

Via email

May 21, 2024

Ms. Jenna Brooker
Bridge Detroit

Dear Ms. Brooker:

I write in response to your article entitled *Moroun-owned firm built east side concrete plant without permit* published on May 17, 2024 in *Bridge Detroit*.

First, although your article did not focus on the exciting story of Hercules Materials Holdings, LLC ("Hercules"), a few words about this new company would be appropriate. The company was formed in 2020 to provide ready mix concrete services in Metro Detroit and beyond. Since that time, we have grown into one of the largest ready mix concrete suppliers in Metro Detroit. We currently employ over 180 people in our concrete business and we are growing. Our drivers are union members and can earn over \$33 per hour. We are proud of this new business, its contributions to Detroit infrastructure projects such as the new \$26,000,000 Second Avenue Bridge over I-94, and the new jobs this business has created, especially those in the City of Detroit.

Your article focuses on our newest plant, Kronos. The Kronos facility is located in Detroit's Cadillac Heights area and is bounded by E. McNichols Road to the south, Jerome Street to the north, Moran Street to the east and Joseph Campau Avenue to the west. The facility area, including buffering, will cover approximately 29 acres. A map showing the location of the facility is attached.

The Kronos facility is similar in technology, size and scope to our other new plants in Metro Detroit. The Kronos plant itself is state-of-the-art and includes a high-capacity dust collection system, enhanced enclosure and ventilation technology, and variable frequency drives, which reduce electricity requirements.

Conceptual renderings showing before the investment and after the investment are attached. As you can see from the renderings, the Kronos plant will include streetscape improvements, a 30' wide green buffer, a 6' tall green berm, and tree plantings meet or exceed the City of Detroit's requirements. The plant also has a fugitive dust plan that complies with the City's requirements.

Your article did not mention the plant technology, the 30' green buffer, the 6' berm, the streetscape improvements, the tree plantings or the fugitive dust plan.

The new Kronos facility represents a \$10,000,000 job-creating investment that will drive infrastructure improvements in Detroit. To our knowledge, this is the largest single private investment in this area in over 20 years, and maybe longer. In fact, we had a job fair at the Kronos site yesterday. I wish you would have come out and covered it. We received over 250 job applications. I included some pictures from the job fair at the end of this letter.

Your article mentioned the views of some residents, but other members of the Community have a different view. Senior Pastor David A Johnson II of Kingdom Covenant Church partnered with us on the job fair. He said “[w]e were so honored to partner with Hercules Concrete for the Community Job Fair yesterday. To create opportunities for employment for people in the City of Detroit and throughout the metropolitan area is a joy for us to be a part of. My wife Lady Kimya, our staff, and the entire membership of Kingdom Covenant Church are committed to seeing the community thrive. The turnout for this event was a great step in a positive direction.”

Rather than highlighting the growth of this new business, the amount we are investing in Detroit, the enhanced property tax base, the blight removal, or the jobs we are creating in an area that desperately needs them, your article focuses on permitting issues in 2022.

It is true that in 2022, Crown Enterprises, LLC began to stand up a temporary concrete batching plant at the Kronos site. On or about June 24, 2022, Crown received a stop work order from BSEED. Crown immediately stopped work, removed the temporary plant, and continued the permitting process for the current facility. To be clear, the current facility was built pursuant to properly issued BSEED permits.

Moreover, your article does not clearly state until the 38th paragraph *that the land in question is zoned M4 heavy industrial and that the plant is a by-right use consistent with the City’s zoning ordinance*. That includes all of the land on which the Kronos plant sits, nearly every house that has been acquired, and the property east of Moran mentioned in the article.

The article also implies that our plans in this area were somehow secret and that neighbors have not been advised regarding the development of the Kronos facility. However, we posted information on our website that includes maps, renderings, and a project description. We have also retained a well-respected consultant to engage with the community to share information and address concerns. The successful job fair was a result of this community outreach.

Your article states that “neighbors felt pressured to relocate”. It is true that we have recently acquired numerous properties (nearly all zoned M4, heavy industrial) in this area to ensure that we have appropriate buffering between our operations and the community. However, we have no power to condemn property, and all of those acquisitions have been willing buyer-willing seller transactions.

In fact, we have routinely paid landowners substantially more than fair market value for their property. Our average acquisition price for privately-owned houses in this area during 2022-2024 was \$114,358.42. Your article implies that Crown made a \$12,000 offer for a resident’s house, but fails to mention when this offer was made during his 40-year tenure in the home. And as mentioned, sellers in that area have on average received almost ten times that amount. Specifically, the article discusses a particular homeowner and implies she was forced out. However, that homeowner received \$200,500 for her property. Per the Redfin website quoted in your article, the average house value in Cadillac Heights is about \$33,000.

