



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, AUGUST 12, 2020
4:00 PM**

BOARD MEMBERS PRESENT:

Donele Wilkins
John George
Juan Gonzalez
Amanda Elias
Pamela McClain

BOARD MEMBERS ABSENT:

Stephanie Washington
Maggie DeSantis
Sonya Mays
Raymond Scott

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Paul Kako (DEGC)
Glen Long (DEGC)
Rebecca Navin (DEGC)
Catherine Frazier (DEGC)
Maxwell Cameron (DEGC)
Ngozi Nawaesei (Lewis & Munday)
Malik Goodwin (Riopelle Market Development, LP)
Brian Holdwick (Riopelle Market Development, LP)
George Jackson (Riopelle Market Development, LP)
Paul Mardirosian (Honigman)
Andi McIntosh (Bedrock)
RJ Wolney (Bedrock)



**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, AUGUST 12, 2020
HELD VIA ZOOM VIRTUAL MEETING**

CALL TO ORDER

Secretary Pamela McClain called the meeting to order at 4:08 PM.

Ms. Kanalos took a roll call of the DBRA Board Members present.

GENERAL

Approval of Minutes:

Ms. McClain called for a motion approving the minutes of July 22, 2020 as presented. The Board took the following action:

Ms. Wilkins made a motion approving the minutes of the July 22, 2020 Board meeting, as presented. Mr. Gonzalez seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. George, Ms. Elias, Ms. McClain, Ms. Wilkins and Mr. Gonzalez

Nays: None.

DBRA Resolution Code 20-08-02-280 was approved.

Treasurer's Report – June 2020

Mr. Long presented the June 2020 Treasurer's Report.

Ms. McClain called for a motion accepting the June 2020 Treasurer's Report as presented. The Board took the following action:

Mr. George made a motion accepting the June 2020 Treasurer's Report, as presented. Ms. Elias seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. George, Ms. Elias, Ms. McClain, Ms. Wilkins and Mr. Gonzalez

Nays: None.

DBRA Resolution Code 20-08-03-201 was approved.

PROJECTS

Land Assembly Project: Amendment to Contract for Environmental Diligence and Oversight Activities - DLZ

Mr. Cameron presented the Land Assembly Project: Amendment to Contract for Environmental Diligence and Oversight Activities - DLZ to the DBRA Board.

As the Board is aware, the City of Detroit Brownfield Redevelopment Authority ("DBRA") and the City of Detroit (the "City") are parties to that certain 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.

The DBRA previously approved DLZ as one of three environmental firms to perform environmental due diligence and oversight activities for the Project. DBRA staff have identified additional work to be performed for the Project, largely relating to Site 12. As the Board will recall, Site 12 is comprised largely of the former Connor's Creek Power Plant. The additional scope and associated budget is set forth on the attached **Exhibit A**.

DBRA staff is seeking authorization to amend the scope of services and total contract value in accordance with the amounts and services listed above. Payment for the above described services are to be paid using Project funds.

A resolution approving and authorizing the DBRA to enter into a contract amendment with DLZ for the above described services was attached for the DBRA Board's review and consideration.

Ms. McClain called for a motion to approve the Land Assembly Project: Amendment to Contract for Environmental Diligence and Oversight Activities - DLZ, as presented. The Board took the following action:

Mr. George made a motion to approve the Land Assembly Project: Amendment to Contract for Environmental Diligence and Oversight Activities - DLZ, as presented. Ms. Wilkins seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. George, Ms. Elias, Ms. McClain, Ms. Wilkins and Mr. Gonzalez

Nays: None.

DBRA Resolution Code 20-07-262-41 was approved.

Brush Park Parcels A + B Brownfield Redevelopment Plan: Collateral Assignment of TIF Reimbursements

Mr. Vosburg presented the Brush Park Parcels A + B Brownfield Redevelopment Plan: Collateral Assignment of TIF Reimbursements to the DBRA Board.

On April 27, 2016, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors recommended approval to City Council of the Brownfield Plan for the Brush Park Parcels A+B Redevelopment Project (the "Plan"). The City Council public hearing for the Plan was held May 19, 2016 and City Council approved the Plan on May 31, 2016. The Reimbursement Agreement (the "Agreement") between the DBRA and Brush Park Development Company Phase I, LLC ("Developer"), was entered into on March 21, 2017.

Since then, the Developer has requested that the DBRA sign-off on the attached Collateral Assignment of TIF Reimbursements ("Assignment"). As a result, the Developer would like to assign the TIF capture from the Plan to the Michigan Strategic Fund as a condition of a loan made to the Developer by the Michigan Strategic Fund.

A copy of the Assignment and a resolution approving the Assignment and its subsequent execution were attached for the DBRA Board's review and approval.

