



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, NOVEMBER 20, 2019
4:00 PM**

BOARD MEMBERS PRESENT:

Sonya Mays
John George
Matthew Walters
Pamela McClain
Maggie DeSantis
Stephanie Washington
Raymond Scott
Donele Wilkins

BOARD MEMBERS ABSENT:

Juan Gonzalez

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Paul Kako (DEGC)
Malinda Jensen (DEGC)
Rebecca Navin (DEGC)
Catherine Frazier (DEGC)
Ngozi Nwaesei (Lewis & Munday)
Chris Jackson (Queen Lillian)
Ed Wizner (The Platform)
Myles Hamby (The Platform)
Richard Barr (Honigman)
Sara Jo Shipley (ASTI)
Kirstie Hardy (AKT Peerless)
Rob Platt (City Club)
Bill Stewart (City Club)
Jon Bornstein (Honigman)
Damon Jordan (Real Estate Interests)
Peter Rhoades (DBRA-CAC)
Rod Hardamon (URGE)
Malik Goodwin (Riopelle Mkt. Dev. LP)
Grant Greschuk (Riopelle Mkt. Dev. LP)
Emery Matthews (REI)



**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, NOVEMBER 20, 2019
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD SUITE 2200 DETROIT, MI – 4:00 PM**

CALL TO ORDER

Chair Matthew Walters called the meeting to order at 4:09 PM.

GENERAL

Approval of Minutes:

Mr. Walters called for a motion approving the minutes of November 6, 2019 as presented. The Board took the following action:

On a motion by Ms. DeSantis, seconded by Ms. McClain, DBRA Resolution Code 19-11-02-267 was approved. Ms. Mays abstained.

Ms. DeSantis requested that the FCA Land Assemblage Discussion be moved to the next item on the agenda.

OTHER

FCA Land Assemblage Discussion

Ms. DeSantis stated that she asked the DBRA to clarify whether or not the conditions of the land swap with Michael Kelly related to the forgiveness of property taxes and blight violations owed to the City of Detroit were disclosed to the DBRA Board when the item was presented to the Board for review and approval in May 2019.

Ms. Navin stated that there were multiple items in April and May of 2019 presented to the DBRA Board related to land transactions for the FCA project, one of those items being the land swap deal with Michael Kelly. Mr. Kelly managed to acquire some City-owned parcels through tax foreclosure which were within the boundaries of the land needed for the FCA project. The Mayor's Office was able to negotiate a land swap deal with Mr. Kelly to acquire those parcels needed for the FCA project and that land swap deal was presented to and approved by the DBRA Board in April 2019. Subsequent to the approval of that land swap deal it was determined that some of the parcels involved would not be suitable to be swapped for purposes of the FCA project and a new land swap deal was negotiated by the Mayor's Office, including the settlement of certain lawsuits between Mr. Kelly and the City of Detroit. A subsequent resolution with the new land swap deal with Mr. Kelly was presented to the DBRA Board in May 2019 and was approved by the DBRA Board. Details regarding the negotiated terms between the City of Detroit and Mr. Kelly were not disclosed to the DBRA Board because the DBRA Board was not being asked to act on such negotiations and the DBRA does not have the authority to settle such items. Further, DBRA staff was not aware of the specific terms of negotiated terms and the lawsuits in question. The focus of the resolution presented to the DBRA Board in May 2019 was on the land swap itself for the purposes of the FCA project. Ms. Navin apologized for not informing the DBRA Board of the additional terms of the land swap deal negotiated by the Mayor's Office with Mr. Kelly and stated that she understands Ms. DeSantis' concerns that the information was not disclosed to the DBRA Board when the land swap item was presented to the DBRA Board in May 2019.

Ms. DeSantis asked why the original parcels (approved by the DBRA Board in April 2019) were not able to be used for the FCA project and a new land swap deal was negotiated. Ms. Navin stated that she was not sure exactly why the original parcels approved by the DBRA Board in April 2019 were not able to be used for the FCA project, but she thinks that some of the parcels that were to be transferred to Mr. Kelly were currently being used by a community group or church and weren't appropriate properties to be transferred. Mr. Walters stated that the land swap deals were negotiated largely by Basil Cherian, who has since left the City of Detroit.

Ms. DeSantis asked if it was at this point that Mr. Kelly decided this was his chance to negotiate the terms of the new land swap deal to include the dismissal of the unpaid property taxes and blight violations. Ms. Navin stated that she was not aware what the topics of those negotiations were since she was not involved in those negotiations and that all she knows is that the conditions of the land swap deal had to be revisited.

Ms. DeSantis asked if Ms. Navin was privy to the results of the negotiations for the subsequent land swap deal with Mr. Kelly. Ms. Navin stated that she knew of the settlement of certain litigation was under negotiation and that ultimately there was a deal that was reached between Mr. Kelly and the Mayor's Office for the land swap deal and that final land swap deal was presented to the DBRA Board in May 2019.