The article wrongly implies that Crown acquired houses and then let them sit. The fact is that Crown promptly followed the City's requirements for demolishing houses. Under the current process in the City, any party that seeks to demolish any structure must first obtain utility disconnects from the relevant utility company, and then apply for and receive a demolition permit from BSEED. That is the exact process that Crown followed. Any delays in demolition were caused by delays with the utility company in the utility disconnection process, not by Crown.

Your article implies that we may be operating at Kronos without a required state permit. That is not true. Crown's tenant, Hercules, has been in regular communication with EGLE and the plant is exempt from an Air Permit to Install. Additionally, per Michigan Administrative Code R. 336.1289.2.d.vi, the setback requirement mentioned in the article pertains to the setback from the plant footprint itself, not the property line.

The article suggests that the \$10,000,000 investment in an area that has seen substantial disinvestment over the years is a "consequence" of the 2019 land swap agreement, implying that this project is a negative for the City. We have a different opinion, and as mentioned above so do others in the community. Economic development is critical to Detroit, new and improved infrastructure is critical to Detroit, good paying blue-collar jobs are critical to Detroit. Our investment, enabled by the land swap agreement, represents economic development, improved infrastructure, and most importantly good jobs.

Your article also mentions other issues, not relating to Kronos, that require a response. For example, you mention a warehouse "owned by the company" and associated truck traffic issues. The warehouse you are referring to is leased to Stellantis, has a by-right use under the City's zoning ordinance, and our companies have nothing to do with the day-to-day operation of that facility. You also mention a concrete crusher on the City's west side. To clarify, that operation has nothing to do with our companies.

The article suggests that we did something wrong relating to the demolition of the Greyhound building on Fort Street. The property on which that building sat is part of the Community Agreement mentioned below. It was demolished pursuant to a valid BSEED permit and in close consultation with the local community. Much of the land on which it sits will be donated to the neighborhood as described below.

The article reaches back over 13 years to dredge up past issues in an effort to suggest a "pattern". However, your article does not mention the Land Exchange Agreement entered into in 2015 and completed in 2023. That agreement resulted in the expansion and spectacular rehabilitation of Riverside Park into a world class amenity and included both the donation of land and \$5,000,000 to clean and rebuild the park. The land exchange agreement also required improvements to the Michigan Central Station. Those improvements were made and within a few years, we entered into a historic transaction with Ford Motor Company, enabling the incredible redevelopment of the Central Station, which is set to be unveiled to the public on June 6, 2024.

Further, your article does not explain that in 2022 we reached an innovative agreement with the City whereby we have agreed to a maintenance schedule for our property and a process for

ensuring compliance with City codes. Your article does not mention the Community Agreement we have reached with the neighborhood around the Ambassador Bridge that will result in nearly \$10,000,000 in benefits to that neighborhood, including the donation of residential lots, cash donations, streetscape improvements, and the donation of additional land to the community for mixed use or residential redevelopment (part of the Greyhound building property mentioned above). The real “pattern” that exists with our companies involves communication, appropriate redevelopment, win-win agreements, and job creation.

