



Detroit Brownfield Redevelopment Authority
500 Griswold Street • Suite 2200
Detroit, Michigan 48226
Phone: 313 963-2940
Fax: 313 963-8839

**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, OCTOBER 10, 2018
4:00 PM**

BOARD MEMBERS PRESENT:

Matthew Walters
Pamela McClain
Juan Gonzalez
Stephanie Washington
Donele Wilkins
John George
Maggie DeSantis

BOARD MEMBERS ABSENT:

Sonya Mays
Ray Scott

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Cleveland Dailey (DEGC)
Elizabeth Brinson (DEGC)
Ngozi Nwaesei (Lewis & Munday)
Kirstie Hardy (AKT Peerless)
Oren Brandvain (Develop Detroit)
Graten Little (Basco)
Shelby McPherson (VM3 Construction)



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**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, OCTOBER 10, 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 4:03 PM.

GENERAL

Approval of Minutes:

Mr. Walters called for a motion approving the minutes of September 12, 2018 as presented. The Board took the following action:

On a motion by Ms. Washington, seconded by Mr. George, DBRA Resolution Code 18-10-02-241 was unanimously approved.

Treasurer's Report

Ms. Brinson presented the August 2018 Treasurer's report.

Mr. Walters called for a motion approving the August 2018 Treasurer's Report as presented. The Board took the following action:

On a motion by Ms. DeSantis, seconded by Ms. Washington, DBRA Resolution Code 18-10-03-179 was unanimously approved.

ADMINISTRATIVE

Acceptance of FY 2017-2018 DBRA Audit Report

Ms. Kanalos presented the FY 2017-2018 DBRA Audit Report.

Mr. Walters called for a motion accepting the FY 2017-2018 Audit Report.

On a motion by Ms. DeSantis, seconded by Mr. George, DBRA Resolution Code 18-10-01-203 was unanimously approved.

DBRA Delegation of Authority

Ms. Kanalos presented the resolution for the DBRA Delegation of Authority.

The Detroit Brownfield Redevelopment Authority (the "DBRA") had determined that the process for authorizing expenditures for the DBRA was in need of further streamlining.

Any two Officers or any one Officer and any one Authorized Agent shall have the power to review and approve expenditures in an amount up to and including the sum of \$50,000.00, plus an amount not to exceed 25 percent of the original contract amount for change orders, if necessary.

Upon such approval, the officers and Authorized Agents would be authorized to negotiate and execute any and all documents and other writings necessary to implement the authorized expenditure, the execution of which would be in a manner consistent with the previous resolutions adopted by the DBRA Board.

DBRA staff would also report in writing to the Board on a quarterly basis regarding all expenditures authorized during that month.

Ms. McClain asked if the Delegation of Authority would need to be renewed annually or only approved once. Ms. Kanalos stated that the Delegation of Authority would only need to be approved by the DBRA Board once.

Ms. McClain asked why the DBRA Delegation of Authority was not the same as the Delegation of Authority for the other Authorities administered by DEGC for the City of Detroit. Ms. Kanalos stated that when the Delegation of Authority was presented to the DBRA Board in 2013, there was a DBRA Board member that wanted to reduce the expenditure authorization amount from \$50,000 to \$25,000.

Mr. George asked for an example of an Authorized Agent for the DBRA. Ms. Kanalos stated that she is an Authorized Agent for the DBRA.

Ms. DeSantis asked who the Officers are for the DBRA. Ms. Kanalos stated that Ms. DeSantis, Mr. Walters, Ms. Wilkins, and Ms. Mays are Officers for the DBRA Board.

Mr. Walters called for approval of the resolution approving the delegation of authority for expenditures in an amount up to and including the sum of \$50,000.00. The Board took the following action:

On a motion by Ms. McClain, seconded by Ms. Washington, DBRA Resolution Code 18-10-01-204 was unanimously approved.

PROJECTS

AMC Site – 14250 Plymouth Road – Expansion of Scope: Environmental Assessment/Second Party Review & Geotechnical Site Assessment Services Contract

Mr. Dailey presented the contract for the Environmental Assessment/Second Party Review & Geotechnical Site Assessment Services for the AMC Site.

On behalf of the City of Detroit, the DBRA is evaluating the former AMC Site located at 14250 Plymouth Road for Environmental and Geotechnical Due Diligence in connection with the DDOT and Wayne County Land Bank swap agreement and for attracting industrial facility developments to the Project.

