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**City of Detroit**  
**CITY COUNCIL**  
LEGISLATIVE POLICY DIVISION  
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Detroit, Michigan 48226  
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Dr. Sheryl Theriot  
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TO: COUNCIL MEMBERS

FROM: David Whitaker, Director   
Legislative Policy Division Staff

DATE: February 8, 2023

RE: **Danish Brotherhood Hall 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.

XYZ 20-01 DBH, LLC, is the project developer of the Danish Brotherhood Hall Brownfield Redevelopment Plan. The eligible property consists of consists of two parcels, located at 1775 and 1785 W Forest. The property is located on the south side of W Forest Avenue between Rosa Parks Boulevard and Avery Street, in the Woodbridge Neighborhood.

The development is located in the Woodbridge Historic Rehabilitation Neighborhood Enterprise Zone and the Woodbridge Neighborhood Historic District. The developer plans to renovate the former fraternal hall building<sup>1</sup> at 1775 W Forest Avenue to create a multiple-use community event space and use the adjacent property at 1785 W Forest Avenue for parking. The building, constructed in 1915, has been vacant since the early 2000s and has fallen into disrepair.

It is anticipated that the project will create 27 full time equivalent (FTE) jobs, and 32 temporary construction jobs. The developer is requesting a **\$1,416,445** TIF,<sup>2</sup> reimbursement, with the overall value of the plan estimated at **\$1,782,986**,<sup>3</sup> which includes local brownfield costs.<sup>4</sup> The estimated capital investment for this project is approximately **\$8.2 million**.<sup>5</sup>

<sup>1</sup> The Danish Brotherhood Hall (DBH), Lodge #227 was built in 1915 as a fraternal association for Scandinavians living in Detroit. Since, the historic property has changed ownership and usage numerous times, before falling vacant in the 2000's.

<sup>2</sup> Tax Increment Financing (TIF) subsidizes an entity by diverting a portion of their taxes to help finance a development.

<sup>3</sup> The initial taxable value will be the taxable value of the Property at the time of Plan approval, as shown by the 2022 assessment roll at \$3,244, with a projected future taxable value of \$800,000.

<sup>4</sup> The duration of the TIF plan is 30 years.

<sup>5</sup> The attached incentive chart incorrectly lists the level of investment as \$18.2 million (page 6).

**Basis of Eligibility**

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized for a commercial or residential purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; (c) the parcel at 1785 W Forest Avenue was determined to be a facility in accordance to Part 201 of Michigan’s Natural Resources and Environmental Protection Act, 1994 PA 451, and the parcel at 1775 W Forest Avenue is an historic resource because it is a contributing structure to the Woodbridge Historic District which is listed in the National Register of Historic Places.

**Description of the Eligible Property & Legal Description**

Address	1775 W Forest Avenue
Parcel ID	08001291
Acreage	0.17
Owner	XYZ 20-10 DBH, LLC 27777 Franklin Rd Suite 1410 Southfield, MI 48034
Legal Description	LOTS 9 AND 10, JAMES S GOODRICH'S SUBDIVISION, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN LIBER 10, PAGE 52 OF PLATS, WAYNE COUNTY RECORDS

Address	1785 W Forest Avenue
Parcel ID	08001292
Acreage	0.17
Owner	XYZ 20-10 DBH, LLC 27777 Franklin Rd Suite 1410 Southfield, MI 48034
Legal Description	LOTS 7 AND 8, JAMES S GOODRICH'S SUBDIVISION, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN LIBER 10, PAGE 52 OF PLATS, WAYNE COUNTY RECORDS

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:

