


David Whitaker, Esq.
Director
Irvin Corley, Jr.
Executive Policy Manager
Marcell R. Todd, Jr.
Senior City Planner
Janese Chapman
Deputy Director

John Alexander
LaKisha Barclift, Esq.
M. Rory Bolger, Ph.D., AICP
Elizabeth Cabot, Esq.
Tasha Cowen
Richard Drumb
George Etheridge
Deborah Goldstein

City of Detroit
CITY COUNCIL
LEGISLATIVE POLICY DIVISION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-4946 Fax: (313) 224-4336

Christopher Gulock, AICP
Derrick Headd
Marcel Hurt, Esq.
Kimani Jeffrey
Anne Marie Langan
Jamie Murphy
Carolyn Nelson
Kim Newby
Analine Powers, Ph.D.
Jennifer Reinhardt
Sabrina Shockley
Thomas Stephens, Esq.
David Teeter
Theresa Thomas
Kathryn Lynch Underwood
Ashley A. Wilson

TO: COUNCIL MEMBERS
FROM: David Whitaker, Director 
Legislative Policy Division Staff
DATE: October 14, 2019
RE: Corktown Lofts 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.

Corktown Lofts, LLC, an affiliate of Bedrock, is the project developer and owner of the two parcels in the plan, **1702 Fort Street**, the planned location of the “Corktown Lofts” and **1701 West Lafayette Street**, the future planned, “Adjoining Parking Structure.” The property at 1702 West Fort Street, a four story commercial building constructed in 1913 for the Edson, Moore & Company, was one of Michigan’s largest dry goods and wholesale businesses. Due to its history, the Edson, Moore and Company Building (1702 Fort Street) was individually listed on the National Register of Historic Places in 2017.¹

If approved by Council, 1702 Fort Street (Corktown Lofts) will be converted and rebranded as, “*The Assembly*,” which will combine 160,000 square feet of residential, office and retail space into a singular location in Detroit’s Corktown neighborhood. The property will also have 50 below-grade parking spaces and an adjacent 465-space parking deck, on the 1701 West Lafayette Street parcel (Adjoining Parking Structure).

¹MICHIGAN, WAYNE COUNTY, Edson, Moore and Company Building, 1702 W Fort St., Detroit, SG100001839, LISTED, 11/27/2017 See <https://www.nps.gov/nr/listings/20171201.htm>

The existing historic structure at 1702 Fort Street, referenced in the plan as the Corktown Lofts, consists of approximately 180,573 square feet of space. The rehabilitation is anticipated to create retail and restaurant/café space on the first two floors and one subgrade floor; office space on the middle two floors, and 33 residential units on the upper two floors, consisting of rehabilitated facilities on the fifth floor (22 units) and a new addition above it (11 units).

The office space will house a major, Chicago-based logistics company, Coyote Logistics ² and is anticipated to bring approximately 500 jobs to the City of Detroit, approximately 350 of which are anticipated to be new jobs.³

The Adjoining Parking Structure at 1701 West Lafayette Street is a newly constructed, approximately 465-space parking garage intended to serve the office space within the Corktown Lofts, while also supporting the retail and residential components and general public parking needs. The garage will include first floor retail space. While tenants have not yet been identified, it is anticipated that the retail will include food and beverage and other neighborhood-supportive retail. It is further anticipated that approximately 250 spaces will be dedicated to the office tenants, with the remaining spaces available to support the retail uses and general public parking needs in the area. *All eligible activities in this Plan are limited to the construction of the multilevel parking structure located at 1701 W. Lafayette.*

The total overall investment in this project is estimated at approximately \$63.2 million. The developer is requesting a \$13,850,114 TIF,⁴ with the overall value of the plan estimated at \$15,975,451, which includes local brownfield costs. It is currently anticipated that this project will create approximately 500 (150 garage; 350 Lofts) temporary construction jobs and 650-700 (500 = Coyote Logistics) permanent jobs. The reimbursement and the total costs allocation under the plan is indicated below:

COST TO BE REIMBURSED WITH TIF	Tax Capture
Demolition	
Site Demolition	\$149,833
Infrastructure Improvements	
Multilevel Parking Structure	\$11,893,745
Subtotal	\$12,043,578
Contingency (15%)	\$1,806,536
SUBTOTAL SITE ELIGIBLE ACTIVITIES	\$13,850,114
DBRA Administrative Costs	\$2,125,337
State Brownfield Redevelopment Fund	\$0
Local Brownfield Revolving Fund	\$0
TOTAL ESTIMATED COST TO BE FUNDED THROUGH TIF	\$15,975,451

