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TO: COUNCIL MEMBERS

FROM: David Whitaker, Director   
Legislative Policy Division Staff

DATE: September 6, 2023

RE: **NP Conner Avenue Industrial, LLC Public Act 198 Certificate Request**

Public Act 198 of 1974, as amended, is the primary tool that local units of government use as an incentive to renovate and expand manufacturing plants or to build new plants. The local legislative body grants the abatement, which reduces local property taxes by roughly 50% on new plants. In the case of a rehabilitation project, the obsolete State Equalized Value (SEV) is frozen and the investment on improvements is 100% exempt from property taxes. Abatements cover both real and personal property and can run from one to twelve years at the option of the local unit of government.

*This Speculative Public Hearing and certificate request was initially approved by the Council in January 2021, but due to procedural errors, this is being re-held for Council's review and approval. The Law Department is to provide the Council with an explanation of the circumstances. The end user of the facility will also require a Public Hearing and an approval from the Council.*

*Attached, please find the project's background information from our January 2021 report, which includes a detailed summary of the requested speculative building certificate request, an environmental impact summary and a traffic impact summary. The project's up-to-date fiscal information is included in this report.*

The project developer, NP Conner Avenue Industrial, LLC,<sup>1</sup> acquired the former Cadillac Stamping 18-acre site, located at 9501 Conner Ave, which has been vacant since 2015. In addition, the developer is also acquired the adjacent 25-acre private site, for a total project area of 43 acres and converting the acquired acreage into a 682,000 sq. ft., Class A<sup>2</sup> industrial warehouse/light manufacturing facility, with employee parking and a truck staging area. The developer is requesting assistance with the approval of an Industrial Facilities Exemption Certificate (IFEC).

<sup>1</sup> Np Conner Avenue Industrial, LLC is a Michigan Foreign Limited-Liability Company filed on Nov. 16, 2020. The principal company, NorthPoint, based in Riverside, Mo., founded in 2012, is a management and leasing firm.

<sup>2</sup> Class A buildings represent the highest quality buildings in their market.

This “spec building”<sup>3</sup> development is anticipated to ultimately create 600 jobs<sup>4</sup> (*a 450 job estimate in 2021*). In addition to the currently requested IFEC, on November 4, 2020, Council also approved an **\$18,425,523<sup>5</sup> TIF<sup>6</sup>** reimbursement for the developer for the cost of environmental remediation for this project, as detailed in our October 28, 2020, report on the related brownfield plan.<sup>7</sup>

**Impacted Taxing Units: Incentive Summary over the First 12 Years<sup>8</sup>**

	Additional Benefits Before Tax Abatements	Additional Costs	Real Property Tax Abatement	Business Personal Property Tax Abatement	Utility Users Tax & Corporation Income Tax Exemption	Net Benefits After Tax Abatements & Incentives
<b>City of Detroit</b>	<b>\$29,038,885</b>	<b>(\$7,102,135)</b>	<b>(\$2,038,279)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,898,472</b>
Wayne County	\$1,807,614	(\$835,051)	(\$486,306)	\$0	\$0	\$486,257
Detroit Public Schools	\$8,156,697	(\$4,524,591)	(\$1,812,205)	\$0	\$0	\$1,819,902
State Education	\$728,329	\$0	\$0	\$0	\$0	\$728,329
Wayne RESA	\$661,809	\$0	(\$330,904)	\$0	\$0	\$330,904
Wayne County Comm. College	\$393,031	\$0	(\$196,515)	\$0	\$0	\$196,515
Wayne County Zoo	\$12,102	\$0	(\$6,057)	\$0	\$0	\$6,045
Detroit Institute of Arts	\$24,217	\$0	(\$12,115)	\$0	\$0	\$12,102
<b>Total</b>	<b>\$40,822,685</b>	<b>(\$12,461,776)</b>	<b>(\$4,882,381)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$23,478,527</b>

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

**Attachments: 2021 Overview of project  
Air Quality Executive Summary  
Traffic Impact Executive Summary**

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  
Kenyetta Bridges, DEGC  
Jennifer Kanalos, DEGC  
Brian Vosburg, DEGC

<sup>3</sup> **“Speculative building”** The building is constructed for the purpose of providing a manufacturing facility before the identification of a specific user of that building. MCL 207.553 [Michigan Legislature - Section 207.553](#)

<sup>4</sup> NP Conner Avenue Industrial, LLC’s application indicates 300 jobs, however, the end user, who’s contract and application are binding, will indicate 600 jobs.

