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

Director, Historic Designation Advisory Board

John Alexander Megha Bamola LaKisha Barclift, Esq. Nur Barre Paige Blessman M. Rory Bolger, Ph.D., FAICP 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 **Edward King** Jamie Murphy Kim Newby Analine Powers, Ph.D. Laurie Anne Sabatini Rebecca Savage Ryan Schumaker Sabrina Shockley Renee Short **Dr. Sheryl Theriot** Thomas Stephens, Esq. **Theresa Thomas** Ashley A. Wilson

TO: COUNCIL MEMBERS

FROM: David Whitaker, Director

Legislative Policy Division Staff

DATE: July 19, 2022

RE: Former Fisher Body Brownfield 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 brownfield properties in an area at or on which there has been a release (or threat of release) or disposal of a hazardous substance.

Former Fisher Body Brownfield Plan

Fisher 21 Lofts, LLC, is the project developer of the Former Fisher Body Brownfield Plan. The eligible property consists of three (3) parcels located at 6051 Hastings Street, 666 Harper Avenue and 991 Harper Avenue.

The Property is the site of the former General Motors Fisher Body Plant as well as the Carter Color Coat site that was closed in the 1990s and has been vacant since that time.¹

The development will include site demolition and abatement and preparation of the site for the rehabilitation of one existing building comprising approximately 600,000 total square feet of industrial space, into approximately 433 residential units on floors 2-6 as well as commercial space on the first floor.

It is anticipated that the project will create 80 FTEs and 425 temporary construction jobs. The developer is requesting a \$24,881,254 TIF,² reimbursement, with the overall value of the plan

¹ Between 1985 and 1990, the facility was owned and operated by Cameo Color Coat, Inc., which was later transferred to Carter Color Coat. Carter Color Coat. Subsequently, Carter Color Coat declared bankruptcy and abandoned the facility in 1993. GMC conducted a removal action at the property in the early 1990s. PCBs were detected during the U.S. EPA site assessment, and other hazardous materials were reported to be present from a MDEQ site assessment, a removal action was warranted at this site.

estimated at \$31,378,939, which includes local brownfield costs.³ The developer is also seeking approvals of both a 12-yr. OPRA (PA 146)⁴ and a 15-yr. NEZ (PA 147)⁵ tax abatements. The estimated capital investment for this project is approximately \$137 million.⁶

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2, because the parcels: (a) were previously utilized for an industrial, commercial or residential purpose; (b) are located within the city of Detroit, a qualified local governmental unit; and (c) were determined to be a "facility" as defined by Act 381 or are adjacent or contiguous to the eligible property identified as a "facility" and the development of such parcels is estimated to increase the captured taxable value of that property.

Description of the Eligible Property & Legal Description

Address	Parcel ID	Owner
6051 Hastings Street	03001732-3	City of Detroit Pⅅ
666 Harper Avenue	03001699.1707	City of Detroit Pⅅ
991 Harper Avenue	05002461.80	City of Detroit Pⅅ

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:

	Reimbursement	DBRA Admin			
Taxing	Costs	Costs	SBRF	LBRF	
Jurisdictions			<u>Capture</u>	<u>Capture</u>	<u>Total</u>
School Operating	\$8,301,113	\$0	\$	\$235,018	\$8,536,131
Tax					
State Education Tax	\$1,869,141	\$0	\$1,085,360	\$83,647	\$3,038,148
City General Op	\$7,109,542	\$2,248,338	\$	\$213,330	\$9,439,969
Wayne County Op	\$2,007,825	\$634,959	\$	\$60,247	\$2,665,968
HCMA	\$74,438	\$23,540	\$	\$2,234	\$102,452
Wayne County Jail	\$333,456	\$105,453	\$	\$10,006	\$458,947
Library	\$1,650,068	\$521,821	\$	\$49,512	\$2,271,049
Wayne County	\$87,408	\$27,642	\$	\$2,623	\$120,303
Parks					
WCCC	\$1,153,733	\$364,859	\$	\$34,619	\$1,587,925
Wayne County	\$351,807	\$111,256	\$	\$10,556	\$484,205
Wayne County ISD	\$1,942,724	\$614,371	\$	\$58,294	\$2,673,842
TOTAL	\$24,881,254	\$4,652,240	\$1,085,360	\$760,085	\$31,378,939

² 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.

