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City of Detroit
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LEGISLATIVE POLICY DIVISION
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Theresa Thomas
Kathryn L. Underwood, MUP
Ashley A. Wilson

TO: COUNCIL MEMBERS
FROM: David Whitaker, Director 
Legislative Policy Division Staff
DATE: October 28, 2020
RE: Former Cadillac Stamping Plant 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.

Former Cadillac Stamping Plant Brownfield Redevelopment Plan

Northpoint Development, is the project developer and prospective owner of the property, which is currently owned by the City of Detroit in the Former Cadillac Stamping Plant Brownfield Redevelopment Plan.

The project is located at 9501 Conner Street and 10600, 10640, 10644 (partial), and 10648 (partial) Gratiot Avenue. If approved by Council, the project will include demolition, abatement and site preparation for the construction of an approximately 682,000 sf. multi-tenant industrial facility and associated site improvements.

The Property was historically occupied by Clayton & Lambert in the early 1900's as a stamping operation. In 1925, the facility was sold to the Hudson Motor Company and Albert Kahn designed an expansion of the facility. In 1954, Hudson Motor Company merged with Nash-Kelvinator and production was moved to Wisconsin and the facility was sold to GM for Cadillac stamping production. GM closed the facility in 1986 and Ivan Doverspike acquired the building in 1993 for tool remanufacturing. Operations ceased in early 2000's and the facility has been vacant ever since. The site is currently not in use and owned by the City of Detroit – P&DD and will be acquired by Northpoint Development prior to undertaking eligible activities on the

Property. The site consists of approximately 44.768 acres over three (3) full parcels and two other partial parcels. The project includes substantial demolition and abatement in order to prepare the site for vertical construction. The Project is expected to create approximately 100 temporary construction jobs and 450 new jobs. The Project will significantly improve the site with the presence of a new industrial site that will remove blight, improve infrastructure, increase property taxes, and create new permanent and temporary jobs associated with the redevelopment activities.

The developer is requesting a **\$18,425,523¹ TIF²** reimbursement, with the overall value of the plan estimated at **\$22,724,706** that includes local brownfield costs.³ The developer is also seeking the approval of a PA 198 IFEC certificate. The estimated capital investment for this project is approximately **\$47.9 million**.

Description of the Eligible Property & Legal Description

The parcels comprising the eligible property and the subject of this Plan are located at 9501 Conner Street and 10600, 10640, 10644 (partial), and 10648 (partial) Gratiot Avenue, Detroit, Wayne County and consist of three full parcels and part of two other parcels containing approximately 44.768 acres of land located between Conner Street, Gratiot Avenue, Devine Street and Corbett Avenue (collectively, the “Property”). Parcel splits will be completed in the fall of 2020.

Address	Parcel ID	Owner
9501 Conner Street	19002594.001 (facility)	City of Detroit P&DD
10600 Gratiot Avenue	19001584 (facility)	City of Detroit P&DD
10640 Gratiot Avenue	19001583.002L (facility)	10640 Gratiot Ave Associates LLC
10644 Gratiot Avenue (partial)	19001582.003L (adjacent) – new parcel ID TBD	Detroit Parks & Recreation
10648 Gratiot Avenue (partial)	19001582.002 (adjacent) – new parcel ID TBD	City of Detroit P&DD

Basis of Eligibility

The 9501 Conner Street, 10600 and 10640 Gratiot Avenue parcels were determined to be “eligible property” as defined by Act 381, Section 2, because it: (a) was previously utilized for an industrial, commercial or residential purpose; (b) is located within the City of Detroit, a qualified local governmental unit; and (c) was determined to be a “facility” as defined by Act 381. The remaining parcels are adjacent or contiguous to the eligible parcels and their development is estimated to increase the captured taxable value of the property.

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

¹ This Plan includes total eligible activities of \$18,425,523, however, current projections anticipate that only \$17,573,740 will be reimbursed. The Developer intends to submit reimbursement requests for the maximum amount of eligible costs approved for eligible activities under this Plan.

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 29 years (28 years of capture).

State Brownfield Redevelopment Fund, and (iii) make deposits into the DBRA's Local Brownfield Revolving Fund, as follows:

COSTS TO BE REIMBURSED WITH TIF

1. BEA Activities	\$225,000.00
2. Department Specific Activities	\$8,500,000.00
3. Demolition & Abatement	\$5,271,107.00
4. Site Preparation	\$1,000,000.00
5. Infrastructure Improvements	\$1,000,000.00
6. Brownfield Plan & Work Plan Preparation	\$15,000.00
7. Brownfield Plan & Work Plan Implementation	\$15,000.00
8. Contingency (15%)	\$2,399,416.00
Total Reimbursement to Developer	\$18,425,523.00
9. Authority Administrative Costs	\$3,280,938.00
10. State Brownfield Redevelopment Fund	\$1,018,245.00
11. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$22,724,706.00