²Coyote Logistics (headquartered in Chicago) is a leading global third-party logistics provider that matches more than 10,000 shipments every day. Founded in 2006, Coyote was created with one goal in mind: create a better service experience in the transportation industry. <https://www.linkedin.com/company/coyote-logistics>

³ Coyote Logistics was also the recipient of a PA 328 *Personal Property* tax abatement for this location from the Detroit City Council, valued at \$91,590. LPD provided Council a report on this incentive, dated July 12, 2019

⁴ 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.

Legal Description of the Eligible Property

Address	1702 W Fort St.
Parcel ID	08000048
Owner	Corktown Lofts, LLC
Legal Description	N W FORT E 19.56 FT ON S LINE BG E 124.32 FT ON N LINE OF 3 SUB OF LOT 2 P C 27 LOGNON FARM L137 P69-70 DEEDS, W C R 8/10 2&1 2&1 PLAT OF SPECHTS SUB OF LOTS 6&7 OF SUB OF LOT 1 OF P C 27 L65 P142 DEEDS, W C R 8/15 8/--- 33,587 SQ FT
Address	1701 W Lafayette
Parcel ID	08000066-8
Owner	Corktown Lofts, LLC
Legal Description	S LAFAYETTE BLVD LOTS 4,5,6 AND 7 OF AND HALF OF VACATED ALLEY ADJACENT PLATS OF SUB OF LOTS 2 OF PRIVATE CLAIM 27 LOGNON FARM OF PLATS L137 P70 OF DEEDS WCR AND LOTS 3 AND 4 OF BK 7 AND ALL OF 3 AND PART OF 4 BEING WESTERLY 14.58 FT ON THE FRONT LINE AND 30.27 FT ON THE REAR LOT LINE OF BK6 AND HALF OF VACATED ALLEY ADJACENT SPECHT'S SUB OF LOTS 6 AND 7 OF SUB OF LOT 1 OF PRIVATE CLAIM 27 OF PLATS L65 P142 OF DEEDS WCR 416 IRREG

Property Subject to the Plan

The property comprising the eligible property is known as the Corktown Lofts and consists of the historic structure at 1702 Fort Street as well as the adjacent and contiguous parcel at 1701 W. Lafayette Street that is being redeveloped into a multi-level parking garage as part of the overall project. The subject parcels are located between Rosa Parks Boulevard to the west, 10th Street to the east, W Fort Street to the south, and W Lafayette Boulevard to the north. Each parcel is owned by Corktown Lofts LLC.

Basis of Eligibility

The eligible property located at 1702 Fort Street is an historic resource as defined under Section 2(v) of Act 381(as defined by Act 270 of 1984.)⁵ The Corktown Lofts building, previously known as the Edson, Moore and Company Building was individually listed on the National Register of Historic Places in 2017.¹ The parcel at 1701 W. Lafayette is adjacent and contiguous to the eligible property and the development of the adjacent and contiguous property is estimated to increase the captured taxable value of the eligible property and is thus eligible for inclusion in this Plan under Section 2(p)(i) of Act 381.

The current Park Avenue Building was constructed between 1922 and 1923. The building was designed by Detroit architect Albert Kahn and was historically used as office space and retail. Among other uses, the building was used as a hat cleaner operated from at least 1935 to 1940.

⁵ Act 270 of 1984 - MICHIGAN STRATEGIC FUND ACT (125.2001 - 125.2094)

The hat cleaner went by multiple names and was located at 2005 Park Avenue, which appears to have been a suite in the current Park Avenue Building. The Park Avenue Building appears to have been largely vacant since the mid- to late 1980s, and to have been completely vacant since the mid- to late 1990s.

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	DBRA Admin Costs	SBRF	LBRF
School Operating Tax	\$0	\$0	\$0	\$0
State Education Tax	\$0	\$0	\$0	\$0
County (combined)	\$2,279,736	\$402,306	\$0	\$0
HCMA	\$62,050	\$10,950	\$0	\$0
City of Detroit	\$5,815,048	\$1,026,185	\$0	\$0
RESA	\$1,592,580	\$281,044	\$0	\$0
WCCC	\$944,537	\$166,683	\$0	\$0
Library	\$1,349,626	\$238,169	\$0	\$0
TOTAL	\$12,043,578	\$2,125,337	\$0	\$0

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

State Education Tax	\$2,061,078
School Operating	\$6,183,234
City Debt	\$2,404,591
School Debt	\$4,465,669
DIA	\$ 68,703
Zoo	\$34,351
TOTAL	\$15,217,626

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 "demolition" as defined under Section 2(o)(i)(F) of Act 381 and "infrastructure improvements" as defined under Section 2(aa), and more particularly, consist of a "multilevel parking structure" eligible under Section 2(aa)(ii) of Act 381.