³ The duration of the TIF plan is 34 years.

⁴ Obsolete Property Rehabilitation Act (PA 146 of 2000)

⁵ Neighborhood Enterprise Zone Act (Public Act 147 of 1992)

⁶ The level of investment, listed at \$137 million in the brownfield plan, is listed at \$134 million in the NEZ request.

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

City Debt \$4,413,900 School Debt \$6,375,633 DIA \$97,841 Zoo \$48,896 TOTAL \$10,936,270

Feasibility of the Brownfield Approval

The portion of the Property located at <u>6051 Hastings Street</u> is a "facility" as defined by Act 381, Section 2 and Part 201 of Act 451 due to the presence of arsenic, mercury, fluoranthene, phenanthrene, naphthalene, n-butylbenzene, ethylbenzene, isopropyl benzene, tetrachloroethylene, 1,2,4-trimethylbenzene and xylenes in the soil and groundwater above the Michigan Department of Environment Great Lakes and Energy ("EGLE") Part 201 Generic Residential Cleanup Criteria and EGLE Residential Volatilization to Indoor Air Pathway screening levels. The portion of the Property located at <u>666 and 991 Harper Avenue</u> qualify as "eligible property" as defined by Act 381 because they are adjacent or contiguous to 6051 Hastings Street.

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

cc: Auditor General's Office

Donald Rencher, Chief of Services and Infrastructure Antoine Bryant, 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

⁷ Fluoranthene is a polycyclic aromatic hydrocarbon.

⁸ Phenanthrene is a polycyclic aromatic hydrocarbon.

⁹ Naphthalene as an aromatic hydrocarbon, naphthalene's structure consists of a fused pair of benzene rings. It is best known as the main ingredient of traditional mothballs.

¹⁰ is a highly flammable, colorless liquid with an odor similar to that of gasoline.



6501 Hastings

(The vacant Fisher Body Plant No. 21 in Detroit at the corner of Hastings and Piquette is seen on Wednesday November 26, 2014)¹¹



Current conditions¹²



Rendering of the completed project¹³

¹¹ Photo: Ryan Garza, Detroit Free Press <u>Detroit's abandoned Fisher Body Plant No. 21 to become housing</u> (freep.com)
12 Photo: DEGC

¹³ Source Detroit's blighted Fisher Body Plant 21 will be transformed into sprawling residential complex (archpaper.com)

Estimated Cost of Eligible Activities Table

Description of Eligible Activities	Estimated Cost		
EGLE Eligible Activities			
Baseline Environmental Assessment Activities	\$103,300		
2. Department Specific Activities – transportation and	\$2,130,000		
disposal of contaminated soils, vapor mitigation			
system, UST removal and associated product			
disposal under Parts 211 and 213, and			
oversight/project management			
Subtotal EGLE Eligible Activities	\$2,233,300		
3. Contingency (15%) – Excludes BEA	\$319,500		
4. Brownfield/Work Plan Preparation and			
Development	\$15,000		
5. Interest on Eligible Activities at 2.5%	\$909,722		
Total EGLE Eligible Activities	\$3,477,522		
MSF Eligible Activities			
6. Demolition	\$2,570,000		
7. Lead and Asbestos Abatement	\$5,110,000		
8. Site Preparation – dewatering, temporary fencing,	\$900,000		
temporary security, temporary traffic control,			
temporary facility, clearing and grubbing, mass			
grading and land balancing, staking, erosion			
control, geotechnical testing, utility relocation			
9. Infrastructure Improvements – Sidewalks,	\$5,150,000		
curb/gutter, landscaping and street/road			
improvements in the public ROW, Storm Water			
Management System			
Subtotal MSF Eligible Activities	\$13,730,000		
10. Contingency (15%)	\$2,059,500		
11. Brownfield/Work Plan Preparation and	* · · ·		
Development	\$15,000		
12. Interest on Eligible Activities at 2.5%	\$5,599,232		
Total MSF Eligible Activities	\$21,403,732		
Total Estimated Cost to Developer to be Funded	φ α 1 001 απ 1		
Through TIF*	\$24,881,254		
13. State Brownfield Revolving Fund	\$1,085,360		
14. DBRA Administrative Fees	\$4,652,240		
15. Local Brownfield Revolving Fund	\$760,085		
*Eligible Activities will be reimbursed with interest at a rate of 2.5%	\$31,378,939		