PROJECT SCOPE

On December 20, 2017 the DBRA conducted an initial solicitation for the submission of competitive proposals for the provision of Site Assessment Services associated with the DBRA's Pre-development Site Preparation Activities of the AMC via a Request for Proposals.

The DBRA approved a contract with Testing Engineers & Consultants, Inc (TEC) on January 19, 2018 in the amount of \$136,000, which also included a 20% contingency and was largely due to the unknown contamination at the site, to provide the following services on the site:

- Phase 1 Environmental Site Assessment
- Stock piled (non-native) soil, testing & characterizing soils for contaminants
- Gridding sampling, testing & characterizing of native ground soils for contaminants
- Geotechnical investigation
- Hazardous material survey of existing facilities

EXPANSION OF SCOPE

Due to the complexities of the site, including the significant costs associated with assessing and disposing of the soil stockpiles, and as a follow up to TEC's Evaluation, the City has requested a second party assessment. This second party review includes the assessment of TEC's report as it relates to sufficiency and identification of data gaps from the soil stockpile samples and geotechnical investigation. In addition, the City has expanded the project area to include assessments of property adjacent to the east and west of the site.

Second Party Contractor Selected: DBRA staff proposes the selection of Soil & Materials Engineers, Inc. (SME) as the second party contractor to perform the services associated with the expanded scope of services due to their multidisciplinary project team approach and responsiveness to the expanded scope of services at the AMC Site. Details of the expanded scope and fees are below:

SCHEDULE AND PROFESSIONAL FEES

Second Party Assessment Review, Site Visit, Stockpile Test Pits and Survey	\$50,000
Contingency	\$25,000
Total Board Approved Amount	\$75,000

Mr. George asked how much the first environmental assessments for the AMC Site cost. Mr. Dailey stated that the first contract for environmental assessments for the AMC Site was \$136,000.

Mr. George asked if the contract for the second party assessment review was going to be \$50,000-75,000. Mr. Dailey confirmed that the contract for the second party assessment review was going to be \$50,000-75,000 which will include the same scope as the first review but will have extended boundaries.

Mr. George asked if the City of Detroit was requesting the contract for the second party assessment review. Mr. Dailey confirmed that the City of Detroit has requested the contract for the second party assessment review to get a second opinion on the \$12-14 million cost estimate to remove the stockpiled soil on the AMC Site.

Ms. DeSantis asked if the DBRA has procured SME through the City of Detroit's procurement process. Mr. Dailey stated that SME was selected based upon recommendations, SME's background and based on the timing requirements for the AMC Site. Ms. DeSantis asked if this was a bid process that the City of Detroit would normally conduct. Mr. Dailey stated that it was not a bid process conducted by the City.

Ms. DeSantis asked why there are timing requirements for the AMC Site. Mr. Walters stated that the City of Detroit has to inform Wayne County by November 1, 2018 if the City of Detroit would like to accept ownership of the AMC Site as part of the land swap for the new criminal justice complex and the City of Detroit needs large areas of acreage for employment opportunities and needs to decide if the City of Detroit wants to accept land that has significant cleanup costs.

Ms. DeSantis asked if the DBRA received the results of the environmental assessments from TEC months ago, why is the DBRA asking for a second opinion now and not earlier in the process. Mr. Dailey stated that the City of Detroit and the DEGC attempted to find additional sources of funding available to assist with the cleanup costs for the AMC Site, and now would like to seek a second assessment.

Ms. Wilkins asked if the DBRA anticipates receiving different results in the second environmental assessment from SME. Mr. Dailey stated that different results are not expected from the assessment to be performed by SME, but the assessment boundaries have been expanded in order to seek additional solutions for the cleanup of the AMC Site.

Ms. Wilkins stated that she remembers when the AMC Site was first presented to the DBRA Board and she had concerns about it and would like the Site to be cleaned up for the surrounding community.

Ms. Kanalos stated that any further actions taken after the second assessment that would come through the DBRA would be presented to the DBRA Board for approval before moving forward.

Ms. Washington asked if we get the assessment back from SME and there aren't any other viable solutions to the environmental cleanup issues, what will the City of Detroit move forward. Ms. Kanalos stated that the City of Detroit would then have to decide if they would like to accept the land from Wayne County.

