



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, OCTOBER 27, 2021
4:00 PM**

BOARD MEMBERS PRESENT:

Juan Gonzalez
Stephanie Washington
Maggie DeSantis
Donele Wilkins
John George
Raymond Scott
Pamela McClain
Amanda Elias

BOARD MEMBERS ABSENT:

Sonya Mays

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Malinda Jensen (DEGC/DBRA)
Glen Long, Jr. (DEGC)
Paul Kako (DEGC)
Kaci Jackson (DEGC)
David Howell (DEGC)
Ngozi Nwaesei (Lewis & Munday)
Rod Hardamon (URGE Development)
Richard Barr (Honigman)
Malik Goodwin (Riopelle Market Development LP)
George Jackson
Brian Holdwick (Riopelle Market Development LP)
Bret Stuntz (SME)
Clifford Brown (Woodborn Partners)
Marcia Ventura (Invest Detroit)
Dan Gough (EGLE)



**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, OCTOBER 27, 2021
HELD VIA ZOOM VIRTUAL MEETING**

CALL TO ORDER

Chairperson Raymond Scott called the meeting to order at 4:03 PM.

Ms. Kanalos took a roll call of the DBRA Board Members present and a quorum was established.

GENERAL

Approval of Minutes:

Mr. Scott called for a motion approving the minutes of October 13, 2021 as presented. The Board took the following action:

Ms. Elias made a motion approving the minutes of the October 13, 2021 Board meeting, as presented. Ms. Washington seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Mr. Gonzalez, Ms. Elias, Ms. McClain, Ms. Washington, and Mr. Scott.

Nays: None.

DBRA Resolution Code 21-10-02-299 was unanimously approved.

Mr. George joined the meeting at 4:05 pm.

ADMINISTRATION

DBRA Audited Financial Statements and Management Report as of June 30, 2021

Ms. Kanalos presented the DBRA Audited Financial Statements and Management Report as of June 30, 2021.

Copies of the DBRA Audited Financial Statements and Management Report as of June 30, 2021, were distributed to each DBRA Board Member via email on October 25, 2021.

The attached resolution indicated the Board's formal receipt of the DBRA Audited Financial Statements and Management Report as of June 30, 2021, with comparative totals as of June 30, 2020, as prepared by George Johnson and Company, Certified Public Accountants.

Mr. Scott called for a motion approving the DBRA Audited Financial Statements and Management Report as of June 30, 2021 as presented. The Board took the following action:

Mr. George made a motion accepting the DBRA Audited Financial Statements and Management Report as of June 30, 2021, as presented. Ms. McClain seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Mr. Gonzalez, Mr. George, Ms. Elias, Ms. McClain, Ms. Washington, and Mr. Scott.

Nays: None.

DBRA Resolution Code 21-10-01-232 was approved.

PROJECTS

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

Ms. Kanalos presented the Local Brownfield Revolving Fund Loan Modification Request for Riopelle Market Development LP for the Mosaic Eastern Market Project to the DBRA Board.

In August 2020, the City of Detroit Brownfield Redevelopment Authority (the "DBRA") approved a \$250,000.00 (the "Loan") to Riopelle Market Development, LP, (the "Developer") from the DBRA Local Brownfield Revolving Fund (the "LBRF") to facilitate the project described in the Mosaic Eastern Market Brownfield Plan (the "Plan"), which was approved by the DBRA Board of Directors (the "Board") on October 23, 2019, City Council on November 5, 2019 and the Work Plan was approved on January 22, 2020 by the Michigan Strategic Fund (the "MSF"). As the Board may recall, the Developer is redeveloping the former Detroit Water & Sewerage Department building located at 3500 Riopelle (the "Property") in Eastern Market into a mixed-use commercial development (the "Project").

The loan request was a result of the Developer's desire to begin Brownfield Plan Eligible Activities for the Project, which entails a \$24 million mixed-use renovation of a 105,544 square foot building into commercial office space, food accelerator space, restaurant space, event space, and common area space supported by 370 on-site surface parking spaces. 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.

The Loan closed on October 22, 2020 and was approved with the following terms between the Developer and the DBRA:

Loan Amount:	\$250,000.00
Interest Rate:	4.0% per annum
Maturity Date:	The closing date of the Developer's Construction Loan or October 22, 2021, whichever occurs first.
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.

