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TO: COUNCIL MEMBERS

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: January 31, 2023

RE: **Red Arrow Redevelopment Brownfield Redevelopment 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.

Oxford Perennial Corktown PropCo II, LLC, is the project developer of the Red Arrow Redevelopment Brownfield Redevelopment Plan. The eligible property consists of one (1) parcel located at 1567 Church¹ on 0.37-acres on the northwestern section of a city block in the Corktown neighborhood in southwest Detroit. The property is bounded by Church Street to the north, 10th Street to the west, and an alley to the south. The property is adjoined by a parking lot to the east, residential development to the south, and a commercial development to the north.

The development, located in the Corktown Historic District, consists of the rehabilitation of an existing two-story industrial building to multi-family apartment units and indoor parking. The two-story multi-family residential use building will total approximately 32,000 square feet, including approximately 16,839 square feet of apartments - 7 units on the ground floor (i.e., six 1-bedroom apartments, and one studio) and 15 units on the second floor (i.e., ten 1-bedroom apartments and five 2-bedroom apartments), with at least 10% of the apartments designated as affordable at 60% AMI (area median income).²

¹ The building on the parcel at 1567 Church (addressed as 1551 Church) was erected circa 1894 and is today referred to as the Downtown Self-Storage Building. For many years, this was the John Whittaker Planning Mill, a sawmill associated with the many nearby lumberyards in Corktown. Later, after expansion in 1916, it was the Red Arrow soda factory. [Microsoft Word - Staff Report \(Advisory\) - 1551 Church, 1606-1622 Church, 1611 Michigan \(detroitmi.gov\)](#)

² The developers ...agreed to residents' suggestion to set aside 10% of the units ... at 60% AMI. (Their earlier plan was for 20% at 80% AMI.) Developers also agreed to preserve the old sawmill and erect a commemorative plaque recognizing its historical significance. And they formalized plans to ensure that Detroiters get first crack at the construction jobs. 10% of the units would be reserved at 60% AMI, which is \$33,600 for a single person and \$38,400 for two people. (Under 60% AMI, the maximum rent for a studio would be \$975 per month and \$1,025 for a one-bedroom apartment.) (article features Red Arrow) [2 major Detroit developments just got millions in subsidies \(freep.com\)](#)

The development will also include approximately 6,480 square feet of ground-level integrated parking garage space (8 spaces), with the remaining approximately 8,681 square feet consisting of tenant storage, a maintenance room, and amenity space (i.e., lounge, common areas, stairs, elevator, trash, and mail areas). Site development also entails infrastructure improvements, including sidewalks, brick paver walks, curbs, asphalt paving, and landscaping in the public right-of-way.

It is anticipated that the project will create 3 full time equivalent (FTE) jobs, and 64 temporary construction jobs. The developer is requesting a **\$1,218,631** TIF,³ reimbursement, with the overall value of the plan estimated at **\$1,611,918**, which includes local brownfield costs.⁴ The developer is also seeking the approval of a PA 147 Neighborhood Enterprise Zone, which if subsequently approved, the incentive may run for a term of 17-years, given that the preserved property is eligible for an extended term pursuant to the NEZ Act, due to the fact the building is a qualified historic building.⁵ The estimated capital investment for this project is approximately **\$11.9 million**.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the property was previously utilized for commercial and residential purposes; (b) it is located within the City of Detroit, which is a qualified local governmental unit (Core Community) under Act 381; and (c) the Property is a historic resource⁶ as defined in Act 381.

Description of the Eligible Property & Legal Description

Address	Parcel ID	Legal Description
1567 Church Street	08000462	S CHURCH 5 THRU 7 BLK 80 WOODBRIDGE FARM L1 P146-7 PLATS, W C R 8/2 124 X 130