	<u>Reimbursement</u>	<u>DBRA Admin</u>	<u>SBRF Capture</u>	<u>LBRF Capture</u>
<u>Taxing Jurisdictions</u>	<u>Costs</u>	<u>Costs</u>		
School Operating Tax	\$5,893,513	\$0	\$0	\$0
State Education Tax	\$1,431,789	\$0	\$1,018,245	\$0
City General Op	\$4,948,437	\$1,584,194	\$0	\$0
Wayne County Op	\$1,400,875	\$448,477	\$0	\$0
HCMA	\$52,505	\$16,809	\$0	\$0
Wayne County Safety	\$232,665	\$74,485	\$0	\$0
Library	\$1,148,493	\$367,679	\$0	\$0
Wayne County Parks	\$60,987	\$19,525	\$0	\$0
WCCC	\$803,774	\$257,320	\$0	\$0
Wayne County	\$245,463	\$78,582	\$0	\$0
Wayne County ISD	\$1,355,240	\$433,867	\$0	\$0
TOTAL	\$17,573,740	\$3,280,938	\$1,018,245	\$0

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

City Debt	\$2,946,756
School Debt	\$4,256,426
DIA	\$65,483
Zoo	\$32,742
TOTAL	\$7,301,407

Feasibility of the Brownfield Approval

The Developer represents and warrants that a Phase I Environmental Site Assessment (“ESA”), and a Phase II ESA, pursuant to Part 201 of Michigan’s Natural Resources and Environmental Protection Act (MCL 324.20101 *et seq.*), have been performed on the Property.

A summary of the eligible activities and the estimated cost of each eligible activity intended to be reimbursed with Tax Increment Revenues from the Property are shown in the following table:

Estimated Cost of Eligible Activities Table

ESTIMATED COST OF ELIGIBLE ACTIVITIES

Description of Eligible Activities	Estimated Cost
EGLE Eligible Activities	
1. Baseline Environmental Assessment Activities	\$225,000
2. Department Specific Activities – soil excavation, transportation and disposal, vapor mitigation system, storm water management, and oversight/project management	\$8,500,000
<i>Subtotal EGLE Eligible Activities</i>	<i>\$8,725,000</i>
3. Contingency (15%)	\$1,308,750
4. Brownfield/Work Plan Preparation and Development	\$15,000
Total EGLE Eligible Activities	\$10,048,750
MSF Eligible Activities	
5. Demolition and Lead and Asbestos Abatement*	\$5,271,107
6. Site Preparation – dewatering, temporary fencing, temporary security, temporary traffic control, temporary facility, clearing and grubbing, mass grading and land balancing, staking, erosion control, geotechnical testing, utility relocation	\$1,000,000
7. Infrastructure Improvements – Sidewalks, curb/gutter, landscaping and street/road improvements in the public ROW	\$1,000,000
<i>Subtotal MSF Eligible Activities</i>	<i>\$7,271,107</i>
8. Contingency (15%)	\$1,090,666
9. Brownfield/Work Plan Preparation and Development	\$15,000
Total MSF Eligible Activities	\$8,376,773
Total Estimated Cost to Developer to be Funded Through TIF	
	\$18,425,523
10. State Brownfield Revolving Fund	\$1,018,245
11. DBRA Administrative Fees	\$3,280,938
12. Local Brownfield Revolving Fund	\$0
Total Potential Capture	\$22,724,706

*Total Demo and Abatement Costs are \$7,050,000. Purchase Agreement provides for Credit of purchase price of \$1,778,893 for demo and remediation costs so figure above reflects the total less the credit amount.

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

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

General Property Boundary



Eligibility Map





Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 808
Detroit, Michigan 48226

Phone: 313.224.1339
Fax: 313.224.1310
www.detroitmi.gov/pdd

September 18, 2020

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

RE: Former Cadillac Stamping Plant Redevelopment at 9501 Conner Street Brownfield Redevelopment Plan

Dear Ms. Kanalos,

The Detroit Brownfield Redevelopment Authority (DBRA) has asked that the Planning and Development Department to review and comment on the Former Cadillac Stamping Plant Redevelopment at 9501 Conner Street Brownfield Redevelopment Plan (the "Plan").

Northpoint Development, LLC is the project developer ("Developer"). The property in the Plan is located at 9501 Conner Street and 10600, 10640, 10644 (partial), and 10648 (partial) Gratiot Avenue, and consists of three full parcels and part of two other parcels containing approximately 44.768 acres of land located between Conner Street, Gratiot Avenue, Devine Street and Corbett Avenue.

The project includes the preparation of the site (including demolition of the existing structure and environmental remediation of the property) for the construction of an approximately 682,000 square foot industrial multi-tenant facility.

