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**CITY COUNCIL**  
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Theresa Thomas  
Kathryn Lynch Underwood  
Ashley A. Wilson

TO: COUNCIL MEMBERS   
FROM: David Whitaker, Director  
Legislative Policy Division Staff  
DATE: July 12, 2019  
RE: Marston & Morrow Brownfield Redevelopment Plan  
PA 381 of 1996 **PUBLIC HEARING**

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

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

Detroit Holbrook, LLC, is the project developer and owner of the property. The project is a two-phase development, with the construction of an industrial building on the property in each phase. It is currently anticipated that construction of an approximately 74,350 square-foot industrial building will begin on the eastern side of the property in the summer of 2019 and that eligible activities on the first phase will be completed within 18 months. Commencement of the second phase, the construction of an approximately 63,750 square-foot industrial building on the western side of the property, is anticipated within four years and would be completed within 18 months of the start of construction. Other than a pole barn,<sup>1</sup> the project area is currently vacant.

The investment in the project is estimated at \$18.4 million for Phase 1 and \$17 million for Phase 2. The developer is requesting a \$7,697,003,<sup>2</sup> which is included in the overall plan and capture totaling \$13,336,451. Payback for the plan is projected to be completed after 19 years. In addition to the Brownfield, the developer has applied or will apply for a PA 198 tax abatement.

<sup>1</sup> The name "pole barn" stems from the 1930s. During the Great Depression and Dust Bowl, farmers turned to the most cost-efficient materials they could to construct new buildings: recycled telephone poles. These "telephone pole barns" were shortened to simply "pole barns."

<sup>2</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.

The reimbursement and the total costs under the plan:

<b>COST TO BE REIMBURSED WITH TIF</b>	<b>Tax Capture</b>
Environmental Due Diligence	\$97,000
Due Care and Other Response Activities	\$2,656,768
Brownfield Plan and Act 381 Work Plan and Implementation	\$50,000
Contingency (15%)	\$829,583
Interest (5%)	\$1,144,863
Asbestos, Lead, and Mold Abatement	\$25,000
Demolition Activities	\$628,000
Infrastructure Improvements	\$817,600
Site Preparation	\$1,403,189
Brownfield Plan and Act 381 Work Plan and Implementation	\$45,000
<b>*Total Reimbursement to Developer</b>	<b>\$7,697,003</b>
Authority Administrative Costs	\$1,733,739
State Brownfield Redevelopment Fund	\$3,293,213
Local Brownfield Revolving Fund	\$612,496
<b>TOTAL Estimated Costs</b>	<b>\$13,336,451</b>

Property Subject to the Plan

The eligible property is located on Detroit’s east side. It is north of Marston Street and west of St. Aubin. The property comprising the eligible property is in the process of being split from a larger parent parcel and it will consist of two parcels after the split is complete. Due to the imminent parcel split, parcel identification numbers and parcel addresses are not available at this time.

The developer is anticipating a two-phase development with construction of an industrial building on the property in each phase. It is currently anticipated that construction of an approximately 74,350 square-foot industrial building will begin on the eastern side of the property in the summer of 2019 and that eligible activities on the first phase will be completed within 18 months. Commencement of the second phase, the construction of an approximately 63,750 square-foot industrial building on the western side of the property, is anticipated within four years, and would be completed within 18 months.

Basis of Eligibility

The property is considered “eligible property” as defined by Act 381, Section 2 because (a) the property was previously utilized for an industrial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the parcels that compose the property are facilities as defined by Act 381.

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 Section 2 of Act 381, because they include site assessment and baseline environmental assessment (BEA)<sup>3</sup> activities, due care activities, response activities, environmental insurance, demolition activities, asbestos, lead, and mold abatement, infrastructure improvements, site preparation activities, land bank title clearing, and development and preparation of brownfield plan and/or work plan.

A summary of the eligible activities and costs are intended to be paid for with Tax Increment Revenues from the property, are attached as Attachment E. The eligible activities described in Attachment E are not exhaustive. Subject to the approval of DBRA staff in writing, additional eligible activities may be carried out at the property, without requiring an amendment to this plan, so long as such eligible activities are permitted by Act 381 and the performance of such eligible activities does not exceed the total costs stated in Attachment E.

