



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
SPECIAL BOARD OF DIRECTORS MEETING  
WEDNESDAY, NOVEMBER 6, 2019  
4:00 PM**

**BOARD MEMBERS PRESENT:**

Juan Gonzalez  
Matthew Walters

Pamela McClain  
Maggie DeSantis  
Stephanie Washington  
Raymond Scott  
Donele Wilkins

**BOARD MEMBERS ABSENT:**

Sonya Mays  
John George

**OTHERS PRESENT:**

Jennifer Kanalos (DEGC/DBRA)  
Brian Vosburg (DEGC/DBRA)  
Cora Capler (DEGC/DBRA)  
Paul Kako (DEGC)  
Malinda Jensen (DEGC)  
Rebecca Navin (DEGC)  
Kenyetta Bridges (DEGC)  
Jean Belanger (DEGC)  
Cleveland Dailey (DEGC)  
Maxwell Cameron (DEGC)  
Glen Long (DEGC)  
Charlotte Fisher (DEGC)  
Ngozi Nwaesei (Lewis & Munday)  
Jill Ferrari (Renovare)  
Matt Schenk (Ottenwess Law)  
Shannon Morgan (Renovare)  
Bradford Egan (The Elia Group)  
Elizabeth Masserang (PM Environmental)  
Adam Schloff (K8 Partners LLC)  
Ron Liscombe (Miller Canfield)  
Richard Barr (Honigman)  
Dan Cassidy (SME)  
Bret Stuntz (SME)



**MINUTES OF THE DETROIT BROWNFIELD  
REDEVELOPMENT AUTHORITY SPECIAL MEETING  
WEDNESDAY, NOVEMBER 6, 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 4:04 PM.

**GENERAL**

**Approval of Minutes:**

Mr. Walters called for a motion approving the minutes of October 23, 2019 as presented. The Board took the following action:

On a motion by Ms. Wilkins, seconded by Ms. Washington, DBRA Resolution Code 19-11-02-266 was unanimously approved.

**Acceptance of DBRA FY 2018-19 Audit**

Ms. Kanalos presented the DBRA FY 2018-2019 Audit to the DBRA Board.

Copies of the DBRA Audited Financial Statements and Management Report as of June 30, 2019 were distributed to each DBRA Board Member via email on October 30, 2019.

The attached resolution indicated the Board's formal receipt of the DBRA Audited Financial Statements and Management Report as of June 30, 2019, with comparative totals as of June 30, 2018, as prepared by George Johnson and Company, Certified Public Accountants.

Ms. DeSantis asked why the audit did not state that internal controls were reviewed. Mr. Long stated that because only a random selection of transactions were reviewed in the audit and not every single transaction conducted by the DBRA in FY 2018-19, the auditor cannot definitively state that internal controls were reviewed. An audit on all individual transactions performed by the DBRA would be a very expensive review.

Mr. Walters called for a motion accepting the DBRA FY 2018-19 Audit as presented. The Board took the following action:

On a motion by Ms. Washington, seconded by Ms. McClain, DBRA Resolution Code 19-11-01-216 was unanimously approved.

**PROJECTS**

**Land Assembly Project: Authorization to Enter into Exchange Transaction**

Ms. Navin presented the Land Assembly Project: Authorization to Enter into Exchange Transaction to the DBRA Board.

As the Board is aware, FCA US LLC ("FCA"), the City of Detroit Brownfield Redevelopment Authority ("DBRA") and the City of Detroit (the "City") are parties to that certain development agreement (the

“Development Agreement”) relating to the following investment proposed by FCA in the city of Detroit (the “Project”):

- Construct a new assembly plant at the site of its current Mack Engine Plant located at Mack and St. Jean, with an estimated investment of \$1.6 billion and creation of approximately 3,850 net new full-time jobs; and
- Invest approximately \$900 million at its Jefferson North Assembly Plant, located at Jefferson and St. Jean, creating approximately 1,100 net new full-time jobs.

In April and May, 2019, the DBRA Board and City Council approved several land transactions relating to the Project, including but not limited to certain transactions with Hantz Farms LLC (“Hantz”) whereby the City agreed to sell certain City-owned parcels to and Hantz agreed to transfer to DBRA certain parcels needed for the Project.

It was recently discovered that certain of the City-owned parcels transferred to Hantz pursuant to the above-referenced transactions are necessary for the Project. Similarly, certain parcels approved for transfer by the City to DBRA for the Project are no longer needed for the Project. Therefore, DBRA staff recommends the Board’s approval of an exchange of parcels as follows:

Parcels to be transferred to DBRA by Hantz for the Project:

11256 Mack, Detroit, MI 48214  
11244 Mack, Detroit, MI 48214  
11234 Mack, Detroit, MI 48214

Parcels to be transferred by DBRA to Hantz:

11200 Charlevoix, Detroit, MI 48214  
2662 Beniteau, Detroit, MI 48214  
11215 Kercheval, Detroit, MI 48214  
2620 Beniteau, Detroit, MI 48214  
11201 Kercheval, Detroit, MI 48214  
2124 Beniteau, Detroit, MI 48214  
11231 Kercheval, Detroit, MI 48214

A resolution was attached for the Board’s consideration.

Mr. Walters called for a motion approving the Land Assembly Project: Authorization to Enter into Exchange Transaction, as presented. The Board took the following action:

On a motion by Mr. Scott, seconded by Ms. Washington, DBRA Resolution Code 19-11-262-31 was unanimously approved.

**Land Assembly Project: Authorization to Enter into a Letter of Intent, Development Agreement, and Land Transfer Agreement with Northpoint Development LLC for Former Cadillac Stamping Plant**

Ms. Belanger presented the Authorization to Enter into a Letter of Intent, Development Agreement, and Land Transfer Agreement with Northpoint Development LLC for Former Cadillac Stamping Plant to the DBRA Board.

As the Board is aware, the City of Detroit (the “City”) administration has requested the assistance of the City of Detroit Brownfield Redevelopment Authority (“DBRA”) in industrial land assembly activities aimed at establishing market-ready industrial sites within City limits in order to attract manufacturing and logistics companies (the “Land Assembly Project”).

DBRA staff have identified a site located at 9501 Conner Street, Detroit, MI and formerly known as the Cadillac Stamping Plant (the “Property”), as a key site for industrial development. Acquired by the City in

October 2018 as a tax foreclosed property, the 18-acre site was previously used for various industrial uses, including as a stamping plant for General Motors.