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	Total
School Operating	\$423,214	\$0	\$0	\$22,068	\$445,283
SET	\$70,536	\$0	\$78,513	\$3,678	\$152,727
Wayne County Charter	\$98,579	\$33,038	\$0	\$6,268	\$137,885
Wayne County Wayne County Public Safety	\$17,349	\$5,814	\$0	\$1,103	\$24,267
Wayne County Parks	\$16,444	\$5,511	\$0	\$1,046	\$23,001
HCMA	\$4,311	\$1,445	\$0	\$274	\$6,029
City of Detroit	\$3,671	\$1,230	\$0	\$233	\$5,135
RESA	\$350,605	\$117,501	\$0	\$22,293	\$490,399
Wayne County RESA	\$1,690	\$567	\$0	\$107	\$2,364
Wayne County Special Ed	\$59,036	\$19,785	\$0	\$3,754	\$82,575
Wayne County RESA ENH	\$34,927	\$11,705	\$0	\$2,221	\$48,853
Library	\$56,896	\$19,068	\$0	\$3,618	\$79,582
TOTALS	<u>\$81,373</u>	<u>\$27,271</u>	<u>\$0</u>	<u>\$5,174</u>	<u>\$113,818</u>
	\$1,218,631	\$242,936	\$78,513	\$71,838	\$1,611,918

³ 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.

⁴ The duration of the TIF plan is 27 years.

⁵ MCL 207.782 (4) Unless revoked earlier as provided in section 11, a neighborhood enterprise zone certificate in effect for a rehabilitated facility constituting all or a portion of a qualified historic building shall remain in effect for 11 to 17 years from the effective date of the certificate as determined by the governing body of the local governmental unit.

⁶ Historic resources are districts, buildings, sites, structures or objects that exemplify a period of history. Their historical value may be achieved either through association with significant historical events; through association with the lives of persons significant in our past; by embodying a particular style, type or method of construction; by possessing high artistic values; or by yielding, or being likely to yield, information important to history or prehistory. Historic resources are typically fifty years of age or older, but resources of lesser age may qualify if they have extraordinary significance. [Historic Resources Survey Program | MiPlace](#)

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

City Debt	\$214,105
School Debt & Judgment	\$0
Wayne County Zoo	\$2,379
Wayne County DIA	<u>\$4,759</u>
Total	\$221,243

Department Specific Activities

- BEA activities⁷
- Preparation/implementation of a Brownfield Plan
- Act 381 Work Plan
- Interest

Non-Environmental Activities

- Demolition
- Infrastructure improvements
- Site preparation
- Preparation/implementation of a Brownfield Plan and an Act 381 Work Plan
- Interest

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

cc: Auditor General's Office
Donald Rencher, Chief of Services and Infrastructure
Antoine Bryant, Planning and Development Department
Julie Schneider, HRD
Veronica Farley, HRD
Stephanie Grimes Washington, Mayor's Office
Gail Fulton, Mayor's Office
Malik Washington, Mayor's Office
Malinda Jensen, DEGC
Kenyetta Bridges, DEGC
Jennifer Kanalos, DEGC
Brian Vosburg, DEGC
Cora Capler, DEGC

⁷ Baseline Environmental Assessments [Baseline Environmental Assessments \(BEAs\) \(michigan.gov\)](http://michigan.gov)



View of the Downtown Self-Storage Company Building, looking north from 10th. HDC staff photo, February 26, 2021⁸



Rendering of the completed project⁹

⁸ Source: [Microsoft Word - Staff Report \(Advisory\) - 1551 Church, 1606-1622 Church, 1611 Michigan \(detroitmi.gov\)](#)

⁹ Source: Red Arrow Redevelopment Brownfield Plan

Estimated Cost of Eligible Activities Table

Description of Eligible Activities	Estimated Cost
EGLE	
Department Specific Activities- BEA Activities	\$27,500
Brownfield Plan Prep	\$10,000
Brownfield Plan Implementation	\$15,000
Asbestos & Lead-Based Paint	\$25,000
Interest	\$9,338
MSF	
Demolition & Abatement	\$507,327
Infrastructure Improvements	\$272,790
Site Preparation	\$40,736
15% Brownfield Contingency	\$126,878
Brownfield Plan/Work Plan Preparation	\$20,000
Brownfield Plan/Work Plan Implementation	\$15,000
Interest	\$149,061
Subtotal Eligible Activities	\$1,218,631
DBRA Administrative Costs	\$242,936
State Revolving Fund	\$78,513
Local Brownfield Revolving Fund	\$71,838
Total Estimated Cost to be Funded Through TIF	\$1,611,916

Attachment B

TO: THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
FROM: DETROIT, BUILDINGS, SAFETY ENGINEERING, AND ENVIRONMENTAL DEPARTMENT
PROJECT: Hunter Pasteur Homes
DATE: 06/14/2021

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 Hunter Pasteur Homes, as developer, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment Authority (DBRA), for the Corktown Mixed Use Project.