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 Costs	Adm. Costs	State Brownfield Fund	Local Revolving Fund
School Operating	\$ 2,573,731	\$ -	\$ -	\$ 1,101,188
SET	\$ 428,955	\$ -	\$ 612,496	\$ 183,531
County	\$ 888,590	\$ 328,181	\$ -	\$ 380,189
HCMA	\$ 24,186	\$ 8,932	\$ -	\$ 10,348
City of Detroit	\$ 2,266,576	\$ 837,108	\$ -	\$ 969,769
RESA	\$ 620,752	\$ 229,261	\$ -	\$ 265,593
WCCC	\$ 368,159	\$ 135,971	\$ -	\$ 157,519
Library	\$ 526,054	\$ 194,286	\$ -	\$ 225,076
<b>TOTALS</b>	<b>\$ 7,697,004</b>	<b>\$ 1,733,739</b>	<b>\$ 612,496</b>	<b>\$ 3,293,213</b>

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

City Debt	\$ 1,429,139
School Debt Service	\$ 2,654,117
Wayne County Zoo	\$ 20,417
Wayne County DIA	\$ 40,833
<b>Total</b>	<b>\$ 4,144,506</b>

### Feasibility of the Brownfield Approval

The Property was formerly part of the larger American Axle and GMC-Saginaw Division industrial complex. Environmental concerns associated with the property included the presence of historical manufacturing and industrial processing operations on the property for several decades, beginning by at least 1910 and continuing through at least 2000. This included hoist manufacturing and machining operations, gasoline storage, steel manufacturing and processing, materials storage, hazardous waste storage and handling, and railroad spurs.

<sup>3</sup> A Baseline Environmental Assessment (BEA) is an evaluation of environmental conditions for a piece of property or facility prior to being purchased. A BEA focuses on the contamination of hazardous substances on the piece of property.

The Developer performed a Phase II Environmental Site Assessment (ESA)<sup>4</sup> for the Property in May 2019. The results of the Phase II ESA demonstrated the Property is a “facility”<sup>5</sup> as defined by Part 201 because benzene, 2-methylnaphthalene, xylenes, benzo(a)anthracene, benzo(b)fluoranthene, benzo(g,h,i)perylene, benzo(k)fluoranthene, chrysene, fluoranthene, phenanthrene, arsenic, cadmium, total chromium, copper, lead, mercury, selenium, and zinc were measured in soil and/or groundwater samples at concentrations greater than one or more Part 201 GRCC.<sup>6</sup>

