

May 1, 2025

Honorable City Council City of Detroit 1340 Coleman A. Young Municipal Center Detroit, MI 48226

## Re: Termination of the 1250 Hubbard Brownfield Redevelopment Plan

Dear Honorable Council Members:

The 1250 Hubbard Brownfield Redevelopment Plan (the "Plan") was approved by City Council on June 20, 2003. The legal descriptions for the subject Plan are attached (Exhibit A).

At the regularly scheduled March 12, 2025 DBRA Board of Directors meeting, DBRA staff recommended termination of the Plan on the basis that the project has failed to occur in accordance with Section 14(8)(b) of Act 381. The DBRA subsequently adopted a resolution (Exhibit B) approving the termination of the Plan and authorizing the submission of a copy of its resolution to request that City Council adopt a resolution terminating the Plan.

The DBRA, as authorized by City Council, sent a notification of termination of the Plan (Exhibit C) in accordance with Section 14(8)(b).

#### Authority's Request

The Authority is respectfully requesting the following action from the City Council:

a.) <u>May 6, 2025</u>

Referral of the resolution terminating the Plan to Detroit City Council Planning and Economic Development Standing Committee on May 8, 2025.

- b.) <u>May 8, 2025</u> Consideration of the City Council's Planning and Economic Development Standing Committee to terminate the Plan and opportunity for the Developer to be heard during public comment.
- c.) <u>May 13, 2025</u> City Council adoption of the Resolution (Exhibit D), terminating the Plan.

Sincerely,

Kana K

Jennifer Kanalos Authorized Agent

C: Detroit City Council City Clerk Lakisha Barclift Jai Singletary Raymond Scott Brian Vosburg Malik Washington Exhibit A Legal Descriptions of Plan to be Terminated

# II. GENERAL PROVISIONS

#### A. Description of Eligible Property (Section 13 (1)(g))

The property comprising the eligible property consists of an existing forty-unit apartment building located on three lots in the City of Detroit. Exhibit A includes a site map of each parcel. The property information is as follows:

Ward/Item #	Property Address	Legal Description	Property Owner
14/000224	1250 Hubbard	S Porter 3 thru 1 RA	James Hobbs
		Newmans SUB L21 P86	

The project entails the complete rehabilitation of an existing vacant forty-unit apartment building. There is a possibility that some of the units will be combined within the building, resulting in 30-40 units in the building after rehabilitation. The scope of work for renovations includes the following: new hot water piping for hot-water heat (the existing boiler was installed in the 1980's and should be adequate), new copper domestic hot and cold water plumbing, new electrical wiring, new windows, new cabinets and counters, new appliances, new roof, new floor coverings, repair all plaster/drywall, and paint the entire interior of the building.

The eligible property will include all tangible personal property to be located on the real property.

The parcels and all tangible personal property located thereon will comprise the eligible property and is referred to herein as the "Property."

#### B. Basis of Eligibility (Section 13 (1)(g) and Section 2 (I))

The property is considered "eligible property" as defined by Act 381, Section 2 because (a) the property was previously utilized for a residential purpose; (b) it is located within the City of Detroit, a qualified local governmental unit; and (c) the Property is determined to be functionally obsolete as defined by Act 381.

The building was built in 1928 as the "Whitedel" apartments. The current owner of the building, James Hobbs, purchased the property in 1980, and over the last 22 years occupancy rates have declined and the building has fallen into disrepair. Within the last two years the building lost the few remaining tenants and became vacant. Currently, the building is outdated and all systems need to be replaced. Further description of its eligibility is outlined below.

Functionally Obsolete

- The current unit configuration does not meet market demand.
- All of the systems must be replaced.

# Exhibit B DBRA Resolution



## CODE DBRA 25-03-42-03

# 1250 HUBBARD BROWNFIELD PLAN: RECOMMENDATION TO CITY COUNCIL TO TERMINATE PLAN

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (the "DBRA") was created pursuant to Michigan Public Act 381 of 1996, as amended ("Act 381"); and

WHEREAS, the City Council of the City of Detroit ("City Council") is the governing body (as that term is defined by Act 381) of the DBRA; and

WHEREAS, on May 7, 2003, the DBRA Board of Directors approved the 1250 Hubbard Brownfield Plan (the "Plan") and recommended the approval of the Plan to City Council; and

WHEREAS, on June 20, 2003, City Council approved the Plan; and

WHEREAS, Section 14(8)(b) of Act 381 of 1996, as amended, permits a governing body to terminate a brownfield plan or plan amendment for an eligible property if the project for which eligible activities identified in the brownfield plan or plan amendment fails to occur with respect to the eligible property for at least 2 years following the date of the resolution approving the brownfield plan or plan amendment, provided that the governing body first does both of the following: (i) Gives 30 days' prior written notice to the developer at its last known address by certified mail or other method that documents proof of delivery attempted, and (ii) Provides the developer an opportunity to be heard at a public meeting; and

WHEREAS, the "developer" for the Plan is Residential Detroit, Inc. (the "Developer"); and

WHEREAS, the DBRA has determined that the project identified in the Plan failed to occur within 2 years of City Council's approval of the Plan; and

WHEREAS, the DBRA Board of Directors desires to recommend termination of the Plan to City Council.

NOW THEREFORE, BE IT RESOLVED, subject to the completion of the notice requirement described in Section 14(8)(b)(i) of Act 381 and the provision to the Developer of an opportunity to be heard at a public meeting pursuant to Section 14(8)(b)(ii) of Act 381, the DBRA Board of Directors hereby recommends termination of the Plan to City Council; and

BE IT FURTHER RESOLVED, subject to the termination of the Plan by City Council, that the DBRA Board of Directors hereby authorizes the termination of any other agreements or contracts between the Developer and the DBRA that were executed in conjunction with the Plan; and

BE IT FINALLY RESOLVED that any two Officers, or any two of the Authorized Agents of the DBRA, shall hereafter have the authority to negotiate and execute any and all documents, contracts, or other papers necessary to implement the provisions and intent of this resolution on behalf of the DBRA.