Ms. DeSantis stated that she would like to say a few things that she would like to be documented in the minutes for the November 20, 2019 DBRA Board meeting. Ms. DeSantis stated that the lawsuits that were filed by the City of Detroit against Mr. Kelly were the result of Mr. Kelly purchasing parcels in the City of Detroit and failing to pay the property taxes on such parcels and that Mr. Kelly purchases parcels in the second round of the tax foreclosure auction, he fails to pay the property taxes on such parcels, the parcels then revert back to the tax foreclosure auction and he purchases the parcels again. Ms. DeSantis stated that in her work doing economic development on the east side of the City of Detroit she has had to deal with Mr. Kelly and his ill intentions with the properties that he has acquired, and that Mr. Kelly is unscrupulous and a bad actor. Ms. DeSantis added that Mr. Kelly's numerous blight violations on his properties which were dismissed as part of the land swap deal. Ms. DeSantis is personally aware of many well-intentioned, especially non-profit property owners, who are hit with blight violations without any consideration and for her, as a representative of neighborhoods and as someone who has performed work in the neighborhoods, to find out that Mr. Kelly's unpaid property taxes and blight violations were forgiven as a condition of the land swap deal negotiated was extremely upsetting, and had she known that such terms were part of the land swap deal with Mr. Kelly she would have voted not to approve the land swap deal and would have taken serious issue with it. She does not appreciate that the Mayor thought that the forgiveness of Mr. Kelly's unpaid property taxes and blight violations was an appropriate action considering the Detroit residents who have lost their homes due to unpaid property taxes. Ms. DeSantis stated that she does not appreciate it when the City of Detroit has overvalued properties for years sending residents into tax foreclosure and that we are now having to clean up the mess from those decisions. She does not appreciate that there are many well-intentioned land owners who receive blight violations while Mr. Kelly's blight violations were forgiven. Ms. DeSantis stated that she is unsure whether she will be able to remain on the DBRA Board if land swap deals such as the one with Mr. Kelly presented to the DBRA Board in May 2019 will continue to be presented to the DBRA Board, especially without disclosure of the terms negotiated. Ms. DeSantis stated that she does not hold Ms. Navin responsible and that she holds the Mayor responsible and Mr. Kelly responsible for such decisions being made and that she has been wrestling with colleagues about whether or not she should remain on the DBRA Board and that she has been asked to stay on the DBRA Board because she provides a valuable resource to the community being able to provide information about the items presented to the DBRA Board. Ms. DeSantis stated that she would be willing to talk to the Mayor directly about this issue.

Mr. Walters stated that he appreciates Ms. DeSantis' comments and sentiments and stated that it is a tough situation because a lot of the people working on the FCA project were not privy to certain details pertaining to the land swap deal with Mr. Kelly.

Mr. George stated that he hopes Ms. DeSantis will remain on the DBRA Board because the DBRA Board needs her voice and requested that should future items be presented to the DBRA Board regarding land swap deals or otherwise, if all information could be disclosed to the DBRA Board.

Ms. Navin stated that all information available would be presented to the DBRA Board for future items and that it was certainly not the intent to omit certain information regarding the land swap deal with Mr. Kelly.

Ms. DeSantis stated that it has been her experience with the DBRA that information regarding items presented to the DBRA Board have been presented with all relevant information and that because of the nature of the items related to the FCA project, some DBRA Board members have been wrestling with their votes on such items and the millions of dollars in subsidies related to the FCA project. Ms. DeSantis added that given the tough decisions made by the DBRA Board, to find out that there were other terms associated with the land swap deal with Mr. Kelly was shocking and upsetting.

Ms. Wilkins stated that she has not necessarily wrestled with her votes on items related to the FCA project, but she does feel a bit manipulated in light of this information about the land swap deal with Mr. Kelly which raises a red flag for her concerning the other land swap deals and information that the DBRA Board may not know about those deals. As a City Council appointee, she feels obligated to bring the issue regarding the land swap deal with Mr. Kelly to City Council's attention because she does not want others to have the impression that she has not done her due diligence to know all information about the items presented to the DBRA Board related to the FCA project.

Ms. DeSantis stated that she doesn't know if the Mayor or anyone else realizes that she feels responsible and accountable to the residents of the City of Detroit, especially since she is not employed by the City of Detroit, and when she has to try to justify a vote that she made on an item presented to the DBRA Board to people who trust her to make the right decisions it is very difficult and the most she could say was that she had no idea about the terms of the land swap deal with Mr. Kelly. Ms. DeSantis added that she is not a DBRA Board member as a favor or because it looks good on her resume, she is a DBRA Board member because she wants to do good work in the community. Ms. DeSantis stated that she would like the people in the community to see her statements in the minutes for the November 20, 2019 DBRA meeting.

Mr. Walters stated that he works a lot with small businesses in the City of Detroit who get hit with blight violations and he works with the Building Safety Engineering and Environment Department regarding the blight tickets and there are a lot of people who are trying to restore and fix old buildings in commercial corridors and blight violations make their work more difficult.

Ms. DeSantis stated that the situation with Mr. Kelly feels a lot like the issue with small land owners located near the Little Caesar's Arena and it feels like it is the affluent community that gets leniency and favors, and the small land owners and residents don't receive the same treatment.