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

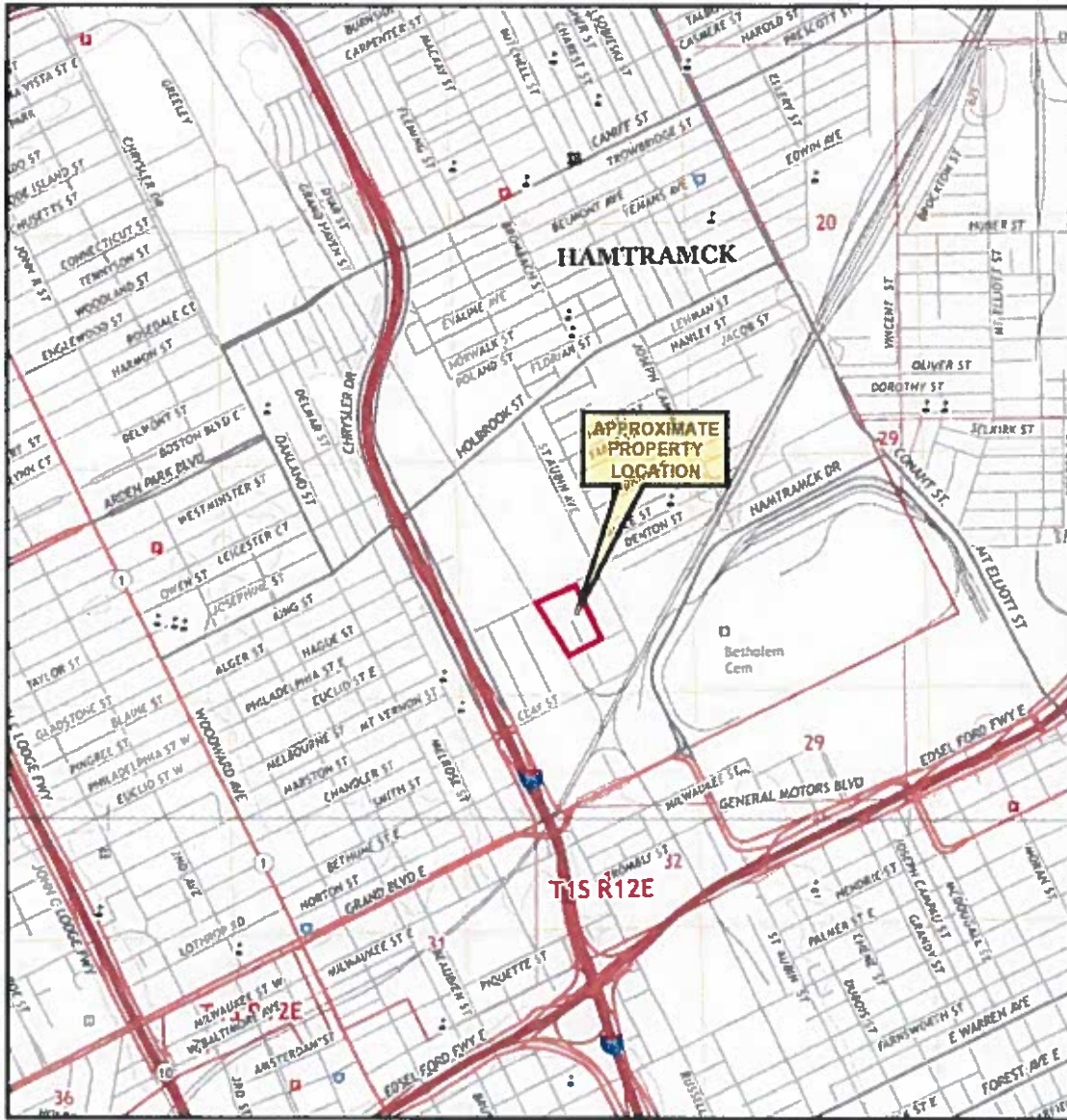
cc: Auditor General’s Office  
Arthur Jemison, Chief of Services and Infrastructure  
Maurice Cox, Planning and Development Department  
Donald Rencher, HRD  
Veronica Farley, HRD  
Stephanie Grimes Washington, Mayor’s Office  
Malinda Jensen, DEGC  
Kenyetta Bridges, DEGC  
Jennifer Kanalos, DEGC  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

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<sup>4</sup> **Phase II ESA** could include surficial and sub-surficial soil analysis, or groundwater analysis, or installing monitoring wells, or indoor air sampling, mold sampling, asbestos sampling, lead sampling, etc. The need for any sampling or testing in Phase II Environmental Site Assessments is based purely on the findings of the Phase I ESA.

<sup>5</sup> “Facility” means any area, place, or property where a hazardous substance in excess of the concentrations that satisfy the cleanup criteria for unrestricted residential use has been released, deposited, disposed of, or otherwise comes to be located. 1994 PA 451, MCL 324.20101

<sup>6</sup> PART 201 GENERIC CLEANUP CRITERIA



Base map obtained from EDR®

USGS QUADRANGLE(S) REFERENCED

HIGHLAND PARK (MI) 2014  
DETROIT (MI) 2014



No.	Revision Date	Date
		03/05/2019
	Drawn By	JGR
	Designed By	BS
	Scale	1" = 2000'
	Project	081014.00