DBRA staff has identified NorthPoint Development, LLC ("Developer") as a potential developer of the Property to undertake demolition of the existing structures, any necessary remediation, and construct a facility of at least 200,000 square feet intended for industrial uses related to advanced manufacturing, assembly, or transportation, distribution and logistics. Subject to City Council approval, DBRA proposes to enter into a land transfer agreement for the Property with the City (the "Land Transfer Agreement") and then to subsequently transfer the Property to the Developer pursuant to a development agreement ("Development Agreement") to be negotiated by Developer and DBRA consistent with the terms contained in the letter of intent attached hereto (the "LOI"), a summary of which is described below:

**Purchase Price:** \$1,778,893

**Site Prep Credit:** DBRA will provide Developer a credit at closing for anticipated costs of demolition and remedial action undertaken by Developer at the Property

**Due Diligence:** 90 days, subject to 2 30-day extensions

**Approvals Period:** 45 days after due diligence to receive governmental approvals for the project

**Closing:** 30 days following the expiration of the Approvals Period

**Construction Commencement:** 90 days from closing

**Construction Completion:** 30 months from closing

DBRA staff seeks the Board's approval of the LOI and the approval to negotiate and execute the Development Agreement and the Land Transfer Agreement consistent with the terms set forth in the LOI.

A resolution was attached for the Board's consideration.

Ms. Wilkins asked if the DBRA was being asked to vote on how the property will be demolished and not to decide on who the end user of the Property is. Ms. Belanger stated that the DBRA was being asked to enter into the Letter of Intent, a Development Agreement, and a Land Transfer Agreement with the Developer.

Ms. Wilkins asked if the type of industrial end use is known. Ms. Belanger stated that it will be a spec build of a 200,000 square foot facility or larger and will likely be occupied by a supplier for FCA given the Property's close proximity to the Jefferson North Assembly Plant.

Ms. DeSantis asked if the DBRA has any leverage to ensure the demolition of the Property is handled appropriately. Ms. Belanger stated that the project is still in the due diligence phase and that the method of demolition has not yet been decided and any demolition would have to comply with all City of Detroit requirements and regulations for demolition.

Mr. Walters asked if the current structure on the Property was one-story. Ms. Belanger stated that the current structure is three stories and approximately 1 million square feet.

Ms. DeSantis stated that she was concerned about notifications to the community regarding an implosion, specifically in the case of the Detroit Edison Conner's Creek Power Station. Mr. Scott stated it has not yet been decided if the Detroit Edison Conner's Creek Power Station will be imploded or will be deconstructed using another method. Should the Detroit Edison Conner's Creek Power Station be imploded there would be notification and a community meeting regarding the implosion, following the City of Detroit's procedures for implosions. Ms. DeSantis stated that she received a call from someone at DTE regarding the implosion date. Mr. Scott stated that an implosion date has not been established and an implosion of the Detroit Edison Conner's Creek Power Station has not been approved at this time.

Ms. DeSantis asked if the DBRA has any control over how the current structure on the Property will be demolished. Ms. Belanger stated that the City of Detroit would determine how the current structure on the Property is demolished.

Ms. DeSantis asked if the DBRA has any authority over the demolition on the Property. Mr. Walters stated that the DBRA does not have any intervention on building permits.

Mr. Walters asked Mr. Scott if the DBRA Board can be made aware when any permits are pulled for the Property through the Building Safety Engineering and Environment Department. Mr. Scott stated that the information on permits is open to the public through the open data portal and that he would make the DBRA Board aware if there are any permits pulled for the Property.

Ms. DeSantis asked for clarification on the purchase price and the site preparation costs. Ms. Navin stated that the purchase price was determined based on the City of Detroit Assessor's value of the both the land and the building on the Property with consideration given to the estimated \$10 million cost of demolition.

Mr. Walters called for a motion approving the Authorization to Enter into a Letter of Intent, Development Agreement, and Land Transfer Agreement with Northpoint Development LLC for Former Cadillac Stamping Plant, as presented. The Board took the following action:

On a motion by Ms. Washington, seconded by Mr. Gonzalez, DBRA Resolution Code 19-11-262-32 was unanimously approved.

**Land Assembly Project: Authorization to Revise Terms of Development Agreement with Dakkota Integrated Systems for Former Kettering High School & Rose School Sites**

Ms. Bridges presented the Authorization to Revise Terms of Development Agreement with Dakkota Integrated Systems for Former Kettering High School & Rose School Sites to the DBRA Board.

As the Board will recall, in the summer, 2019, the DBRA Board of Directors authorized the purchase of the former Kettering High School and Rose School sites (the "Property") from Detroit Public Schools ("DPS") and the subsequent transfer of the property for development to Trinity Investments LLC ("Trinity") for use by Dakkota Integrated Systems, LLC ("Dakkota").

Following due diligence by Trinity and Dakkota, due to the higher costs and a longer timeline than expected to prepare the Property for construction, Dakkota has proposed purchasing only the south 19 acres of the Property (the "Dakkota Parcel") for construction of an approximately 300,000 square foot facility. The northern portion of the Property, consisting of approximately 13 acres, (the "Retained Parcel") would be retained by the DBRA and marketed for use by another industrial user. In addition, because certain of the improvements to the Property would be for the benefit of both the Dakkota Parcel and the Retained Parcel, DBRA staff proposes making a financial contribution towards Dakkota's construction of the shared improvements.

The proposed revised terms are described in the term sheet attached as Exhibit A, signed by Trinity, Dakkota and DBRA's authorized agents (the "Revised Terms"). In addition, since the execution of the Revised Terms, Trinity has determined it will no longer be a party to the transaction, and Dakkota will be the developer and the end-user of the Dakkota Parcel and intends to assign any interest in the Development Agreement to Dakkota.

DBRA staff seeks the Board's approval to enter into a Development Agreement with Dakkota consistent with the Revised Terms and an amended and restated funding agreement with the City of Detroit in order to accept funding for the purchase of the Property and the DBRA's funding obligations under the Revised Terms.

A resolution is attached for the Board's consideration.

Ms. DeSantis asked if the Retained Parcel will be owned by the City of Detroit. Ms. Navin stated that the DBRA will own the Retained Parcel.

Ms. Wilkins asked if concerns regarding contamination impacted the transfer of the Retained Parcel. Ms. Bridges stated that it was discovered that the Retained Parcel cannot have interior lead and asbestos abatement and demolition performed in enough time to fit in the timeframe needed by Dakkota. Dakkota will be relocating a large gas main that runs through the parcel Dakkota is retaining.

Mr. Walters called for a motion approving the Revise Terms of Development Agreement with Dakkota Integrated Systems for Former Kettering High School & Rose School Sites, as presented. The Board took the following action:

On a motion by Ms. Washington, seconded by Ms. McClain, DBRA Resolution Code 19-11-262-33 was unanimously approved.

**Land Assembly Project: Adoption of Resolution Authorizing Issuance of Tax Increment Revenue Bond in Connection with MSF Loan**

Ms. Navin presented the Adoption of Resolution Authorizing Issuance of Tax Increment Revenue Bond in Connection with MSF Loan to the DBRA Board.