- 2 Phase I Environmental Site Assessment, pursuant to USEPA's. All Appropriate Inquiry using American Society of Testing Materials (ASTM) Standard E 1527-13
- 2 Phase II Environmental Site Assessment, pursuant to ASTM Standard 1903 (if appropriate)
- _____ Baseline Environmental Assessment, pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act, MCL 324.20101 *et seq.* (if appropriate).
- _____ Due Care Plan, pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act, MCL 324.20101 *et seq.* (if appropriate).

Based upon its review of the above environmental documents and the representations of the developer, the City of Detroit, Buildings, Safety Engineering, and Environmental Department agrees with the environmental consultant that the site is a facility and has determined that the documents received for this project satisfy the DBRA Guidelines.

City of Detroit, Buildings, Safety Engineering, and Environmental Department

By: Anita Harrington
Its: Environmental Specialist III

City of Detroit
CITY COUNCIL

42.

Historic Designation Advisory Board

PROPOSED CORKTOWN HISTORIC DISTRICT

Final Report

The proposed Corktown Historic District consists of two non-contiguous sections separated by the industrial buildings on the west side of Rosa Parks Blvd. The proposed district is located just west of the Central Business District and west of the John C. Lodge Expressway; mostly south of Michigan Avenue; east of Michigan Central Station and Roosevelt Park; and north of Bagley west of Trumbull, and Porter east of Trumbull. It contains approximately 280 structures, most of which are small-scale residences built in the latter half of the nineteenth century. Over ten of the structures are commercial in use and less than ten are in institutional or religious usage. The principal north-south streets running through Corktown and dividing the district into three parts are Rosa Parks Blvd., Trumbull Avenue, and Sixth Street. The principal east-west streets are Michigan Avenue and Bagley. The area included in the proposed district east of Rosa Parks Blvd. is located in the Corktown Historic District listed on the National Register, and most of the proposed district is located within the Corktown Neighborhood Strategy Area.

BOUNDARIES: The boundaries of the proposed district are as shown on the attached map and consist of two non-contiguous portions, whose boundaries are as follows:

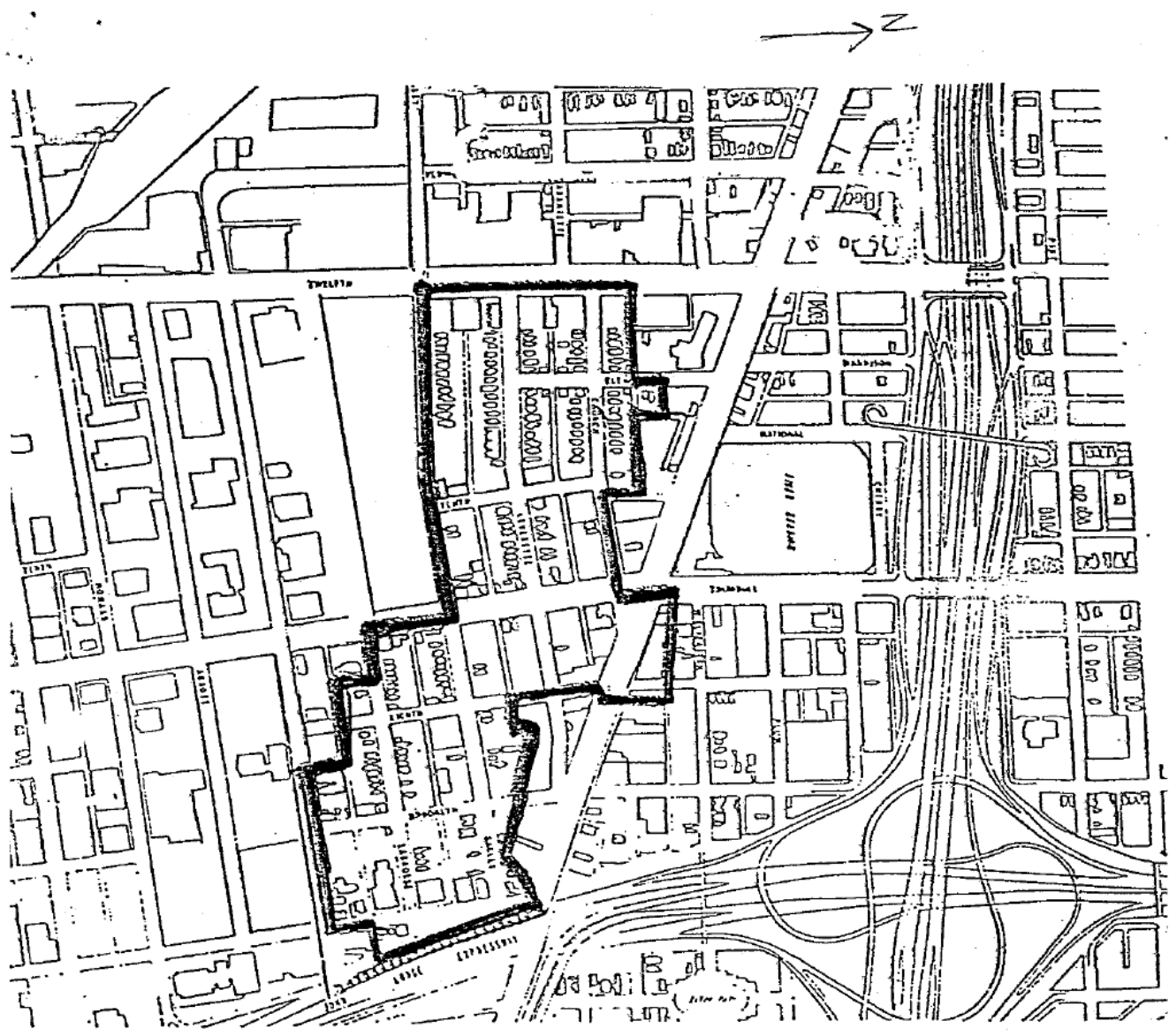
Beginning at the intersection of the centerline of Porter Street with the centerline of Sixth Street, and proceeding westerly along the centerline of Porter Street to its intersection with the west line of Lot 11, Block 60 of the Baker Farm (L17/P272, L25/P424), extended southward; thence north along said line to its intersection with the centerline of the east-west alley lying between Porter and Labrosse Streets; thence westerly along the centerline of said alley to its intersection with the east line of Lot 3, Block 72 of the Woodbridge Farm (L1/P146), extended southerly and northerly; thence northerly along said line to its intersection with the centerline of Labrosse Street; thence westerly along the centerline of Labrosse to its intersection with the centerline of Trumbull Avenue; thence northerly along the centerline of Trumbull to its intersection with the centerline of Bagley Street; thence westerly along the centerline of

Bagley to its intersection with the centerline of Rosa Parks Blvd. (Twelfth Street); thence northerly along the centerline of Rosa Parks to its intersection with the centerline of the east-west alley lying northerly of Church Street at Eleventh Street, extended westward; thence easterly along the centerline of said alley, as extended, to its intersection with the centerline of Eleventh; thence northerly along the centerline of Eleventh to its intersection with the north line of Lot 18, G. L. Beecher's Sub of Part of O.L. 4 of the Lognon Farm (L21/P81) extended westerly; thence easterly along said line to its intersection with the north-south alley located in the block bounded by Church, Eleventh, Michigan, and Tenth; thence southerly along the centerline of said alley to its intersection with the centerline of the east-west alley lying north of Church Street at Eleventh extended easterly; thence easterly along the centerline of said alley as extended to its intersection with the centerline of Tenth Street; thence southerly along the centerline of Tenth to its intersection with the centerline of Church Street; thence easterly along the centerline of Church Street to its intersection with the centerline of Trumbull Avenue; thence northerly along the centerline of Trumbull to its intersection with a line drawn 79 feet south of and parallel to the south line of Elizabeth Street extended west; thence easterly along said line 79 feet south of the south line of Elizabeth to its intersection with the centerline of Eighth Street; thence southerly along the centerline of Eighth Street to its intersection with the centerline of the east-west alley lying between Michigan and Elizabeth; thence easterly along the centerline of said alley to its intersection with the easterly line of Lot 2, Dudley B. Woodbridge Sub of Out Lot 88 of the Woodbridge Farm (L4/P86); thence southerly along said line extended southerly to its intersection with the centerline of Michigan Avenue; thence northwesterly along the centerline of Michigan to its intersection with the centerline of Eighth Street; thence southerly along the centerline of Eighth Street to its intersection with the centerline of the east-west alley lying