The development will redevelop a significantly blighted and contaminated property and create approximately 450 new manufacturing jobs on the east side of Detroit. Total investment is estimated at \$47.9 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,

A handwritten signature in black ink, appearing to read "Russell Baltimore".

Russell Baltimore
Assistant Director Design Review
Planning and Development Department

c: B. Vosburg
C. Capler



CITY OF DETROIT
GENERAL SERVICES DEPARTMENT

115 ERSKINE ST.
DETROIT, MICHIGAN 48201
PHONE 313 • 628-0900
FAX 313 • 628-1915

September 23, 2020

Re: Cadillac Stamping Plant

Jean:

I am writing in support of the Northpoint plan for the redevelopment of the former Cadillac Stamping Plant. While the continuity of the Connor Creek Greenway is currently made much more accessible because of the lack of traffic utilizing the access road off of Connor, with the adequate safety and security at this crossing, *having a good neighbor to the park that is creating a large number of jobs for residents is something we see as favorable.* The three requirements we have moving forward on this project is that:

1. The General Services Department and Department of Public Works be jointly consulted about the type of crossing installed by Northpoint, to ensure maximum safety for users of the park and greenway.
2. An operations plan be put in place to ensure no loitering of truck traffic thereby blocking greenway access.
3. That the General Services Department reviews all buffer proposals to ensure the park and greenway experience be distinct from that of the new development.

While it is not ideal there are many examples of a greenway intersecting with a road around the county and in Detroit – near my office the Dequindre cut crosses Mack Avenue – once completed the Joe Louis Greenway will have similar touch points.

Sincerely,


Brad Dick
Group Executive

Northwest Unity Missionary Baptist Church

8345 Ellsworth

Detroit, MI 48238

Dr. Oscar W. King, III Pastor

Chairman Board of Trustee
Ken Harvey, Sr.

Treasurer
Eddie Davis

Chairman Board of Deacon
Eddie Davis

Church Clerk
Cynthia A. Baker

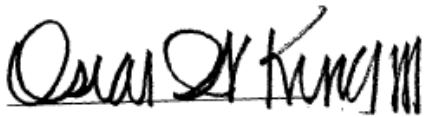
Financial Secretary
Denise Harvey

September 17, 2020

To whom it may concern

Northwest Unity Missionary Baptist Church has been informed that NorthPoint Development and LoPatin & Co. have submitted a plan to DEGC for the construction of a development that will accommodate manufacturing assembly and/or warehouse at the former Cadillac Stamping Plant facility. We support the demolition and redevelopment of the building.

Sincerely



Oscar W. King, III
Senior Pastor



Impact Church

OFFICE
12844 Elmdale
Detroit Mi, 48213

PHONE
313 372-3055

FAX
313 372-3235

EMAIL
ljones@ihmanagementsvc.
com

WEB
Live2Impact.com

September 16, 2020

To Whom It May Concern:

Impact Church is aware that Northpoint Development LLC has submitted a Brownfield Redevelopment Plan to the DEGC for the construction a speculative development that would accommodate manufacturing assembly and/or warehouse center at the former Cadillac Stamping located at 9501 Conner that was a former industrial operation. There was a community meeting held via Zoom on September 1, 2020, where there was an introduction to the developer and the proposed project. There was support from the community for this project. The community is welcoming to having Northpoint develop the site which will have an impact in the community.

Elden Lamont G. Jones
Executive Coordinator
Impact Church



September 17, 2020

c/o Mark LoPatin
LoPatin & Co.
32000 Northwestern Hwy.
Suite 250
Farmington Hills, MI 48334

PVS CHEMICALS
10900 HARPER AVE
DETROIT, MI 48213

To whom it may concern

PVS Chemicals, Inc.—the owner of 10900 Harper Avenue, Detroit Michigan and other facilities in the surrounding neighborhood—has been informed that NorthPoint Development has submitted a plan to DEGC for the construction of a development that will accommodate manufacturing assembly and/or warehouse at the former Cadillac Stamping Plant facility. Based on our knowledge today of NorthPoint's proposed project, PVS supports the demolition and redevelopment of the Stamping Plant facility as currently proposed.

Sincerely,

Jeff Daniel
VP & CFO PVS Chemicals



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 6, 2020

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 Cadillac Stamping Project at 9501 Conner for NorthPoint Development, LLC.

The review of a Phase I Environmental Site Assessment (ESA), and a Baseline Environmental Assessment (BEA) was completed on September 6, 2020 and Invoice # 5763994 in the amount of \$1,000.00 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: CADILLAC STAMPING PROJECT /NORTHPOINT DEVELOPMENT, LLC
DATE: SEPTEMBER 6, 2020

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 NorthPoint Development, LLC, as developer, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment Authority (DBRA), for the Cadillac Stamping 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).
- Other

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 meets the definition of 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. May

Its: General Manager