Mr. Walters stated that Mr. Kelly held significant parcels needed for the FCA project and had leverage because of that ownership. Ms. DeSantis stated that the Mayor is a great negotiator and she believes he could have worked out a different deal with Mr. Kelly for the land swap that did not include the forgiveness of unpaid property taxes and blight violations.

PROJECTS

Queen Lillian II Brownfield Redevelopment Plan: Amendment to Terms of Sale of 3439-3455 Woodward Avenue and 13 Stimson Street to Queen Lillian II, LLC

Ms. Frazier presented the Queen Lillian II Brownfield Redevelopment Plan: Amendment to Terms of Sale of 3439-3455 Woodward Avenue and 13 Stimson Street to Queen Lillian II, LLC to the DBRA Board.

In August and October, 2017, the Detroit Brownfield Redevelopment Authority ("DBRA") approved terms of development and financing relating to a vacant City-owned parcel currently at the corner of Woodward and Stimson (the "Property") to Queen Lillian II, LLC (the "Developer") for redevelopment for One Million Three Hundred Nine Thousand and 00/100 Dollars (\$1,309,000.00) (the "Purchase Price") in accordance with and subject to the terms and conditions of a Land Transfer Agreement with the City of Detroit (the "LTA").

Subsequent to this approval, the Developer formed a joint venture with Queen Lillian LLC and The Platform. The LTA authorized the DBRA to transfer the Properties to Queen Lillian II, LLC (the "Developer") for the

Purchase Price subject to a development agreement between Developer and DBRA. The Developer's anticipated development of the Properties included a 5-story building with approximately 25,000 square feet of first floor commercial, 112 residential units, and a 3-story parking garage (the "Project").

Due to financing complications, increased construction costs and unexpected redesigns related to the Project, Developer has revised its anticipated development of the Properties to increase the residential components from 112 residential units to 201 residential units, and to replace the intended 3-story parking garage with a surface parking lot intended to service the Project.

Developer has requested an amendment to the development agreement to reflect modifications to the Project and reduce the Purchase Price to Three Hundred Thousand and 00/100 Dollars (\$300,000.00) to enhance the Developer's ability to finance the Project. DBRA Staff have reviewed the circumstances and financial information surrounding the Developer's proposed Project and find such amendments to be necessary to move the Project to a closing.

A resolution approving the above-referenced revisions and authorizing the execution of an amended development agreement and LTA, subject to the approval by Detroit City Council of the reduced Purchase Price, was attached for the DBRA Board's review and consideration.

Mr. George asked for clarification on the proposed change in the Purchase Price of the Property. Ms. Frazier stated that the Purchase Price was \$1,309,000.00 and the Developer is requesting a reduction to the Purchase Price to the amount of \$300,000.00.

Mr. George asked if the Developer is going to increase the number of affordable units in the Project. Ms. Frazier stated that the Developer has a willingness to increase the number of affordable units in the Project but there has not been an amount agreed upon or a formal commitment to doing so.

Ms. DeSantis stated that there is a big difference between 60% of the Area Median Income (AMI) and 80% AMI and that 80% AMI is still difficult for many to afford.

Ms. McClain asked if there are any anticipated retail tenants for the Project due to the increase in the amount of retail space for the Project. Mr. Wizner stated that it is still early to begin executing lease agreements with retailers since the Project is looking to begin construction in Spring or Summer of 2020, and that the Developer previously had some businesses interested in the retail space so it will be a question of whether those businesses would still be interested in the retail space for the Project. Mr. Jackson added that the Developer would like to attract as many Detroit businesses for the retail space as possible and that one of the potential tenants is Kuzzo's Chicken and Waffles which would make a second location for that business.

Ms. Mays asked if the offsite parking for the residents would be guaranteed or reserved for the residents. Mr. Wizner stated that the parking spots would be guaranteed or reserved for the residents and that the offsite parking will be located in the Millennium Parking Garage on Woodward Avenue next to the Whole Foods and there is a formal agreement with the owner of that parking garage.

Mr. George asked how far the offsite parking is from the Property. Mr. Wizner stated that the offsite parking is roughly a block and a half from the Property which is in compliance with the City of Detroit code regarding offsite parking.

Ms. Mays asked what the feedback has been from the MEDC regarding the amount of the Community Revitalization Program (CRP) loan from the Michigan Strategic Fund (MSF). Mr. Wizner stated that the feedback from the MEDC has been positive regarding the amount of the CRP loan from the MSF and that he expects to receive a Letter of Intent from the MSF soon. Mr. Wizner also stated that the capital stack for the Project consists of equity, a first mortgage, and the CRP loan and that there was previously HOME funds associated with the Project.

Ms. Mays asked if the amount of the CRP loan is larger than normal. Mr. Walters stated that the largest CRP loan was for the David Whitney project and the amount of that loan was approximately \$8 million.

Ms. DeSantis asked why HOME funds are no longer going to be used for the project. Mr. Wizner stated that the hard costs would increase by 10% due to the Davis-Bacon Act and the construction costs for the project have already been an issue for the Project.