between Bagley and Leverette, extended eastward; thence easterly along the centerline of said alley as extended to its intersection with the western line of Lot 10, Block 58, Baker Farm (L25/P424); thence northerly along said lot line to its intersection with the alley between Bagley and Leverette at Brooklyn; thence southeasterly along centerline of said alley to its intersection with the centerline of Brooklyn Street; thence continuing southeasterly along the centerline of the east-west alley between Michigan and Bagley Street, extended westward, to its intersection with the westerly line of Lot 6 of Moreton's Sub of Lot 1, Block 57 of the Labrosse Farm (L22/P37), extended southward; thence northerly along said line to its intersection with the northern boundary of said Lot 6 extended eastward; thence easterly along said line as extended to its intersection with the westerly boundary of the John C. Lodge Freeway; thence southerly along the westerly boundary of said freeway to its intersection with the centerline of the east-west alley lying between Labrosse and Porter Streets; thence westerly along the centerline of said alley to its intersection with the centerline of Sixth Street; thence southerly along the centerline of Sixth Street to the point of beginning;

and

Beginning at the intersection of Vermont Street with the centerline of the alley lying south of and parallel to Michigan Avenue and north of Dalzelle Street, and proceeding southerly along the centerline of Vermont to its intersection with the centerline of the east-west alley lying between Bagley and Marantette; thence westerly along the centerline of said alley to its intersection with the centerline of the north-south alley lying between Vermont and Wabash; thence northerly along the centerline of said alley to its intersection with the south line extended easterly and westerly of Lot 77, Block 1, Lafferty Farm (L1/P193); thence westerly along said line as extended to its intersection with the centerline of Wabash; thence southerly along the centerline of Wabash to its intersection with the centerline of Bagley Street; thence westerly along the centerline of Bagley to its intersection with the centerline of the north-south alley



CORKTOWN HISTORIC DISTRICT
(Boundaries outlined in heavy black line)

INCENTIVE INFORMATION CHART:

Project Type	Incentive Type	Investment Amount	District
Renovation	Brownfield TIF/NEZ	\$11.9 million	6

Jobs Available							
Construction				Post Construction			
Professional	Non-Professional	Skilled Labor	Non-Skilled Labor	Professional	Non-Professional	Skilled Labor	Non-Skilled Labor
4	2	54	4	0	1	1	1

1. What is the plan for hiring Detroiters? The developer will incentivize local hiring practices for both post-construction staff and construction workers. Please see attached sheet for additional information.
2. Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc. Please see attached sheet for additional information.
3. Will this development cause any relocation that will create new Detroit residents? This development will likely help with the revitalization of Corktown, which will attract new residents.
4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs? We are currently working with City of Detroit offices in the current iteration of this project. We look forward to engaging the community on this project. See attached.
5. When is construction slated to begin? 2023
6. What is the expected completion date of construction? Late 2024



**PLANNING AND
DEVELOPMENT DEPARTMENT**

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

Phone 313•224•1339
www.detroitmi.gov

November 29, 2022

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

RE: Red Arrow 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 Red Arrow Brownfield Redevelopment Plan (the "Plan").

