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

John Alexander
Roland Amarteifio
Megha Bamola
LaKisha Barclift, Esq.
Nur Barre
Paige Blessman
M. Rory Bolger, Ph.D., FAICP
Eric Fazzini, AICP
Christopher Gulock, AICP

Advisory Board

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 L. King **Kelsey Maas** Jamie Murphy Kim Newby Analine Powers, Ph.D. Laurie Anne Sabatini Rebecca Savage Ryan Schumaker Sabrina Shockley Renee Short Thomas Stephens, Esq. **Timarie Szwed Dr. Sheryl Theriot Theresa Thomas** Ashley A. Wilson

TO: COUNCIL MEMBERS

FROM: David Whitaker, Director

Legislative Policy Division Staff

DATE: September 13, 2022

RE: The 411 Piquette Brownfield Plan PA 381 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.

411 Piquette, LLC, is the project developer of the 411 Piquette Brownfield Plan. The eligible property located at 411 Piquette, consists of one (1) parcel, bounded by the property line to the north, Beaubien to the east, Piquette to the south, and Brush to the west, in the Milwaukee Junction neighborhood. The property, next to the Ford Piquette Avenue Plant and part of a National Historic District, 411 Piquette manufactured and exported cars around the world. Designed by Albert Kahn, and attached to Ford's Piquette Avenue Plant, this 110,000-square-foot, 4-story brick building is being re-imagined to 162 workforce housing units are comprised of 72 studio, 90 one-bedroom, and 3 two-bedroom units.

According to the DBRA letter to the Detroit City Council, dated June 30, 2022, all of the 162 housing units will be priced at workforce housing rates ranging from 60% to 100% of the Area Median Income (AMI). The proposed 162 housing units are comprised of 72 studios, 87 one-bedroom, and 3 two-bedroom units, including 9% at 60-70% AMI, 52% at 80% AMI and 39% at

¹ Albert Kahn (March 21, 1869 – December 8, 1942) Kahn has been called the "architect of Detroit" and designed almost 900 buildings. <u>In Energized Detroit, Savoring an Architectural Legacy - The New York Times (nytimes.com)</u>

² Workforce housing is housing built to serve families that are sitting between true affordable housing and luxury housing. Typically, they come into play at an income level where you are serving families that earn between 80 and 120 percent of median income. What Is Workforce Housing? (And How To Profit in 2022) | GowerCrowd

³ 2020_0423_411Piquette_Leasing_lowres.pdf (theplatform.city).

100% AMI.⁴ The first floor will include a fitness room, postal lockers, a package room, a pet wash, and private workspaces for residents. The project will also reconfigure 175 surface parking spaces on the adjoined paved area. It is currently anticipated that construction will begin in the fall of 2022 with the project completed by December 2023.

It is anticipated that the project will create 2 FTEs and 75 temporary construction jobs. The developer is requesting a \$2,071,298 TIF,⁵ reimbursement, with the overall value of the plan estimated at \$4,242,882, which includes local brownfield costs.⁶ The developer is also seeking an approval of a 12-yr. OPRA (PA 146)⁷ tax abatement. The estimated capital investment for this project is approximately \$37.3 million.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because the Property (a) was previously utilized for an industrial purpose; (b) is located within the City of Detroit, a qualified local governmental unit under Act 381; (c) is determined to be a "facility" as defined by Act 381 and (d) is a "historic resource" as defined in section 90a of the Michigan Strategic Fund Act, 1984 PA 270, MCL 125.2090a.

Description of the Eligible Property & Legal Description

Address	411 Piquette Avenue
Parcel ID	01001800.003
Owner	411 Piquette, LLC
Legal Description	N PIQUETTE LOT 4 & S 40 FT OF VAC TROMBLY AVE ADJ EXC S 402.35 FT OF E 56 FT THEREOF EMILY CAMPAUS SUB L3 P64 PLATS W C R 1/96 252 IRREG SPLIT/COMBINED ON 06/15/2017 FROM 01001800.001, 01001800.002A, 01001800.002L;

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:

COCICIO DE INELIMENTA DE TOTAL	
Pre-Approved Activities	\$98,735.00
Department Specific Activities	\$469,500.00
3. Demolition	\$800,000.00
Asbestos Abatement	\$151,000.00
5. Site Preparation	\$72,000.00
Infrastructure Improvements	\$54,000.00
7. Brownfield Plan & Work Plan	\$60,000.00
8. Contingency (15%)	\$231,975.00
9. Interest	\$134,088.00
Total Reimbursement to Developer	\$2,071,298.00
10. Authority Administrative Costs	\$634,857.00
11. State Brownfield Redevelopment Fund	\$277,213.00
12. Local Brownfield Revolving Fund	1,259,514.00
TOTAL Estimated Costs	\$4,242,882.00

⁴ The minutes from the DBRA Board meeting of June 22, 2022, list the proposed 162 workforce housing units (as) comprised of 72 studios, 87 one-bedroom, and 3 two-bedroom, priced at 120% AMI or less, including 6% at 70% AMI and 47% at 80% AMI. DDA Letterhead (netdna-ssl.com)

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⁵ 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.