**PROPERTY LOCATION MAP  
MARSTON & MORROW PROPERTY  
DETROIT, MICHIGAN**



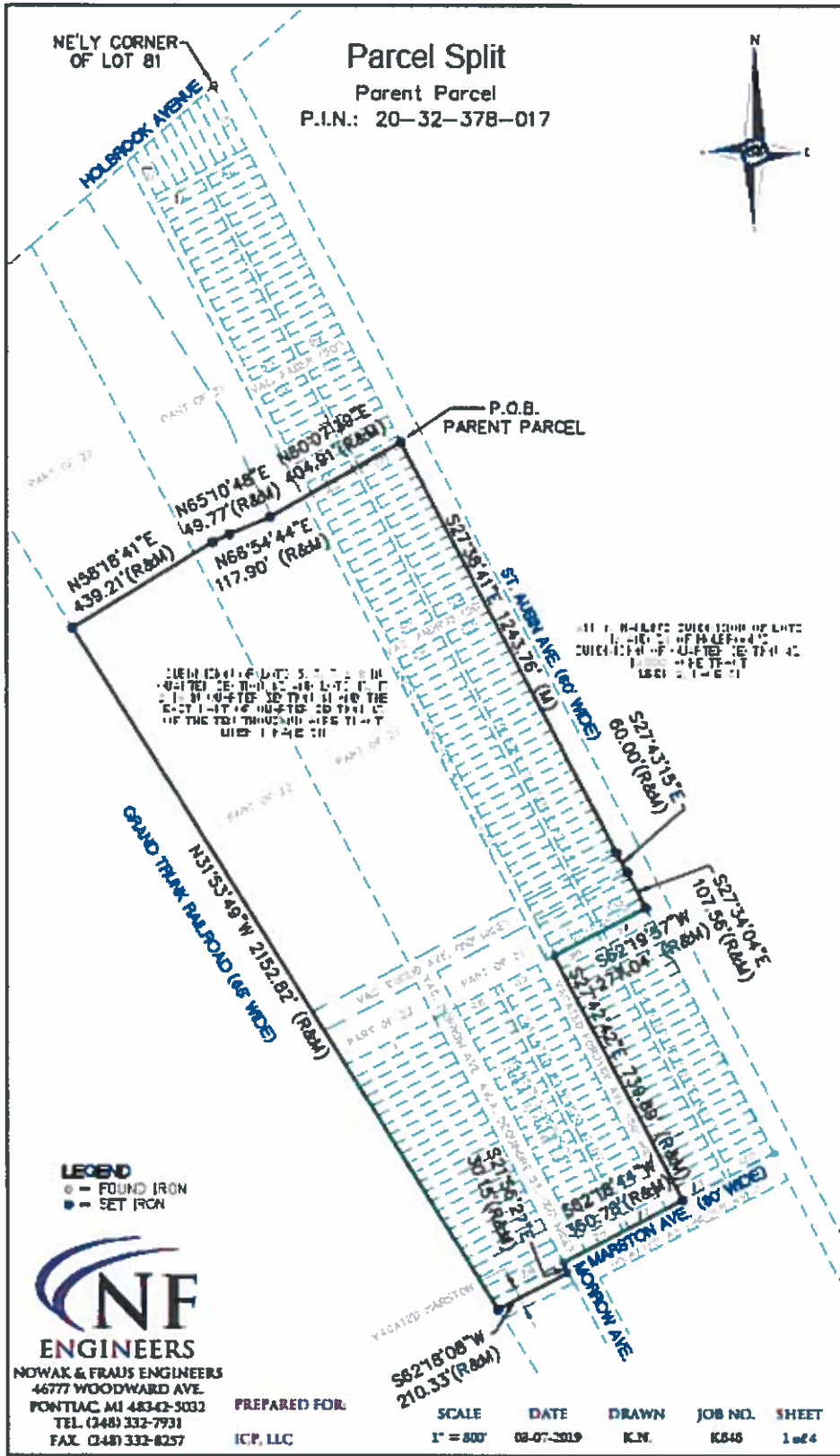
**Figure No. 1**

Mar 05, 2019 - 10:25am - rts

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**Site of the Marston & Morrow Project**