Mr. Jackson stated that the utility costs will be included in the rental rate for the affordable units for the Project. Ms. DeSantis asked if that is common to include utility costs in the rental rate for affordable units. Mr. Wizner stated that he believes it will become more common, but it is not typical right now.

Mr. Walters called for a motion approving the Queen Lillian II Brownfield Redevelopment Plan: Amendment to Terms of Sale of 3439-3455 Woodward Avenue and 13 Stimson Street to Queen Lillian II, LLC, as presented. The Board took the following action:

On a motion by Ms. DeSantis, seconded by Ms. Washington, DBRA Resolution Code 19-11-228-06 was unanimously approved.

Mr. Walters requested that the City Club Apartments Brownfield Redevelopment Plan be moved to the next item on the agenda.

Mr. Scott excused himself from the meeting at 4:45 pm.

Mr. Walters excused himself from the meeting at 4:45 pm and Ms. DeSantis chaired the remainder of the meeting as Vice-Chairperson.

City Club Apartments Brownfield Redevelopment Plan

Mr. Vosburg presented the City Club Apartments Brownfield Redevelopment Plan to the DBRA Board.

Project Introduction

CCA CBD Detroit, LLC is the project developer (the "Developer") for the Plan which involves the construction of a mixed-use building that will contain approximately 288 apartments, 11,291 square feet of retail and other commercial space and an underground parking garage with capacity for approximately 410 vehicles. Twenty percent of the 288 residential units will be available at 80% of the Area Median Income (AMI).

The adoption of this Plan is being requested after the commencement of construction due to the discovery of significant unknown underground obstructions during construction. Although eligible activities in connection with the Plan are expected to exceed \$10,000,000, the Developer is requesting approval of \$7,933,739, which corresponds to the additional costs that have been incurred by the Developer due to the discovery of the unknown underground obstructions. Further, in the event the Michigan Strategic Fund ("MSF") does not approve the use of school taxes to reimburse eligible activity costs, the Developer seeks approval for only \$4,359,103 of the eligible activity costs and interest thereon.

The total investment is estimated to be \$92 million.

There will be approximately 450 temporary construction jobs and 58 FTE jobs created under this Plan. Approximately 50 part time and full-time retail jobs are expected for the commercial and retail establishments and 8 full time jobs related to property management.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcel located at 313 Park Avenue in Downtown Detroit, bounded by Park Avenue to the north, Washington Boulevard to the east, Clifford Street to the south, and Bagley Street to the west.

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 purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is a “facility” pursuant to Part 201.

Eligible Activities and Projected Costs

The “eligible activities” that are intended to be carried out at the Property are considered “eligible activities” as defined by Sec 2 of Act 381, because they include environmental assessment activities, infrastructure improvements, interest, and development and implementation of brownfield plan and/or Act 381 work plan. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities began in November 2017 and are expected to be complete by the end of 2019.

Tax Increment Financing (TIF) Capture

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan pursuant to the terms of a Reimbursement Agreement with the DBRA.

COSTS TO BE REIMBURSED WITH TIF – WITH MSF APPROVAL

1. Environmental Assessment Activities	\$28,000.00
2. Infrastructure Improvements	\$6,452,156.00
3. Brownfield Plan & Work Plan Preparation	\$30,000.00
4. Interest	\$1,423,583.00
Total Reimbursement to Developer	\$7,933,739.00
5. Authority Administrative Costs	\$1,420,712.00
6. State Brownfield Redevelopment Fund	\$949,148.00
7. Local Brownfield Revolving Fund	\$1,068,728.00
TOTAL Estimated Costs	\$11,372,327.00

COSTS TO BE REIMBURSED WITH TIF – WITHOUT MSF APPROVAL

8. Environmental Assessment Activities	\$28,000.00
9. Infrastructure Improvements	\$4,060,324.00
10. Brownfield Plan & Work Plan Preparation	\$30,000.00
11. Interest	\$242,779.00
Total Reimbursement to Developer	\$4,359,103.00
12. Authority Administrative Costs	\$769,606.00
13. State Brownfield Redevelopment Fund	\$0.00
14. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$5,128,709.00

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Property has been approved for a Commercial Rehabilitation Act (PA 210) Abatement and a Neighborhood Enterprise Zone Act (PA 147) Abatement.

Attached for the DBRA Board’s review and approval was a resolution authorizing the City Club Apartments Brownfield Plan for submittal to the Community Advisory Committee for consideration and comment within 30 days of their receipt of the proposed Plan. In addition, it authorizes the President of the Detroit Economic Growth Corporation or any person designated by him, as a representative of the DBRA, to conduct a public

hearing in the area to which the Proposed Plan applies within the next 30 days. This public hearing may be held jointly with any public hearing conducted by the Community Advisory Committee.

Ms. Wilkins asked if the environmental remediation has taken place on the Property. Mr. Barr confirmed that the environmental remediation has taken place on the Property.