Mr. Walters called for approval of the resolution approving the AMC Site – 14250 Plymouth Road – Expansion of Scope: Environmental Assessment/Second Party Review & Geotechnical Site Assessment Services Contract. The Board took the following action:

On a motion by Ms. Wilkins, seconded by Mr. George, DBRA Resolution Code 18-10-254-03 was unanimously approved.

Second Amended and Restated Garfield Area Brownfield Redevelopment Plan: Reimbursement Agreement

Mr. Vosburg presented the Reimbursement Agreement for the Second Amended and Restated Garfield Area Brownfield Redevelopment Plan to the DBRA Board. Mr. Vosburg stated that Sonya Mays has disclosed to the DBRA Board her position as President and CEO of Develop Detroit at past DBRA Board meetings when the Second Amended and Restated Garfield Area Brownfield Redevelopment Plan was presented to the DBRA Board.

On July 25, 2018, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors recommended approval to City Council of the Brownfield Plan for the Second Amended and Restated Garfield Area Redevelopment Project (the "Plan") which was subsequently approved by Detroit City Council on September 11, 2018. A requirement for Tax Increment Financing reimbursement pursuant to the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA, Develop Detroit, Inc., 71 Garfield, LLC and Midtown Detroit, Inc. (the "Developers"). The Agreement has been prepared between the DBRA and the Developers and is presented to the DBRA for review and approval.

Project Introduction

This Plan is intended to replace the brownfield plan for the Garfield Area Redevelopment Project that was approved on October 18, 2006 (hereinafter referred to as the "2006 Plan") and that was first amended and restated on November 1, 2011 (hereinafter referred to as the "2011 Amendment"). Changes are noted within the individual project descriptions. The Plan includes multiple projects, each to be developed by different developers (referred to generally throughout this Plan as the "Developer"). The developers have agreed that each of the projects benefit the others, and as such, agree to cooperate with one another to implement this Plan and any future agreements to be executed pursuant to this Plan.

Develop Detroit Inc. and Preservation of Affordable Housing Inc. were selected by the City of Detroit as the developers of four (4) City owned parcels that are part of the Plan. The second (2nd) amendment and restatement of the Garfield Area Brownfield Plan is being requested to include the new developers in the Brownfield Plan and to modify the following aspects of the 2011 Plan: scope of Project, Eligible Activities, TIF Table, and Eligible Investment that was included in the original approvals.

In the 2006 Plan, the projects were as follows:

- Garfield Manor and York Apartments
- E. Forest Art Project
- Randora Apartments
- Parking Deck I
- Parking Deck II

In the 2011 Amendment, changes to the Plan included:

- Updating the TIF eligible public improvements
- Splitting the Garfield Manor and York Apartments development into two separate projects
- Updating the status of the E. Forest Art Project
- Removing the eligible MBT investment in the Randora apartment project.

- Updating the plans for the Parking Deck I project
- Removing the eligible activities from Parking Deck II
- Adding 76 E. Forest
- Adding 92 E. Forest

In this 2nd Amendment & Restatement, proposed changes to the Plan include:

- Amending the project description to change what was known as the Parking Deck I project to the Sugar Hill Redevelopment project.
- Amending and restating the eligible activities associated with the Sugar Hill Redevelopment project
- Amending and restating the TIF Tables to add the Sugar Hill Redevelopment project.
- Identifying investment in the Sugar Hill Redevelopment project as Eligible Investment associated with a Michigan Business Tax (MBT) credit, which is to be amended.

These changes are described in more detail in the individual project descriptions. Each Project includes eligible activities and eligible properties and will request, has already requested, or has already received a MBT credit.

Total investment for the Sugar Hill Redevelopment Project is expected to be approximately \$34,600,000.00. The Developers are requesting \$9,639,944.00 in TIF reimbursement under the proposed Plan.

Property Subject to the Plan

The property comprising the eligible property consists of 20 parcels located within the Sugar Hill Arts District. The parcels and all tangible personal property located thereon will comprise the eligible property and is referred to herein as the “Property.” Parcel information for the Property is outlined in the table below.