As the Board is aware, the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) entered into a Development Agreement with FCA US LLC, a Delaware limited liability company (“FCA”), dated June 3, 2019 (the “Development Agreement”), related to the construction of a new assembly plant (the “Project”) at the site of the Mack 1 Plant and Mack 2 Plant. Under the Development Agreement, the DBRA agreed to pay certain Eligible Costs (as defined and described in the Development Agreement) related to the assembly of land to be transferred to FCA for the Project.

In order to provide DBRA with a portion of the funds necessary to pay its obligations under the Development Agreement:

1. The City of Detroit agreed to provide a loan in the amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000) (the “City Loan”) to the DBRA; and
2. The Michigan Strategic Fund (the “MSF”) agreed to make a performance-based investment award (the “MSF Investment”) in an amount up to Fifty-Five Million Dollars (\$55,000,000) pursuant to the terms of that certain Investment Agreement between the MSF and the DBRA, dated as of June 14, 2019 and amended as of October 15, 2019 (the “Investment Agreement”).

Pursuant to the Investment Agreement, the DBRA is obligated to repay an amount equal to the lesser of (i) Twenty Million Dollars (\$20,000,000) and (ii) the amount ultimately disbursed to DBRA by the MSF under the Investment Agreement, plus interest thereon (we note that the full \$20,000,000 is almost certain to be drawn and disbursed). As evidence of DBRA’s obligation to repay such portion of the MSF Investment, the DBRA agreed to issue its Tax Increment Revenue Bond, Series 2019 (the “Bond”) to be repaid solely from tax increment revenues generated by the Project (“Tax Increment Revenues”).

The projected annual debt service on the City Loan and the Bond is shown on Exhibit A. In the event Tax Increment Revenues in any given year are insufficient to pay debt service on the Bond, resulting in a payment of less than the amount of debt service payable to the MSF in such year, any excess Tax Increment Revenues in future will be used to bring current all sums then due to the MSF under the Bond. In order to issue the Bond, state law requires that the Board adopt a bond authorizing resolution (the “Resolution”) containing, among other things, the financial parameters of the Bond and a description of the security pledged in support of the Bond (i.e., the Tax Increment Revenues).

DBRA staff seeks the Board’s approval of the issuance of the Bond according to the material terms set forth in the Resolution, which are summarized on Exhibit B to this memorandum. The full text of the Resolution was attached.

Ms. Wilkins asked if this was the first time the DBRA has issued a bond. Ms. Navin confirmed that this is the first time the DBRA has issued a bond.

Mr. Scott asked if the DBRA will be the entity issuing the bond to the State of Michigan. Ms. Navin confirmed that the DBRA will be the entity issuing the bond to the State of Michigan.

Ms. McClain asked why there needs to be a roll call vote on the resolution. Mr. Liscombe stated that under the Open Meetings Act a roll call vote is not required, but for documentation purposes the DBRA would like to have a roll call vote.

Ms. Wilkins asked for more clarification on the necessity for the bond and its impact on the DBRA's liability for the loan from the MSF. Ms. Navin stated that the bond is another form of a loan and that the City of Detroit did not require a bond to secure the loan to the DBRA.

Mr. Walters asked what the DBRA will be paying the MSF back for. Ms. Navin stated that the DBRA has not yet received this loan from the MSF and that once the bond is issued and other required documentation is provided to the MSF, the next \$20 million loan will be given to the DBRA.

Mr. Walters asked if the loan is to be use toward clean up and site preparation costs and the DBRA will be selling a bond to pay back the MSF for the loan. Ms. Navin confirmed that the loan is to be use toward clean up and site preparation costs and the DBRA will be issuing a bond to pay back the MSF for the loan.

Ms. DeSantis asked where the TIF revenue will come from and what it will be used for. Ms. Navin stated that under the Mack and Conner Brownfield Plan, the property taxes paid by FCA will be captured by the DBRA to pay the City of Detroit and the MSF for the respective loans received by the DBRA. Ms. Navin also stated that the MSF loan received by the DBRA can only be paid using tax increment revenues so if the tax increment revenues actually generated under the Plan are less than what was projected and there is an end balance left to pay on the loan, the MSF cannot ask the DBRA to pay such end balance using other funds available to the DBRA.

Mr. Walters asked why the MSF is requiring a bond from the DBRA to pay back the loan. Ms. Navin stated that the MSF is requiring the bond because by law, a bond holder has a statutory lien on the revenue stream, which in this case is the tax increment revenue and clarified that the lien is not applicable to the property included in the Plan. Mr. Liscombe added that the only thing the lien is applicable to is the tax increment revenue generated under the Plan and if there isn't sufficient tax increment revenue generated, the MSF does not have any recourse against the DBRA regarding the loan.

Mr. Liscombe stated that public entities only have the authorities granted to them through state statute and there is no state statute that says that the DBRA can take out a loan from the state, so the funds received by the DBRA from the MSF must be in the form of a bond. Ms. Navin added that the bond gives the MSF protection in the case of the DBRA becoming insolvent and the tax increment revenues dedicated to repaying the MSF would be protected and used for its intended purpose.

Ms. DeSantis asked if the DBRA Board members have any personal liability for the bond. Ms. Navin stated that the DBRA Board members do not have any personal liability for the bond.

Ms. Wilkins asked if the DBRA is taking on the financial burden to ensure that the FCA project is completed. Ms. Navin stated that the DBRA is not taking on the financial burden to ensure that the FCA project is completed, and that the MSF is taking on the risk with having the loan paid back through tax increment revenues.

Mr. Walters asked if the bond would be difficult to take to market. Ms. Navin stated that the bond would be difficult to take to market. Mr. Liscombe stated that the bond is the equivalent of a loan.

Mr. Gonzalez asked who will begin paying the MSF loan in 2021. Ms. Navin stated that the DBRA will begin paying the MSF loan in 2021 using tax increment revenues, if available. Mr. Liscombe added that there will be principal and interest payments annually to be paid through tax increment revenues.

Ms. DeSantis asked for confirmation that if there aren't any tax increment revenues generated through the Mack and Conner Brownfield Plan then the DBRA will not be liable for paying the loan using other funds. Ms. Navin confirmed that loan is to be use toward clean up and site preparation costs and the DBRA will be selling a bond to pay back the MSF for the loan. If there is insufficient tax increment revenue from the Mack and Conner Brownfield Plan, the DBRA will not be liable to pay the bond using other funds.

Mr. Liscombe added that the bond would be next to impossible to sell to the public and that the low interest rate on the loan the DBRA is receiving from the MSF is 1.16% annually.