**Parcel Split**  
Parent Parcel

**LEGAL DESCRIPTION - PARENT PARCEL**

Containing lots 1 thru 44 and lots 110 thru 153, both inclusive, and part of lots 45 and 109, including all vacated streets and vacated alleys contained within or adjacent thereto, and all of vacated Vulcan Avenue (30 feet wide) adjacent thereto of WM Y. HAMUN'S SUBDIVISION OF LOTS 19 AND 20 OF HOLBROOK'S SUBD of QUARTER SECTION 42 10,000 ACRE TRACT, according to the plat thereof as recorded in Liber 9 of Plats, page 61, Wayne County Records, also part of Outlots Lots 21 and 22 of SUBDIVISION OF LOTS 5, 6, 7 & 8 IN QUARTER SECTION 42 AND LOTS 16, 17 & 18 IN QUARTER SECTION 41 AND THE EAST PART OF QUARTER SECTION 43 OF THE TEN THOUSAND ACRE TRACT, according to the plat thereof as recorded in Liber 1 of Plats, page 211, Wayne County Records, also Lots 1 thru 72, inclusive, and all of vacated Fordyce Avenue (50 feet wide) and all of vacated Morrow Avenue (platted as Dequindre Street - 66 feet wide) and half of vacated Marston Avenue (platted as Lincoln Avenue - variable width) of WILKINS SUBD'VN OF A PART OF 1/4 SEC'S 58 & 59 10000 ACRE TRACT, according to the plat thereof as recorded in Liber 11 of Plats, page 59, Wayne County Records, being more particularly described as:

Commencing at the Northeastly corner of Lot 81 of said WM Y. HAMUN'S SUBDIVISION, also being the intersection of the Southerly line of Holbrook Avenue (66 feet wide) and the Westerly line of St. Aubin Avenue (60 feet wide); thence South 27 degrees 38 minutes 41 seconds East (Platted as South 26 degrees 02 minutes East) 1078.40 feet along the Westerly line of said St. Aubin Avenue for a PLACE OF BEGINNING; thence the following three (3) courses along the Westerly line of said St. Aubin Avenue: South 27 degrees 38 minutes 41 seconds East (platted as South 26 degrees 02 minutes East) 1243.76 feet, South 27 degrees 43 minutes 15 seconds East (platted as South 26 degrees 02 minutes East) 60.00 feet; and South 27 degrees 34 minutes 04 seconds East (platted as South 26 degrees 02 minutes East) 107.56 feet; thence South 62 degrees 19 minutes 57 seconds West (platted as South 63 degrees 40 minutes West and South 64 degrees West) 277.04 feet along the Southerly line of said vacated Vulcan Avenue, and along the Northerly line of said WILKIN'S SUBD'VN and along the Southerly line of Quarter Section 42 and the Northerly line of Quarter Section 59; thence South 27 degrees 42 minutes 42 seconds East (platted as South 26 degrees East) 739.89 feet along the Easterly line of said vacated Fordyce Avenue and the westely line of lots 73 thru 96, inclusive, of said WILKINS SUBD'VN; thence South 62 degrees 18 minutes 44 seconds West (platted as South 64 degrees West) 360.78 feet along the Northerly line of said Marston Avenue; thence South 21 degrees 56 minutes 27 seconds East 30.15 feet; thence South 62 degrees 18 minutes 08 seconds West 210.33 feet along the centerline of said vacated Marston Avenue; thence North 31 degrees 53 minutes 49 seconds West 2152.82 feet along the Easterly line of the Grand Trunk Western Railroad (GTWRR); thence the following four (4) courses along an existing chain link fence: North 58 degrees 18 minutes 41 seconds East 439.21 feet, North 65 degrees 10 minutes 48 seconds East 49.77 feet, North 66 degrees 54 minutes 44 seconds East 117.90 feet and North 60 degrees 07 minutes 39 seconds East 404.91 feet to the Place of Beginning, containing 41.20 acres of land, more or less, and subject to easements, conditions, restrictions, and exceptions of record, if any



**ENGINEERS**  
NOWAK & FRAJIS ENGINEERS  
4677 WOODWARD AVE.  
PONTIAC, MI 48342-3032  
TEL. (248) 332-7901  
FAX. (248) 332-8257