Sincerely,

Kenneth Dobson

MAY 20, 2024 KRONOS PLANT JOB FAIR PHOTOS



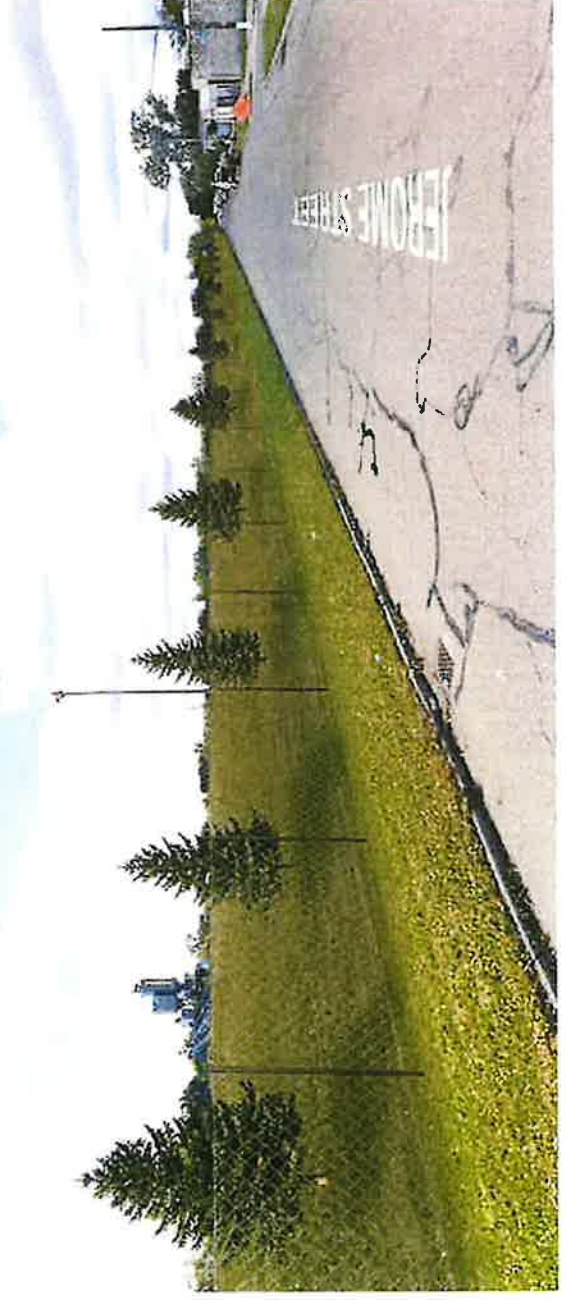




Before And After



AFTER