Although work did begin on the Project, the Developer has experienced delays due to COVID-19 which adversely impacted leasing commitments and the ability to obtain financing. The Developer approached DBRA staff in spring of 2021 and requested an extension to the maturity date of the Loan from October 22, 2021 to September 30, 2022. The extension to the loan maturity date coincides with an extension to the Development Agreement between the Developer and the City of Detroit (the "City") to begin Phase II of the Project by the same date, which extension was granted by the City in July 2021. In July 2021, Invest Detroit approved a \$750K predevelopment loan for the Project which is in a subordinate position to the Loan.

Since redevelopment of contaminated and blighted properties is one of the DBRA's primary objectives and given the City's support for the Project extension, as well as additional financial support from Invest Detroit, DBRA staff is recommending modification of the Loan to extend the maturity date to September 30, 2022.

The DBRA LBRF Committee reviewed this request on Monday, October 25, 2021. The results of the Committee meeting were presented to the DBRA Board of Directors at its meeting on October 27, 2021. DBRA staff was seeking approval of the loan modification consistent with the revised maturity date noted above.

A resolution was attached for the Board's consideration.

Ms. DeSantis asked for more information on why the extension is being requested and the progress made on the project to date. Mr. Holdwick stated that in April of 2020, about 70% of the commercial spaces were

committed to future tenants, and due to Covid-19, some of those tenants, including the largest one, re-evaluated their commitments to the development and are no longer going to be occupying those commercial spaces. Mr. Holdwick added that about \$2.5 million has been invested into the Property to clean and remediate the building. Mr. Jackson added that the Developer has run into a few unforeseen issues when cleaning up the building and Property but that significant progress has been made.

Ms. DeSantis asked if the Developer could share any information on the prospective tenants for the Property. Mr. Jackson stated that he would prefer not to disclose any information identifying the prospective tenants for the Property because of the local competition for commercial tenants but would be happy to share more information once the leases are signed for the commercial spaces.

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

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

Ms. McClain seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Mr. Gonzalez, Mr. George, Ms. Elias, Ms. McClain, Ms. Washington, and Mr. Scott.

Nays: None.

DBRA Resolution Code 21-10-279-05 was approved.

Jefferson-Holcomb Brownfield Redevelopment Plan

Ms. Capler presented the Jefferson-Holcomb Brownfield Redevelopment Plan to the DBRA Board.

Project Introduction

Jefferson Holcomb Development, LLC, is the project developer ("Developer"). The project commercial development designed around converging the arts with retail and community space. The community space is intended to provide a haven for the local community with an enclosed, open-air basketball court along with rooftop deck space for community gatherings and events. An existing building will be restored to house a 507 square foot café with an additional roof deck. Approximately 8,205 square feet of leasable space in four new tenant suites with mezzanines will be newly constructed to the east of the community space, with one suite anticipated to house Social Status, a minority owned entrepreneurial clothing and lifestyle store. It is currently anticipated that construction will begin in the Fall of 2021 and eligible activities will be completed in 2022.

The total investment is estimated to be \$1.6 million. The Developer is requesting \$591,504.00 in TIF reimbursement.

There will be approximately 60 temporary construction jobs and 18 permanent jobs are expected to be created by the project.

Property Subject to the Plan

The eligible property (the "Property") consists of two (2) parcels (9101 and 9123 E. Jefferson Avenue) bounded by Agnes Street to the north, Belvidere Street to the east, E. Jefferson Avenue to the south, and Holcomb Street to the west in the Islandview/Greater Villages neighborhood.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized for a commercial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property parcels are determined to be facilities 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 baseline environmental assessment activities, department specific activities, due care activities, site preparation, infrastructure improvements, interest, and development, preparation and implementation of a brownfield plan and Act 381 Work Plan. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to commence within 18 months of approval of the Plan and be completed within 3 years.

Tax Increment Financing (TIF) Capture

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

COSTS TO BE REIMBURSED WITH TIF

1. Environmental Assessment Activities	\$53,738.00
2. Due Care Activities	\$116,520.00
3. Asbestos Assessment and Abatement	\$27,500.00
4. Demolition	\$43,500.00
5. Site Preparation	\$29,000.00
6. Infrastructure Improvements	\$30,000.00
7. Brownfield Plan & Work Plan	\$60,000.00
8. Contingency (15%)	\$36,978.00
9. Interest	\$106,484.00
Total Reimbursement to Developer	\$591,504.00
10. Authority Administrative Costs	\$134,765.00
11. State Brownfield Redevelopment Fund	\$44,603.00
12. Local Brownfield Revolving Fund	\$230,092.00
TOTAL Estimated Costs	\$1,000,964.00

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

Other Incentives

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

DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the October 13, 2021 CAC meeting. Attached was the DBRA-CAC’s letter of recommendation for the DBRA Board’s consideration.