Mr. Walters called for a motion approving the Adoption of Resolution Authorizing Issuance of Tax Increment Revenue Bond in Connection with MSF Loan, as presented. The Board took the following action:

Ms. McClain made a motion approving the Adoption of Resolution Authorizing Issuance of Tax Increment Revenue Bond in Connection with MSF Loan, as presented. Ms. Washington seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Mr. Gonzalez, Ms. McClain, Mr. Scott, Mr. Walters, Ms. Washington

Nays: Ms. Wilkins.

DBRA Resolution Code 19-11-262-34 was approved.

### **511 Woodward Brownfield Redevelopment Plan**

Mr. Vosburg presented the 511 Woodward Brownfield Redevelopment Plan to the DBRA Board.

#### Project Introduction

ICONIC 511, LLC is the project developer (the "Developer") for the Plan which involves the rehabilitation of the vacant and obsolete building located at 511 Woodward for commercial and retail uses. The current 30,240 square foot building was constructed in 1972. The building is a four (4) story glass curtain wall building on three (3) sides with a brick and block center section over the building entry with a block and brick rear side. The building was originally occupied by various professional offices and a financial institution from 1973 until at least 2006, when the building was vacated. The building has been vacant and unutilized since 2006. The Downtown Detroit Partnership will occupy 7,584 square feet of office space in the building.

The total investment is estimated to be \$18 million. The Developer is requesting \$1,564,142.00 in TIF reimbursement.

There will be approximately 75 temporary construction jobs and 1 FTE job related to property management. Approximately 100 new retail and office jobs are anticipated to be created by the future tenant(s) of the building.

#### Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcels located in Detroit's Central Business District, bounded by Woodward Avenue to the east, Larned Street to the south, the Guardian Building to the west, and Congress Street to the north.

#### Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized or is currently 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 functionally obsolete and blighted 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 interior demolition, lead and asbestos abatement,

infrastructure improvements, and development and preparation 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 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. Demolition (Including Lead and Asbestos Abatement)	\$597,770.00
2. Infrastructure Improvements	\$524,900.00
3. Site Preparation	\$220,063.00
4. Brownfield Plan & Work Plan Preparation	\$20,000.00
5. Contingency (15%)	\$201,410.00
<b>Total Reimbursement to Developer</b>	<b>\$1,564,142.00</b>
6. Authority Administrative Costs	\$306,759.00
7. State Brownfield Redevelopment Fund	\$191,294.00
8. Local Brownfield Revolving Fund	\$52,016.00
<b>TOTAL Estimated Costs</b>	<b>\$2,114,212.00</b>

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.

DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the October 30, 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 Monday, November 4, 2019 at 5:30 pm at the Detroit Economic Growth Corporation offices located at 500 Griswold Street, Suite 2200, Detroit, Michigan. The results of the DBRA public hearing will be provided.

Attached for your review and approval is a resolution approving the 511 Woodward Brownfield Redevelopment Plan and its submittal to Detroit City Council.

Mr. Walters called for a motion to approve the 511 Woodward Brownfield Redevelopment Plan and its submittal to the Detroit City Council, as presented. The Board took the following action:

On a motion by Mr. Gonzalez, seconded by Ms. DeSantis, DBRA Resolution Code 19-11-281-02 was unanimously approved.

**2119 Field Street Brownfield Redevelopment Plan**

Ms. Capler presented the 2119 Field Street Brownfield Redevelopment Plan to the DBRA Board.

### Project Introduction

K8 Partners LLC is the project developer (the “Developer”) for the Plan which entails the rehabilitation of the existing building into eight residential townhome apartments units. Each unit will include modern floorplans and finishes with private entry and exit, including covered porches which face the streets and rear porches that access private parking.

The total investment is estimated to be \$2.46 million. The Developer is requesting \$276,897.00 in TIF reimbursement.

There will be 73 temporary construction jobs and 1 FTE jobs. The 1 FTE job will be related to property management.

### Property Subject to the Plan

The eligible property (the “Property”) consists of one (1) parcels located in Detroit’s Islandview neighborhood, on the east side of Detroit, bounded by the property line to the north, Field Street to the east, Kercheval Avenue to the south, and the property line 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 residential 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 functionally obsolete 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 demolition and lead and asbestos abatement, infrastructure improvements, site preparation, and development and preparation of 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	\$14,850.00
2. Demolition	\$75,250.00
3. Asbestos and Lead Activities	\$13,750.00
4. Infrastructure Improvements	\$30,500.00
5. Site Preparation	\$82,280.00
6. Brownfield Plan & Work Plan Preparation and Implementation	\$30,000.00
7. Contingency (15%)	\$30,267.00
<b>Total Reimbursement to Developer</b>	<b>\$276,897.00</b>
8. Authority Administrative Costs	\$64,333.00
9. State Brownfield Redevelopment Fund	\$15,111.00
10. Local Brownfield Revolving Fund	\$76,241.00
<b>TOTAL Estimated Costs</b>	<b>\$448,326.00</b>

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.

#### DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the October 30, 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 Monday, October 28, 2019 at 5:30 pm at The Commons located at 7900 Mack Avenue, Detroit, Michigan. The results of the DBRA public hearing are attached.

Attached for the DBRA Board's review and approval was a resolution approving the 2119 Field Street Brownfield Redevelopment Plan and its submittal to Detroit City Council.

Ms. DeSantis asked why the DBRA-CAC recommended approval of the Plan when four people spoke in opposition to the Plan at the public hearing. Mr. Walters asked if the people who spoke in opposition to the Plan live in the Islandview neighborhood. Ms. Capler stated that it is not confirmed if the four people who spoke in opposition to the Plan live in the Islandview neighborhood. They are members of the Charlevoix Villages Association. Mr. Walters stated that a lot of the Charlevoix Villages Association representation live outside of the Islandview neighborhood and are not representative of the neighborhood.

Mr. Walters asked if there were additional letters of support received from the community for the Plan. Ms. Capler stated that there were additional letters of support included in the Plan from the Villages CDC, two letters from the Church of the Messiah, and a letter from Villages Property Management.

Mr. Walters stated that the TIF ask under the Plan is under \$300,000 and that there are eight residential units with two of them to be available at 80% of the Area Median Income (AMI) and that the Villages CDC represents the area more than the Charlevoix Villages Association.

Ms. DeSantis stated that there are more board members of the Villages CDC that live in the area but that there is some tension between the Villages CDC and some members of the community. Ms. DeSantis stated that she would have liked to have seen support a letter from GenesisHOPE.

Mr. Walters called for a motion to approve the 2119 Field Street Brownfield Redevelopment Plan and its submittal to the Detroit City Council, as presented. The Board took the following action:

On a motion by Ms. McClain, seconded by Ms. Washington, DBRA Resolution Code 19-11-280-02 was approved. Ms. DeSantis voted nay.