<sup>5</sup> This Plan includes total eligible activities of \$18,425,523, however, it is currently projection that only \$17,573,740 will be reimbursed. The Developer intends to submit reimbursement requests for the maximum amount of eligible.

<sup>6</sup> Tax Increment Financing (TIF) subsidizes by diverting a developer’s taxes to help finance a development.

<sup>7</sup> Former Cadillac Stamping Plant Brownfield Redevelopment Plan

<sup>8</sup> *Chart courtesy of the DEGC*



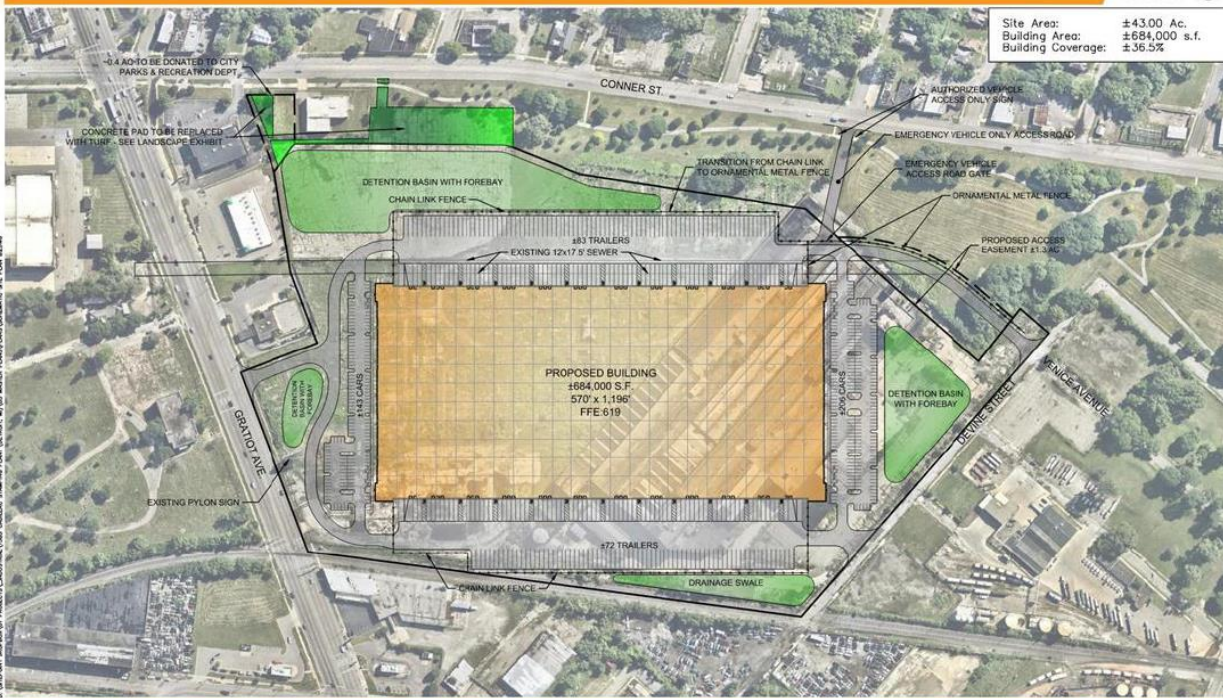
Rendering of the new facility<sup>10</sup>

CADILLAC STAMPING PLAN (DETROIT, MI)

SCHEMATIC SITE PLAN B2

2026.10.13  
SCALE 1:200

Site Area: ±43.00 Ac.  
Building Area: ±684,000 s.f.  
Building Coverage: ±36.5%





## DEGC Project Fact Sheet

Cadillac Stamping  
Address: 9501 Conner Ave, Detroit MI  
Developer: NorthPoint Development