Address	Owner	Individual Project
43 Garfield*	Garfield Real Estate Properties, LLC	
59 Garfield*	Garfield Real Estate Properties, LLC	
52 E. Forest	E. Forest Art Project, LLC	E. Forest Art Project
66 E. Forest	E. Forest Art Project, LLC	E. Forest Art Project
71 Garfield	71 Garfield, LLC	Garfield Manor
71 Garfield	71. Garfield, LLC	Garfield Manor
71 Garfield	71 Garfield, LLC	Garfield Manor
74 Garfield	71 Garfield, LLC	York Apartments
76 E. Forest	76 E. Forest, LLC	76 E. Forest Commercial Rehab.
79 Garfield*	University Cultural Center Association	

Address	Owner	Individual Project
80 Garfield	71 Garfield, LLC	York Apartments
81 Garfield	City of Detroit	Sugar Hill Redevelopment
86 E. Forest	Cathedral Church of St. Paul	92 E. Forest Commercial Rehab.
92 E. Forest	Cathedral Church of St. Paul	92 E. Forest Commercial Rehab.
92 Garfield*	J & ML Jones	
95 Garfield	City of Detroit	Sugar Hill Redevelopment
106 E. Forest	Cathedral Church of St. Paul	92 E. Forest Commercial Rehab.
107 Garfield	City of Detroit	Sugar Hill Redevelopment
118 E. Forest	Cathedral Church of St. Paul	92 E. Forest Commercial Rehab.
119 Garfield	City of Detroit	Sugar Hill Redevelopment

*Indicates property that is part of this Plan and TIF district, but will not receive investment as part of this Plan.

Tax Incremental Revenues will be taken from each of the individual projects described below.

1. Garfield Manor (71 Garfield)

The Property comprising the eligible property consisted of three parcels which all share the address 71 Garfield. Complete as of the writing of the 2011 Amendment, the property was functionally obsolete and blighted and adjacent and contiguous. 71 Garfield, LLC was the project developer. The Plan entailed the rehabilitation of a vacant apartment building for a mixed-use commercial and residential development. Total project costs were \$9,173,582.

2. York Apartments (74 and 80 Garfield)

The Property comprising the eligible property consists of two parcels: 74 and 80 Garfield, which are both blighted vacant lots. Sugar Hill Residential, LLC, Sugar Hill Commercial, LLC, and 74 and 80 Garfield, LLC are the project developers. Due to catastrophic arson at the site, the project has been revised to entail a new-construction mixed-use residential and commercial building on the site. Total project costs are estimated at \$7,406,588.

3. E. Forest Art Project (52 E. Forest and 66 E. Forest)

The Property comprising the eligible property consists of two parcels: 52 E. Forest and 66 E. Forest. Complete as of the writing of the 2011 Amendment, both properties were functionally obsolete and blighted. E. Forest Art Project, LLC was the project developer. The project includes the rehabilitation of two buildings for commercial use as the N'Namdi Center for Contemporary Art. The total square footage of the rehabilitation was 16,000. Total project costs were \$4,388,200.

4. Sugar Hill Redevelopment (Formerly Parking Deck I) (81, 95, 107, and 119 Garfield)

The Property comprising the eligible property consists of four parcels: 81 Garfield, 95 Garfield, 107 Garfield, and 119 Garfield, all of which are city-owned tax-reverted, blighted lots. Develop Detroit Inc. and Preservation of Affordable Housing, Inc. (POAH), or a related entity, is the project developer. The project is the redevelopment of the vacant property and the construction of a multi-story mixed-use development

with ground floor commercial/retail space, an estimated 85 residential apartments, residential amenities, and integrated parking structure. Total project costs are estimated at \$34,600,000.

In addition, the Michigan Economic Development Corporation issued a pre-approval letter for a Brownfield MBT credit for the Parking Deck I project in 2011. This MBT credit will be amended in order to (a) add Develop Detroit Inc. and POAH, or a related entity, as a qualified taxpayer; and (b) qualify eligible investment from the Sugar Hill Redevelopment project as eligible basis for the MBT credit.

5. 76 E. Forest

The Property comprising the eligible property consists of one parcel at 76 E. Forest. The property is functionally obsolete. Additionally, the property is adjacent and contiguous to 66 E. Forest (approved in the 2006 Plan as functionally obsolete and blighted.) 76 E. Forest, LLC is the project developer. The project entailed the rehabilitation of a 6,000 square foot single family home for commercial office use. Total project costs were estimated at \$1,455,613.

6. 92 E. Forest

The Property comprising the eligible property consists of one parcel at 92 E. Forest. The property is functionally obsolete. 92 E. Forest, LLC is the project developer. The project entails the rehabilitation of a 12,000-square foot vacant church for commercial use. Total project costs are estimated at \$4,000,000.