^{*}Eligible Activities will be reimbursed with interest at a rate of 2.5%. Current projections indicate a total of \$24,881,254 will be reimbursed to Developer.



Coleman A. Young Municipal Center Phone 313-224-2733 TTY:711 2 Woodward Avenue, Fourth Floor Detroit, Michigan, 48226

Fax 313-224-1467 www.detroitmi.gov

Attachment B

TO: THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY

FROM: DETROIT, BUILDINGS, SAFETY ENGINEERING, AND

ENVIRONMENTAL DEPARTMENT

PROJECT: 6051 Hastings DATE: June 23, 2022

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 Mr. Richard Hosey, Fisher 21 Lofts, LLC, as developer, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment Authority (DBRA), for the Fisher Lofts Project at 6051 Hastings Street.

1	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 Part 201 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



COUNCIL PRESIDENT BRENDA JONES

INCENTIVE INFORMATION CHART

Project Type	Incentive Type	Investment Amount	District
Mixed use	Brownfield TIF, PA	\$137 million	5
	146 and PA 147		

Jobs Available							
Construction			Post Construction				
Professional	Non-	Skilled	Non-	Professional	Non-	Skilled	Non-
	Professional	Labor	Skilled		Professional	Labor	Skilled
			Labor				Labor
6	4	80	10	30	5	5	0

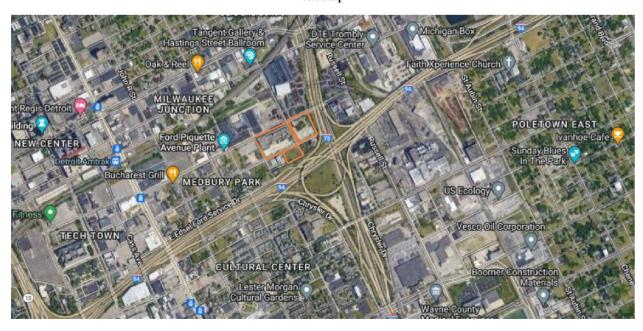
- 1. What is the plan for hiring Detroiters?
 - The Developer's contractor will work with local trades and the landlord will work with tenants and the City of Detroit to help facilitate and ensure that local hiring practices are implemented.
- 2. Please give a detailed description of the jobs available as listed in the above chart, i.e.: job type, job qualifications, etc.
 - Available jobs will include professional and non-professional office and administrative positions as well as some skilled labor positions.

Construction trade contractors include carpenters, laborers, operators, roofers, plumbers, electricians, and landscapers. There will be approximately 100 construction positions during the duration of construction with additional indirect support positions.

- 3. Will this development cause any relocation that will create new Detroit residents?
 - Given the scope of the Project, it is anticipated that it will result in the creation of new Detroit residents with the addition on new housing options.
- 4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs?
 - TBD
- 5. When is the construction slated to begin?
 - Construction is anticipated to begin in the spring of 2023.
- 6. What is the expected completion date of construction?
 - Construction of the overall Project is expected to be completed by early 2025.