Ms. Mays asked when the Plan will be reviewed by the MSF and how the amount of school taxes that are projected to be captured under the Plan. Mr. Vosburg stated that the Plan will go to Detroit City Council for approval in January or February and if approved may go to the MSF for review in February or March. Ms. Navin stated that because the Property in the Plan is located in the DDA, the school taxes are subject to capture by the DDA but because the DDA passed a resolution allowing projects which meet certain requirements to capture those school taxes for the life of the applicable Plan.

Mr. Walters called for a motion to authorize a public hearing and refer the City Club Apartments Brownfield Redevelopment Plan to the DBRA-CAC, as presented. The Board took the following action:

On a motion by Mr. George, seconded by Ms. McClain, DBRA Resolution Code 19-11-282-01 was approved. Ms. Mays opposed.

Osi Art Apartments @ West End Brownfield Plan: Reimbursement Agreement

Ms. Capler presented the Osi Art Apartments @ West End Brownfield Plan: Reimbursement Agreement to the DBRA Board.

On October 9, 2019, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors recommended approval to City Council of the Brownfield Plan for the Osi Art Apartments @ West End Redevelopment Project (the "Plan"). The City Council public hearing for the Plan was held October 31, 2019 and City Council approved the Plan on November 5, 2019. A requirement for Tax Increment Financing reimbursement pursuant to the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA and 3820 West End, LLC. The Agreement has been prepared between the DBRA and 3820 West End, LLC and is presented to the DBRA for review and approval.

Project Introduction

3820 West End, LLC is the project developer (the "Developer") for the Plan which entails the construction of a mixed-use development on the Property. The redevelopment, currently referred to as "The Osi Art Apartments @ West End," is planned to consist of first floor commercial-use square footage with an estimated 30 residential units on the upper floors. The proposed structure will be fronted along Grand River Avenue with tenant parking to the rear of the building. The Property is presently vacant with no structures.

The total investment is estimated to be \$6.6 million. The Developer is requesting \$360,172.00 in TIF reimbursement.

There will be 53 temporary construction jobs and 2 FTE job. The 2 FTE jobs will be related to property management.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcel bounded to the north by a public alley; to the south by Grand River Avenue; by Avery Street to the west beyond a vacant adjacent parcel; and by the Patterson Dog and Cat Hospital at 3800 Grand River Avenue to the east.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized as commercial as well as industrial purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be a facility.

Eligible Activities and Projected Costs

The “eligible activities” that are intended to be carried out at the Property are considered “eligible activities” as defined by Sec 2 of Act 381, because they include environmental assessment activities, due care activities and additional response activities (department-specific activities), exterior foundation demolition and development and preparation of a brownfield plan and Act 381 work plan(s). The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to commence within 18 months of approval of the Plan and be completed within 3 years.

Tax Increment Financing (TIF) Capture

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan pursuant to the terms of a Reimbursement Agreement with the DBRA.

COSTS TO BE REIMBURSED WITH TIF

1. Environmental Assessment Activities	\$16,850.00
2. Department Specific Activities	\$95,048.00
3. Demolition	\$60,000.00
4. Infrastructure Improvements	\$50,000.00
5. Site Preparation	\$30,884.00
6. Storm Water Management	\$50,000.00
7. Brownfield Plan & Work Plan Preparation	\$14,500.00
8. Contingency (15%)	\$42,890.00
Total Reimbursement to Developer	\$360,172.00
9. Authority Administrative Costs	\$122,693.00
10. State Brownfield Redevelopment Fund	\$60,436.00
11. Local Brownfield Revolving Fund	\$274,650.00
TOTAL Estimated Costs	\$817,951.00

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Developer is seeking additional incentives, which will include local and/or state approval of a Commercial Rehabilitation Act PA 210 Tax Abatement.

DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the September 11, 2019 CAC meeting. Attached is the DBRA-CAC’s letter of recommendation for the DBRA Board’s consideration.

Public Comments

The DBRA public hearing for the Plan was held on Tuesday, September 17, 2019 at 5:30 pm at the Goodwill Industries of Greater Detroit office located at 3111 Grand River Avenue, Detroit, Michigan. The results of the DBRA public hearing are attached.

The Agreement and a resolution approving the Agreement and its subsequent execution were attached for the DBRA Board’s review and approval.

Ms. DeSantis called for a motion approving the Osi Art Apartments @ West End Brownfield Plan: Reimbursement Agreement, as presented. The Board took the following action:

On a motion by Ms. Washington, seconded by Ms. Wilkins, DBRA Resolution Code 19-11-277-03 was unanimously approved.

Mosaic Eastern Market Brownfield Plan: Reimbursement Agreement

Ms. Kanalos presented the Mosaic Eastern Market Brownfield Plan: Reimbursement Agreement to the DBRA Board.

On October 23, 2019, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors recommended approval to City Council of the Brownfield Plan for the Mosaic Eastern Market Redevelopment Project (the "Plan"). The City Council public hearing for the Plan was held October 17, 2019 and City Council is scheduled to approve the Plan on November 5, 2019. A requirement for Tax Increment Financing reimbursement pursuant to the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA and Riopelle Market Development LP. The Agreement has been prepared between the DBRA and Riopelle Market Development LP and is presented to the DBRA for review and approval.

