

4. Resolution approving a Brownfield Plan Amendment for the West Michigan Hispanic Chamber of Commerce Headquarters redevelopment project located at 1101 Godfrey Avenue SW (Unit #2)



Item Number: 4

CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: February 25, 2025

TO: Mark Washington, City Manager

COMMITTEE: Committee of the Whole
LIAISON: Mark Washington, City Manager

FROM: Sarah Rainero, Economic Development Director
Economic Development

SUBJECT: **Resolution approving a Brownfield Plan Amendment for the West Michigan Hispanic Chamber of Commerce Headquarters redevelopment project located at 1101 Godfrey Avenue SW (Unit #2)**

Attached is a resolution approving a Brownfield Plan Amendment (the "Amendment") filed by the West Michigan Hispanic Chamber of Commerce ("WMHCC") (the "Developer") for the WMHCC Headquarters redevelopment project located at 1101 Godfrey Avenue SW (Unit #2) (the "Property"). The Property qualifies for the Brownfield program because it has been determined to be a "facility" under Part 201 of the Natural Resources and Environmental Protection Act, Act 451 of 1994, as amended.

The Developer owns the Property, which currently contains an obsolete building that is that will be demolished as part of the project. The Developer is proposing to construct a new 12,600 square foot two-story building, which will serve as the new headquarters for the WMHCC. When completed, the building is also expected to be LEED certified. Total investment in the project is estimated to be \$9.3 million with approximately \$6.9 million in construction costs.

The Developer is requesting reimbursement from the Brownfield Redevelopment Authority (the "Authority") of up to \$513,450 for brownfield eligible activities, including demolition, asbestos abatement, site preparation, and public infrastructure improvements. The Amendment is expected to remain in place for thirty (30) years, with the last five (5) years of tax increment revenue capture reserved to fund the Local Brownfield Revolving Fund (LBRF). The first year of capture will be tax year 2026.

It is expected that nine (9) jobs will be retained, and four (4) full-time positions will be created as a result of the project with average wages of \$32 per hour. The new jobs are expected to create approximately \$2,371 in annual income tax revenue for the City.

The Developer is working towards the following subcontractor participation goals in connection with the project for MLBEs, MBEs, and WBEs during construction: 18% MBE, 2% WBE, and 10% MLBE, which equates to an overall participation of 30% or \$2.1 of the \$6.9 million in construction costs. Additionally, the Developer is expecting approximately \$1.4 million of professional services costs and has set a goal of 10% or \$140,000 for MBE/WBE/MLBE sub-contracting.

The project also meets multiple objectives of the City's Strategic Plan and Equitable Economic Development and Mobility Strategic Plan, including:

- Prioritization of MBE, WBE, and MLBE businesses and subcontractors for projects supported by City incentives,
- Supports the creation, retention and growth of businesses that enhance residents' employment opportunities, and
- Increases the number and diversity of business owners, property owners, and developers participating in economic development incentive programs.

Environmental concerns at the Property will be addressed during development, and the Developer is current on its tax liabilities to the City. The Authority approved and recommended the Amendment at its meeting on January 22, 2025. At the same meeting, the Authority also approved a \$200,000 emerging developer grant for predevelopment services to support the project.

Project Projections – WMHCC		
	Total Amount	City of Grand Rapids Portion
Total Project Costs	\$9.3 million	
Construction Costs	\$6.9 million	
Total New Taxes Generated (1 year)	\$26,700	\$4,656
Taxes Paid (1 year)	\$26,700	\$4,656
New City Income Taxes	-	\$2,371

Attachment

SLR

Your COMMITTEE OF THE WHOLE recommends the adoption of the following resolution approving a Brownfield Plan Amendment for the West Michigan Hispanic Chamber of Commerce Headquarters redevelopment project located at 1101 Godfrey Avenue SW (Unit #2).

WHEREAS:

1. The City Commission approved a Brownfield Plan (the "Plan") for the City of Grand Rapids Brownfield Redevelopment Authority (the "Authority") on December 22, 1998, pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of Michigan of 1996, as amended, MCL 125.2651 et seq. ("Act 381"); and

2. The Board of the Authority has recommended an amendment to the Plan for West Michigan Hispanic Chamber of Commerce Headquarters Redevelopment Project (the "Project") described therein (the "Amendment"); and

3. The City Commission has held a public hearing on the Amendment after notice in accordance with the requirements of Act 381; therefore

RESOLVED:

1. That the Amendment constitutes a public purpose under Act 381; and

2. That the Amendment meets all the requirements of Section 13(1) of Act 381; and

3. That the proposed method of financing the costs of the eligible activities, as identified in the Amendment and defined in Act 381, is feasible and the Authority has the authority to arrange the financing; and

4. That the costs of the eligible activities proposed in the Amendment are reasonable and necessary to carry out the purposes of Act 381; and

5. That the amount of captured taxable value estimated to result from the adoption of the Amendment is reasonable; and

6. That the Amendment in the form presented is approved; and

7. That all resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

CORRECT IN FORM

CITY ATTORNEY