		Tax Capture for This Plan (30 Year Plan)					
		Total		Brownfield			
School Capture	Millage Rate	Capture	Reimburse	Authority	State BRF	LBRF	
School Operating Tax	17.0430	\$ 485,941	\$ 474,629	\$ -	\$ -	\$ 11,312	
State Education Tax (SET)	6.0000	\$ 153,081	\$ 83,547	\$ -	\$ 67,543	\$ 1,991	
<b>School Total</b>	<b>23.0430</b>	<b>\$ 639,022</b>	<b>\$ 558,176</b>	<b>\$ -</b>	<b>\$ 67,543</b>	<b>\$ 13,303</b>	
		Total		Brownfield			
Local Capture	Millage Rate	Capture	Reimburse	Authority	State BRF	LBRF	
Library	4.6307	\$ 128,417	\$ 96,346	\$ 30,023	\$ -	\$ 2,048	
Wayne County Charter	5.6099	\$ 155,572	\$ 116,719	\$ 36,371	\$ -	\$ 2,481	
Wayne County	0.9873	\$ 27,380	\$ 20,542	\$ 6,401	\$ -	\$ 437	
Jail	0.9358	\$ 25,951	\$ 19,470	\$ 6,067	\$ -	\$ 414	
Parks	0.2453	\$ 6,803	\$ 5,104	\$ 1,590	\$ -	\$ 109	
Huron Clinton Metro Auth	0.2089	\$ 5,793	\$ 4,346	\$ 1,354	\$ -	\$ 92	
Wayne County RESA	0.0962	\$ 2,668	\$ 2,002	\$ 624	\$ -	\$ 43	
Wayne County Special Ed	3.3596	\$ 93,167	\$ 69,900	\$ 21,782	\$ -	\$ 1,486	
Wayne County RESA ENH	1.9876	\$ 55,120	\$ 41,354	\$ 12,886	\$ -	\$ 879	
Comm College	3.2378	\$ 89,790	\$ 67,366	\$ 20,992	\$ -	\$ 1,432	
City of Detroit Operating	19.9520	\$ 553,303	\$ 415,121	\$ 129,357	\$ -	\$ 8,826	
<b>Captured Total</b>	<b>41.2511</b>	<b>\$ 1,143,964</b>	<b>\$ 858,269</b>	<b>\$ 267,448</b>	<b>\$ -</b>	<b>\$ 18,247</b>	
<b>Total Captured Above</b>	<b>64.2941</b>	<b>\$ 1,782,986</b>	<b>\$ 1,416,445</b>	<b>\$ 267,448</b>	<b>\$ 67,543</b>	<b>\$ 31,550</b>	

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

<u>Millages Not Captured</u>	<u>Millage Rate</u>	<b>Increment Not Captured (30 Year Plan)</b>
Zoo	0.1000	\$ 2,773
DIA	0.2000	\$ 5,546
Debt Service	9.0000	\$ 249,585
School Debt	13.0000	\$ 360,512
<b>Total Above</b>	<b>22.3000</b>	<b>\$ 618,417</b>

**Department Specific Activities**

Department Specific Activities include site assessment and BEA activities, due care activities, transportation and disposal of contaminated soils, and preparation and implementation of a Brownfield Plan and an Act 381 Work Plan.

**Non-Environmental Activities**

Non-Environmental Activities include demolition and pre-demolition activities, infrastructure improvements, site preparation, and preparation and implementation of a Brownfield Plan and an Act 381 Work Plan.

**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

**Table 1**  
**Eligible Activities and Costs**

<b>EGLE Eligible Activities Costs</b>	
<b>Environmental Eligible Activities</b>	<b>Cost</b>
Department-Specific Activities	
Pre-Approved Activities	\$ 14,800
Lead, Asbestos, and Mold Surveys	\$ 4,900
Due Care Activities	\$ -
Response Activities	\$ 84,493
<i>Subtotal Environmental Eligible Activities</i>	<i>\$ 104,193</i>
Contingency (15%) not including Pre-Approved Activities	\$ 12,674
Interest (5%)	\$ 99,337
Brownfield Plan and/or Work Plan Preparation	\$ 10,000
Brownfield Plan and/or Work Plan Implementation	\$ 7,500
<b>Environmental Eligible Activities Total</b>	<b>\$ 233,704</b>