The developer is seeking reimbursement only for the cost of eligible activities related to the construction of the Adjoining Parking Garage and is not seeking reimbursement for the cost of eligible activities related to the rehabilitation of the historic Corktown Lofts structure. Construction of the Adjoining Parking Garage began in the first quarter of 2019 with site and foundation work. Erection of the precast concrete structure commenced in June 2019. It is anticipated that all eligible activities on the project will be completed prior to December 31, 2019; provided however, any long-term monitoring or operation and maintenance activities or

obligations that may be required will continue to be performed in compliance with the terms of this Plan and any documents prepared pursuant to this plan.

In addition to the Brownfield, the developer has sought and has received Council approval of a Neighborhood Enterprise Zone (NEZ) tax for the project's the 22 rehabilitated apartment units which are part of the overall Corktown Lofts mixed-use project. **The period for this Brownfield request is for 30 years.**

Feasibility of the Brownfield Approval

The Project required demolition of the existing but abandoned commercial building at 1701 W Lafayette to make way for the new parking structure.

The Developer represents and warrants that a Phase I Environmental Site Assessment ("ESA"), and if appropriate, a Phase II ESA, baseline environmental assessment, and due care plan, pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act (MCL 324.20101 et seq.), have been performed on the Property ("Environmental Documents"). The City of Detroit's Department of Buildings, Safety Engineering and Environmental acknowledgement of its receipt of the Phase I ESA, and if appropriate, the Phase II.⁶

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

⁶ 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.



Previous Site Conditions: Corktown Lofts (1702 W Fort St) ⁷



1702 Fort Street (Recent Photo)⁸

⁷ Source: DBRA, via the Brownfield Plan

⁸ Source: Bedrock Detroit <https://www.bedrockdetroit.com/property/theassembly/>



Top Renderings of 1702 Fort Street (The Assembly)⁹



Bottom Two Renderings of "The Assembly" 1702 Fort Street¹⁰

⁹ "The Assembly combines 160,000 square feet of residential, office and retail space into one vibrant location in Detroit's Corktown neighborhood. The reformed four-story commercial building was constructed in 1913 for Edson, Moore & Company, one of Michigan's largest dry goods and wholesale businesses, and was listed on the National Register of Historic Places in 2017. The development integrates authentic, historic architecture with modern comfort, design and style, and a vibrant experience with an array of attractions for every season. The property also boasts 50 below-grade parking spaces and an adjacent 465-space parking deck." Bedrock Detroit via: <https://www.bedrockdetroit.com/property/theassembly/>

¹⁰ Source: Trulia.com: According to Trulia, 1702 W Fort St \$1,800 - \$3,900/mo 1-3 Beds 1-2 Baths <https://www.trulia.com/c/mi/detroit/the-assembly-1702-w-fort-st-detroit-mi-48216--2099313744>