Project Introduction

Riopelle Market Development LP is the project developer (the "Developer") for the Plan which entails the renovation of the existing 105,544 square foot building into an adaptive mixed-use collective that will contain Eastern Market Corporation's accelerator/commissary facility for food entrepreneurs, along with an eclectic mix of food and creative related business tenants. The existing 2,000 square foot building will be demolished and the vacant area surrounding it will be converted into a parking lot, which will accommodate approximately 370 onsite parking spaces. The renovated building will be known as Mosaic Eastern Market and will feature approximately 66,910 square feet of flexible commercial/office space, approximately 12,235 square feet of food accelerator space, approximately 16,680 square feet of restaurant space, and approximately 16,977 square feet of green energy generation with the installation of an estimated 3,355 panel solar array on the roof.

The total investment is estimated to be \$22 million. The Developer is requesting \$6,059,937.00 in TIF reimbursement.

There will be 260 temporary construction jobs and 450 FTE jobs. The 450 FTE job will largely depend on the tenants, but may include: office personnel, restaurant staff, custodial staff, food processing specialists, distillery and/or brewery operators and production line staff.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcels located in Detroit's Eastern Market district, bounded loosely by Riopelle Street to the west, Hale Street to the north, Orleans Street to the east, and Erskine Street to the south.

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 purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be a "facility," as defined by Act 381.

Eligible Activities and Projected Costs

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Sec 2 of Act 381, because they include Predevelopment Activities, Due Care Compliance Activities, Response Activities, Demolition, Lead and Asbestos Abatement, Site Preparation, Public and Private Infrastructure Improvements, and the preparation and implementation of a brownfield plan and Act 381 work plan. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to commence within 18 months of approval of the Plan and be completed within 3 years.

Tax Increment Financing (TIF) Capture

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan pursuant to the terms of a Reimbursement Agreement with the DBRA.

COSTS TO BE REIMBURSED WITH TIF

1. Pre-Approved Activities	\$109,570.00
2. Due Care Compliance Activities	\$1,067,500.00
3. Demolition	\$1,189,581.00
4. Asbestos and Lead Activities	\$265,000.00
5. Infrastructure Improvements	\$1,027,000.00
6. Site Preparation	\$263,424.00
7. Brownfield Plan & Work Plan Preparation and Implementation	\$37,500.00
8. Contingency (15%)	\$513,045.00
9. Interest	\$1,587,317.00
Total Reimbursement to Developer	\$6,059,937.00
10. Authority Administrative Costs	\$1,291,536.00
11. State Brownfield Redevelopment Fund	\$324,620.00
12. Local Brownfield Revolving Fund	\$934,146.00
TOTAL Estimated Costs	\$8,610,239.00

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Developer is seeking additional incentives, which will include local and/or state approval of an Obsolete Property Rehabilitation Act (PA 146) Abatement.

The Agreement and a resolution approving the Agreement and its subsequent execution were attached for the DBRA Board’s review and approval.

Ms. DeSantis called for a motion approving the Mosaic Eastern Market Brownfield Plan: Reimbursement Agreement, as presented. The Board took the following action:

On a motion by Ms. Washington, seconded by Mr. George, DBRA Resolution Code 19-11-279-03 was unanimously approved.

Second Amended and Restated 3800 Woodward Brownfield Plan: Request for Extension

Ms. Kanalos presented the Second Amended and Restated Brownfield Plan: Request for Extension to the DBRA Board.

The Second Amended and Restated 3800 Woodward Brownfield Redevelopment Plan (the “Plan”) was approved by the DBRA Board of Directors on May 22, 2019 and by Detroit City Council (the “Council”) on July 2, 2019. The Reimbursement Agreement was executed on July 16, 2019.

3750 Woodward Avenue, LLC is the developer (the “Developer”) for Plan which is located at 3750 and 3800 Woodward Avenue. Due to the extended construction period anticipated for the construction of the parking deck and condominium units, the Developer is requesting an eighteen (18) month extension to complete all eligible activities by January 16, 2023.

DBRA staff recommends the approval of the extension.

A resolution granting the extension of the Second Amended and Restated 3800 Woodward Brownfield Redevelopment Plan duration requirements was attached for the DBRA Board’s review and approval.

Mr. George asked what the anticipated completion date is for the project. Mr. Matthews stated that the anticipated completion date for phase 1 of the project is in 2021 and 2023 for the entire project.

Ms. DeSantis asked why the extension is being requested for the project. Mr. Matthews stated that due to the phasing of the project it will not be completed within three years which is the standard amount of time provided to complete all eligible activities within a brownfield plan. Ms. Kanalos added that the DBRA has approved a period of up to five years for the completion of eligible activities under a brownfield plan.

Ms. DeSantis called for a motion approving the Second Amended and Restated Brownfield Plan: Request for Extension, as presented. The Board took the following action:

On a motion by Mr. George, seconded by Ms. McClain, DBRA Resolution Code 19-11-197-10 was unanimously approved.