⁶ The duration of the TIF plan is 22 years.

Obsolete Property Rehabilitation Act (MCL 125.2781 - 125.2797) Michigan Legislature - Act 146 of 2000

	Reimbursement Costs	Admin. Costs	State Brownfield Fund	Local Brownfield Revolving Fund	Totals
School Operating Tax	\$1,145,623	\$0	\$0	\$412,118	\$1,557,742
State Education Tax	\$203,873	\$0	\$277,213	\$73,340	\$554,426
City Operating	\$348,833	\$285,095	\$0	\$374,086	\$1,008,014
Library	\$80,961	\$66,168	\$0	\$86,822	\$233,952
Wayne County Operating (summer)	\$98,515	\$80,514	\$0	\$105,647	\$284,676
Wayne County Operation (winter)	\$17,262	\$14,108	\$0	\$18,511	\$49,880
Wayne County Jails	\$16,361	\$13,372	\$0	\$17,546	\$47,278
Wayne County Parks	\$4,289	\$3,505	\$0	\$4,599	\$12,393
НСМА	\$3,652	\$2,985	\$0	\$3,917	\$10,554
RESA Enhancement	\$34,901	\$28,524	\$0	\$37,427	\$100,852
Wayne County ISD (RESA)	\$1,682	\$1,375	\$0	\$1,804	\$4,860
Wayne County RESA Special Ed	\$58,738	\$48,005	\$0	\$62,990	\$169,734
Wayne County Community College	\$56,608	\$46,265	\$0	\$60,707	\$163,580
0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$2,071,298	\$589,916	\$277,213	\$1,259,514	\$4,197,941
In Addition the following taxes are project	ed to be generated	but shall not be c	aptured during the	life of this Plan:	
City Debt	\$464,996				
School Debt	\$671,661				
Wayne County DIA	\$10,307				
Wayne County Zoo	\$5,151				
Total	\$1,152,115				

Feasibility of the Brownfield Approval

Between 2002 and 2015, numerous previous subsurface investigations and excavations were conducted on the property. Analytical results document that soil, groundwater, and soil gas contamination exist on-site, above the current Part 201 Residential and Nonresidential Generic Cleanup Criteria,⁸ Part 213 Risk Based Screening Levels (RBSLs), and/or the Michigan Department of Environment, Great Lakes, and Energy (EGLE) Volatilization to Indoor Air Pathway (VIAP) screening levels. Based on these analytical results, the property is a "site" and a "facility," as defined by Part 213 and Part 201 of Act 451.

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

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⁸ Part 201 authorizes the MDEQ to establish cleanup criteria and requires a person to take certain actions if the concentration of a hazardous substance on that person's property exceeds a cleanup criterion established by the MDEQ (Michigan Department Of Environmental Quality)

⁹ A "facility" is defined by Michigan's cleanup programs as any area, place, or property where a hazardous substance in excess of the established state cleanup.

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



Site at the corner of Piquette Ave. and Beaubien St. in Milwaukee Junction. 10

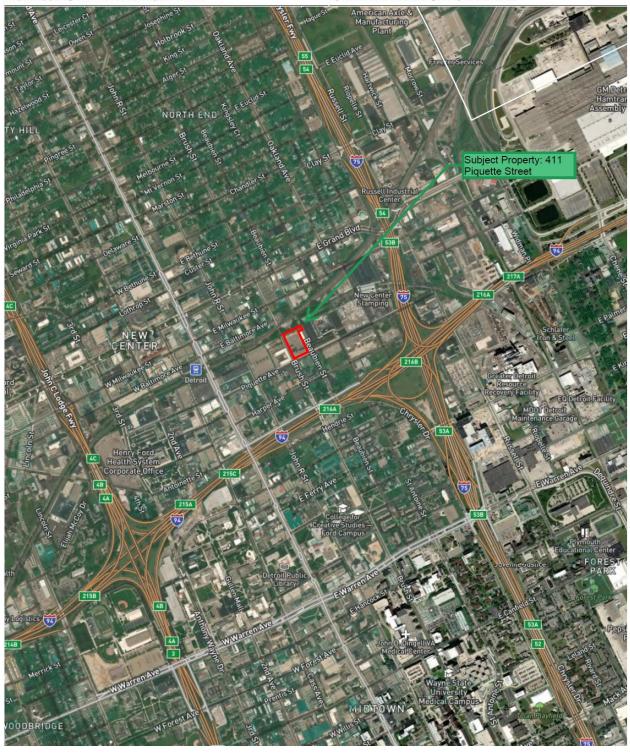


Rendering of the completed project¹¹

Photo: <u>Piquette Flats – The Platform</u>
 Source: <u>\$37.3 million project to turn old Studebaker site into apartments (detroitnews.com)</u>