PREPARED FOR:  
ICF, LLC

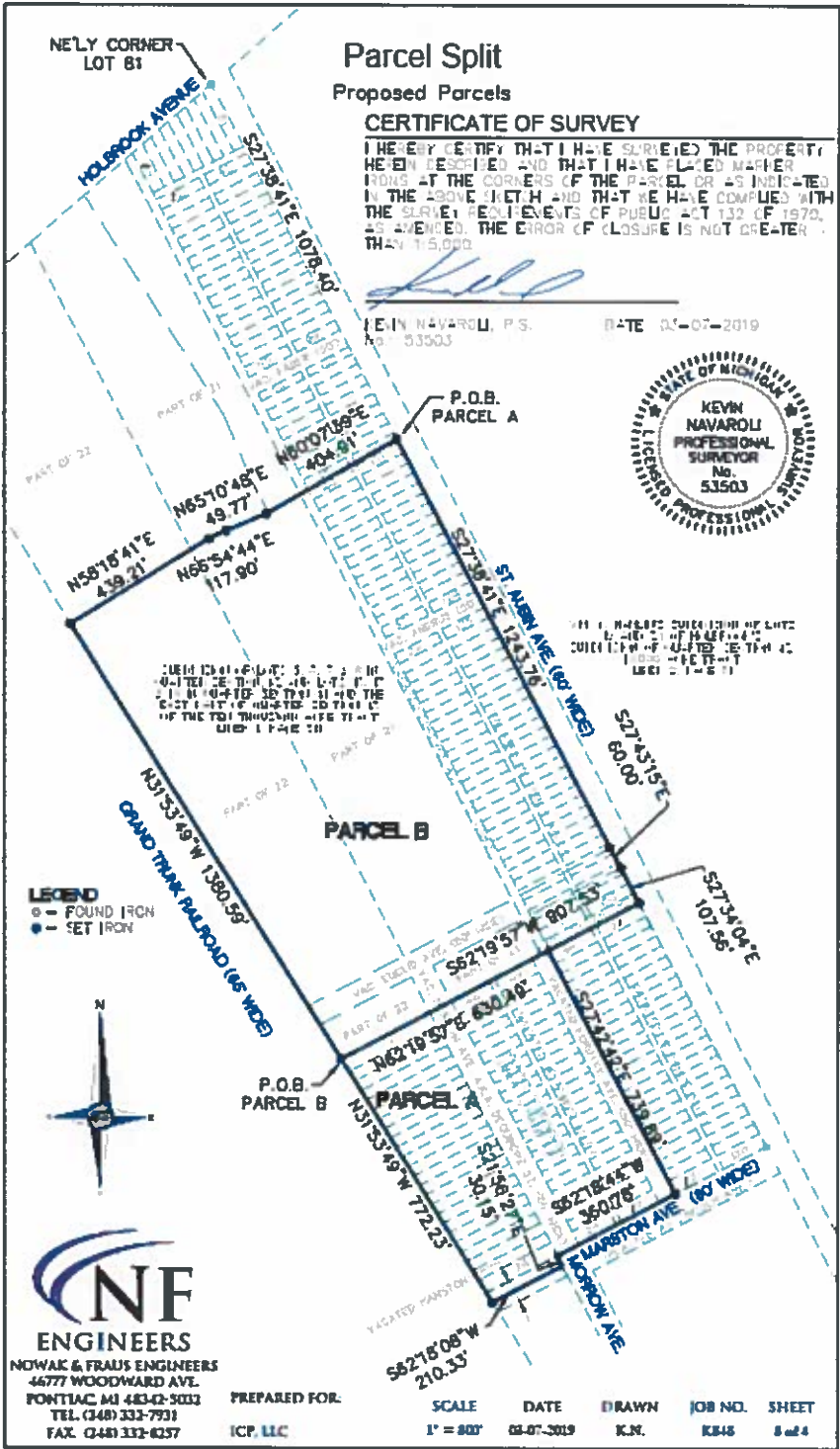
SCALE  
N.T.S.

DATE  
02-07-2019

DRAWN  
K.K.

JOB NO.  
E548

SHEET  
2 of 4



# Parcel Split

Proposed Parcels

## CERTIFICATE OF SURVEY

I HEREBY CERTIFY THAT I HAVE SURVEYED THE PROPERTY HEREIN DESCRIBED AND THAT I HAVE PLACED MARKER IRONS AT THE CORNERS OF THE PARCEL OR AS INDICATED IN THE ABOVE PLAT AND THAT I HAVE COMPLIED WITH THE SURVEY REQUIREMENTS OF PUBLIC ACT 132 OF 1970, AS AMENDED. THE ERROR OF CLOSURE IS NOT GREATER THAN 1:5,000.