Mr. Wolney stated that the Assignment is related to a \$7.5 million Community Revitalization Program (CRP) loan and that the project is moving along well.

Ms. McClain called for a motion to approve the Brush Park Parcels A + B Brownfield Redevelopment Plan: Collateral Assignment of TIF Reimbursements, as presented. The Board took the following action:

Ms. Wilkins made a motion to approve the Brush Park Parcels A + B Brownfield Redevelopment Plan: Collateral Assignment of TIF Reimbursements, as presented. Mr. George seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. George, Ms. Elias, Ms. McClain, Ms. Wilkins and Mr. Gonzalez

Nays: None.

DBRA Resolution Code 20-08-239-04 was approved.

Proposed Local Brownfield Revolving Fund Loan Request for Riopelle Market Development LP for the Mosaic Eastern Market Project

Mr. Vosburg presented the Proposed Local Brownfield Revolving Fund Loan Request for Riopelle Market Development LP for the Mosaic Eastern Market Project to the DBRA Board.

LOAN PURPOSE AND DEVELOPMENT DESCRIPTION

Riopelle Market Development, LP, (the “Developer”) is development team formed in 2018 led by George Jackson, Brian Holdwick, Malik Goodwin, and Grant Greschuk. The Developer is seeking to redevelop the former Detroit Water & Sewerage Department building located at 3500 Riopelle (the “Property”) in Eastern Market into a mixed-use commercial development (the “Project”). To facilitate the development, the Developer is seeking a \$250,000.00 (the “Loan”) from the Detroit Brownfield Redevelopment Authority (“DBRA”) Local Brownfield Revolving Fund (the “LBRF”). The Project’s Mosaic Eastern Market Brownfield Plan was approved by the DBRA Board of Directors on October 23, 2019 and City Council on November 5, 2019 and the Work Plan was approved on January 22, 2020 by the Michigan Strategic Fund (the “MSF”).

The loan request is a result of the Developer’s desire to begin Brownfield Plan Eligible Activities at the Project, often the first construction activities of any project, in advance of their closing on their construction loan. The Project has received a \$27,210,000.00 construction financing letter of interest from TCF/Chemical Bank (the “Construction Loan”) as well as PACE financing from PACE Equity. The Loan will have a term of twelve (12) months and will be repaid upon the earlier to occur of the closing of the Construction Loan or the maturity date. No monthly payments of principal and interest will be due on the balance of the Loan. The Developer is proposing collateral to the DBRA in the form of first-lien position mortgage on the Property which has been valued at \$3,116,838.00 per a Broker’s Price Opinion.

The Loan will support a \$24 million mixed-use renovation of a 105,544 square foot building with commercial office space, food accelerator space, restaurant space, event space, and common area space supported by 370 on-site surface parking spaces. The Project will also feature a rooftop solar panel installation as well as a green stormwater system. Approximately \$4.47 million in Brownfield TIF revenue will be captured for eligible activities which include environmental studies and remediation, demolition, lead & asbestos abatement, site preparation, infrastructure, brownfield and work plan preparation, and interest.

This Project brings back to life a large vacant building and site on the east side of Eastern Market, adding activity and uses identified as critical needs by the Eastern Market Corporation. It is projected to create a total of 200 construction jobs and 150-250 FTEs permanent jobs.

Under the LBRF, funds are available to developers to use for only Brownfield Plan eligible activities with approved Brownfield Plans. Loans and Grants are available for all eligible activities on eligible property defined under Michigan Public Act 381 of 1996, as amended. As the Developer has an approved Brownfield Plan and the Property is an eligible property under Act 381, DBRA staff is recommending approval of the Loan in accordance with the proposed terms and sources and uses below.

Borrower Name:	Riopelle Market Development, LP
Borrower Location:	3500 Riopelle, Detroit MI 48207
Request:	\$250,000.00

Interest Rate: 4.0% per annum

Fee: 1% of the loan amount due at application.

Term: Twelve (12) months.

Repayment: On the earlier to occur of the closing of the Construction Loan or the maturity date of the Loan, a balloon payment of principal plus accrued interest shall be due and payable.

Security: First lien mortgage on the Property. Property has a value of \$3,116,838.00 per a Broker's Price Opinion.

Eligible Uses: Demolition and demolition soft costs.

Disbursement: DBRA will disburse funds no more frequently than on a monthly basis for Developer's requested eligible expenses.

Conditions: Satisfactory review and acceptance of standard due diligence items.

Borrower will provide itemized schedule and use of funds.
 Execution of mutually acceptable loan documents.
 Issuance of a Loan Policy of Title Insurance at closing.