Basis of Eligibility

The parcels that comprise the Eligible Property qualified as eligible properties in the 2006 Plan and/or 2011 Amendment.

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 Section 2 of Act 381 because they include department specific activities, demolition, lead and asbestos abatement, site preparation, infrastructure improvements and the development of a brownfield plan and/or 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. Construction is completed or currently underway on particular projects included in the Plan. Unless otherwise agreed to in writing by the DBRA, all eligible activities shall commence within eighteen months after the date the governing body approves this Plan and will be completed within three (3) years after approval of the Michigan Strategic Fund work plan, if applicable, or three (3) years after execution of the Reimbursement Agreement (as that term is defined below).

1. Garfield Manor (71 Garfield)

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Section 2 of Act 381 because they include lead and asbestos abatement, and demolition. A summary of the eligible activities and the estimated cost of each activity are shown in the table below.

Estimated Cost of Eligible Activities	
Description of Eligible Activity	Estimated Cost
Lead and asbestos abatement	25,000.00
Demolition	50,000.00
Total Eligible Activity Costs	75,000.00

The total Eligible Investment on the Eligible Property is estimated at \$4,265,999.

2. York Apartments (74 and 80 Garfield):

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Section 2 of Act 381 because they include demolition. A summary of the eligible activities and the estimated cost is shown in the table below.

Estimated Cost of Eligible Activities	
Description of Eligible Activity	Estimated
Demolition	65,000.0
Total Eligible Activity Costs	65,000.00

The total Eligible Investment on the Eligible Property is estimated at \$5,844,167.

3. East Forest Art Project

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Section 2 of Act 381 because they include asbestos abatement and interior demolition. A summary of the eligible activities and the estimated cost of each activity are shown in the table below.

Estimated Cost of Eligible Activities	
Description of Eligible Activity	Estimated Cost
Asbestos abatement and interior	25,000.00
Total Eligible Activity Costs	25,000.00

It is currently anticipated construction will begin in the fall of 2006 and eligible activities will be completed within twelve months.

Eligible activities and budgeted costs are intended as part of the development of the property and are to be financed solely by the developer. The DBRA is not responsible for any cost of eligible activities and will incur no debt.

The total Eligible Investment on the Eligible Property is estimated to be \$2,014,000.

4. Sugar Hill Redevelopment (Formerly Parking Deck I) (81, 95, 107 & 119 Garfield)

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Section 2 of Act 381 because they include department specific activities, site preparation activities, infrastructure improvement activities and the preparation of a brownfield plan and Act 381 work plan. The "eligible activities" also include contingency, brownfield TIF compliance and tracking activities, and interest on the balance of unreimbursed eligible activity costs. A summary of the eligible activities and the estimated cost of each activity are shown in the table below.

Estimated Cost of Eligible Activities	
Description of Eligible Activity	Estimated Cost
Department specific activities	28,500
Site preparation improvement activities	410,000
Infrastructure improvement activities	6,996,930
Brownfield plan & Act 381 work plan	\$30,000
Brownfield TIF compliance	\$26,000
Contingency (15%)	\$1,114,115
Interest (5%, simple)	\$1,400,839
Total Eligible Activity Costs	\$10,006,384

The total Brownfield MBT credit Eligible Investment on the Eligible Property is estimated to be \$12,484,714.

5. 76 E. Forest

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Section 2 of Act 381, because they include interior demolition and asbestos abatement.

Estimated Cost of Eligible Activities	
Description of Eligible Activity	Estimated Cost
Asbestos abatement	50,000.00
Demolition	15,000.00
Total Eligible Activity Costs	65,000.00

The total Eligible Investment on the Eligible Property is estimated at \$861,185.

6. 92 E. Forest

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Section 2 of Act 381, because they include interior demolition.

Estimated Cost of Eligible Activities	
Description of Eligible Activity	Estimated Cost
Demolition	50,000.00
Total Eligible Activity Costs	50,000.00

The Eligible Investment on the Eligible Property is estimated at \$3,000,000.

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.

Tax Increment Financing (TIF) Capture

The Developers desire 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.

Other Development Incentives

The Developers of this Plan will seek additional support through the transfer of the existing Michigan Business Tax Credit for the property as well as a Commercial Rehabilitation Act Abatement (PA 210).

Ms. Nwaesei stated that the resolution will need to be amended in order to accurately reflect the parties to the Reimbursement Agreement.