Oxford Perennial Corktown PropCo II, LLC, is the project developer ("Developer"). The property in the Plan consists of one parcel (1567 Church Street) bounded by Church Street to the north, 10th Street to the west, and an alley to the south in the Corktown neighborhood of Detroit.

The project consists of the rehabilitation of an existing two-story historic building to multi-family apartment units with integrated parking. The two-story multi-family residential use building will total approximately 32,000 square feet, including 16,839 square feet of residential consisting of approximately 22 units. The residential units will be studio, one and two-bedroom units with 10% of the units designated as affordable. There will be approximately 8,681 square feet used for tenant amenities consisting of tenant storage, maintenance room, and amenity space (lounge, common areas, stairs, elevator, trash, and mail areas). The site development also entails infrastructure improvements, including sidewalks, brick paver walks, curbs, asphalt paving, and landscaping in the public right-of-way. Total investment is estimated to be \$11.9 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,

Russell Baltimore
Assistant Director Design Review
Planning and Development Department

c: B. Vosburg
C. Capler



December 12th, 2022

Corktown Historical Society's letter of support to the Detroit Brownfield Redevelopment Authority (DBRA): Red Arrow Lofts Project

The Corktown Historical Society has been collaborating through community emails and meetings regarding the Red Arrow Lofts (former Detroit Downtown Storage building in Corktown) We had a November Corktown Historical Society meeting where the team presenting the project plan of The Red Arrow Lofts housing "22 for rent units consisting of a mix of studio, one- and two-bedroom unit types. There are 8 on-site parking spaces with bike storage, excess parking will be met with the adjacent 245-space private parking deck."

Withing the Corktown Historical Society this important building has been on our radar heavily these past few years to ensure the future of this historic structure. In 1894 it was erected as the John Whittaker Planing Mill (which provided lumber to many of properties across Detroit, then in the 1920's it was purchased and renovated to be the Red Arrow Bottling Works which sustained for 50 years. After that, in 1999 it was purchased by the Downtown Storage Company.

The Corktown Historical Society emailed our members to gain feedback and provide a message for the planning meetings with comments/concerns/questions. To be clear, the overall response from Corktown Historic District residents are in support of this exciting project. We strive to ensure our historic properties are not only preserved but allowing additional families to move in our neighborhood. We've been very happy with the constant communications for this project as it progresses.

We would happily invite the developers to any additional meetings to present project updates to the Corktown Historical Society, the East End Corktown Block Club, Central Corktown Block Club, and the Train Station Corktown Block Club. We would be happy to facilitate any meetings.

Thank you,
Blake Almstead
President
Corktown Historical Society



Sheila Cockrel <sheila@crossroadsdetroit.com>

Red Arrow Lofts. Church at 10th

1 message

D B <bdeb8575@gmail.com>

Mon, Dec 12, 2022 at 11:42 AM

To: Sheila Cockrel <sheila@crossroadsdetroit.com>

To: Detroit Brownfield Redevelopment Authority

As a resident of Corktown since 1994 it is my belief that as many historical buildings we have left, we must save and reuse.

The NAC that was formed heard from a large number of residents that they also did not want this building removed.

The developers have worked tirelessly to design a reuse that meets a need for new residents to come in to our community.

I support their project and hope that you will also.

Thank you
Dorothy Bennick
1406 Labrosse St, Detroit, MI 48216
H# 313/965-3133



Corktown Business Association, Inc.

PO Box 32310
1401 W. Fort St
Detroit, MI 48232

January 30, 2023

Council President Pro Tem James Tate, Chairperson
Planning and Economic Development Committee

Re: Red Arrow Lofts Project
Church St. at 10th St., Corktown

Over the course of this development project, the Hunter Pasteur/Oxford Capital Group/The Forbes Co. team of developers has had many meetings with the Corktown community and presented to the Corktown Business Association's Board of Directors.

This is the 3rd phase of projects that this team has undertaken in Corktown and I have found them to be very open and engaged with the community with every project at every step. I look forward to the economic and public benefits that completion of this project will bring to Corktown.

As president of the Corktown Business Association I would like to express my support for the Red Arrow Lofts project.

Respectfully submitted,
Bob Roberts
President