ADMINISTRATIVE

None.

OTHER

None.

PUBLIC COMMENT

None.

ADJOURNMENT

Citing no further business, Ms. DeSantis called for a motion to adjourn the meeting.

On a motion by Ms. Wilkins, seconded by Mr. George the meeting was unanimously adjourned at 5:03 PM.



CODE DBRA 19-11-02-267

APPROVAL OF MINUTES NOVEMBER 6, 2019

RESOLVED, that the minutes of the special meeting of November 6, 2019 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Detroit Brownfield Redevelopment Authority.

November 20, 2019



CODE DBRA 19-11-228-06

AMENDMENT TO TERMS OF SALE OF 3439-3455 WOODWARD AVENUE AND 13 STIMSON TO QUEEN LILLIAN II, LLC

WHEREAS, in August and October, 2017, the Detroit Brownfield Redevelopment Authority (“**DBRA**”) approved terms of development and financing relating to a vacant City-owned parcel currently at the corner of Woodward and Stimson (the “**Property**”) to Queen Lillian II, LLC (the “**Developer**”) for redevelopment including a 5-story building with approximately 25,000 square feet of first floor commercial, 112 residential units, and a 3-story parking garage (the “**Project**”), for the purchase price of One Million Three Hundred Nine Thousand and 00/100 Dollars (\$1,309,000.00) (the “**Purchase Price**”), in accordance with and subject to the terms and conditions of a Land Transfer Agreement with the City of Detroit (the “**LTA**”); and

WHEREAS, due to financing complications, increased construction costs and unexpected redesigns related to the Project, Developer has revised its anticipated development of the Properties to increase the residential components from 112 residential units to 201 residential units, and to replace the intended 3-story parking garage with a surface parking lot intended to service the Project and requested a reduction of the Purchase Price to \$300,000.00 in order to enhance the Developer’s ability to finance the Project (collectively, the “**Revised Project Terms**”); and

WHEREAS, DBRA Staff have reviewed the circumstances and financial information surrounding the Developer’s Project and find the Revised Project Terms to be necessary to move the project to a closing;

WHEREAS, the transactions contemplated by this resolution are authorized by Act 381 of 1996; and

WHEREAS, the Board of Directors has determined that the Revised Project Terms are in the best interests of the advancement of the Project and otherwise consistent with the public purposes and responsibilities of the DBRA;

NOW, THEREFORE, BE IT RESOLVED that the DBRA Board of Directors hereby approves the Revised Project Terms.

BE IT FURTHER RESOLVED that the DBRA Board of Directors hereby authorizes the negotiation and execution of amendment to the development agreement and LTA to reflect the Revised Project Terms, together with the same such terms and conditions deemed reasonable by DBRA’s counsel and Authorized Agents, which terms and conditions shall not be materially inconsistent with this resolution or prior Board resolutions relating to the Project, subject in any event, to the approval by Detroit City Council of the revised Purchase Price.

BE IT FURTHER RESOLVED that any two officers, any two of the Authorized Agents or any one of the Officer and any one of the Authorized Agents of the DBRA, shall hereafter have the authority to negotiate and execute the amended development agreement, LTA, and the any and all other documents, contracts or other papers, or take any and all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the DBRA.

BE IT FINALLY RESOLVED that all of the acts and transactions of any Officer or Authorized Agent of the DBRA, in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

November 20, 2019



CODE DBRA 19-11-282-01

CITY CLUB APARTMENTS BROWNFIELD REDEVELOPMENT PLAN – TRANSMITTAL OF BROWNFIELD PLAN TO THE COMMUNITY ADVISORY COMMITTEE

WHEREAS, pursuant to 381 PA 1996 (“Act 381”), the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) has been established by resolution of the City Council of the City of Detroit (the “City”) for the purpose of promoting the revitalization of environmentally distressed areas in the City; and

WHEREAS, under Act 381 the DBRA is authorized to develop and propose for adoption by City Council a brownfield plan for one or more parcels of eligible property; and

WHEREAS, under the resolution establishing the DBRA and the bylaws of the DBRA requires the DBRA, prior to the approval of a brownfield plan, submit the proposed brownfield plan to the Community Advisory Committee for consideration and comment and solicit comments by publication of notice that the proposed brownfield plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies.

NOW, THEREFORE, BE IT RESOLVED:

1. The City of Detroit Brownfield Redevelopment Authority acknowledges receipt of the proposed Brownfield Plan for the **City Club Apartments Brownfield Redevelopment Plan** (the “Proposed Plan”) and authorizes and directs the Chairperson to cause the Proposed Plan to be transmitted to the Community Advisory Committee for consideration and comment within 30 days of their receipt of the Proposed Plan.

2. The President of the Detroit Economic Growth Corporation or any person designated by him, as a representative of the DBRA, shall conduct a public hearing in the area to which the Proposed Plan applies within the next 30 days. This public hearing may be held jointly with any public hearing conducted by the Community Advisory Committee.