Mr. Walters called for a motion for a roll call vote approving the Reimbursement Agreement for the Second Amended and Restated Brownfield Plan for the Garfield Area as presented, with the amendment of the parties to the Reimbursement Agreement. The Board took the following action:

On a motion by Ms. Wilkins, seconded by Ms. DeSantis, the Board took the following action: Mr. Gonzalez, Ms. Washington, Mr. George, Ms. Wilkins, Ms. DeSantis, and Mr. Walters voted to

approve the resolution. Ms. McClain abstained. No members present opposed the resolution. DBRA Resolution Code 18-10-116-10 was approved.

Lafayette West Brownfield Redevelopment Plan: Reimbursement Agreement

Mr. Vosburg presented the Reimbursement Agreement for the Lafayette West Brownfield Redevelopment Plan to the DBRA Board.

On September 26, 2018, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors recommended approval to City Council of the Brownfield Plan for the Lafayette West Redevelopment Project (the "Plan") which is anticipated to be approved by Detroit City Council on October 9, 2018. 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 Lafayette Acquisition Partners, LLC (the "Developer"). The Agreement has been prepared between the DBRA and the Developer and is presented to the DBRA for review and approval.

Project Introduction

Lafayette Acquisition Partners, LLC is the project developer (the "Developer") for the Plan which entails a comprehensive, mixed-use redevelopment of the site. The current, vacant, obsolete 8-story university building and dilapidated parking lot will be demolished. The redevelopment, Lafayette West, is planned to consist of a 13-story tower, two 4-story residential buildings, and approximately 56 for-sale condominium townhomes. The tower will be serviced by an underground 3-level parking structure and the two midrise buildings will be podium style developments with integrated ground level parking and four stories of apartments atop the parking.

The total investment is estimated to be \$111 million. The Developer is requesting \$28,116,141.00 in TIF reimbursement, however only \$26,356,887.00 in TIF Reimbursement is projected to be captured for the life of the Plan.

There will be 428 temporary construction jobs and 8 FTE jobs. The 428 temporary construction jobs are expected to be created over a 2-year period once construction begins. The 8 FTE jobs may include retail positions, managerial positions, property maintenance staff, and parking attendants.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcel bounded by Rivard to the east, East Lafayette Street to the south, Chrysler Freeway to the west, and the Horatio Williams Center, which is on Antietam Avenue to the north in Detroit's Lafayette Park.

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" 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 environmental assessment activities, due care activities and additional response activities (department-specific activities), demolition and lead and asbestos abatement, site preparation, infrastructure improvements, 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. Department Specific Activities	\$4,397,460.00
2. Demolition	\$1,500,000.00
3. Lead and Asbestos Activities	\$515,000.00
4. Site Preparation	\$1,252,500.00
5. Infrastructure Improvements	\$11,865,296.00
6. Brownfield Plan & Act 381 Work Plan	\$30,000.00
7. Cost Tracking Compliance	\$30,000.00
8. Contingency – (15%)	\$2,929,538.00
9. Interest (5% simple, after expiration of abatements)	\$5,596,346.00
*Total Reimbursement to Developer	\$28,116,141.00
10. Authority Administrative Costs	\$2,583,903.00
11. State Brownfield Redevelopment Fund	\$1,472,147.00
12. Local Site Remediation Revolving Fund	\$0.00
TOTAL Estimated Costs	\$32,172,191.00

*Developer is only projecting to receive \$26,356,887 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 Commercial Rehabilitation Act (CRA) and Neighborhood Enterprise Zone (NEZ) Tax Abatements.

Ms. Washington asked how the Community Benefits Ordinance (CBO) process went for the Lafayette West project. Mr. Walters stated that the CBO process was five meetings, the Neighborhood Advisory Council (NAC) decided that a sixth meeting was not necessary, and that the Developer was very open and flexible to meet the requests of the NAC and that Detroit City Council approved the plan on October 9, 2018.

Mr. Walters called for approval of the Reimbursement Agreement for the Lafayette West Brownfield Redevelopment Plan. The Board took the following action:

On a motion by Ms. DeSantis, seconded by Mr. George, DBRA Resolution Code 18-10-259-03 was unanimously approved.

220 West Congress Brownfield Redevelopment Plan: Collateral Assignment of Reimbursement Agreement

Mr. Vosburg presented the Collateral Assignment of Reimbursement Agreement for the 220 West Congress Brownfield Redevelopment Plan.