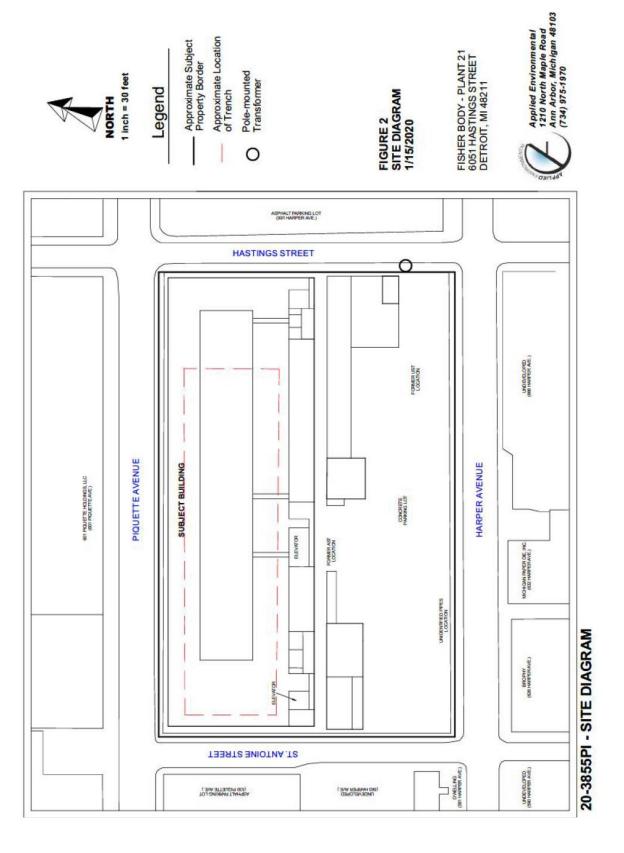
ATTACHMENT A

Site Map





General Property Boundary





Coleman A. Young Municipal Center 2 Woodward Avenue, Suite 808 Detroit, Michigan 48226 Phone 313•224•1339 www.detroitmi.gov

June 6, 2022

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

RE: Fisher Body 21 Brownfield Redevelopment Plan

Dear Ms. Kanalos,

The Detroit Brownfield Redevelopment Authority (DBRA) Fisher Body 21 Brownfield Redevelopment Plan (the "Plan").

Fisher 21 Lofts, LLC is the project developer ("Developer"). The property in the Plan consists of three (3) parcel bounded by Piquette Avenue to the north, Hastings Street to the east, L94 to the south, and St. Antoine Street to the west in the Milwaukee-Junction neighborhood of Detroit.

The project consists of the redevelopment of the existing City of Detroit owned historic Fisher Body 21 factory into approximately 433 residential units on floors 2-6 and commercial space on the first floor. The project will also result in the redevelopment of 2 vacant city owned parcels into surface parking spaces for tenants of the building.

The project will redevelop a highly visible, underutilized, historic, and contaminated property to provide new residential units in the Milwaukee Junction neighborhood of Detroit. Total investment is estimated at \$137 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

Planning and Development Department

c: B. Vosburg C. Capler



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461 Piquette Avenue P.O. Box 2127 Detroit MI 48202 313-872-8759

www.fordpiquetteplant.org

May 20, 2022

To???

To Whom It May Concern:

Milwaukee Junction played a crucial role in making the City of Detroit a manufacturing trailblazer that changed the world. This rich history is reflected in its unique architecture that speaks to both the past and future. Today, urban planners and city residents appreciate and value of old industrial structures that can be celebrated and repurposed for modern use. This respect for place and history connects people to the communities they live in and can be a significant source of pride.

The Fisher 21 plant is a Detroit icon, visible for decades as an eyesore from the freeway. This building represents Detroit's powerhouse past, and is poised for creative repurposing. The Trustees and administration of the Ford Piquette Avenue Plant Museum support and recommend its development. We believe this project will be transformative for the neighborhood in a positive way. As an anchor cultural tenant in Milwaukee Junction for the past 20 years, the museum has experienced blight, crime and other challenges. We welcome an infusion of resources and attention that will help rebuild our neighborhood so it may become a vibrant destination.