#### AMC Site Presentation

Mr. Vosburg stated that following up on the DBRA Board's request for an update on the status of the AMC Site, there are representatives from SME and the DEGC to provide more information. Mr. Cassidy provided a presentation to the DBRA Board regarding the AMC Site.

Mr. Cassidy gave an overview of the past uses of the AMC Site, the current conditions of the existing structure and the rest of the property including the amount of debris and stockpiled soil and waste, the environmental reviews and assessments conducted and the results of those assessments, the number and location of underground storage tanks remaining, the estimated costs of remediation, demolition, and clean up of the AMC Site and the variations of those costs when other creative solutions are considered.

Mr. Walters asked what the most conservative estimated amount for clean up and demolition of the site. Mr. Cassidy stated that about \$25 million is the most conservative estimated cost for clean up and demolition of the site and that in another scenario with other solutions applied, the clean-up and demolition costs were reduced to about \$15 million. Mr. Vosburg added that the \$15 million scenario would require the commitment of a developer that had an end use compatible with and was willing and comfortable exploring creative solutions for the clean up and demolition of the site including reusing the materials currently on the site to the extent those materials could be used.

Mr. Walters asked if the City of Detroit were to use funds to clean up the site then would it be closer to the \$25-30 million amount. Mr. Vosburg confirmed that if the City of Detroit were to use funds to clean up the site then it be closer to the \$25-30 million amount. Mr. Cassidy added that the \$25-30 million amount would only address the clean up and demolition costs for everything above grade and would not address any remediation that may be required for contamination located in the ground.

Ms. DeSantis stated that using contaminated soil to create berms would only be delaying the cost of remediation which would need to happen regardless.

Mr. Walters stated that any developer taking on the clean up and demolition of the site would need to have significant funds available to take on such costs.

Ms. Wilkins asked if there are any barriers currently in place to keep the general public out of the site. Mr. Cassidy and Mr. Dailey confirmed that there is a fence around the site to keep the site secure from the public and the prevent further illegal dumping on the site. Mr. Vosburg stated that all of the stock piled soil and debris on the site is the result of illegal dumping and that the site is being monitored by Detroit Police. Additionally the City of Detroit is working to control weeds and clear non-environmental debris from the site as staff and resources allow.

#### **ADMINISTRATIVE**

None.

#### **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. Washington, seconded by Ms. DeSantis the meeting was unanimously adjourned at 5:06 PM.



**CODE DBRA 19-11-02-266**

**APPROVAL OF MINUTES OCTOBER 23, 2019**

RESOLVED, that the minutes of the regular meeting of October 23, 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 6, 2019



CODE DBRA 19-11-01-216

**ADMINISTRATION; DBRA AUDITED FINANCIAL STATEMENTS AND MANAGEMENT REPORT AS OF JUNE 30, 2019**

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, 2019, with comparative totals as of June 30, 2018, as prepared by George Johnson and Company, Certified Public Accountants.

November 6, 2019



**CODE DBRA 19-11-262-31**

**LAND ASSEMBLY PROJECT: AUTHORIZATION TO ENTER INTO PURCHASE TRANSACTIONS**

**WHEREAS**, FCA US LLC ("FCA"), the City of Detroit Brownfield Redevelopment Authority ("DBRA") and the City of Detroit (the "City") are parties to that certain development agreement (the "Development Agreement") relating to the following investment proposed by FCA in the city of Detroit (the "Project"):

- Construct a new assembly plant at the site of its current Mack Engine Plant located at Mack and St. Jean, with an estimated investment of \$1.6 billion and creation of approximately 3,850 net new full-time jobs; and
- Invest approximately \$900 million at its Jefferson North Assembly Plant, located at Jefferson and St. Jean, creating approximately 1,100 net new full-time jobs; and

**WHEREAS**, in April and May, 2019, the DBRA Board and City Council approved several land transactions relating to the Project, including but not limited to certain transactions with Hantz Farms LLC ("Hantz") whereby the City agreed to sell certain City-owned parcels to and Hantz agreed to transfer to DBRA certain parcels needed for the Project; and

**WHEREAS**, certain of the City-owned parcels transferred to Hantz pursuant to the above-referenced transactions are necessary for the Project and certain parcels approved for transfer by the City to DBRA for the Project are no longer needed for the Project; and

**WHEREAS**, DBRA staff recommends the Board's approval of an exchange of parcels as follows (the "Parcel Exchange"):

Parcels to be transferred to DBRA by Hantz for the Project:

11256 Mack, Detroit, MI 48214  
11244 Mack, Detroit, MI 48214  
11234 Mack, Detroit, MI 48214

Parcels to be transferred by DBRA to Hantz:

11200 Charlevoix, Detroit, MI 48214  
2662 Beniteau, Detroit, MI 48214  
11215 Kercheval, Detroit, MI 48214  
2620 Beniteau, Detroit, MI 48214  
11201 Kercheval, Detroit, MI 48214  
2124 Beniteau, Detroit, MI 48214  
11231 Kercheval, Detroit, MI 48214

**WHEREAS**, the Parcel Exchange is in the best interest of the Project, consistent with the DBRA's purposes of promoting the revitalization and reuse of certain properties and is otherwise consistent with its powers and purposes.

**NOW, THEREFORE, BE IT RESOLVED**, that the DBRA Board of Directors hereby approves the Parcel Exchange.

**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 deeds documents, contracts, or other papers, and take such other actions, necessary or appropriate to implement the Parcel Exchange and other 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 6, 2019



**CODE DBRA 19-11-262-32**

**LAND ASSEMBLY PROJECT: AUTHORIZATION TO ENTER INTO A LETTER OF INTENT, DEVELOPMENT AGREEMENT AND LAND TRANSFER AGREEMENT WITH NORTHPOINT DEVELOPMENT LLC FOR FORMER CADILLAC STAMPING PLANT**

**WHEREAS**, the City of Detroit (the "City") administration has requested the assistance of the City of Detroit Brownfield Redevelopment Authority ("DBRA") in industrial land assembly activities aimed at establishing market-ready industrial sites within City limits in order to attract manufacturing and logistics companies (the "Land Assembly Project"); and

**WHEREAS**, DBRA staff have identified a site located at 9501 Conner Street, Detroit, MI and formerly known as the Cadillac Stamping Plant (the "Property"), an 18-acre industrial site acquired by the City in 2018 as a tax foreclosed property, as a key site for industrial development; and

**WHEREAS**, DBRA staff has identified NorthPoint Development, LLC ("Developer") as a potential developer of the Property to undertake demolition of the existing structures, any necessary remediation, and construct a facility of at least 200,000 square feet intended for industrial uses related to advanced manufacturing, assembly, or transportation, distribution and logistics; and

WHEREAS, Subject to City Council approval, DBRA proposes to enter into a land transfer agreement for the Property with the City (the "Land Transfer Agreement") and then to subsequently transfer the Property to the Developer pursuant to a development agreement ("Development Agreement") to be negotiated by Developer and DBRA consistent with the terms contained in the letter of intent attached hereto as **Exhibit A** (the "LOI"); and

**WHEREAS**, the transactions contemplated herein are consistent with the DBRA's purposes of promoting the revitalization and reuse of certain properties and is otherwise consistent with its powers and purposes.