https://app.regrid.com/us/mi/wayne/detroit

By Loveland Technologies · Jun 02, 2022



Estimated Cost of Eligible Activities Table

Table 1: Eligible Activities Cost Estimates					
tem/Activity		Total Request	MSF Act 381 Eligible Activities	EGLE Act 381 Eligible Activities	
Pre-Approved Activties					
Phase I ESA	\$	2,500		\$ 2,500	
Phase II ESA/BEA/DDCC	\$	13,500		\$ 13,500	
Hazardous Materials Survey	\$	8,085		\$ 8,085	
Due Care Planning	\$	74,650		\$ 74,650	
Pre-Approved Activities Sub-Total	\$	98,735	-	\$ 98,735	
Department Specific Activities					
Vapor Mitigation System	\$	305,000		\$ 305,000	
Contaminated Soil Transport and Disposal	\$	89,000		\$ 89,000	
Oversight, Sampling and Reporting by Environmental Professional	\$	75,500		\$ 75,500	
Department Specific Activities Sub-Total	\$	469,500	\$ -	\$ 469,500	
Demolition					
Building and Site Demolition Activities	\$	800,000	\$ 800,000		
Demolition Sub-Total	\$	800,000	\$ 800,000	\$ -	
Asbestos, Lead, and/or Mold Abatement					
Asbestos Abatement and Related Oersight and Monitoring Activities	\$	151,000	\$ 151,000		
Asbestos and Lead Activities Sub-Total	\$	151,000	\$ 151,000	\$ -	
Infrastructure Improvements					
Side Walk Improvements	\$	54,000	\$ 54,000		
Infrastructure Sub-Total	\$	54,000	\$ 54,000	\$ -	
Site Preparation					
Temporary Lighting	\$	19,500	\$ 19,500		
Temporary Facility	\$	30,500	\$ 30,500		
Temporary Traffic Control	\$	22,000	\$ 22,000		
Site Preparation Sub-Total	\$	72,000	\$ 72,000	\$ -	
Preparation of Brownfield Plan and Act 381 Workplan					
Brownfield Plan/381 Work Plan	\$	30,000	\$ 15,000	\$ 15,000	
Brownfield Plan /381 Work Plan Implementation	\$	30,000	\$ 15,000	\$ 15,000	
Brownfield Plan and Act 381 Workplan Sub-Total	\$	60,000	\$ 30,000	\$ 30,000	
Eligible Activities Sub-Total	\$	1,705,235	\$ 1,107,000	\$ 598,235	
15% Contingency*	\$	231,975	\$ 161,550	\$ 70,425	
Interest	\$	134,088	\$ 87,805	\$ 46,283	
Developer Eligible Reimbursement Total	\$	2,071,298	\$ 1,356,355	\$ 714,943	
TIF Capture for Local Brownfield Revolving Fund	\$	1,259,514	\$ -	\$ -	
Administrative Fee	\$	634,857	\$ -	\$ -	
State Brownfield Fund	\$	277,213	\$ -	\$ -	
Total	\$	4,242,882	\$ 1,356,355	\$ 714,943	

^{*15%} Contingency excludes preparation of Brownfield Plan/381 Work Plan and Pre-Approved Activities



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

THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY TO:

DETROIT, BUILDINGS, SAFETY ENGINEERING, AND FROM:

ENVIRONMENTAL DEPARTMENT

PROJECT: 411 Piquette DATE: June 13, 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 The Platform, LLC, 3011 West Grand Boulevard, Suite 215, Detroit, Michigan 48202, as developer, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment Authority (DBRA), for the 411 Piquette Avenue project.

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)
1	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: Anda Harrington
Its: Environmental Specialist III

Michael E. Duggan, MAYOR

INCENTIVE INFORMATION CHART

Incentive Information Chart: 411 Piquette Avenue, Detroit

Project Type	Incentive Type	Investment Amount	District
Historic Rehabilitation - Residential Use	Brownfield TIF, OPRA	Approx. \$38 Million Investment	District 5 (Milwaukee Junction)

Jobs Available								
Construction Post Construction								
Professio	Non-	Skilled	Non-Skilled	Professio Non- Skilled Non-Sk				
nal	Professional	Labor	Labor	nal	Professional	Labor	Labor	
0	0	75	0	2	0	0	0	

1. What is the plan for hiring Detroiters?

The development team will present at local trades sessions to solicit bidders and garner opportunities to employ Detroit residents, including use of the Skilled Trades Taskforce and Detroit at Work.