Having attended three community meetings thus far, with representatives of the developer group present, we believe a strong collaboration is possible, and that the project will benefit the entire community. We value their investment and will warmly welcome new residents and new commerce.

I would be pleased to answer any questions.

Sincerely,

Jill Woodward President & Chief Operating Officer jwoodward@fordpiquetteplant.org



May 18, 2022

To Whom It May Concern:

For the past 26 years, Vanguard Community Development has been a critical stakeholder in the Historic North End Milwaukee Junction community. We have worked many years toward the goal of what we are now participating in and watching the revitalization of our community; both in real estate housing and economic development.

Milwaukee Junction played a crucial role in making Detroit one of the great manufacturing capitals of the world. The redevelopment of the Fisher Body Plant 21 will be a huge asset for our community. This development will provide housing and jobs in our neighborhood something we desperately need more of to service our constituents.

Vanguard Community Development Corporation is in full support of this project

Sincerely,

Lisa Tucker, Vice President Economic Development, North End Main Street Mgr. Vanguard Community Development Corporation 2795 E. Grand Blvd. Detroit, MI. 48211

Office: 313 462-4300 Mobil: 313 719-1220



May 20, 2022

City of Detroit City Council Coleman A. Young Municipal Center 2 Woodward Avenue, Ste. 1340 Detroit, MI 48226

RE: <u>Letter of Support Fisher Body Redevelopment</u>

Honorable City Council Members,

Midtown Detroit Inc. is pleased to support the development pf the former Fisher Body facility for a new mixed-use development in the historic Milwaukee Junction neighborhood. This district, adjacent to the New Center neighborhood, is finally gaining development momentum as a number of new housing and commercial users have moved into the area over the last few years. Landmark Properties like Chroma now join established anchors like the Tangent Gallery in bringing new residents and visitors to the area. A nice mix of market and affordable developments have been completed or are in advanced planning in this district which will help ensure the viability of the project.

In addition to providing more sorely needed housing units, both market and affordable, the new commercial space will be ideal for local makers, startups and hospitality companies. There is a shortage of ready space for all these users.

I applaud the development team on such a monumental effort to preserve such an important landmark for the City of Detroit.

Sincerely,

Susan T. Mosey

Executive Director

for 7. money

Cora Capler

From:

Joseph Van Bael <jvanbael@me.com>

Sent:

Thursday, May 19, 2022 8:36 AM

To:

bvosburg@degc.com; Cora Capler

Subject:

Fisher Body Plant Proposal, Letter of Support

Follow Up Flag: Flag Status:

Follow up Flagged

To whom it may concern,

Hello, my name is Joseph Van Bael, President and Owner of the Tangent Gallery/Hastings Street Ballroom in the Milwaukee Junction neighborhood. currently live and work in the neighborhood and have been here since August of 1999

I'm writing in support of the current proposed use of the Fisher Body plant also located in the Milwaukee Junction neighborhood. I believe this project would create opportunities for current businesses located in the neighborhood, as well as the new business that will be born from this type of mixed use development, would most certainly enhance walkability, Increase foot traffic, and create local jobs.

Tangent Gallery has practically been an anchor to the neighborhood for 20 years and look forward to future mixed developments in the area.

Sincerely,

Joseph Van Bael President/Owner Tangent Gallery / Hastings Street Ballroom, Inc. 715 East Milwaukee Detroit, MI 48202

313-282-4147

May 20, 2022

Director Brian Vosburg Brownfield Redevelopment Authority DEGC - Detroit Economic Growth Corporation 500 Griswold Street, Suite 2200 Detroit, Michigan 48226

Re: Fisher Body 21 Project

Dear Director Vosburg:

I am writing to express my full support for the Fisher Body 21 project's application for Brownfield incentives. I am resident in the project footprint, living and owning property just three blocks away. The former Fisher Body Plant has long sat vacant, is severely blighted and obsolete. It is an eyesore for our neighborhood and for all travelers on I-94.