**NOW, THEREFORE, BE IT RESOLVED**, that the DBRA Board of Directors hereby approves the LOI.

**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 execute the LOI, negotiate and execute the Development Agreement and Land Transfer Agreement on terms and conditions consistent with the LOI and this resolution, together with such changes that are reasonably required for the project and are approved by DBRA Authorized Agents and counsel, which changes are not inconsistent with the intent of this resolution, and 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 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 6, 2019



**CODE DBRA 19-11-262-33**

**LAND ASSEMBLY PROJECT: AUTHORIZATION TO ENTER INTO LETTER OF INTENT & DEVELOPMENT AGREEMENT WITH DAKKOTA INTEGRATED SYSTEMS FOR FORMER KETTERING HIGH SCHOOL & ROSE SCHOOL SITES**

**WHEREAS**, the City of Detroit (the “City”) administration has requested the assistance of the City of Detroit Brownfield Redevelopment Authority (“DBRA”) in industrial land assembly activities aimed at establishing market-ready industrial sites within City limits in order to attract manufacturing and logistics companies (the “Land Assembly Project”); and

**WHEREAS**, in the summer, 2019, the DBRA Board of Directors authorized the purchase of the former Kettering High School and Rose School sites (the “Property”) from Detroit Public Schools (“DPS”) and the subsequent transfer of the property for development to Trinity Investments LLC (“Trinity”) for use by Dakkota Integrated Systems, LLC (“Dakkota”).

**WHEREAS**, following due diligence by Trinity and Dakkota, due to the higher costs and a longer timeline than expected to prepare the Property for construction, Dakkota has proposed purchasing only the south 19 acres of the Property (the “Dakkota Parcel”) for construction of an approximately 300,000 square foot facility (the “Project”), whereby the northern portion of the Property, consisting of approximately 13 acres, (the “Retained Parcel”) would be retained by the DBRA and marketed for use by another industrial user; and

**WHEREAS**, proposed revised terms are described in the attached term sheet signed by Trinity, Dakkota and DBRA’s authorized agents (the “Revised Terms”), except that since the execution of the Revised Terms, Trinity has determined it will no longer be a party to the transaction, and Dakkota will be the developer and the end-user of the Dakkota Parcel and intends to assign any interest in the Development Agreement to Dakkota.

**WHEREAS**, DBRA staff seeks the Board’s authorization to enter into a Development Agreement with Dakkota consistent with the Revised Terms and an amended and restated funding agreement with the City of Detroit in order to accept funding for the purchase of the Property and the DBRA’s funding obligations under the Revised Terms; and

**WHEREAS**, the transactions contemplated herein is consistent with the DBRA’s purposes of promoting the revitalization and reuse of certain properties and is otherwise consistent with its powers and purposes.

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

**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 the Development Agreement and amended and restated funding agreement consistent with the Revised Terms and this resolution, together with such changes that are reasonably required for the Project and are approved by DBRA Authorized Agents and counsel, which changes are not inconsistent

with the intent of this resolution, and 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 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 6, 2019

**EXHIBIT A  
REVISED TERM SHEET**

See attached.



**CODE DBRA 19-11-262-34**

**Land Assembly Project: Adoption of Resolution Authorizing Issuance of Tax Increment Revenue Bond in Connection with MSF Loan**

WHEREAS, pursuant to Act 381, Public Acts of Michigan, 1996, as amended (“Act 381”), the City of Detroit, County of Wayne, State of Michigan (the “City”) has established the City of Detroit Brownfield Redevelopment Authority (the “Authority”); and

WHEREAS, in conformity with Act 381, the Board of the Authority and the City Council of the City have adopted and approved a Brownfield Plan for the Mack & Conner Redevelopment Project (the “Brownfield Plan”); and

WHEREAS, FCA US LLC desires to construct a new assembly plant and related improvements by renovating, retrofitting, and expanding the Mack 1 Plant and Mack 2 Plant; and

WHEREAS, the Brownfield Plan provides for the capture of tax increment revenues derived from the Brownfield Plan and captured from certain property constituting eligible property under Act 381 (the “Eligible Property”); and

WHEREAS, this Board determines that it is necessary and appropriate at this time to issue a tax increment revenue bond pursuant to Act 381 to finance the costs of acquiring, constructing, furnishing and equipping certain Eligible Activities for the benefit of the Eligible Property as provided in the Brownfield Plan (the “Project”); and

WHEREAS, the Authority has requested and the Michigan Strategic Fund (the “MSF”) has approved a performance-based investment award (the “MSF Investment Award”) from the MSF in an amount up to Fifty-Five Million Dollars (\$55,000,000) to be used by the Authority to pay a portion of the costs of the Project, which funds are to be disbursed under the terms of that certain investment agreement by and between the Authority and the MSF dated June 14, 2019, as amended (the “Investment Agreement”); and

WHEREAS, a portion of the MSF Investment Award in the amount of Twenty Million Dollars (\$20,000,000) shall be repaid to the MSF in accordance with the terms and conditions of the Investment Agreement (the “Loan”); and

WHEREAS, it is the determination of the Board that a tax increment revenue bond in the principal amount of not to exceed Twenty Million Dollars (\$20,000,000) be issued as evidence of the Loan for the purpose of paying a portion of the costs of the Project.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Estimated Tax Increment Revenues. The projections of estimated tax increment revenues as set forth in the Brownfield Plan (the “Tax Increment Revenues”) are hereby approved and adopted by this Board.
2. Authorization of Bond; Bond Terms. A bond of the Authority designated TAX INCREMENT

REVENUE BOND, SERIES 2019 (the "Bond") is authorized to be issued in a principal amount of not to exceed Twenty Million Dollars (\$20,000,000), at an interest rate not-to-exceed one and sixteen hundredths percent (1.16%) per annum, payable on such dates as shall be set forth in the Bond, for the purpose of paying all or part of the costs of the Project.

The Bond shall be in the form of a single instrument bond, payable in principal installments on such dates as determined by an authorized agent of the Authority (an "Authorized Agent") and provided in the Bond as executed and delivered to the MSF. The Bond may be subject to prepayment prior to maturity as may be set forth in the Investment Agreement.

3. Execution of Bond. The Bond shall be executed in the name of the Authority with the manual or facsimile signatures of the Chairperson and Secretary.