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 demolition, site utilities, concrete, masonry, carpentry, steel work, architectural woodwork, roofing, window glass and glazing, framing, painting, flooring, tiling, plumbing and HVAC, and electrical. It is anticipated 75 construction jobs will be created.

The Developer anticipates the creation of approximately 2 full time equivalent permanent jobs in association with the property management.

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

The development is anticipated to create an estimated 162 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?

The development team has engaged with the following local neighbors: The Ford-Piquette Avenue Plant, Midtown Inc., Kiesling Neighborhood Bar, and Southwest Housing Solutions. The developer is going to be conducting a series of community

INCENTIVE INFORMATION CHART

meetings to inform neighbors about the upcoming development and develop relationships for future community partnerships and activities that can be programmed at the building.

5. When is construction slated to begin?

Construction is slated to commence in Fall 2022.

6. What is the expected completion date of construction?

Construction is expected to be completed in December 2023.

NPS Form 10-168 (Rev. 2019) National Park Service OMB Control No. 1024-0009

HISTORIC PRESERVATION CERTIFICATION APPLICATION PART 1 – EVALUATION OF SIGNIFICANCE



Instructions: This page must bear the applicant's original signature and must be dated. The National Park Service certification decision is based on the descriptions in this application form. In the event of any discrepancy between the application form and other, supplementary material submitted with it (such as architectural plans, drawings and specifications), the application form takes precedence. A copy of this form will be provided to the Internal Revenue Service. 1. Historic Property Name Studebaker Service Building (a.k.a. Studebaker Sales and Service Building) Street 411 Piquette City Detroit County Wayne State MI Name of Historic District or National Register property Piquette Avenue Industrial Historic District certified state or local district potential district National Register property National Register district 2. Nature of Request (check only one box) certification that the building contributes to the significance of the above-named historic district or National Register property for rehabilitation purposes. certification that the building contributes to the significance of the above-named historic district for a charitable contribution for conservation purposes. certification that the building does not contribute to the significance of the above-named district or National Register property. preliminary determination for individual listing in the National Register. preliminary determination that a building located within a potential historic district contributes to the significance of the district. preliminary determination that a building outside the period or area of significance contributes to the significance of the district 3. Project Contact (if different from applicant) Company Kraemer Design Group LLC Name Cassandra Talley State MI Street 1420 Broadway City Detroit ____ Telephone (313) 965-3399 Email Address cassandra.talley@thekraemeredge.com Zip 48226 4. Applicant I hereby attest that the information I have provided is, to the best of my knowledge, correct. I further attest that [check one or both boxes, as applicable]: I am the owner of the above-described property within the meaning of "owner" set forth in 36 CFR § 67.2 (2011), and/or if I am not the fee simple owner of the above described property, the fee simple owner is aware of the action I am taking relative to this application and has no objection, as noted in a written statement from the owner, a copy of which (I) either is attached to this application form and incorporated herein, or has been previously submitted, and (ii) meets the requirements of 36 CFR § 67.3(a)(1) (2011). For purposes of this attestation, the singular shall include the plural wherever appropriate. I understand that knowing and willful falsification of factual representations in this application may subject me to fines and imprisonment under 18 U.S.C. § 1001, which, under certain circumstances, provides for imprisonment of up to 8 years

Name Peter Cummings

Signature (Sign in ink)

Date 3/3/1/ 81-5250623 Applicant Entity 411 Piquette LLC SSN Street 3011 W. Grand Blvd. Suite 2300 City Detroit Telephone (313) 446-8775 Email Address pcummings@theplatform.city Zip 48202 NPS Official Use Only The National Park Service has reviewed the Historic Preservation Certification Application – Part 1 for the above-named property and has determined that the property. contributes to the significance of the above-named district or National Register property and is a "certified historic structure" for rehabilitation purposes. contributes to the significance of the above-named district and is a "certified historic structure" for a charitable contribution for conservation purposes. does not contribute to the significance of the above-named district or National Register property, Preliminary Determinations: appears to meet the National Register Criteria for Evaluation and will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer according to the procedures set forth in 36 CFR Part 60. does not appear to meet the National Register Criteria for Evaluation and will likely not be listed in the National Register. appears to contribute to the significance of a potential historic district, which will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer. appears to contribute to the significance of a registered historic district if the period or area of significance as documented in the National Register nomination or district documentation on file with the NPS is expanded by the State Historic Preservation Officer. does not appear to qualify as a certified historic structure. National Park Service Authorized Signature (Sign in ink) NPS Comments Attached