KEVIN NAVAROLI, P.S.  
No. 53503

DATE 03-07-2019



**LEGEND**  
 ○ - FOUND IRON  
 ● - SET IRON



**NF ENGINEERS**  
 NOWAK & FRAUS ENGINEERS  
 4677 WOODWARD AVE.  
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 TEL. (313) 332-7931  
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PREPARED FOR:  
 ICP, LLC

SCALE	DATE	DRAWN	JOB NO.	SHEET
1" = 800'	03-07-2019	K.N.	KB48	8 of 8



## Parcel Split Proposed Parcels

### LEGAL DESCRIPTION - PARCEL A

Lots 1 thru 72, inclusive, and all of vacated Fordyce Avenue (50 feet wide) and all of vacated Morrow Avenue (Platted as Dequindre Street - 65 feet wide) and the North 1/2 of vacated Marston Avenue (Platted as Lincoln Avenue - Variable Width) lying adjacent to said Lot 24 of "WILKINS SUBDIVISION OF A PART OF 1/4 SECTION'S 58 & 59 10,000 ACRE TRACT", as recorded in Liber 11 of Plats, on page 59, Wayne County Records, being more particularly described as follows:

Beginning at the Northwest Corner of said Lot 1; thence North 62 degrees 19 minutes 57 seconds East; along the North line of said "WILKINS SUBDIVISION OF A PART OF 1/4 SECTION'S 58 & 59 10,000 ACRE TRACT", 630.49 feet to the intersection of said North line and the East line of said Vacated Fordyce Avenue; thence South 27 degrees 42 minutes 42 seconds East; along the East line of said Vacated Fordyce Avenue, 739.89 feet to a point on the North line of Marston Avenue (Platted as Lincoln Avenue - 80 feet wide); thence South 62 degrees 18 minutes 44 seconds West along said North line of Marston Avenue, 360.78 feet; thence South 21 degrees 56 minutes 27 seconds East, 30.15 feet to a point on the centerline of Vacated Marston Avenue (Platted as Lincoln Avenue - 60 feet wide); thence South 62 degrees 18 minutes 08 seconds West; along said centerline, 210.33 feet; thence North 31 degrees 53 minutes 49 seconds West along the Easterly line of Grand Trunk Railroad, 772.23 feet to the Point of Beginning.

Containing 452,909 Square Feet or 10.40 Acres of land.

### LEGAL DESCRIPTION - PARCEL B

Containing Lots 1 thru 44 and Lots 110 thru 153, both inclusive, and part of Lots 45 and 109, including all of vacated Streets and Vacated Alleys contained within or adjacent thereto, and all of vacated Vulcan Avenue (30 feet wide) adjacent thereto of "WM. Y. HAMUN'S SUBDIVISION OF LOTS 19 AND 20 OF HOLBROCK'S SUBDIVISION OF QUARTER SECTION 42 10,000 ACRE TRACT", according to the plat thereof as recorded in Liber 9 of Plats, page 61, Wayne County Records, also part of Outlots 21 and 22 of "SUBDIVISION OF LOTS 5, 6, 7 & 8 IN QUARTER SECTION 42 AND LOTS 16, 17 & 18 IN QUARTER SECTION 41 AND THE EAST PART OF QUARTER SECTION 43 OF THE TEN THOUSAND ACRE TRACT", according to the plat thereof as recorded in Liber 1 of Plats, page 211, Wayne County Records, being more particularly described as follows:

Commencing at the Northeasterly corner of Lot 81 of said "WM. Y. HAMUN'S SUBDIVISION OF LOTS 19 AND 20 OF HOLBROCK'S SUBDIVISION OF QUARTER SECTION 42 10,000 ACRE TRACT", also being the intersection of the Southerly line of Holbrook Avenue (66 feet wide) and the Westerly line of St. Aubin Avenue (60 feet wide); thence South 27 degrees 38 minutes 41 seconds East along the Westerly line of said St. Aubin Avenue, 1078.40 feet to the Point of Beginning; thence the following three (3) courses along the Westerly line of said St. Aubin Avenue: 1) South 27 degrees 38 minutes 41 seconds East, 1243.76 feet and 2) South 27 degrees 43 minutes 15 seconds East, 60.00 feet and 3) South 27 degrees 34 minutes 04 seconds East, 107.56 feet; thence South 62 degrees 19 minutes 57 seconds West along the Southerly line of said vacated Vulcan Avenue, as extended, also being the Northerly line of "WILKINS SUBDIVISION OF A PART OF 1/4 SECTION'S 58 & 59 10,000 ACRE TRACT", as recorded in Liber 11 of Plats, on page 59, Wayne County Records, 907.53 feet; thence North 31 degrees 53 minutes 49 seconds West along the Easterly line of Grand Trunk Railroad, 1380.59 feet; thence the following four (4) courses along an existing chain link fence: 1) North 58 degrees 18 minutes 41 seconds East, 439.21 feet and 2) North 65 degrees 10 minutes 48 seconds East, 49.77 feet and 3) North 66 degrees 54 minutes 44 seconds East, 117.90 feet and 4) North 60 degrees 07 minutes 39 seconds East, 404.01 feet to the Point of Beginning.