On September 13, 2017, the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) Board of Directors recommended approval of the Brownfield Plan for the 220 West Congress Brownfield Redevelopment Project (the “Plan”) to the Detroit City Council. The Plan was approved by the Detroit City Council on October 10, 2017. The Reimbursement Agreement (the “Agreement”) between the DBRA and 220 W Congress Detroit, LLC (“Developer”), was entered into on November 8, 2017.

Since then, the Developer’s lender has requested that the DBRA sign-off on the attached Collateral Assignment of TIF agreement. As a result, the Developer would like to use the TIF capture from the Plan as collateral for a loan with the Mercantile Bank of Michigan.

Mr. Walters called for approval of the Collateral Assignment of Reimbursement Agreement for the 220 West Congress Brownfield Redevelopment Plan. The Board took the following action:

On a motion by Ms. Wilkins, seconded by Ms. McClain, DBRA Resolution Code 18-10-247-04 was unanimously approved.

OTHER

None.

PUBLIC COMMENT

None.

ADJOURNMENT

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

On a motion by Ms. McClain, seconded by Ms. Wilkins the meeting was unanimously adjourned at 4:38 PM.



Detroit Brownfield Redevelopment Authority
500 Griswold Street • Suite 2200
Detroit, Michigan 48226
Phone: 313 963-2940
Fax: 313 963-8839

CODE DBRA 18-109-02-241

APPROVAL OF MINUTES SEPTEMBER 12, 2018

RESOLVED, that the minutes of the regular meeting of September 12, 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.

October 10, 2018



Detroit Brownfield Redevelopment Authority
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DBRA 18-10-03-179

ACCEPTANCE OF TREASURER'S REPORT FOR AUGUST 2018

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

October 10, 2018



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CODE DBRA 18-10-01-203

**ADMINISTRATION; DBRA AUDITED FINANCIAL STATEMENTS AND MANAGEMENT
REPORT AS OF JUNE 30, 2018**

RESOLVED, that the Board of Directors of the Detroit Brownfield Redevelopment Authority (the "DBRA") hereby receives the DBRA Audited Financial Statements and Management Report as of June 30, 2018, with comparative totals as of June 30, 2017, as prepared by George Johnson and Company, Certified Public Accountants.

October 10, 2018



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CODE DBRA 18-10-01-204

ADMINISTRATION: DELEGATION OF AUTHORITY

WHEREAS, the Board of Directors of the Detroit Brownfield Redevelopment Authority (the "DBRA") has determined that the process for authorizing expenditures for the DBRA is in need of further streamlining; and

WHEREAS, the Board has determined that one method of further streamlining the authorization process would be to delegate authority to the Officers and Authorized Agents of the DBRA to approve expenditures about to an increased authorized limit; and

WHEREAS, the Board has fully considered the matter and determined that the recommendation of staff is prudent and in the best interests of the DBRA.

NOW, THEREFORE, BE IT RESOLVED, that any two Officers, two Authorized Agents or any One Officer and any one Authorized Agent (collectively the "Designated Parties") shall have the power to review and approve all non-monetary contracts and monetary contracts in an amount up to and including the sum of Fifty Thousand and 00/100 (\$50,000.00) Dollars. In the event a change order or other amendment is required for a contract, the Designated Parties shall have the power to approve any change order or other amendment up to 25% of the original contract value not to exceed \$50,000.00.

BE IT FURTHER RESOLVED, that upon said approval, the Designated Parties are authorized to negotiate and execute any and all documents and other writings necessary to implement the authorized contract, including but not limited to checks issued pursuant to such authorized contract.

BE IT FURTHER RESOLVED, that the DBRA staff will include in the Board materials a report of contracts and contract amendments executed pursuant to the delegation of authority on a quarterly basis.

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.

BE IT FURTHER RESOLVED, that this resolution shall supersede the 2013 Resolution.