<b>MSF Eligible Activities Costs</b>	
<b>Non-Environmental Eligible Activities</b>	<b>Cost</b>
Demolition	\$ 306,000
Lead, Asbestos, Mold Abatement	\$ 148,820
Infrastructure Improvements	\$ 65,175
Site Preparation	\$ 56,100
<i>Subtotal Non-Environmental Eligible Activities</i>	<i>\$ 576,095</i>
Contingency (15%)	\$ 86,414
Interest (5%)	\$ 502,732
Brownfield Plan and/or Work Plan Preparation	\$ 10,000
Brownfield Plan and/or Work Plan Implementation	\$ 7,500
<b>Non-Environmental Eligible Activities Total</b>	<b>\$ 1,182,741</b>

<b>Total Eligible Activities Costs for Developer</b>	<b>\$ 1,416,445</b>
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<b>Other Costs</b>	
DBRA Administrative Costs	\$ 267,448
Local Brownfield Revolving Fund	\$ 31,550
State Brownfield Fund	\$ 67,543
<b>Total Estimated Cost to be Funded Through TIF</b>	<b>\$ 1,782,986</b>

## Attachment B

TO: THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY

FROM: DETROIT, BUILDINGS, SAFETY ENGINEERING, AND ENVIRONMENTAL DEPARTMENT

PROJECT: 1775 and 1785 W Forrest

DATE: 11/01/2022

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 the Lockwood Companies, LLC, as developer, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment Authority (DBRA), for the 1775-1785 W Forrest Development 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

  1   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).

  1   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 considered a Part 201 "facility" because contamination is indicated above Part 201 GRCC in the ESA. 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

**INCENTIVE INFORMATION CHART:**

Project Type	Incentive Type	Investment Amount	District
Redevelopment	Brownfield TIF	\$18.2 million	6

Jobs Available							
Construction				Post Construction			
Professional	Non-Professional	Skilled Labor	Non-Skilled Labor	Professional	Non-Professional	Skilled Labor	Non-Skilled Labor
		22	10				27

1. What is the plan for hiring Detroiters?

Detroiters will be prioritized for all post construction jobs, inline with the DBH’s mission to foster a local economy and limit negative environmental impacts associated with long commutes. The operator will be given bonuses for achieving various percentages of Detroit-based workers.

2. Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc.

1 Venue Manager: Oversee high level operations of the banquet space, including achieving revenue targets, occupancy targets, customer satisfaction and overall ongoing viability.

1 Assistant Manager: Assists in all management tasks, including marketing and coordination of events.

1 Leasing Manager: Oversees customer outreach and networks with Venue + Assistant Managers to ensure sufficient event flow. Provides tours to prospectus customers and interfaces with community for their use of the event space.

1 Executive Chef: Devises and curates in-house hospitality offerings. Manages Line Cooks and executes all food related requirements.

4 Line Cooks: Assists Executive Chef in delivering high quality, locally sourced and season food offerings in conjunction with event space.

3 Bartenders: Curates alcoholic beverage offerings, including sourcing. Executes events in conjunction with Executive Chef.

8 Waitstaff: Food running and table service for all banquet hall events.

2 Janitorial Staff: Ensures a cleanly environment following each event, including turnover of AirBnB units.

4 Security Personnel: Ensures a safe space for all individuals in attendance of events. Oversees safety of customer’s automobiles.

Please see “Rental | Expense Detail” page of DBH Overview Package for further details on all projected staff wages. The DBH prides itself on providing all staff members with a livable wage. For construction related job creation, see “Community Impact” page of DBH Overview Package.



3. Will this development cause any relocation that will create new Detroit residents? [No, there is no anticipated relocation.](#)
4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs? [Yes.](#)
5. When is construction slated to begin? [Spring/Summer of 2023](#)
6. What is the expected completion date of construction? [Fall/Winter of 2024](#)



1775 Forrest <sup>6</sup>

SITE PLAN

DBH



<sup>6</sup> Source: [1775 W Forest, Detroit, MI 48208 2247 | MLS# 21645452 | Redfin](https://www.redfin.com/MI/Detroit/1775-W-Forest-Ave/482082247)

# TIMELINE

# DBH

From acquisition to stabilization, XYZ Development will work diligently to see the Danish Brotherhood Hall redevelopment through to fruition on-schedule and on-budget.