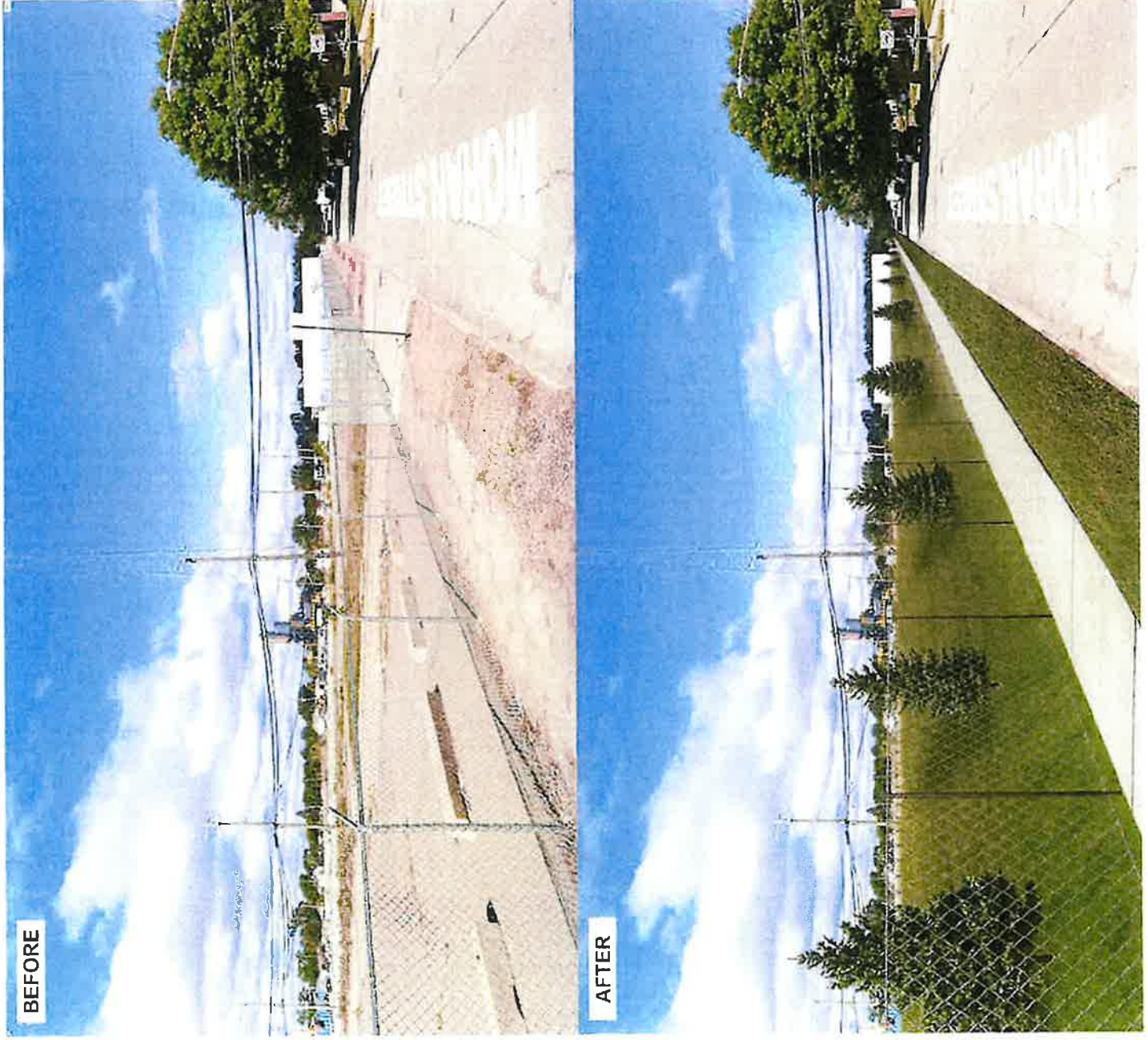


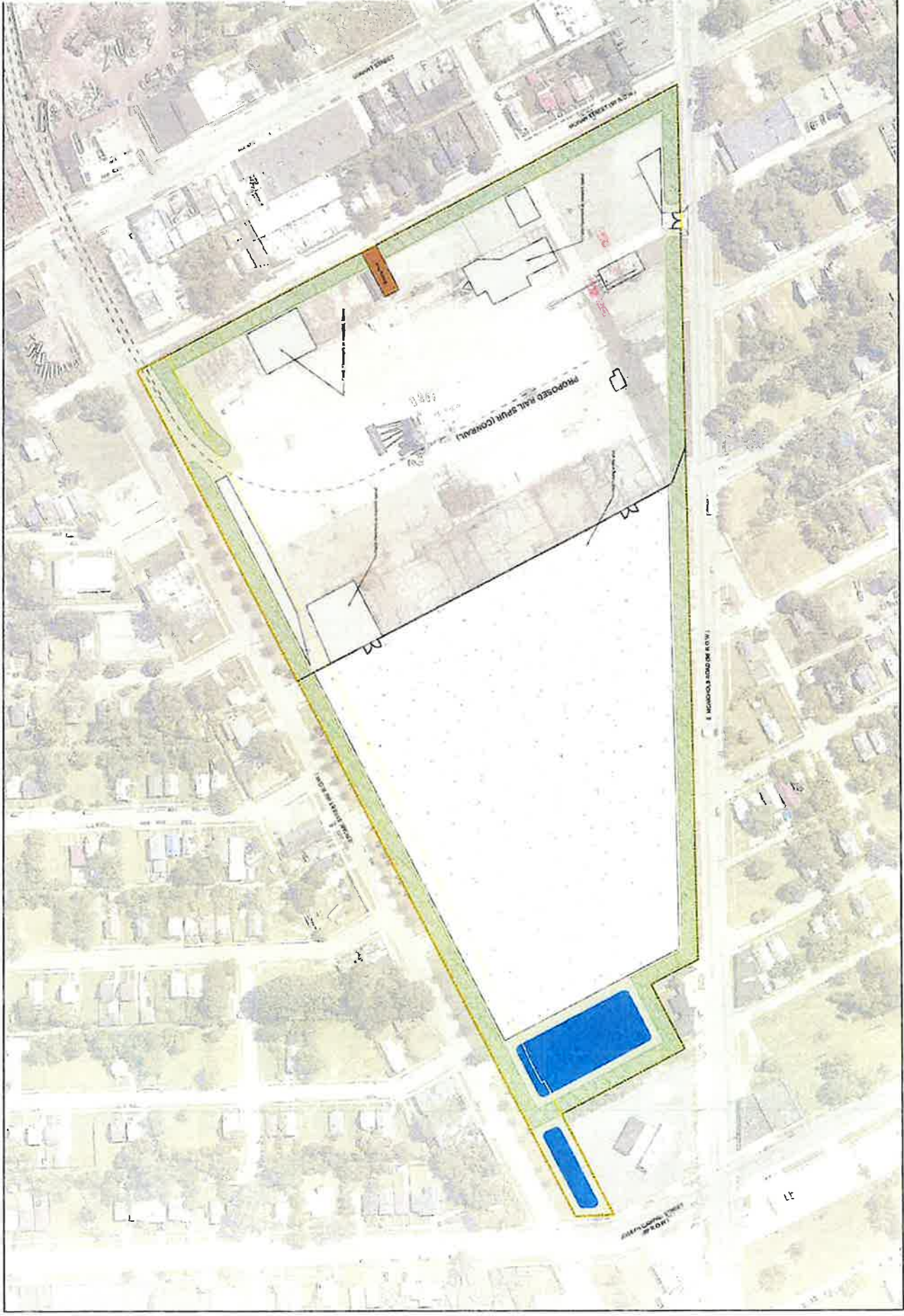
BEFORE



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