

16. Resolution scheduling a public hearing for July 15, 2025, to consider a Brownfield Plan Amendment for the Robinson Flats Redevelopment Project located at 1407, 1409 & 1417 Robinson Road SE



Item Number: 16

CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: June 10, 2025

TO: Mark Washington, City Manager

COMMITTEE: Community Development Committee

LIAISON: Mary Kate Berens, Deputy City Manager

FROM: Sarah Rainero, Economic Development Director
Economic Development

SUBJECT: **Resolution scheduling a public hearing for July 15, 2025, to consider a Brownfield Plan Amendment for the Robinson Flats Redevelopment Project located at 1407, 1409 & 1417 Robinson Road SE**

Attached is a resolution setting July 15, 2025 at 2:00 p.m. as the date and time when the City Commission will hold a public hearing to consider a Brownfield Plan Amendment (the "Amendment") filed by Robinson Flats, LLC (the "Developer") for the Robinson Flats redevelopment project located at 1407, 1409 and 1417 Robinson Road SE (collectively, the "Properties"). The Properties qualify for the Brownfield program because they are defined as "housing property" under Section 2(y) of Michigan Public Act 381 of 1996, as amended (the "Act").

The Property is located in the Eastown Neighborhood and Business District. This area of Grand Rapids is known for its vibrant business district and residential neighborhood. The existing vacant buildings have been underutilized and are in disrepair. The project will revitalize this section of Robinson Road with the demolition of the existing buildings and construction of a new, approximately 32,000 square foot, mixed-use building with up to 24 apartments, a surface parking lot with 27 spaces, and three commercial spaces totaling approximately 3,154 square feet. When completed, the units are all expected to be all electric. The 24 apartments are currently anticipated to be rented at rates affordable to households earning between 90% and 100% of the Area Median Income (AMI). It is anticipated that 20%, or five (5) of the units will be reserved for income qualified families for the length of the Brownfield Plan (15 years). Total investment in the project is estimated to be \$8.2 million with approximately \$5.9 million in construction costs.

The Developer is requesting reimbursement from the Brownfield Redevelopment Authority (the “Authority”) of up to \$1,509,562 for brownfield eligible activities including site preparation, public infrastructure improvements, and “housing development activities”. For this project, housing development activities include demolition, site preparation, infrastructure improvements that directly benefit eligible property and reimbursement to fill a financing gap associated with the development of housing units priced for income qualified households via a subsidy for potential rent loss (“PRL”). The Amendment is expected to remain in place for a 20-year period. It is estimated that the development of the Property will be completed in early 2026 and will take up to 15 years to recapture the majority of the eligible activities through tax increment revenues. Additionally, the Authority intends to capture the last five years of available tax increment revenues for the Local Brownfield Revolving Fund (LBRF). The first year of capture will be tax year 2026.

The Property is also located in the Uptown Corridor Improvement Authority (the “Uptown CIA”) development area, which significantly limits the availability of tax increment revenue (“TIR”) for the Authority to capture and reimburse back to the Developer for eligible activities. When the Act was amended in 2023, the ability for other tax capture authorities to share or forego its TIR generated from a specific project in support of a Brownfield Plan Amendment was added. Because of these changes to the Act, Economic Development staff and the Developer requested that the Uptown CIA approve an intent to pass through its TIR to the Authority in support of the project. At its meeting on April 2, 2025, the Uptown CIA approved with the intent to passthrough. If the Amendment is approved by the Authority and City Commission, a passthrough agreement will be brought forward to the Uptown CIA for approval and signature. The twenty- four (24) units will be a mixture of one, two and three-bedroom rental units. Information about housing affordability and PRL is described in the table below. According to the Housing Needs Assessment (“HNA”) recently updated by Bowen National Research in 2022, there is demand for approximately 35,000 housing units by 2027. The HNA shows rental units priced in the 81% to 120% AMI range are in significant demand with an expected need of approximately 1,573 units in the City of Grand Rapids by 2027. For projects utilizing Brownfield support for housing development activities, the affordability period is based upon the expected term of reimbursement, which is 15 years for this project. The total request for reimbursement for the PRL is \$515,562, which equates to approximately \$103,112 per unit.

Number of Bedrooms	Number of Units	Estimated Monthly Rent	Estimated Affordability
1	12	\$1,750	<100% AMI
2	10	\$2,050	<100% AMI
3	2	\$2,500	<100% AMI

¹Area Median Income (AMI) ranges are for price-point reference, do not include other housing costs, and are found in the 04/01/2025 [Income and Rent Limits](#) published by the Michigan State Housing Development Authority.

The Developer is working towards the following subcontractor participation goals in connection with the project for Micro-Local Business Enterprises (MLBEs), Women-Owned Business Enterprises (WBE), and Minority-Owned Business Enterprises (MBE) during construction: 7% MBE, and 10% MBE which amounts to an overall participation of 17% or \$1.05 million of the \$5.9 million in construction costs.

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

- Prioritization of MBE and WBE businesses and subcontractors for projects supported by City incentives,
- Facilitates increased housing supply through the development of a variety of housing types, and
- Increase 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 project has received the necessary approvals from the Planning Commission and participated in discussions with the Uptown Corridor Improvement Authority and their approval process. If approved by the Authority, the City Commission will consider scheduling a public hearing for the project on June 10, 2025.

Project Projections – Robinson Flats		
	Total Amount	City of Grand Rapids Portion
Total Development Costs	\$8.2 million	
Construction Costs	\$5.9 million	
Total New Taxes Generated* (1 year)	\$107,826.39	\$18,804.24
Taxes Paid (1 year)	\$107,826.39	\$18,804.24
New City Income Taxes	-	\$6,300

Attachments

MM

Your COMMUNITY DEVELOPMENT COMMITTEE recommends the adoption of the following resolution scheduling a public hearing for July 15, 2025, to consider a Brownfield Plan Amendment for the Robinson Flats Redevelopment Project located at 1407, 1409 & 1417 Robinson Road SE.

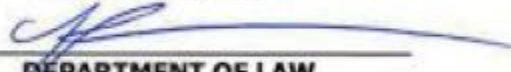
WHEREAS:

1. The City Commission previously approved the Brownfield Plan (the "Plan") of the City of Grand Rapids Brownfield Redevelopment Authority (the "Authority") 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; and
2. The Authority has pursuant to Act 381 approved and recommended an amendment of the Plan for the 1407, 1409 and 1417 Robinson Road (Robinson Flats) Redevelopment Project (the "Project") identified therein (the "Amendment"); and
3. Before considering approval of the Amendment the City Commission must hold a public hearing in accordance with Act 381; therefore

RESOLVED:

1. That a public hearing be held to consider the Amendment to the Plan of the Authority; and
2. That the public hearing be held on Tuesday, July 15, 2025, at 2:00 p.m., in the City Commission Chambers on the 9th Floor of the City Hall, 300 Monroe Avenue, N.W., in the City; and
3. That the City Clerk give or cause to be given public notice of the hearing in accordance with Act 381; and
4. That, in accordance with the provisions of Act 381, the City Clerk give or cause to be given notice of the public hearing to each of the taxing jurisdictions that levy taxes on property included in the Project subject to capture under Act 381; and
5. That a copy of the Amendment be held in the Economic Development Office of the City located on the 9th Floor of City Hall, 300 Monroe Avenue, N.W., in the City for public examination and inspection; and

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

CORRECT IN FORM

DEPARTMENT OF LAW