The Fisher Body 21 project is a transformative program that will thoughtfully rehabilitate this historic resource, bring new residents to our neighborhood, increase the City's tax base, provide much-needed commercial amenities, and create a vibrant, safe, and walkable streetscape. Brownfield incentives are necessary to make this project feasible and the project is in line with the goals of Brownfield support.

Please reach out with any further questions at melmarkow cz@gmail.com or 313.265.9266. Thank you for your consideration.

Sincerely,

Melanie A. Markowicz 457 E. Milwaukee Street Detroit, Michigan 48202 melmarkowicz@gmail.com

313.265.9266

avanath₊

Avanath Capital 1920 Main Street Suite 150 Irvine, California 92614 o: 949.269.4700 f: 949.269.4701 www.avanath.com

May 19, 2022

Mr. Brian Vosburg Director, Brownfield Redevelopment Authority **DEGC - Detroit Economic Growth Corporation** 500 Griswald St, Suite 2200 Detroit, Michigan 48226

RE: Fisher Body 21 Redevelopment Project - Letter of Support

Dear Mr. Vosberg,

I am writing this letter in support the Fisher Body 21 redevelopment project. I am the CEO of Avanath, the owner of 2 apartment properties within the North End neighborhood. We will also be developing a 172-unit apartment community, North End Landing, only one (1) mile away from the Fisher Body 21.

Avanath is the largest African American apartment company in the U.S. We own 101 apartment communities, comprising 15,000 households in 14 states, primarily in communities of color. My development partner, Ron McDonald and I, are African Americans and native Detroiters. We are very proud to see two talented African American developers, Gregory Jackson and Richard Hosey, lead this monumental redevelopment of Fisher Body 21. We believe that Messrs. Hosey and Jackson have the expertise, community support, and vision to achieve a financially viable and transformative redevelopment.

The Fisher Body 21 redevelopment will be highly accretive to our investment and development activities in the North End. Our 2 developments will provide 600 families new housing, potentially attracting additional commercial services such as a grocery store, restaurants, and other businesses – both small and large.

Avanath is committed to the long-term revitalization of Detroit's North End and providing quality new housing to its residents. The Fisher Body 21 redevelopment further enhances the future of this community. We are delighted to support such a high-quality redevelopment by a first-class development team.

Best regards.

Daryl J. Carter Chairman and CEO



1452 Randolph St., Ste 300 Detroit, MI 48226

May 19, 2022

Detroit City Council Coleman A. Young Municipal Center 2 Woodward Ave, Suite 1340 Detroit, MI 48226

RE: Support for the Fisher 21 Lofts development

Honorable City Council,

I am pleased to write this letter of support for the Fisher 21 Loft development on Hastings Street in the Milwaukee Junction neighborhood. For the past few years, Develop Detroit has been working in the North End neighborhood. Several times per week, I drive north on I-75, past the old Fisher Body plant on my way to the North End, and I find myself frustrated with the way in which the site continues to symbolize blight and decay in an otherwise recovering area.

Replacing this blight in Detroit's skyline with a symbol of the City's strength and resilience in the form of 433 apartments is alone something worthy of support. But I am equally in support of the development team behind this project. Both Richard Hosey and Greg Jackson have been supporting, investing in and creating jobs within Detroit long before it became fashionable to do so. Their proposed effort to rehabilitate the historic structure, while enhancing Detroit's large scale construction contractor capacity, is truly laudable; and that their combined efforts will unlock Milwaukee Junction's full potential makes me a vocal cheerleader for the Fisher 21 Lofts.

Please add me to the long list of people who strongly support both this project and the Fisher 21 Lofts development team. If you have further questions, I can be reached at sonya@developdetroit.org.

Sincerely,

Sonya S. Mays President & CEO, Develop Detroit