HISTORIC PRESERVATION CERTIFICATION APPLICATION PART 1 – EVALUATION OF SIGNIFICANCE

Historic Property Name Studebaker Service Building (a.k.a. Studebaker Sales & NPS Project Number
Property Address 411 Piquette, Detroit, MI
5. Description of Physical Appearance
The building at 411 Piquette is located on the north side of Piquette Avenue between Brush Street
and Beaubien Street, directly adjacent to the Ford Piquette Plant located at 461 Piquette Avenue.
The 411 Piquette building is a large four story industrial building, built of steel reinforced
concrete and brick. The building has a flat roof and an L shaped footprint that runs north along
Brush Street and east along Piquette Avenue, abutting the west wall of the Ford Piquette Plant
building. The main entrance into the building is located on the Piquette Avenue facade in the fifth
bay from the west. There is a void in the Piquette Avenue facade (the eastern-most bay) that is
notched out at the first floor to provide a vehicle access drive to the parking lot behind the
building. The second, third, and fourth floors of the 411 Piquette building are connected to the
adjacent Ford Piguette Plant via openings in the two structures

The building is situated at the northeast corner of Piquette Avenue and Brush Street and has two primary facades and two wings. One primary façade (the east wing) faces Piquette Avenue and is divided into ten distinct bays while the other primary façade (the north wing) faces Brush Street and is divided into eight distinct bays. The bays on both of the two primary facades are divided by concrete piers that run from grade to just below the parapet. In between each pier, in each bay, are large window openings separated at each floor level by bands of brick.

On the Piquette Avenue and Brush Street façades, the window openings are a mix of infilled with concrete masonry units (CMU), glass block unit infill, wood paneling infill, some six-over-six steel sash windows and five pane aluminum windows with an operable awning sash, and some smaller vinyl and aluminum windows on the Brush Street facade. The three secondary facades (the northern façade of the northern wing, the eastern façade of the northern wing, and the northern façade of the southern wing) have a mix of non-historic window units, CMU infill, glass block infill, brick infill, wood panel infill, vinyl slider units, and fixed vinyl units. The two secondary facades face a parking lot located directly north of the building. These two facades are clad in metal siding.

There is a non-historic orange brick loading dock addition on the first floor on the northern wing of the building which has eight overhead door openings. A steel fire escape is located next to the loading dock which provides access from grade to the upper stories of the building. The roof is flat and there is large water tower resting on a brick penthouse on the roof, located near the inner knuckle of the L shaped footprint. There is a smaller brick penthouse located just east of the large brick penthouse and there is also a large, non-historic addition on the roof on the northern wing of the building that runs along Brush Street. This addition is covered in a membrane material.

Originally built as a parts storage facility, there is little to no historic material on the interior of the building as the floor plates are generally open—although some floors have modern demising walls. Large mushroom cap columns are found throughout the interior spaces. Flooring includes concrete, vinyl tile, some wood strip flooring, and carpet. There is a large freight elevator near the knuckle of the building that runs from floor one to floor four. The building has no basement.

Date(s) of building(s) 1920	Date(s) of alteration(s) 1920s-1990s
Has building been moved? No Yes, specify date	

6. Statement of Significance

Located in the Milwaukee Junction neighborhood the building at 411 Piquette is a contributing building in the Piquette Avenue Industrial Historic District. The district is comprised of many buildings associated with the automobile industry including Fisher Body, Regal Motor Car Company,

Page 1 of 3

HISTORIC PRESERVATION CERTIFICATION APPLICATION PART 1 – EVALUATION OF SIGNIFICANCE

Historic Property Name	Studebaker	Service	Building	(a.k.a.	Studebaker	Sales	NPS Project Number	
Property Address 411	Piquette,	Detroit,	MI.					

Studebaker Corporation, and Ford Motor Company, among others. The building at 411 Piquette was built by the Studebaker Corporation in 1920.

Founded in South Bend Indiana in 1852 by brothers Clement and Henry Studebaker, the business was initially called H. & C. Studebaker. The business began by manufacturing buggies, wagons, and harnesses with an early major client being the U.S. Army. Throughout the later decades of the nineteenth century Studebaker continued to expand their business and line of products. Their factory in South Bend, Indiana covered four acres of ground by 1867.(1) With such growth, it was decided to incorporate the business, and thus in 1868 Studebaker Brothers Manufacturing Company was organized.

Studebaker began manufacturing cars in 1902 and this was a main reason the company expanded so quickly in the early decades of the twentieth century. To increase their vehicle offerings, in 1911, Studebaker acquired the Detroit based E-M-F Company and bought the old Ford Piquette Avenue plant just down the street from the E-M-F factory that same year. This was possible because 1911 was also the year Ford moved their business from the Piquette Avenue plant to their newly built Highland Park facility. These acquisitions helped Studebaker grow tremendously in the early 1900s as it grew from sales of \$3.6 million in 1901 to \$43.4 million by 1914.(2) With the acquisition of E-M-F and the purchase of the old Ford Piquette Avenue plant, Studebaker owned a vast stretch of industrial real estate on Piquette Avenue. Studebaker then began expanding their facilities in Detroit: "It was for Studebaker that Albert Kahn, in 1920, designed the reinforced concrete parts and service building connecting to the second and third stories of the former Ford Piquette Avenue Plant on the northeast corner of Piquette and Brush."(3)

