, Hantz Woodlands

**Detroit Brownfield Redevelopment Authority** 

500 Griswold, Suite 2200 Detroit, MI 48226

Detroit Brownfield Redevelopment Authority,

I have worked for Anthony Curis for five years as his Gallery Director at Library Street Collective. In that time, I have been lucky enough to know him and his wife JJ as employers, mentors, and friends. Their character in the arts and in business is that of loyalty, fairness, transparency and investment in the people they choose to work with and they projects they take on. Before working for them, I was employed in the arts, design, and hospitality sectors, and I have never met a pair so hard-working, kind, and tireless in their attention to detail and orientation towards their goals. Every project they take on considers ways to encourage and support artists, the community, and charitable initiatives, and as a result, all who work alongside them benefit in a multitude of ways.

Anthony has provided my husband Brian and I with opportunities for growth in our personal and professional lives from the start, including making a home on McClellan available to us at his cost, rather than seeking the kind of profit that most property owners would insist upon. When he turns his attention to a project or initiative, he always looks for ways to provide prospects for work, creativity, and advancement to those around him. Anthony is adept at recognizing and nurturing the qualities and passions of the people he meets, and never fails to offer them the chance to engage their unique skills and insights to help his ever-growing team build something great; whether that is an exhibition, a public art installation or art space, a charitable initiative, a restaurant, or a beautiful and well-considered amalgamation of all of these.

I have no doubt that as he builds out his vision for this creative hub in the East Village, that all in the area will benefit not only through access to beautiful and creative spaces, but through opportunities to collaborate with Anthony in a myriad of ways. I know he will support the people and businesses already existing in the East Village in any way he can as well as welcome others that he knows will do the same. Anthony's plans for the redevelopment of a commercial building on the corner of Jefferson and Holcomb along with his partner, James Whitner, is characteristic of what can be expected from him in the future. The development will provide access to public art, activity, community engagement, beautification and restoration of existing structures in equal measure. He has a deep respect for the history of an area and its structures, and is devoted to working with socially conscious and diverse partners who want to create spaces and activations that will engage and support the community around them.

I hope that the Detroit Brownfield Redevelopment Authority will support the project proposed by Anthony Curis and Jefferson Holcomb LLC.

Sincerely,

Savanicherson

Sara Nickleson 1525 McClellan Ave. Detroit, MI, 48214



PLANNING AND DEVELOPMENT DEPARTMENT Coleman A. Young Municipal Center 2 Woodward Avenue, Suite 808 Detroit, Michigan 48226 Phone 313-224-1339 www.detroitmi.gov

October 4, 2021

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

#### RE: Jefferson-Holcomb Brownfield Redevelopment Plan

Dear Ms. Kanalos,

The Detroit Brownfield Redevelopment Authority (DBRA) Jefferson-Holcomb Brownfield Redevelopment Plan (the "Plan").

Jefferson Holcomb Development, LLC is the project developer ("Developer"). The property in the Plan consists of two (2) parcels bounded by Agnes Street to the north, Belvidere Street to the east, East Jefferson Avenue to the south, and Holcomb Street to the west in the Islandview/Greater Villages neighborhood of Detroit.

The project consists of the development of a commercial development designed around converging the arts with retail and community space. The community space is intended to provide a haven for the local community with an enclosed, open-air basketball court along with rooftop deck space for community gatherings and events. An existing building will be restored to house a 507 square foot café with an additional roof deck. Approximately 8,205 square feet of leasable space in four new tenant suites with mezzanines will be newly constructed to the east of the community space, with one suite anticipated to house Social Status, a minority owned entrepreneurial dothing and lifestyle store. The project includes the following Brownfield eligible activities: demolition, site preparation, infrastructure improvements, environmental studies, and environmental remediation.

The project will redevelop an underutilized property to provide new community space and commercial space in the Islandview/Greater Villages neighborhood of Detroit. Total investment is estimated at \$1.6 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** 

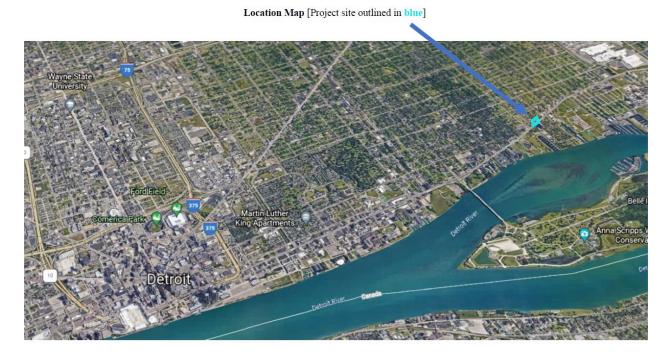
Assistant Director Design Review Planning and Development Department

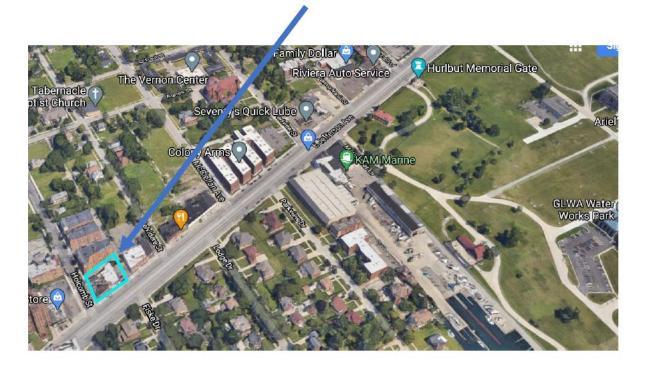
B. Vosburg C. Capler

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### ATTACHMENT A

## Location Map, Existing Conditions and Site Plan





### **Existing Conditions**



A-002.00

**Project Renderings** 