<u>1. Acquisition , Due Diligence &amp; Closing</u>		6 Months	July 2021 -Jan 2022
-Development Agreement	Complete		
-Title	Complete		
-Site Surveys	Complete		
-Environmental Assessments	Complete		
-P1 1 ESA, P2 ESA	Complete		
-BEA, Due Care Plan	Complete		
-Financing	In-Progress		
-Closing	Complete		
<u>2. Design</u>		12 Months	Jan 2021 -Jan 2022
-Conceptual Design	Complete		
-Schematic Design	Complete		
-Design Development	Complete		
-Construction Documents	In-Progress		
-Entitlements, Permitting & Approvals	In-Progress		
<u>3. Construction</u>		18 Months	Jan 2022 - Jul 2023
-Bidding & Negotiation	Complete		
-Administration	In-Progress		
-Clean Up & Demolition	In-Progress		
-Site Improvements & Infrastructure	-		
-Build-Out	-		
-Certificate of Occupancy	-		
<u>4. Lease-Up &amp; Stabilization</u>		36 Months	May 2023 -May 2025
-Pre-Leasing	-		
-Ramp Up (Years 1-2)	-		
-Stabilization (Year 3)	-		
	Complete	5 Years	Jul 2025

# LETTERS OF SUPPORT

# DBH



December 16, 2020

**RE: 1775-1785 West Forest Ave. a/k/a The Danish Brotherhood Hall**

To Whom It May Concern:

Mr. R. Philip Lockwood, Principal of XYZ Development, shared his initial plans for the proposed rehab and development of The Danish Brotherhood Hall and adjacent property. Woodbridge Neighborhood Development supports the direction of the proposed development as described in that plan.

Woodbridge Neighborhood Development (WND) is a 501(c)(3) nonprofit corporation established in 2002 to create a diverse and vibrant residential and commercial urban environment by eliminating blight and expanding housing opportunities through rehabilitation and new construction. Over the years the WND has also engaged in community building activities such as neighborhood cleanups, festivals and home tours, and the development of communication tools to bring residents closer together in the Woodbridge neighborhood of Detroit.

WND's support is based on the following:

- Our neighborhood and its growing population will benefit from new and more options for food, beverage and retail-based businesses. In particular, event space is a missing element in Woodbridge and other nearby neighborhoods;
- The focus on walkability, streetscape beautification and green space reflects the community's desires and also ties into WND's priorities;
- The building is a beautiful, historic structure, and we are happy that it will be rehabilitated rather than demolished and replaced with an inferior structure or left as yet another vacant lot. We support the preservation of our historic fabric and the value it brings to our neighborhood and city; and
- Woodbridge would also benefit from the additional informal gathering spaces contemplated in the plan. Those types of spaces further enhance the sense of community already present here.

---

440 Burroughs, Suite 180, Detroit MI 48202 | [www.woodbridgedc.org](http://www.woodbridgedc.org)



6 July 2020

To Whom It May Concern,

This letter is written in support of XYZ Development's proposal for reactivating corner of Rosa Parks & Forest, in Detroit.

Philip was a top student in my course, ARCH517: Architect as Developer. The course takes an in-depth focus on the shortcomings of standard development models and how best urban design practices can be applied to real estate development to better shape healthy, inclusive, sustainable communities.

Upon reviewing both the "Danish Brotherhood Hall" and "Rosa Parks & Forest" redevelopment plans, I find the endeavor applies the best urbanist practices and thoughtfully engages the principles of placemaking. This project will humanize and beautify the landscape and contribute to a walkable, more vibrant community. Woodbridge will be better for it.

Sincerely,

A handwritten signature in black ink, appearing to read 'KIT KRAKEL MCCULLOUGH', written over a light blue horizontal line.