As of the 1920 Sanborn map, the manufacturing complex on Piquette was comprised of Studebaker Plant Number 5 which fronted on Piquette and spanned from John R. Street to Brush Street while Plant Number 10, also fronting on Piquette, spanned from Brush Street to Beaubien Street. The 411 Piquette building is a part of the Plant Number 10 Studebaker facility and was known, specifically, as the Studebaker Service Building per a history written by Albert Erskine. The Sanborn maps notes that "auto repairing" and "storage of auto parts" were the two main functions of the Studebaker Service Building although Erskine notes some vehicle assembly was accomplished in the Service Building.

Studebaker began moving automobile production from Detroit to South Bend in 1920, however, the factory on Piquette was used by Studebaker to manufacture a smaller, lower priced car: "From 1927 to 1930, the Piquette Plant #10 was involved in production of the Erskine, after which it was shut down and used only as a parts depot."(4) The Erskine did not stand out in the crowded low-priced field and it's engine was not powerful enough to hit the advertised 60 m.p.h. promised by Studebaker. The car was discontinued in 1930. Studebaker tried one more time to capture the low-price auto market with the Rockne which was produced in the Piquette Avenue facility from 1931-1932, but it too was discontinued after just a two-year run. In 1933 Studebaker was forced into receivership by the market conditions of the Great Depression. After this, "the Piquette Avenue Plant...was converted to a shelter for the homeless during the Great Depression."(5) In 1936 Studebaker sold the building to the Minnesota Mining and Manufacturing Company (now known as 3M) who owned it until 1968. Thereafter, the building went through a series of owners.

The Studebaker Service Building is significant for its association with the history of automobile manufacturing in Detroit as the history of the building typifies the growth of more successful manufacturers as they bought out struggling, smaller automobile companies. This occurred throughout the 1910s and 1920s. Although not a main automobile production facility the Service Building is an example of one of the many ancillary structures needed to support the vast production numbers of a major auto manufacture. For many years in the mid-century Studebaker (and, later, Studebaker-Packard) was a major automobile manufacturer. The building at 411 Piquette is an important part of the industrial legacy of the Milwaukee Junction neighborhood and Detroit.

Page 2 of 3

HISTORIC PRESERVATION CERTIFICATION APPLICATION PART 1 – EVALUATION OF SIGNIFICANCE

Historic Property Nam	e <u>Studebaker</u>	Service	Building	(a.k.a.	Studebaker	Sales	NPS Project Number	
Property Address 4	1 Piquette,	Detroit,	MI				3	

The building at 411 Piquette, and the wider Milwaukee Junction neighborhood, also typifies the change that occurred in many residential neighborhoods located just outside the downtown Detroit core. In the late nineteenth century Milwaukee Junction was a residential neighborhood but by the 1920s the neighborhood had completely changed as smaller brick residences had been replaced with huge factories that spanned entire blocks.(6) These factories changed entire neighborhoods in the city but the jobs offered by the newly built factories were responsible for growing the middle class in Detroit.

Finally, the building at 411 Piquette also exemplifies the industrial architecture of Albert Kahn who is one of the most important architects in the history of Detroit. Albert Kahn's firm, Albert Kahn, Inc. became one of the largest firms in Detroit and most important designers of industrial buildings due to his innovations with reinforced concrete which allowed for large, clear span interiors. The mushroom capped columns found in the building are indicative of Kahn's work. The building is now vacant, however, there were a few recent tenants including a linen rental company and Henry Ford Health System who occupied the fourth floor and utilized the space for medical records storage. Now owned by development company The Platform, the building will be renovated into apartments with a slated opening in 2023.

- (1) Albert Erskine, History of the Studebaker Corporation, 25.
- (2) From Horses to Horsepower: Studebaker Helped Move a Nation, "Smithsonian, accessed 2/22/22, https://www.sil.si.edu/ondisplay/Studebaker/biographies.htm.
- (3) Jerald A. Mitchell, Piquette Plant National Register Nomination, National Register of Historic Places Nomination (2001), 6.
- (4) Jerald A. Mitchell, Piquette Plant National Register Nomination, National Register of Historic Places Nomination (2001), 6.
- (5) Elaine Robinson, Piquette Avenue Industrial Historic District, National Register Nomination (2003), 20.
- (6) Elaine Robinson, Piquette Avenue Industrial Historic District, National Register Nomination (2003), 15.
- 7. Photographs and Maps. Send photographs and map with application.

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June 13, 2022

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 411 Piquette 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 June 13, 2022, adopted a resolution approving the proposed Brownfield Plan for the 411 Piquette 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 411 Piquette Redevelopment.