4. Transfer of the Bond. The Bond may be transferable only as provided in the Investment Agreement.

5. Security for Bond; Debt Retirement Fund. The Bond shall be issued in anticipation of and payable solely and only from the Tax Increment Revenues pursuant to the Brownfield Plan, which Tax Increment Revenues are anticipated to be in amounts sufficient to pay principal of and interest on the Bond. There is hereby created a statutory lien on the Tax Increment Revenues in favor of the Bond, which shall be subject to and of junior standing and priority of lien only as to the pledge of Tax Increment Revenues to the City Loan, as defined in the form of Bond set forth in section 7 hereof. The statutory lien created hereby shall otherwise be a first lien.

The Authority Treasurer is authorized and directed to open a separate depository account with a bank or trust company designated by the Authority to be known as TAX INCREMENT BOND, SERIES 2019 DEBT RETIREMENT FUND (the "Debt Retirement Fund"), or such other designation as determined by an Authorized Agent. Moneys to be deposited into the Debt Retirement Fund shall be used solely for the purpose of paying principal of and interest on the Bond.

6. Bond Proceeds; Project Fund. The Authority Treasurer is authorized and directed to open a separate depository account to be known as the FCA PROJECT FUND (the "Project Fund") which may be established by the Authority. Monies in the Project Fund shall be used by the Authority solely for payment of costs of the Project.

7. Bond Form. The Bond shall be in substantially the following form, with such adjustments as may be necessary to conform to the terms of the Investment Agreement in the discretion of the appropriate Authorized Agent within the parameters of this Resolution:

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF WAYNE

CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY

TAX INCREMENT REVENUE BOND, SERIES 2019

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
1.16%	July 1, 2049	_____, 20__

Registered Owner: Michigan Strategic Fund

Principal Amount: Twenty Million Dollars (\$20,000,000)

The City of Detroit Brownfield Redevelopment Authority, County of Wayne, State of Michigan (the "Borrower or "DBRA"), acknowledges itself to owe and for value received hereby promises to pay to the order of the Registered Owner specified above the principal sum of Twenty Million Dollars (\$20,000,000) ("Principal"), pursuant to and subject to the terms hereunder and the Investment Agreement (as hereinafter defined), plus interest which shall accrue at the rate of One and 16/100 percent (1.16%) per annum, accruing from the Date of Original Issue and first payable on July 1, 2021, computed on the basis of a 360 day year consisting of twelve 30-day months ("Interest"), all as more fully described on Exhibit A attached hereto, in lawful money of the United States.

The outstanding Principal amount, plus Interest, shall be payable solely and only from the Tax Increment Revenues received by the Borrower as described in the Borrower's Brownfield Plan and corresponding Act 381 Work Plan, beginning on July 1, 2021 and continuing annually thereafter on the same day until paid in accordance with Exhibit A ("Annual MSF Payment"), subject to adjustment as provided herein.

This Bond is a single, fully-registered, non-convertible bond issued on the Date of Original Issue under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 381, Public Acts of Michigan, 1996, as amended, and a resolution duly adopted by the Board of the Borrower for the purpose of paying the costs of certain eligible activities as described in the Borrower's Brownfield Plan.

#### **Investment Agreement**

**This Bond is governed by the terms and conditions set forth in that certain investment agreement (the "Investment Agreement"), dated as of June 14, 2019, as may be amended from time to time, entered into between the Borrower and the Michigan Strategic Fund, a public body corporate and politic of the State of Michigan ("MSF"), the terms of which are incorporated herein and made a part hereof. The Investment Agreement sets forth, among other things, certain conditions and events which may result in additions and adjustments to the payments made to the MSF, and such additions and adjustments shall apply in addition to, and notwithstanding, the assumed schedule set forth at Exhibit A. Unless otherwise defined in this bond, capitalized terms used in this Bond, shall have the meanings set forth in the Investment Agreement.**

Other Obligations Secured by Tax Increment Revenues

This Bond is of junior standing and priority of lien as to the pledge of Tax Increment Revenues to the Borrower's loan from the City of Detroit, dated August 22, 2019, in the principal amount equal to \$7,500,000, plus interest at the rate of One and 16/100 percent (1.16%) per annum (the "City Loan").

Optional Prepayment

The outstanding Principal and Interest may be prepaid in whole or in part any time without penalty.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this Bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the Borrower, including this Bond and the series of bonds of which this is one, does not exceed any constitutional or statutory debt limitation.

The Borrower, by its Board, has caused this Bond to be signed in the name of the Borrower with the signatures of its Chairperson and Secretary, all as of the Date of Original Issue.

CITY OF DETROIT BROWNFIELD  
REDEVELOPMENT AUTHORITY

County of Wayne  
State of Michigan

By: \_\_\_\_\_  
Its: Chairperson

By: \_\_\_\_\_  
Its: Secretary

8. Negotiated Sale of the Bond. The Authority hereby declares that it has pursued a negotiated sale with the MSF because the terms of the Bond are expected to best achieve the most advantageous interest rate and lowest overall cost to the Authority.

9. Estimated Useful Life; Estimated Project Cost. The estimated period of usefulness of the proposed Project is hereby declared to be not less than thirty (30) years and its total cost is estimated to be not less than Twenty Million Dollars (\$20,000,000).

10. Public Purpose. The Authority hereby finds that the accomplishment and completion of the Project is in the best interest of the health and welfare of the Authority and the City, is in the furtherance of the purposes of Act 381 and constitutes a public purpose. The Authority expressly approves obtaining and using funds derived from the proceeds of the Bond to finance the Project.

11. Approval of Loan and Delivery of Bond to MSF; Other Actions. Any Authorized Agent is hereby authorized to deliver the Bond to the MSF and take all other necessary actions required to receive the Loan from the MSF and effectuate the sale, issuance and delivery of the Bond, subject to the parameters set forth in this Resolution. The Authorized Agents, and such other officials, agents and employees of the Authority are authorized and directed to take all other actions necessary or advisable and enter into all necessary agreements with the MSF and other necessary parties, to enable the acceptance of the Loan and the issuance, sale and delivery of the Bond as contemplated herein.

12. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

13. Effective Date. This Resolution shall become effective immediately upon its adoption.

November 6, 2019

**EXHIBIT A**  
**Projected Debt Service**

	Available	City Loan	State Loan (Bond)	Remaining
<u>Period Ending</u>	<u>Tax Increment Revenue</u>	<u>Debt Service</u>	<u>Debt Service</u>	<u>Tax Increment Revenue</u>
7/1/2019*	\$0	\$0	<b>\$0</b>	\$0
7/1/2020*	0	0	<b>0</b>	0
7/1/2021	513,207	137,661	<b>367,096</b>	8,450
7/1/2022	521,668	139,931	<b>373,148</b>	8,590
7/1/2023	530,215	142,223	<b>379,261</b>	8,730
7/1/2024	538,846	144,538	<b>385,435</b>	8,873
7/1/2025	547,564	146,877	<b>391,671</b>	9,016
7/1/2026	556,369	149,239	<b>397,970</b>	9,161
7/1/2027	565,263	151,624	<b>404,331</b>	9,307
7/1/2028	575,582	154,392	<b>411,713</b>	9,477
7/1/2029	586,255	157,255	<b>419,347</b>	9,653
7/1/2030	597,035	160,147	<b>427,058</b>	9,831
7/1/2031	607,922	163,067	<b>434,845</b>	10,010
7/1/2032	618,919	166,017	<b>442,711</b>	10,191
7/1/2033	1,433,513	384,521	<b>1,025,388</b>	23,604
7/1/2034	1,457,076	390,841	<b>1,042,243</b>	23,992
7/1/2035	1,480,875	397,225	<b>1,059,267</b>	24,384
7/1/2036	1,504,913	403,673	<b>1,076,460</b>	24,779
7/1/2037	1,529,190	410,185	<b>1,093,826</b>	25,179
7/1/2038	1,553,710	416,762	<b>1,111,365</b>	25,583
7/1/2039	1,578,476	423,405	<b>1,129,080</b>	25,991
7/1/2040	1,603,489	430,114	<b>1,146,972</b>	26,403
7/1/2041	1,628,752	436,891	<b>1,165,043</b>	26,819
7/1/2042	1,654,268	443,735	<b>1,183,294</b>	27,239
7/1/2043	1,680,039	450,648	<b>1,201,728</b>	27,663
7/1/2044	1,706,068	457,630	<b>1,220,346</b>	28,092
7/1/2045	1,732,357	464,682	<b>1,239,151</b>	28,525
7/1/2046	1,847,960	495,691	<b>1,321,842</b>	30,428
7/1/2047	1,876,062	503,229	<b>1,341,943</b>	30,891
7/1/2048	1,904,446	510,842	<b>1,362,246</b>	31,358
7/1/2049	<u>1,933,113</u>	<u>518,532</u>	<b><u>1,382,751</u></b>	<u>31,830</u>
	<u>\$ 34,863,153</u>	<u>\$ 9,351,574</u>	<b><u>\$ 24,937,531</u></b>	<u>\$ 574,047</u>
* Interest through January 1, 2021 to be Accrued				

**EXHIBIT B**  
**Material Bond Terms**

Significant terms of the Bond are summarized below.

<b><i>Issuer:</i></b>	DBRA will issue its Tax Increment Revenue Bond, Series 2019 in an amount up to Twenty Million Dollars (\$20,000,000) (the " <u>Bond</u> ")
<b><i>Use of Bond Proceeds:</i></b>	To pay the costs of certain Eligible Activities under the Brownfield Plan related to the construction of the Project.
<b><i>Term:</i></b>	The Bond shall mature on July 1, 2049 with the option of early redemption as provided in the Investment Agreement.
<b><i>Interest Rate:</i></b>	Interest on the Bond will accrue at the rate of 1.16% per annum, first payable on July 1, 2021 and annually thereafter.
<b><i>Repayment Sources:</i></b>	The Tax Increment Revenues generated by the Project.
<b><i>Security:</i></b>	The Bond will be secured by a pledge of and statutory lien on the Tax Increment Revenues generated by the construction of the Project, subordinate to the lien on such Tax Increment Revenues securing the City Loan.



**CODE DBRA 19-11-281-02**

**511 WOODWARD BROWNFIELD REDEVELOPMENT PLAN**

WHEREAS, pursuant to 381 PA 1996, as amended (“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 Council”) for the purpose of promoting the revitalization of environmentally distressed areas in the City of Detroit; 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, in accordance with the policies, procedures and bylaws governing the DBRA, the DBRA has submitted a proposed Brownfield Plan for the **511 Woodward Redevelopment Project** (the “Plan”) to the Community Advisory Committee for its consideration and comment and has solicited comments by the public by publication of notice stating that the proposed Plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies; and

WHEREAS, the Community Advisory Committee has considered the proposed Plan and approved a resolution recommending the approval of the proposed Plan by the DBRA and the City Council as presented by the DBRA; and

WHEREAS, in accordance with the provisions of Act 381, the Board of Directors of the DBRA has considered the proposed Plan and desires to approve the proposed Plan and to request that City Council call a public hearing to consider and adopt a resolution approving the proposed Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the DBRA has determined that the adoption of the Brownfield Plan for the **511 Woodward Redevelopment Project** is in keeping with the purposes of Act 381 and recommends submittal of the Plan to City Council for approval.
2. The Board of Directors of the DBRA approves the Plan substantially in the form attached hereto and on file with the Secretary of the DBRA.
3. Any Authorized Agent of the DBRA is authorized and directed to submit a certified copy of this Resolution and the Plan to the City Clerk, together with a request that the City Council call a public hearing concerning the Plan and to take all other actions required to approve the Plan in accordance with Act 381.
4. 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.

5. 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.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

November 6, 2019



**CODE DBRA 19-11-280-02**

**2119 FIELD STREET BROWNFIELD REDEVELOPMENT PLAN**

WHEREAS, pursuant to 381 PA 1996, as amended (“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 Council”) for the purpose of promoting the revitalization of environmentally distressed areas in the City of Detroit; 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, in accordance with the policies, procedures and bylaws governing the DBRA, the DBRA has submitted a proposed Brownfield Plan for the **2119 Field Street Redevelopment Project** (the “Plan”) to the Community Advisory Committee for its consideration and comment and has solicited comments by the public by publication of notice stating that the proposed Plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies; and

WHEREAS, the Community Advisory Committee has considered the proposed Plan and approved a resolution recommending the approval of the proposed Plan by the DBRA and the City Council as presented by the DBRA; and

WHEREAS, in accordance with the provisions of Act 381, the Board of Directors of the DBRA has considered the proposed Plan and desires to approve the proposed Plan and to request that City Council call a public hearing to consider and adopt a resolution approving the proposed Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the DBRA has determined that the adoption of the Brownfield Plan for the **2119 Field Street Redevelopment Project** is in keeping with the purposes of Act 381 and recommends submittal of the Plan to City Council for approval.
2. The Board of Directors of the DBRA approves the Plan substantially in the form attached hereto and on file with the Secretary of the DBRA.
3. Any Authorized Agent of the DBRA is authorized and directed to submit a certified copy of this Resolution and the Plan to the City Clerk, together with a request that the City Council call a public hearing concerning the Plan and to take all other actions required to approve the Plan in accordance with Act 381.
4. 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.

5. 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.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

November 6, 2019