3. The Chairperson is authorized and directed to cause there to be published notice that the Proposed Plan has been submitted to the Community Advisory Committee and of the public hearing to be held pursuant to this resolution.

BE IT FINALLY RESOLVED, that all of the acts and transactions of any Officer or Authorized Agent of the DBRA in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolution except that such acts were taken prior to execution of these resolution, are hereby in all respects confirmed, approved and ratified.

November 20, 2019



CODE DBRA 19-11-277-03

OSI ART APARTMENTS @ WEST END BROWNFIELD REDEVELOPMENT PLAN: REIMBURSEMENT AGREEMENT

WHEREAS, on October 9, 2019, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution recommending approval by the Detroit City Council of the Brownfield Plan (the "Plan") for a project captioned **Osi Art Apartments @ West End Redevelopment** (the "Project"); and

WHEREAS, on October 22, 2019, the Detroit City Council approved the Plan; and

WHEREAS, a condition to reimbursing the developer for eligible activities under the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA and 3820 West End, LLC as developer of the Project; and

WHEREAS, the Agreement has been drafted, approved as to form by DBRA legal counsel; and

WHEREAS, the Board of Directors desires to approve the Agreement and authorize its execution and delivery on behalf of the DBRA; and

NOW THEREFORE, BE IT RESOLVED, by the DBRA Board of Directors as follows:

1. The Agreement, in substantially the form attached to this Resolution as Exhibit A, is hereby approved, with such necessary or desirable modifications additions, deletions or completions as are approved by DBRA legal counsel and the Officers or designated Authorized Agents of the DBRA executing the Agreement.
2. Any two Officers or designated Authorized Agents or one Officer and one designated Authorized Agent of the DBRA are authorized and directed to execute and deliver the Agreement.
3. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be and the same hereby are repealed insofar as such conflict arises.
4. This Resolution shall take effect immediately upon its adoption.

BE IT FINALLY RESOLVED that all of the acts and transactions of any officer or authorized agent of the DBRA, in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

November 20, 2019



CODE DBRA 19-11-279-03

MOSAIC EASTERN MARKET BROWNFIELD REDEVELOPMENT PLAN: REIMBURSEMENT AGREEMENT

WHEREAS, on August 14, 2019, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution recommending approval by the Detroit City Council of the Brownfield Plan (the "Plan") for a project captioned **Mosaic Eastern Market Redevelopment** (the "Project"); and

WHEREAS, on November 5, 2019, the Detroit City Council approved the Plan; and

WHEREAS, a condition to reimbursing the developer for eligible activities under the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA and Riopelle Market Development LP as developer of the Project; and

WHEREAS, the Agreement has been drafted, approved as to form by DBRA legal counsel; and

WHEREAS, the Board of Directors desires to approve the Agreement and authorize its execution and delivery on behalf of the DBRA; and

NOW THEREFORE, BE IT RESOLVED, by the DBRA Board of Directors as follows:

4. The Agreement, in substantially the form attached to this Resolution as Exhibit A, is hereby approved, with such necessary or desirable modifications additions, deletions or completions as are approved by DBRA legal counsel and the Officers or designated Authorized Agents of the DBRA executing the Agreement.
5. Any two Officers or designated Authorized Agents or one Officer and one designated Authorized Agent of the DBRA are authorized and directed to execute and deliver the Agreement.
6. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be and the same hereby are repealed insofar as such conflict arises.
5. This Resolution shall take effect immediately upon its adoption.

BE IT FINALLY RESOLVED that all of the acts and transactions of any officer or authorized agent of the DBRA, in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

November 20, 2019



CODE DBRA 19-11-197-10

**SECOND AMENDED AND RESTATED 3800 WOODWARD BROWNFIELD REDEVELOPMENT PLAN:
EXTENSION OF PLAN DURATION REQUIREMENTS**

WHEREAS, pursuant to 381 PA 1996 (“Act 381”), the Second Amended and Restated 3800 Woodward Brownfield Redevelopment Plan (the “Plan”) was approved by the Detroit Brownfield Redevelopment Authority (the “DBRA”) on May 22, 2019 and Detroit City Council (the “Council”) on July 2, 2019; and

WHEREAS, 3750 Woodward Avenue, LLC is the developer (the “Developer”) for the Plan located in Detroit at 3750 and 3800 Woodward Avenue that entails the construction of a hotel, residential units, and commercial space as well as a parking structure; and

WHEREAS, due to the extended construction period anticipated for the construction of the parking deck and condominium units, the Developer is requesting an eighteen (18) month extension to complete all eligible activities by January 16, 2023; and

WHEREAS, DBRA staff recommends the approval of the Plan duration extension based upon the Developers ability to complete the eligible activities within the timeframe of the extension.

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors approves the Plan duration extension as follows: 1) one eighteen (18) month extension for completion of all eligible activities by January 16, 2023.

BE IT FINALLY RESOLVED, that a DBRA Authorized Agent shall hereafter have the authority to negotiate and execute any Letter(s) of Support to implement the provisions and intent of this resolution on behalf of the DBRA.

November 20, 2019