Very truly yours,

By:

Kamal Cheeks, Chairperson

Community Advisory Committee to the City of Detroit

Brownfield Redevelopment Authority



DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY MINUTES OF THE SPECIAL COMMUNITY ADVISORY COMMITTEE MEETING MONDAY, JUNE 13, 2022 - 9:00 AM

COMMITTEE MEMBERS

PRESENT: Rick Blocker

Allen Rawls

Dr. Regina Randall

Brad Lutz Rico Razo Kamal Cheeks

COMMITTEE MEMBERS

ABSENT: Simone Sagovac

Michelle Lee

OTHERS PRESENT: Jennifer Kanalos (DEGC/DBRA)

Brian Vosburg (DEGC/DBRA) Cora Capler (DEGC/DBRA) Malinda Jensen (DEGC/DBRA) Clarke Lewis (The Platform)

Elizabeth Masserang (PM Environmental)



Call to Order

Mr. Cheeks, Chairperson, called the meeting to order at 9:06 a.m.

Ms. Capler took a roll call of the CAC Members present.

<u>General</u>

Approval of Minutes

Mr. Cheeks called for approval of the minutes of the May 25, 2022 (resolution) DBRA-CAC meeting, as presented. The Committee took the following action:

Mr. Rawls made a motion approving the minutes of the May 25, 2022 meeting, as presented. Mr. Razo seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Blocker, Mr. Lutz, Mr. Razo, Mr. Cheeks, and Mr. Rawls

Nays: None.

DBRA-CAC Resolution Code 22-06-02-168 was approved.

Dr. Randall joined the meeting at 9:08 a.m.

Projects

Brownfield Plan for 411 Piquette

Ms. Capler presented the Brownfield Plan for 411 Piquette.

Project Introduction

411 Piquette, LLC is the project developer ("Developer"). The project includes the redevelopment the existing four-story, historic structure into approximately 162 apartment units, all priced at workforce housing rates ranging from 60% to 100% of the Area Median Income (AMI). The proposed 162 housing units are comprised of 72 studios, 87 one-bedroom, and 3 two-bedroom units, including 9% at 60-70% AMI, 52% at 80% AMI and 39% at 100% AMI. The first floor will include a fitness room, postal lockers, package room, pet wash, and private workspaces for residents. The project will also reconfigure 175 surface parking spaces on the adjoined paved area. It is currently anticipated that construction will begin in the fall of 2022 with the project completed by December 2023.

The total investment is estimated to be \$37.3 million. The Developer is requesting \$2,071,298.00 in TIF reimbursement.

There will be approximately 75 temporary construction jobs and approximately 2 permanent jobs are expected to be created by the project.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcel, bounded by the property line to the north, Beaubien Boulevard to the east, Piquette Avenue to the south, and Brush Street to the west in the Milwaukee Junction neighborhood.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) it was previously utilized for an industrial or commercial purpose; (b) is located within the City of Detroit, a qualified local governmental unit; and (c) determined to be a "facility" as defined by Act 381 and (d) the Property is a

"historic resource" as defined in section 90a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

Eligible Activities and Projected Costs

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 demolition, infrastructure improvements, site preparation, interest, and the development, preparation and implementation of a 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.

Tax Increment Financing (TIF) Capture

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan pursuant to the terms of a Reimbursement Agreement with the DBRA.

COSTS TO BE REIMBURSED WITH TIF

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Pre-Approved Activities	\$98,735.00
Department Specific Activities	\$469,500.00
3. Demolition	\$800,000.00
Asbestos Abatement	\$151,000.00
5. Site Preparation	\$72,000.00
Infrastructure Improvements	\$54,000.00
7. Brownfield Plan & Work Plan	\$60,000.00
8. Contingency (15%)	\$231,975.00
9. Interest	\$134,088.00
Total Reimbursement to Developer	\$2,071,298.00
10. Authority Administrative Costs	\$634,857.00
11. State Brownfield Redevelopment Fund	\$277,213.00
12. Local Brownfield Revolving Fund	1,259,514.00
TOTAL Estimated Costs	\$4,242,882.00

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Developer is seeking additional incentives, which will include local and/or state approval of an Obsolete Property Rehabilitation Act (PA 146) Tax Abatement.

Attached for the CAC's review and approval were three (3) resolutions: 1.) a resolution supporting the Plan in the event the Committee does not deem it necessary to conduct a CAC public hearing and 2.) a resolution authorizing a public hearing in the project area and 3.) a resolution authorizing a public hearing in the project area and to appoint up to two special CAC members. The public hearing may be held jointly with any public hearing conducted by the Detroit Brownfield Redevelopment Authority.

Mr. Lewis provided more information about the Developer and its other experience with projects in the City, and about the project including the historic rehabilitation of the existing building, and the Developer's cooperation with the Ford Piquette Avenue Plant.