Figure 1. Site Plan

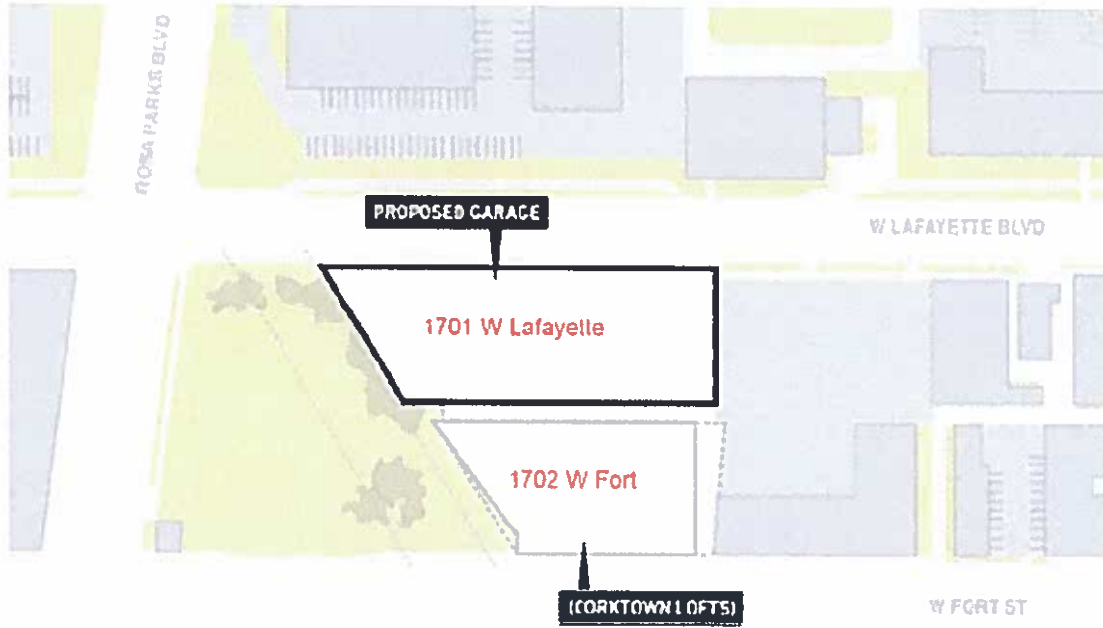


Figure 2. Site Conditions, Pre-Redevelopment



City of Detroit

CITY COUNCIL

COUNCIL PRESIDENT BRENDA JONES

INCENTIVE INFORMATION CHART:

Project Type	Incentive Type	Investment Amount	District
Mixed-use rehab	Browfield TIF	\$63,224,091	City Council District 6

Jobs Available							
Construction				Post Construction			
Professional	Non-Professional	Skilled Labor	Non-Skilled Labor	Professional	Non-Professional	Skilled Labor	Non-Skilled Labor
		200 (150 garage, 50 LcAs)		950-700 (500 = Coyote logistics)			

1. What is the plan for hiring Detroiters? Bedrock is subject to EO 2016-11 with respect to construction jobs. With respect to permanent jobs, Bedrock is the landlord only.
2. Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc. The primary office tenant will be Coyote Logistics, a leading global third-party logistics provider.
3. Will this development cause any relocation that will create new Detroit residents? The project will create 22 new residential units.
4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs? Yes, Detroit Police Athletic League (PAL) & the Corktown Business Association.
5. When is construction slated to begin? Assembly - 9/12/2016, Garage 2/6/2019
6. What is the expected completion date of construction? 1/06/2020 for Garage, and therefore the entire project

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

Coleman A. Young Municipal Center • 2 Woodward Avenue • Suite 1340 • Detroit, Michigan 48226
 (313) 224-1245 Fax (313) 224-4095





CITY OF DETROIT
BUILDINGS, SAFETY ENGINEERING AND ENVIRONMENTAL DEPARTMENT
ADMINISTRATION

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, FOURTH FLOOR
DETROIT, MICHIGAN 48226
WWW.DETROITMI.GOV

September 11, 2019

Jennifer Kanalos
Detroit Brownfield Redevelopment Authority (DBRA)
500 Griswold, Suite 2200
Detroit, Michigan 48226

RE: DBRA Document Review and Invoice Notice

Attached please find Exhibit B, approving the environmental documents submitted to the Buildings, Safety Engineering, and Environmental Department for review of the Corktown Lofts Project located at 1702 W. Fort and 1681, 1701, 1723, & 1749 W. Lafayette for Bedrock Real Estate Services.

The review of a Phase I Environmental Site Assessment (ESA) and Baseline Environmental Assessment was completed on September 10, 2019 and Invoice #5696985 in the amount of \$1000.00 for these services was submitted to your office for payment. Please remit a check payable to the Treasurer, City of Detroit by the due date to complete this activity.

If you have any questions, please contact my office at (313) 471-5115.

Sincerely,

Paul T. Max
General Manager

PTM

Enclosure

cc: Brian Vosburg

Attachment B

TO: THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
FROM: DETROIT, BUILDINGS, SAFETY ENGINEERING, AND ENVIRONMENTAL DEPARTMENT
PROJECT: BEDROCK REAL ESTATE SERVICES/ CORKTOWN LOFTS PROJECT
DATE: September 11, 2019

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 PM Environmental on behalf of Bedrock Real Estate Services, as developer, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment Authority (DBRA), for the Corktown Lofts 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 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: Paul J. Max

Its: General Manager