TOTAL SOURCES		
Senior Debt		
TCF Bank (f.k.a. Chemical Bank) Construction Loans	\$27,210,000	73.0%
PACE Financing	\$3,420,000	9.2%
Cash Equity		
Cash Equity Owner	\$4,603,542	12.4%
Eastern Market Corporation Pre-Paid 20 Years Rent	\$2,000,000	5.4%
TOTAL DEVELOPMENT SOURCES	\$37,233,542	100.0%

ELIGIBLE USES OF \$250,000 LBRF LOAN FROM SCHEDULE OF VALUES	
Eligible Costs	
Debris Removal	\$298,653
Roof Demolition	\$472,028
Select Interior Demolition	\$221,473
Site Demolition	\$157,139
Demolition Soft Costs: proj. mgmt., bid specs, oversight	\$30,289
TOTAL AVAILABLE ELIGIBLE LBRF USES	\$1,179,581

At its meeting on August 11, 2020, the DBRA LBRF Committee reviewed the request and recommended the approval of the proposed loan to the DBRA Board of Directors. DBRA staff requested Board approval of a loan to Developer consistent with the terms noted above. A resolution was attached for the Board's consideration.

Mr. Holdwick stated that the Developer acquired the Property from the City of Detroit in November 2019 and has worked to clear debris from the buildings and added that there is about \$2 million in equity in the

project and the Developer's goal was to close on construction financing prior to COVID-19 but because of the pandemic was not able to and this loan would enable the Developer to continue work on the Property until the construction loan is secured.

Mr. Goodwin provided more information about the project including the work that has been performed to date, the timeline for City approvals for the project and construction, and the phased approach to complete the abatement work on the Property.

Mr. George asked when the project will be completed. Mr. Goodwin stated that the Developer is targeting August of 2021 for project with some additional buildout of the interior of the building through the end of 2021. Mr. Holdwick added that before COVID-19 there were multiple leases close to being finalized and the timeline for those leases has been pushed back due to the pandemic.

Ms. McClain asked how many leases have been secured for the project. Mr. Holdwick stated that the Developer currently has four Letters of Interest which represent about 20,000 square feet of the 100,000 square feet that will be available in the building.

Ms. McClain asked for clarification on what a broker's opinion is. Mr. Holdwick stated that a broker's opinion is not an appraisal but it is a value determined by a broker based on comparable properties and it is not something that lenders will rely on but something that is used for investors.

Ms. McClain called for a motion to approve the Proposed Local Brownfield Revolving Fund Loan Request for Riopelle Market Development LP for the Mosaic Eastern Market Project, as presented. The Board took the following action:

Mr. George made a motion to approve the Proposed Local Brownfield Revolving Fund Loan Request for Riopelle Market Development LP for the Mosaic Eastern Market Project, as presented.

Mr. Gonzalez seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. George, Ms. Elias, Ms. McClain, Ms. Wilkins and Mr. Gonzalez

Nays: None.

DBRA Resolution Code 20-08-279-04 was approved.

ADMINISTRATIVE

None.

OTHER

None.

PUBLIC COMMENT

None.

ADJOURNMENT

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

On a motion by Mr. George, seconded by Ms. Wilkins the meeting was unanimously adjourned at 4:39 PM.



CODE DBRA 20-08-02-280

APPROVAL OF MINUTES JULY 22, 2020

RESOLVED, that the minutes of the regular meeting of July 22, 2020 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.

August 12, 2020



DBRA 20-08-03-201

ACCEPTANCE OF TREASURER'S REPORT FOR JUNE 2020

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period June 1 through June 30, 2020, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

August 12, 2020



CODE DBRA 20-08-262-41

LAND ASSEMBLY PROJECT: AMENDMENT TO CONTRACT FOR ENVIRONMENTAL DILIGENCE AND OVERSIGHT ACTIVITIES - DLZ

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (“DBRA”) and the City of Detroit (the “City”) are parties to that certain 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, the DBRA Board of Directors previously authorized DBRA staff to execute a contract with the DLZ (the “Firm”) for the performance of environmental services on certain sites in connection with the Project; and

WHEREAS, DBRA staff have identified additional work to be performed for the Project as represented in **Exhibit A**; and

WHEREAS, pursuant to its statutorily authorized powers, the DBRA has the power to accept funding, expend DBRA funds, engage professionals, and take the other steps contemplated by this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors hereby authorizes the engagement of the Firm to provide the Scope of Services at the rates described in **Exhibit A**.

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 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.