Mr. Razo asked for clarification on what is considered to be "workforce housing." Mr. Lewis stated that workforce housing is considered to be housing at rental levels between 60% and 120% of the Area Median Income (AMI) and is often referred to as the "missing middle."

Mr. Razo asked if this project would serve as a pilot for the Developer in the workforce housing area of development. Mr. Lewis stated that while the Platform has done other projects in the City that include affordable housing at 80% AMI, this will be the first project for them that will have all of the residential units at what is considered to be "workforce housing" rates.

Mr. Rawls asked who the architect and general contractor are for the project. Mr. Lewis stated that the architect is Kraemer Design Group which has experience with historic rehabilitation projects and the contractor is PCI One Source Contracting which the Developer has worked with before. Mr. Clarke added that Beztak will serve as the property management company once the project is completed.

Mr. Rawls encouraged the Developer to take advantage of the City's resources for hiring Detroit residents and Detroit-based contractors for the construction of the project and asked if there are any green building features planned for the project. Mr. Lewis stated that the project is utilizing PACE financing and will be following the related requirements and will make the building more energy efficient.

Mr. Lutz asked for more information on the community meeting that the Developer hosted for the project. Mr. Lewis stated that there were approximately 12 people in attendance, some of which were from the Ford Piquette Avenue Plant, and that the feedback about the project was positive with some concerns surrounding traffic flow and impediments during the construction period.

Mr. Lutz asked if there will be any amenities included in the project that will be available to the public. Mr. Lewis stated that there will not be any amenities inside the building that will be available to the public but that the surface parking on the Property is available for public use for patrons of the Ford Piquette Avenue Plant.

Mr. Cheeks asked why the Developer has chosen to have the majority of the residential units be smaller in size with a focus on studio and one-bedroom units. Mr. Lewis stated that from the Developer's experience with other projects in the area, the studio and one-bedroom units were the first to be leased and seemed to be the highest in demand.

Mr. Cheeks asked if the Developer conducted any market studies to determine the best unit mix or if they relied on their past experience. Mr. Lewis stated that the Developer did not conduct a market study for this specific project but did conduct market studies for their other projects.

Mr. Cheeks asked if the project will include any smart technology features. Mr. Lewis stated that there will be an access system installed for the residents to use to access the building and that there will be fiber optic internet installed in the building as well.

Mr. Cheeks called for a motion regarding the Brownfield Plan for 411 Piquette, as presented.

Mr. Rawls made a motion to recommend approval of the Brownfield Plan for 411 Piquette without a CAC public hearing and without appointing special members. Mr. Lutz seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Blocker, Mr. Lutz, Mr. Razo, Dr. Randall, Mr. Cheeks, and Mr. Rawls Navs: None.

DBRA-CAC Resolution Code 22-06-310-01 was approved.

<u>Administrative</u>

None.

Other

None.

Public Comment

None.

<u>Adjournment</u>

Citing no further business, on a motion by Mr. Rawls, seconded by Mr. Lutz, Mr. Cheeks adjourned the meeting at 9:39 am.



CODE DBRA-CAC 22-06-310-01

411 PIQUETTE BROWNFIELD REDEVELOPMENT PLAN

WHEREAS, pursuant to 381 PA 1996, as amended ("Act 381"), the City of Detroit Brownfield Redevelopment Authority (the "DBRA") has been established by resolution of the City Council of the City of Detroit (the "City") for the purpose of promoting the revitalization of environmentally distressed areas in the City; and

WHEREAS, under Act 381, the DBRA is authorized to develop and propose for adoption by City Council a brownfield plan for one or more parcels of eligible property; and

WHEREAS, pursuant to the resolution establishing the DBRA and the bylaws of the DBRA, the DBRA has submitted the proposed **Brownfield Plan for 411 Piquette Project** (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its June 13, 2022 meeting, received, evaluated and considered the proposed Plan; and

WHEREAS, in accordance with the provisions of the resolution establishing the DBRA and the bylaws of the DBRA, the Community Advisory Committee desires to make recommendations to the DBRA and the Detroit City Council on the proposed Plan.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

- 1. After consideration of the proposed Plan, the Community Advisory Committee makes the following comment and recommendations on the proposed Plan:
 - a. The Community Advisory Committee has determined that it is appropriate for the achievement of the purposes of Act 381 of the DBRA to adopt a Brownfield Plan for the 411 Piquette Brownfield Redevelopment Project.
 - b. The Community Advisory Committee recommends support of the proposed Plan presented to it.
- The Chairperson of the Community Advisory Committee is authorized and directed to transmit a copy of this Resolution and the minutes of the public hearing on the proposed Plan and of the meeting at which this Resolution was adopted to the DBRA and the Detroit City Council as the report of the findings and recommendations of the Community Advisory Committee on the proposed Plan.
- All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

June 13, 2022