Containing 1,341,866 Square Feet or 30.80 Acres of land.



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TEL. (313) 332-7931  
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PREPARED FOR:  
**ICF, LLC**

SCALE:  
**N.T.S.**

DATE:  
**03-07-2019**

DRAWN:  
**K.M.**

JOB NO.:  
**KB45**

SHEET:  
**6 of 6**

## Attachment E

ELIGIBLE ACTIVITIES	TOTAL ELIGIBLE COST
<b>ELIGIBLE DEPARTMENT SPECIFIC (ESLE) ACTIVITIES</b>	
<b>BEA Activities</b>	
Environmental Due Diligence	\$ 37,000
<b>Due Care and Other Response Activities</b>	
Due Care Response Activity Planning and Coordination	
Due Care Investigations	
Documentation and Plans	
Site Control for Response Actions	
Management and Disposal of Contaminated Soil (generated from construction)	
Management of Contaminated Dewatering Effluent	
Vapor Mitigation Controls	\$ 2,656,768
Human Direct Contact Mitigation - Developed Areas Exposed Soil	
Trackout, Runoff, and Dust Control	
Prevent Exacerbation and Human Exposure - Utilities	
Engineering design, Surveying, and Staking	
Site Construction Management	
Construction General Conditions	
Project Field Monitoring and Management - Environmental	
<b>Brownfield Plan and Act 381 Work Plan and Implementation</b>	\$ 50,000
<b>Subtotal Department Specific Activities</b>	\$ 2,803,768
Contingency (15%)	\$ 398,515
Interest (5%)	\$ 559,638
<b>Total Department Specific Activities</b>	\$ 3,762,121
<b>ELIGIBLE NON-ENVIRONMENTAL (MSF) ACTIVITIES<sup>7</sup></b>	
<b>Asbestos, Lead, and Mold Abatement</b>	
Hazardous Materials Survey & Abatement	\$ 25,000
<b>Demolition Activities</b>	
Site Demolition	\$ 628,000
Building Demolition	
<b>Infrastructure Improvements</b>	
Curbs & Gutters	
Landscaping	
Sidewalks	
Roadways (Approaches)	
Water Mains	\$ 817,600
Utility Relocation	
Urban Stormwater Management	
Engineering design, Surveying, and Staking	
Site Construction Management	
General Conditions	
<b>Site Preparation</b>	
Construction Preparation Activities	
Geotechnical Engineering	
Temporary Site Costs	
Staking for site grading, excavation, SECC controls, and geotechnical engineering	
Specialized Foundations	\$ 1,403,189
Dewatering during Removal of Unstable Fill	
Utility Relocation	
Architectural/Engineering Design/Surveying/Staking	
Site Construction Management	
General Conditions	
<b>Act 381 Work Plan and Implementation</b>	\$ 45,000
<b>Subtotal Non-Environmental Activities</b>	\$ 2,918,789
Contingency (15%)	\$ 431,068
Interest (5%)	\$ 585,025
<b>Total Non-Environmental Activities</b>	\$ 3,934,882
<b>TOTAL DEVELOPER REIMBURSABLE COSTS</b>	\$ 7,697,003
Administrative & Operating	\$ 1,733,739
Local Site Revolving Fund	\$ 3,293,213
State Brownfield Revolving Fund	\$ 612,496
<b>TOTAL ELIGIBLE ACTIVITIES AND REIMBURSEMENTS</b>	\$ 13,336,451

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<sup>7</sup> Estimated Cost of Eligible Activities Table