October 10, 2018



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CODE DBRA 18-10-254-03

**CONTRACT FOR ENVIRONMENTAL AND GEOTECHNICAL DUE DILLIGENCE ACTIVITIES
ON BEHALF OF THE CITY OF DETROIT AT THE AMC SITE – 14250 PLYMOUTH ROAD**

WHEREAS, pursuant to Act 381 of 1996, as amended, the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) has the power to perform due diligence activities on behalf of the City of Detroit in furtherance of the purposes of revitalizing environmentally distressed areas; and

WHEREAS, the DBRA Board has determined that performing due diligence activities at the former American Motors Corporation property at 14250 Plymouth Road (the “Property”) is consistent with the purposes for which the DBRA was created and in furtherance of its statutorily defined missions; and

WHEREAS, DBRA Board previously approved a contract with Testing Engineers & Consultants, Inc (TEC) on January 19, 2018 in the amount of \$136,000 for certain environmental due diligence at the Property, which also included a 20% contingency and was largely due to the unknown contamination at the Property; and

WHEREAS, DBRA staff recommends a second evaluation of the Property conditions and expansion of the project area and proposes a contract with Soil & Materials Engineers, Inc. (SME) to assess TEC’s report as it relates to sufficiency and identification of data gaps from the soil stockpile samples and geotechnical investigation and conduct assessments of property adjacent to the east and west of the Property (the “Scope) for an amount not to exceed \$50,000, with a \$25,000 owners contingency for additional scope and/or unforeseen conditions; and

WHEREAS, the DBRA Board has determined that DBRA staff’s recommendation is in the best interests of the project.

NOW, THEREFORE, BE IT RESOLVED, that the DBRA hereby authorizes the execution of a contract with SME to perform the Scope in an amount not to exceed \$50,000.

BE IT FURTHER RESOLVED that the DBRA Board hereby authorizes the allocation of additional funds to address requirements for unforeseen conditions (an Owner’s Contingency) in the amount of \$25,000 to be expended at the direction of any two officers of the DBRA or one Officer and on Authorized Agent or any two Authorized Agents of the DBRA.

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

BE IT FURTHER 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.

BE IT FURTHER RESOLVED, that all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

October 10, 2018



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CODE DBRA 18-10-116-10

**SECOND AMENDED AND RESTATED GARFIELD AREA BROWNFIELD REDEVELOPMENT PLAN:
REIMBURSEMENT AGREEMENT**

WHEREAS, on July 25, 2018, 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 the Second Amended and Restated Garfield Area (the "Project"); and

WHEREAS, on September 11, 2018, 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, Develop Detroit, Inc., and Preservation of Affordable Housing Inc. as developers 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.

October 10, 2018



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CODE DBRA 18-10-259-03

LAFAYETTE WEST BROWNFIELD REDEVELOPMENT PLAN: REIMBURSEMENT AGREEMENT

WHEREAS, on September 26, 2018, 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 the Second Amended and Restated Garfield Area (the "Project"); and

WHEREAS, on October 9, 2018, 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 Lafayette Acquisitions Partners, 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.

October 10, 2018



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CODE DBRA 18-10-247-04

220 WEST CONGRESS: COLLATERAL ASSIGNMENT OF TAX INCREMENT REVENUE AGREEMENT

WHEREAS, on September 13, 2017, the City of Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution recommending approval of the Brownfield Plan (the "Plan") for the 220 West Congress project (the "Project") by the Detroit City Council; and

WHEREAS, on October 10, 2017, the Detroit City Council approved the Plan; and

WHEREAS, on November 8, 2017 the Reimbursement Agreement (the "Agreement") was made and entered into by and between 220 W Congress Detroit, LLC and the DBRA; and

WHEREAS, a Collateral Assignment of Reimbursement Agreement (the "Assignment") between 220 W Congress Detroit, LLC and Mercantile Bank of Michigan has been drafted and approved as to form by DBRA legal counsel; and

WHEREAS, the Assignment needs to be executed by 220 W Congress Detroit, LLC and Mercantile Bank of Michigan with acknowledgement and approval by DBRA; and

WHEREAS, the DBRA Board of Directors desire to approve the substantial form of the Assignment and authorize its execution and delivery on behalf of the DBRA.

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

1. The Collateral Assignment of Reimbursement Agreement (the "Assignment"), substantially the form attached to this Resolution as Exhibit A, is hereby approved, with such necessary or desirable modifications, additions, deletions or revisions as are approved by DBRA legal counsel and the Officers or Designated Agents of the DBRA executing the Assignment.
2. Any two (2) Officers or Designated Authorized Agents or any one (1) Officer and one (1) Designated Authorized Agent of the DBRA is hereby authorized and directed to execute and deliver the Assignment.
3. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be 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 of 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.

October 10, 2018