



Detroit Brownfield Redevelopment Authority  
500 Griswold Street • Suite 2200  
Detroit, Michigan 48226  
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**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
REGULAR BOARD OF DIRECTORS MEETING  
WEDNESDAY, FEBRUARY 28, 2018  
4:00 PM**

**BOARD MEMBERS PRESENT:** Maggie DeSantis  
John George  
Pamela McClain  
Sonya Mays  
Ray Scott  
Matthew Walters  
Stephanie Washington  
Donele Wilkins

**BOARD MEMBERS ABSENT:** Derrick Sanders

**OTHERS PRESENT:** Ayesha Maxwell (DEGC/DBRA)  
Jennifer Kanalos (DEGC/DBRA)  
Brian Vosburg (DEGC/DBRA)  
Sarah Pavelko (DEGC/DBRA)  
Elizabeth Brinson (DEGC/DBRA)  
Ngozi Nwaesei (Lewis & Munday)  
Jeremy McCallion (AKT Peerless)  
Shavon Caldwell (Temple Group Holdings)  
Christos Moises (Temple Group Holdings)  
Jon Bolwing (Broder & Sachse)  
Doug McDowell (McDowelle Associates)  
Seth Hermowitz (HP Homes)  
A. Milz (HP Homes)



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MINUTES OF THE DETROIT BROWNFIELD  
REDEVELOPMENT AUTHORITY REGULAR MEETING  
WEDNESDAY, FEBRUARY 28, 2018  
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 4:11 PM.

### **GENERAL**

#### **Approval of Minutes:**

Mr. Walters called for a motion approving the minutes of February 14, 2018 as presented. The Board took the following action:

On a motion by Mr. George, seconded by Ms. Washington, DBRA Resolution Code 18-02-02-230 was unanimously approved.

#### **Acceptance of the January 2018 Treasurer's Report**

Ms. Brinson presented the January 2018 DBRA Treasurer's Report.

Mr. Walters called for a motion accepting the January 2018 Treasurer's Report.

On a motion by Mr. Scott, seconded by Ms. Washington, DBRA Resolution Code 18-02-03-172 was unanimously approved.

### **PROJECTS**

#### **640 Temple Brownfield Redevelopment Plan**

Mr. Vosburg presented the 640 Temple Brownfield Plan. The development team provided additional information regarding the project's intended use and the history of the project site.

#### **Project Introduction**

Temple Group Holdings, LLC is the project developer (the "Developer") for the Plan which entails the redevelopment of the current 169,337-square foot commercial building located at 640 Temple Street and the adjacent vacant lot. The redevelopment encompasses several components including 100-room key boutique hotel and hotel auxiliary facilities, a restaurant and banquet facility, 70 residential apartments and a lounge/night club.

The Property is located in Detroit's Cass Park Historic District, on the west side of Detroit, on the block bounded by Charlotte Street to the north, Second Avenue to the east, Temple Street to the south and Third Avenue to the west.

The total investment is estimated to be \$65 million. The Developer is requesting \$6,455,496.00 in TIF reimbursement, however only \$5,100,380 in TIF Reimbursement is projected to be captured for the life of the Plan.

There will be 158 Temporary construction jobs and 80 FTE jobs. The 80 FTE are expected to be created over a 3 year period, once construction begins. The FTE jobs will include managerial positions, housekeeping and janitorial staff, wait staff and desk attendants.

#### Property Subject to the Plan

The eligible property (the "Property") consists of four (4) parcels located at 640,650,660 and 674 Temple Street bounded by Charlotte Street to the north, Second Avenue to the east, Temple Street to the south and Third Avenue to the west in Detroit's Cass Park Historic District.

#### 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 department specific activities, site preparation, infrastructure improvements, demolition, lead and asbestos abatement and development of a brownfield plan and 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 begin in the spring/summer of 2018 and be completed within eighteen (18) months.

#### 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. Department Specific Activities	\$1,122,300.00
2. Demolition	\$1,639,860.00
3. Lead and Asbestos Activities	\$425,000.00
4. Site Preparation	\$741,100.00
5. Infrastructure Improvements	\$1,066,500.00

6. Brownfield Plan & Act 381 Work Plan	\$30,000.00
7. Cost Tracking Compliance	\$30,000.00
8. Contingency – (15%)	\$682,464.00
9. Interest (5% simple, after expiration of OPRA)	\$718,272.00
<b>*Total Reimbursement to Developer</b>	<b>\$6,455,496.00</b>
10. Authority Administrative Costs	\$2,031,234.00
11. State Brownfield Redevelopment Fund	\$1,386,699.00
12. Local Site Remediation Revolving Fund	\$1,035,230.00
<b>TOTAL Estimated Costs</b>	<b>\$10,908,659.00</b>

\*Developer is only projecting to receive \$5,100,380 in TIF Reimbursement

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 Obsolete Property Rehabilitation Act (OPRA) Tax Abatements and Act 381 Work Plans. A Federal Historic Tax Credit is also anticipated; therefore, the historic architectural features of the building will be preserved as part of the rehabilitation.

#### DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the February 14, 2018 CAC meeting. Attached was the DBRA-CAC's letter of recommendation for the DBRA Board's consideration.

#### Public Comments

Attached were the results of the DBRA public hearing for the Plan that was held on Wednesday, February 21, 2018 at the project site located at 640 Temple Detroit, Michigan 48201.

Attached for Board review and approval was a resolution approving the Brownfield Plan for the 640 Temple Redevelopment and its submittal to Detroit City Council.

Ms. DeSantis asked there was an additional support letters, specifically from Midtown. Mr. Vosburg advised that the Midtown Inc support letter was attached in the board book and that there was also an additional letter attached from Masonic Temple.

Ms. DeSantis called for a motion approving the submittal of the 640 Temple Brownfield Redevelopment Plan to the Detroit City Council. The Board took the following action:

On a motion by Ms. Wilkins, seconded by Ms. McClain, DBRA Resolution Code 18-02-255-02 was unanimously approved.

#### Uniroyal Site Approval of Extension Request

On November 8, 2017, the Detroit Brownfield Redevelopment Authority ("DBRA") approved the extension of the assignment and assumption of the Development

Agreement (as amended, "Agreement") with Bettis/Bettters Development, LLC (the "Developer") to Belleview Redevelopment, LLC (the "Assignee") which has been formed as a joint venture between Assignor and Riverfront Site, LLC (the "Assignment"), an affiliate of Bedrock.

As a condition for approval of the Assignment, Assignee and the DBRA's authorized agents were to negotiate the minimum requirements and milestones for the development contemplated under the Development Agreement for consideration by the DBRA within 90 days of execution of the assignment. This approval was intended to come before the DBRA on February 28, 2018 but due outstanding information required to finalize the minimum requirements and milestones, DBRA staff requested a two (2) month extension for the delivery of the minimum requirements and milestones.

Mr. Scott asked for clarification on the expiration of the agreement. Mr. Walters and Ms. Navin provided additional details regarding the request and stated that there was progress being made with respect to the minimum requirements and milestones and that the request before the Board today was an extension to provide that information per the November 8, 2017 resolution approving the extension of the assignment and assumption of the Agreement with the Developer to the Assignee.

Mr. Walters called for a motion approving the extension request of the Uniroyal Project. The Board took the following action:

On a motion by Ms. DeSantis, seconded by Ms. McClain, DBRA Resolution Code 18-02-130-16 was unanimously approved.

### **Pullman Parc Approval of MDEQ Grant Application**

Mr. Vosburg presented on the Pullman Parc MDEQ Grant Application.

The Michigan Department of Environmental Quality (the "MDEQ") recently received a one-time allocation of \$6 million in funds from the State of Michigan to offer statewide environmental cleanup grants through their existing Brownfield Grant & Loan Program. Grant funds are limited to a maximum of \$1 million per project and applications are being received on a first come, first awarded basis. Proposed projects must be able to start construction no later than the Fall of 2018 and, at the time of application, have completed environmental studies that are sufficient to determine the scope and budget of the environmental cleanup needed for the site. No local match is required as part of this grant application. Grant awards are expected to be announced within a month or two of grant submission. Funds for successful grantees will be made available on a reimbursement basis to the developer.

DBRA staff have discussed the grant program with DEGC staff, as well as the Jobs & Economy Team staff, and feel that the Pullman Parc project is one of a very small number of projects in the City well situated to take advantage of the grant program. The DBRA will be allowed to take up to a 3% administrative fee to cover DBRA administrative costs as well as the costs of a contractual environmental oversight professional that will work

on behalf of the DBRA. The environmental oversight professional will be procured at a later date if the DBRA is successful with this grant application.

A resolution supporting the submission of the Pullman Parc project to the MDEQ Grant & Loan Program was attached for review and approval.

Ms. DeSantis asked if the developer could find a way to honor the history of the old Friends School which use to be located at the project site. The developer advised that they are hoping to keep the Pullman name to honor the Pullman Car Factory, but would try and find a creative way to honor the school history as well.

Ms. McClain asked about the commitment to hiring Detroiters on the construction side. The developer advised that they are committed to hiring Detroiters for both temporary construction jobs and permanent positions.

Ms. Mays asked if they had complied with the executive orders in the past on previous projects. The development team advised that they did not have any previous projects that were subjective to executive orders.

Mr. George asked for clarification on how the grant proceeds would be managed by DBRA. Mr. Vosburg advised that the DBRA would be the sponsor. The DBRA would administer the funds and funds would be disbursed on a reimbursement basis with concurrence from the MDEQ.

Mr. Walters called for a motion approving the submission of the Pullman Parc Project to the MDEQ Grant & Loan Program. The Board took the following action:

On a motion by Ms. DeSantis, seconded by Ms. McClain, DBRA Resolution Code 18-02-130-16 was unanimously approved.