Principal: Chad Meyer – Local Representative: Tim Condor

Industrial Facilities Exemption, PA 198 of 1974 as amended – Industrial Development District – millage rate is reduced by 50% for up to 12 years Brownfield Redevelopment Financing Act, Act 381 of 1996, as amended		
DEGC Recommendation	PA 198 Certificate – 12 Years Approval of Brownfield TIF	
<b>Deal Snapshot</b>		
Construction Costs	\$48.0MM	
Property Size	43 acres; 1.8 million SqFt	
Proposed Development	682,000 SqFt	
Current Property Ownership	City of Detroit	
Construction Timeline	Demolition Begins: January 2021 Construction Completion: December 2021	
Estimated Jobs & Average Salary	450 Jobs; \$31,200 annual salary (equivalent to \$15/hr)	
Estimated Net Benefit to City	\$10.1M	
<b>Project Description</b>		
Northpoint is acquiring the former Cadillac Stamping 18-acre site that has been vacant since 2015. Northpoint is also acquiring the adjacent 25-acre private site for a total project area of 43 acres. The site plan consists of a 682k sf class A industrial warehouse/light manufacturing facility. This is a spec building. Spec buildings are important to the industrial landscape that will keep Detroit competitive with the neighboring communities. The development is anticipated to accommodate 450 FTE's.		
<b>Community Engagement</b>	<b>Meeting Summary</b>	
<ul style="list-style-type: none"> <li>▪ Meeting #1 – September 1, 2020</li> </ul>	Project, Development Team Introduction   Site Overview. Community requested reassessment of site plan to eliminate Conner St as an access point truck and employees. Also, requested Traffic + Environmental Impact Study.	
<ul style="list-style-type: none"> <li>▪ Meeting #2 – October 22, 2020</li> </ul>	Developer shared reoriented site plan that reserved Conner St for emergency vehicles only. All daily access would utilize Venice St.	
<ul style="list-style-type: none"> <li>▪ Meeting #3 – December 15, 2020</li> </ul>	Developer shared traffic impact and air quality study with the community and provided both the executive summaries and full reports. The reports did not identify significant concerns.	
<ul style="list-style-type: none"> <li>▪ Meeting #4 – January 6, 2021</li> </ul>	Additional touchpoint with the community.	
<b>Development Commitments</b>	<b>Activity</b>	<b>Value</b>
Conner Greenway Improvements	<ul style="list-style-type: none"> <li>▪ Donate 0.4 acres of land to Parks and Recreation to allow for continuation of Conner Greenway</li> </ul>	\$100,000
	<ul style="list-style-type: none"> <li>▪ Replace concrete at city-owned portions on the Conner Greenway with landscape and greenspace</li> </ul>	\$50,000
	<ul style="list-style-type: none"> <li>▪ Install vegetative buffers</li> </ul>	
Safety, Access + Improved Traffic Flow	<ul style="list-style-type: none"> <li>▪ Eliminate current traffic access points from the Conner Greenway + Site designed to use Venice for entry/exit of site <i>Conner to be maintained for Emergency Vehicles only</i></li> </ul>	\$1.2MM
	<ul style="list-style-type: none"> <li>▪ Add Bike Rack and Pedestrian Gate to Corbett Entrance to optimize occupant use of Conner Greenway</li> </ul>	
	<ul style="list-style-type: none"> <li>▪ Improve road conditions along Venice and Devine St</li> </ul>	\$5,000
	<ul style="list-style-type: none"> <li>▪ Downzoning site from M4 to M2 to prevent heavy industrial from possible future redevelopments</li> </ul>	
	<b>TOTAL</b>	<b>\$1,355,000</b>
Employment	<ul style="list-style-type: none"> <li>▪ Executed Priority Hiring Agreement for Detroiters for FTE</li> <li>▪ Temporary Construction Jobs</li> </ul>	450 FTES 100 Temp



## EXECUTIVE SUMMARY

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**Project:** Air Quality Evaluation

**Site:** Former Cadillac Stamping Plant, Connor Street at Gratiot Avenue, Detroit, Michigan

**Prepared For:** Tim Conder, NorthPoint Development

**Date:** December 8, 2020

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Environmental Resources Group, LLC (ERG) presents the following summary of the evaluation of the potential air emissions from the trucks and passenger cars due to the proposed new warehouse operations on Connor Street at Gratiot Avenue, in Detroit, Michigan. The full evaluation has been provided under separate cover.

### METHODOLOGY

The warehouse operations forecast the following traffic pattern. This pattern was used to evaluate the emissions using the additional assumptions listed below.

Table 1: Traffic Pattern

Type	AM Peak Hour			PM Peak Hour			Weekday
	In	Out	Total	In	Out	Total	
Trucks	7	7	14	3	4	7	150
Passenger cars	35	6	41	16	45	61	808

Per Michigan's air quality Rules (R336.1278 – R 336.1291), if the actual emissions of any criteria air pollutant from a proposed activity exceed one or more of the following limits, the facility is identified as a major source and precludes from getting an exception from permitting.

- Carbon monoxide (CO): 100 tons per year (TPY)
- Nitrogen oxides (NO<sub>x</sub>): 40 TPY
- Particulate matter (PM-2.5): 10 TPY

ERG evaluated the emissions from the following two scenarios:

**Scenario 1 (worst case scenario):** The total annual truck emissions were assumed to be emitted to the neighborhood by the trucks. The total mileage of a passenger car per a weekday was assumed as 10 miles. The annual emission of CO, NO<sub>x</sub>, and PM-2.5 were calculated as 11.424 TPY, 3.353 TPY, 0.083 TPY. These emissions are well below the limits of the criteria pollutants listed above.