March 12, 2025

## Exhibit C Notice of Termination



April 1, 2025

SENT VIA CERTIFIED MAIL

James Hobbs P.O. Box 04241 Detroit, MI 48204

#### RE: Notice of Intent to Terminate 1250 Hubbard Brownfield Redevelopment Plan

To whom it may concern:

Per Act 381 of 1996 Section 14 (8)(b), this letter is to inform you that the Detroit City Council has authorized this notice to inform you that termination of the Brownfield Plan for the 1250 Hubbard Redevelopment Project (the "Plan") will be considered in no less than thirty ("30") days.

On May 7, 2003 the DBRA adopted and on June 20, 2003 the Detroit City Council approved the Plan.

It is our understanding that the project as described in the Plan has failed to occur. Because the project failed to occur, the Brownfield Plan will be terminated the for the subject project per Act 381 of 1996 Section 14 (8)(b). Because no Eligible Activities have been submitted, a new Brownfield Plan may be established in the future.

While you are welcome to speak at any public meeting of City Council regarding the proposed termination, the following public meetings have been tentatively scheduled via Zoom regarding the termination of the Plan where, should you desire, you will also have an opportunity to be heard:

- Thursday, May 8, 2025 at 10:00 AM Detroit City Council Planning & Economic Development Standing Committee
- Tuesday, May 13, 2025 at 10:00 AM Detroit City Council of the Whole Meeting

Both meetings will be held at the following Zoom link: <u>https://Detroitmi.gov/Online-CC-Meeting</u> To join via phone, please use one of the phone numbers below and enter the Meeting ID when prompted: US: +1 312 626 6799 +1 301 715 8592 +1 253 215 8782 +1 213 338 8477 +1 267 831 0333 +1 346 248 7799 Meeting ID: 330 332 554

In no event would any termination be effective until at least 30 days after the date of this notice.

Sincerely,

Jenn. Je. Konn k

Jennifer Kanalos Authorized Agent

CC: Rebecca Navin, DEGC Brian Vosburg, DEGC/DBRA Ngozi Nwaesei, Lewis & Munday



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# Exhibit D City Council Resolution

## **EXHIBIT D**

# RESOLUTION TERMINATING THE BROWNFIELD PLAN OF THE CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY FOR THE 1250 HUBBARD PROJECT;

# City of Detroit County of Wayne, Michigan

WHEREAS, pursuant to 381 PA 1996, as amended ("Act 381"), the City of Detroit Brownfield Redevelopment Authority ("Authority") has been established by resolution of the City Council of the City of Detroit (the "City Council") for the purpose of promoting the revitalization of eligible properties in the City of Detroit; and

**WHEREAS**, on June 20, 2003, City Council approved the Brownfield Plan for the 1250 Hubbard Brownfield Redevelopment Plan (the "Plan"); and

**WHEREAS**, the eligible property described in <u>Exhibit A</u>, attached hereto, is the eligible property subject to the Plan; and

WHEREAS, Section 14(8)(b) of Act 381 permits a governing body to terminate a brownfield plan or plan amendment for an eligible property if the project for which eligible activities were identified in the brownfield plan or plan amendment fails to occur with respect to the eligible property for at least two (2) years following the date of the resolution approving the brownfield plan or plan amendment, provided that the governing body first does both of the following: (i) gives 30 days' prior written notice to the developer at its last known address by certified mail or other method that documents proof of delivery attempted, and (ii) provides the developer an opportunity to be heard at a public meeting; and

**WHEREAS**, the City Council is the governing body (as that term is defined by Act 381) of the Authority; and

WHEREAS, the Authority's staff has confirmed that no eligible costs for the project have been submitted pertaining to the eligible activities identified in the Plan within two (2) years of City Council's approval of the Plan; and

**WHEREAS**, on March 12, 2025, the Board of Directors of the Authority adopted a resolution recommending termination of the Plan; and

WHEREAS, on October 3, 2017, City Council authorized the Authority, on behalf of City Council, to manage and/or administer the notices required by Act 381 in connection with any brownfield plan or plan amendment terminations; and

WHEREAS, the required notice of the termination of the Plan was given in accordance with Section 14(8)(b)(i) of Act 381, a copy of which is attached as Exhibit B; and

**WHEREAS**, in accordance with Section 14(8)(b)(ii) of Act 381, the developer identified in the Plan was provided with an opportunity to be heard at a public meeting on March 6, 2025.

# NOW, THEREFORE, BE IT RESOLVED, THAT:

- 1. The Plan is hereby terminated by City Council in accordance with Section 14(8)(b) of Act 381.
- 2. City Council hereby ratifies the termination, if any, of any agreements or contracts between the developer of the Plan and the Authority that were executed in conjunction with the Plan, including, but not limited to, the reimbursement agreement.

The City Clerk is requested to submit one (1) certified copies of this Resolution to the DBRA, 500 Griswold Street, Suite 2200, Detroit, MI 48226

AYES: Members

NAYS: Members

RESOLUTION DECLARED ADOPTED.

Janice Winfrey, City Clerk City of Detroit County of Wayne, Michigan

WAIVER OF RECONSIDERATION IS REQUESTED

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Detroit, County of Wayne, State of Michigan, at a regular meeting held on \_\_\_\_\_\_, 2025, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Janice Winfrey, City Clerk City of Detroit County of Wayne, Michigan