#### **OTHER**

Ms. Washington notified Mayoral appointees on the DBRA board that City Council will be interviewing all Mayoral appointees for appointment and reappointment to the DBRA board. Previously this step was not required for Mayoral appointees.

#### **PUBLIC COMMENT**

None

#### **ADJOURNMENT**

Citing no further business, Mr. Walters called for a motion to adjourn the meeting.

On a motion by Ms. DeSantis, seconded by Mr. George the meeting was unanimously adjourned at 4:54 PM.



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**CODE DBRA 18-02-02-230**

**APPROVAL OF MINUTES FEBRUARY 14, 2018**

RESOLVED, that the minutes of the regular meeting of February 14, 2018 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.

February 28, 2018



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**DBRA 18-02-03-172**

**ACCEPTANCE OF TREASURER'S REPORT FOR JANUARY 2018**

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period January 1 through January 31, 2018, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

February 28, 2018



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**CODE DBRA 18-02-130-16**

**UNIROYAL: EXTENSION OF ASSIGNMENT AND ASSUMPTION OF AGREEMENT  
TO PURCHASE AND DEVELOP LAND**

**WHEREAS**, On November 8, 2017, the Detroit Brownfield Redevelopment Authority (“DBRA”) approved the extension of the assignment and assumption of the Development Agreement (as amended, “Agreement”) with Bettis/Bettters Development, LLC (the “Developer”) to Belleview Redevelopment, LLC (the “Assignee”) which has been formed as a joint venture between Assignor and Riverfront Site, LLC (the “Assignment”), an affiliate of Bedrock; and

**WHEREAS**, as a condition for approval of the Assignment, Assignee and the DBRA’s authorized agents were to negotiate the minimum requirements and milestones for the development contemplated under the Development Agreement for consideration by the DBRA within 90 days of execution of the assignment and was intended to come before the DBRA on February 28, 2018; and

**WHEREAS**, further due diligence has been requested by the City, the current owner of the property, requiring additional time for the negotiation; and

**WHEREAS**, DBRA staff is requesting the DBRA approve a 2-month extension to draft revised minimum development requirements and milestones and, in the event that the parties do not agree to revised minimum development requirements and milestones, the Assignment will be null and void and the deadline for closing will be extended from June 1, 2019 to August 1, 2019.

**WHEREAS**, the Board of Directors has determined that the above-requested extension is consistent with the public purposes and responsibilities of the DBRA;

**NOW, THEREFORE, BE IT RESOLVED** that the DBRA Board of Directors hereby approves the extension as outlined above.

**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 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.

February 28, 2018



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**CODE DBRA 18-02-01-256**

**SUPPORT AND APPROVAL OF PULLMAN PARC APPLICATION TO THE MDEQ BROWNFIELD GRANT & LOAN PROGRAM**

WHEREAS, the DBRA was created pursuant to Act 381 of the Public Acts of Michigan of 1996 (“Act 381”) for the purpose of facilitating the implementation of brownfield plans and promoting the revitalization, redevelopment, and reuse of certain property, including, but not limited to, tax reverted, blighted or functionally obsolete property within the City of Detroit; and

WHEREAS, the Michigan Department of Environmental Quality (the “MDEQ”) has opened an application period for new applications for the Brownfield Grant & Loan Program (the “Grant”) for projects that are able to start construction no later than the Fall of 2018 and, at the time of application, have completed environmental studies that are sufficient to determine the scope and budget of the environmental cleanup needed for the site, with a first come, first awarded basis for a grant only; and

WHEREAS, the Broder & Sachse and Hunter Pasteur (the “Developers”) have approached the DBRA to apply for a MDEQ Brownfield Grant & Loan Program Grant for the Pullman Parc development, which will entail 140-150 new construction apartments, 20% of which will be affordable to those at 80% of the Area Median Income and 60-80 new construction for-sale condominiums on the approximately 4-acre site, with construction to start Summer 2018 with project completion in mid-2020 (the “Project”); and

WHEREAS, the DBRA believes that the Project and Developers are well suited to be a successful applicant for the Grant; and

WHEREAS, the Board of Directors of DBRA has determined that proposed grant application is consistent with the powers of the DBRA, its statutory purpose, and its submission is supported by the Brownfield Redevelopment Financing Act (Act 381 of the Public Acts of Michigan of 1996, as amended).

**NOW THEREFORE BE IT RESOLVED:**

1. That Board of Directors of the City of Detroit Brownfield Redevelopment Authority do hereby support and approve the submission of a one million-dollar (\$1,000,000.00) MDEQ Brownfield Grant & Loan Program Grant application for the Pullman Parc project being jointly developed by Broder & Sachse and Hunter Pasteur.
2. That any Authorized Agent of the DBRA is authorized and directed to submit a Grant application to the MDEQ for the Project on behalf of the DBRA.

3. That upon award, the DBRA is authorized to accept and utilize the Grant to reimburse the Developer for eligible costs.
4. 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.
5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

February 28, 2018