**Scenario 2 (forecasted actual):** The total mileage of a passenger car or a truck per a weekday was assumed as 10 miles. The annual emission of CO, NO<sub>x</sub>, and PM-2.5 were calculated as 10.471 TPY, 1.19 TPY, 0.04 TPY. These emissions are well below the limits of the criteria pollutants listed above.

## RESULTS

The worst case and forecasted actual emissions from the trucks and cars due to the warehouse operations are well below the limits set by Michigan's air quality Rules (R336.1278 – R 336.1291) to protect the air quality.

## CONCLUSIONS

According to the results of the emission calculations, the cars and trucks that come in and out of the warehouse will not negatively impact the air quality in the surrounding area.

We appreciate any feedback you might have. If you have any questions, or need further information, do not hesitate to contact ERG at 248-773-7986.



## Traffic Impact Study Executive Summary:

### EXECUTIVE SUMMARY

ROWE completed a Traffic Impact Study (TIS) related to a proposed warehouse development on the site of the vacant former Cadillac Stamping Plant. The site plan specified 684,000 square feet (SF) of proposed warehousing and distribution, with an anticipated full build-out date in 2021. The proposed development will have direct access to Gratiot Avenue (via one driveway) and Devine Street (via two driveways).

Turning movement counts (TMCs) were collected during the weekday AM and PM peak periods on October 13, 2020 at the study intersections. Given the ongoing COVID-19 global pandemic situation, the ability to collect stable traffic volume data representative of typical traffic conditions on Michigan roadways was limited by various commercial and institutional closures/restrictions and other public movement limitations. Therefore, the TMC data collected for this study were adjusted via a comparative analysis of pre-pandemic traffic volumes in the area to reflect normalized traffic conditions.

Using the methodologies specified in the *ITE Trip Generation Manual (10th Edition)*, ROWE forecast the weekday AM and PM peak hour trips associated with the proposed development. The existing traffic volumes were used to develop a trip distribution model for the AM and PM peak hours which was applied to the new vehicular traffic volumes that will be generated by the proposed development. Overall, the proposed development is expected to generate 41 passenger vehicle trips and 14 truck trips during the AM peak hour, and 61 passenger vehicle trips and 7 truck trips during the PM peak hour.

An operational analysis was performed for *Existing Conditions*, *Background Conditions*, *2021 Future Conditions*, and *2026 Future Conditions* at the study intersections. The operational analysis indicated that some approaches would operate at LOS E or F during both the AM and PM peak hours under all analyzed scenarios. The following feasible improvements should be implemented in the *current day*:

*Gratiot Ave. (M-3) and Conner Ave. / Promenade Ave.*

- Maximum phase lengths can be programmed as follows: 51s for NB/SB Gratiot Ave. (M-3); 19s for NB/SB left turns; and, 40s for EB/WB Conner St.
- The extended pedestrian clearance setting for the WB pedestrian phase should be changed to Code 0 to ensure compliance with the MMUTCD.

*Gratiot Ave. (M-3) and French Rd.*

- The extended pedestrian clearance setting for the NB and SB pedestrian phases should be changed to Code 0 to ensure compliance with the MMUTCD.

*French Rd. and Harper Ave.*

- The pedestrian clearance timing for both the NB/SB and EB/WB pedestrian phases should be changed so that the Flash Don't Walk ends at the end of Green to ensure compliance with the MMUTCD. In addition, the City should update the clearance intervals.

The following feasible improvements should be implemented under *2026 Future Conditions*:

*Gratiot Ave. (M-3) and Conner Ave. / Promenade Ave.*

- MDOT can consider constructing an exclusive right-turn lane at the EB Conner St. approach. The cycle length should be increased to 120s, and maximum phase lengths can be programmed as follows: 57s for NB/SB Gratiot Ave. (M-3); 20s for NB/SB left turn phases; and, 43s for EB/WB Conner St.

*Gratiot Ave. (M-3) and French Rd.*

- The cycle length should be increased to 120s, and maximum phase lengths can be programmed as follows: 70s for NB/SB Gratiot Ave. (M-3); and, 50s for EB/WB French Rd.

Overall, the proposed project does not have a significant impact at the study intersections or on the surrounding road network due to the low volume of vehicle trips generated by the proposed development.