August 12, 2020

Exhibit A

SCHEDULE AND PROFESSIONAL FEES – DLZ

DLZ - 12A (DTE Conner Creek Site)	
Environmentally Impacted Groundwater (capture and disposal)	\$300,000.00
Underground tunnel investigation	\$15,000.00
Air monitoring	\$30,000.00
<i>Subtotal</i>	\$345,000.00
ALL SITES	
Extraordinary Project Management services	\$25,000.00
<i>Subtotal</i>	\$25,000.00
DLZ Contract Amendment Total	\$370,000.00
Owner's Contingency (20%)	\$69,000.00
Total Authorized Amount	\$439,000.00



CODE DBRA 20-08-239-04

BRUSH PARK PARCELS A + B BROWNFIELD REDEVELOPMENT PLAN: COLLATERAL ASSIGNMENT OF TIF REIMBURSEMENTS

WHEREAS, on April 27, 2016, 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 Brush Park Parcels A+B Redevelopment (the "Project"); and

WHEREAS, on May 31, 2016, the Detroit City Council approved the Plan; and

WHEREAS, on March 21, 2017 the Reimbursement Agreement (the "Agreement") was made and entered into by and between Brush Park Development Company Phase I, LLC and the DBRA; and

WHEREAS, a Collateral Assignment of TIF Reimbursements (the "Assignment") between Brush Park Development Company Phase I, LLC and the Michigan Strategic Fund has been drafted and approved as to form by DBRA legal counsel; and

WHEREAS, the Assignment needs to be executed by Brush Park Development Company Phase I, LLC and the Michigan Strategic Fund 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 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.

August 12, 2020



CODE DBRA 20-08-279-04

MOSAIC BROWNFIELD REDEVELOPMENT PLAN: LOCAL BROWNFIELD REVOLVING FUND LOAN

WHEREAS, Riopelle Market Development, LP, (the “Developer”) is seeking to redevelop the former Detroit Water & Sewerage Department building located at 3500 Riopelle in Eastern Market (the “Property”) into a mixed-use commercial development (the “Project”); and

WHEREAS, the Project’s Mosaic Eastern Market Brownfield Plan was approved by the DBRA Board of Directors on October 23, 2019 and by City Council on November 5, 2019, and the Work Plan was approved by the Michigan Strategic Fund on January 22, 2020; and

WHEREAS, in order to facilitate the development, the Developer is seeking a \$250,000.00 loan (the “Loan”) from the City of Detroit Brownfield Redevelopment Authority Local Brownfield Revolving Fund (the “LBRF”); and

WHEREAS, under the LBRF, funds are available to developers to use for only Brownfield Plan eligible activities with approved Brownfield Plans with loans and grants available for all eligible activities on eligible property defined under Michigan Public Act 381 of 1996, as amended; and

WHEREAS, as the Developer has an approved Brownfield Plan and the Property is an eligible property under Act 381, DBRA staff has reviewed the Borrower’s financial documentation and proposes the following terms and conditions for the Loan between the Developer and the DBRA:

- Borrower Name:** Riopelle Market Development, LP
- Borrower Location:** 3500 Riopelle, Detroit MI 48207
- Request:** \$250,000,00
- Interest Rate:** 4.0% per annum
- Fee:** 1% of the loan amount due at application.
- Term:** Twelve (12) months.
- Repayment:** On the earlier to occur of the closing of the Construction Loan or the maturity date of the Loan, a balloon payment of principal plus accrued interest shall be due and payable.
- Security:** First lien mortgage on the Property. Property has a value of \$3,116,838.00 per a Broker’s Price Opinion
- Eligible Uses:** Demolition and demolition soft costs.
- Disbursement:** DBRA will disburse funds on a monthly basis for Developer’s Brownfield Plan eligible expenses.
- Conditions:** Satisfactory review and acceptance of standard due diligence items.

Borrower will provide itemized schedule and use of funds.
Execution of mutually acceptable loan documents.
Issuance of a Loan Policy of Title Insurance at closing.

; and

WHEREAS, DBRA staff presented such information to the DBRA LBRF Committee which recommends the approval of the Loan in accordance with the terms noted above; and

WHEREAS, the DBRA Board of Directors has reviewed the terms of the LBRF Loan and determined that providing the Loan is in the best interest of the DBRA.

NOW, THEREFORE, BE IT, RESOLVED, that the DBRA Board of Directors hereby approves the provision of the Loan to Developer and the execution of the Loan Agreement with the terms provided herein are hereby approved.

BE IT FURTHER RESOLVED, that any two Officers, or any one of the Officers and any one of the Authorized Agents or any two of the DBRA's Authorized Agents, shall hereafter have the authority to negotiate and execute a Loan Agreement together with such other terms and conditions that are determined by such Authorized Agents and/or Officers to be customary or appropriate and not inconsistent with this resolution, and to negotiate and execute all other documents, contracts, or papers, and take all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the DBRA.

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

August 12, 2020