Kit Krankel McCullough  
Lecturer in Architecture

About Kit McCullough

Kit Krankel McCullough is an architectural and urban designer and consultant to cities, institutions, developers, neighborhood and merchant groups around the country. Through her urban design practice and teaching Kit advocates for equitable and socially just development, healthy and sustainable environments, strong communities, and cities that promote wellbeing and happiness. At the University of Michigan, McCullough teaches courses on urban design and real estate development, design studios on housing and neighborhood development, and seminars on transportation and urban economics.

In her current practice, McCullough has developed strategies toward economic and environmental sustainability at a range of scales, from individual properties to entire regions, and for a range of clients, including cities, institutions, developers, and neighborhood groups. Her projects have included a redevelopment plan for the C.S. Mott Foundation for their properties in downtown Flint, Michigan, as a means to help catalyze a regional economic strategy, regional strategies for more sustainable development in Tucson, a plan for the redevelopment of an industrial corridor in Oklahoma City as a mixed-use district focused on eco-industries, and an economic development strategy for Forest City, North Carolina, that capitalizes on the town's traditional urbanism and heritage.

Prior to joining the faculty at Michigan, McCullough led an urban design studio at Urban Design Associates in Pittsburgh, where she directed downtown revitalization projects and prepared master plans and design guidelines for new and infill neighborhood developments throughout the country. Projects included revitalization strategies for cities as diverse as Washington, DC, Warren, Michigan, Norfolk, Virginia, Shaker Heights, Ohio, and La Grange, Georgia. New and infill developments included Bitmore Farms in Asheville, North Carolina, Western Center in Washington County, Pennsylvania, as well as HOPE VI projects, including Louisville, St. Louis, and Norfolk. In her previous experience, McCullough practiced urban design for several years in Austin, Texas, and before that, with Duany Plater-Zyberk in Miami. She received her Bachelor of Architecture from the University of Texas at Austin and her Master of Architecture in Urban Design from Harvard University.

2000 Bonisteel Boulevard, Ann Arbor, MI 48109-2069 USA phone 734 764 1300 fax 734 763 2322 [taubmancollege@umich.edu](mailto:taubmancollege@umich.edu)

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For imagery of the building in it's current condition, please see the link below:

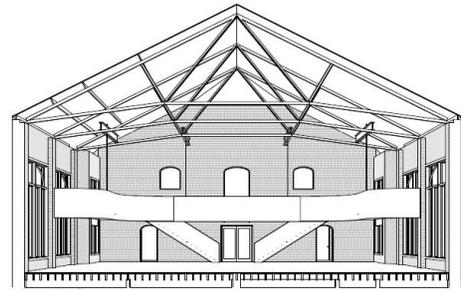
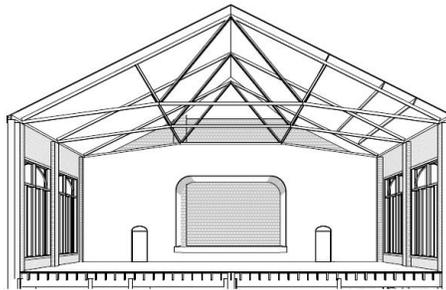
[Building Imagery Package](#)



Above  
Front Building Facade

Below (Left)  
Main Hall Stage

Below (Right)  
Main Hall Mezzanine



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December 16, 2020

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- Woodbridge would also benefit from the additional informal gathering spaces contemplated in the plan. Those types of spaces further enhance the sense of community already present here.

We appreciate Mr. Lockwood's openness and willingness to share his plans with WND. We are pleased that Mr. Lockwood has attended Woodbridge community meetings about neighborhood development, and that many of the plan's concepts are based on resident feedback from those meetings. We welcome this investment and proposed set of uses to this site and look forward to its completion. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Angie Gaabo', with a long, sweeping horizontal line extending to the right.

Angie Gaabo  
Executive Director  
gaabo@woodbridgendc.org