Public Comments

The DBRA public hearing for the Plan is scheduled to be held on Monday, October 25, 2021 at 4:00 pm via Zoom. The results of the DBRA public hearing were attached.

Attached for the DBRA Board’s review and approval was a resolution approving the Jefferson-Holcomb Brownfield Redevelopment Plan and its submittal to Detroit City Council.

Mr. Scott called for a motion to approve the Jefferson-Holcomb Brownfield Redevelopment Plan and its submittal to Detroit City Council, as presented. The Board took the following action:

Mr. George made a motion to approve the Jefferson-Holcomb Brownfield Redevelopment Plan and its submittal to Detroit City Council, as presented. Ms. DeSantis seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Mr. Gonzalez, Mr. George, Ms. Elias, Ms. McClain, Ms. Washington, and Mr. Scott.

Nays: None.

DBRA Resolution Code 21-10-305-02 was approved.

Ms. Wilkins joined the meeting at 4:18 pm.

Amended and Restated Osi Art Apartments @ West End Brownfield Redevelopment Plan

Mr. Vosburg presented the Amended and Restated Osi Art Apartments @ West End Brownfield Redevelopment Plan to the DBRA Board.

On October 9, 2019, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors recommended approval to City Council of the original Brownfield Plan for the Osi Art Apartments @ West End Redevelopment Project (the "Original Plan"). The City Council public hearing for the Plan was held October 31, 2019 and City Council approved the Plan on November 5, 2019. The Reimbursement Agreement (the "Agreement") between the DBRA and 3820 West End, LLC ("Developer"), was entered into on November 26, 2019.

During the initial phase of construction of the project the Developer ran into significantly more environmental contamination than originally anticipated resulting in an increase in the amount for Eligible Activities. In order to increase the amount of TIF requested under the Plan to cover the increased Eligible Activities, the Developer is requesting an amendment to the Original Plan.

Project Introduction

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

The total investment is estimated to be \$6.6 million. The Developer is requesting \$809,914.00 in TIF reimbursement.

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

Property Subject to the Plan

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

Basis of Eligibility

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

Eligible Activities and Projected Costs

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

eligible activities are estimated to commence within 18 months of approval of the Plan and be completed within 3 years.

Tax Increment Financing (TIF) Capture

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

COSTS TO BE REIMBURSED WITH TIF

	Original Plan	Amended Plan
1. Environmental Assessment Activities	\$16,850.00	\$16,850.00
2. Department Specific Activities	\$95,048.00	\$550,690.00
3. Demolition	\$60,000.00	\$60,000.00
4. Infrastructure Improvements	\$50,000.00	\$50,000.00
5. Site Preparation	\$30,884.00	\$30,884.00
6. Storm Water Management	\$50,000.00	\$50,000.00
7. Brownfield Plan & Work Plan Preparation	\$14,500.00	\$22,250.00
8. Contingency (15%)	\$42,890.00	\$29,240.00
Total Reimbursement to Developer	\$360,172.00	\$809,914.00
9. Authority Administrative Costs	\$122,693.00	\$125,245.00
10. State Brownfield Redevelopment Fund	\$60,436.00	\$62,563.00
11. Local Brownfield Revolving Fund	\$274,650.00	\$318,762.00
TOTAL Estimated Costs	\$817,951.00	\$1,339,854.00

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

Other Incentives

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

DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the October 13, 2021 CAC meeting. Attached was 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 Wednesday, October 20, 2021 at 4:00 pm via Zoom. The results of the DBRA public hearing were attached.

Attached for the DBRA Board's review and approval was a resolution approving the Amended and Restated Osi Art Apartments @ West End Brownfield Redevelopment Plan and its submittal to Detroit City Council.

Mr. Vosburg stated that the TIF amounts included in the Plan are still being tweaked but that the total TIF reimbursement to the Developer under the Plan will not be any higher than the \$809,914 as stated in the memorandum.

Mr. Scott called for a motion to approve the Amended and Restated Osi Art Apartments @ West End Brownfield Redevelopment Plan and its submittal to Detroit City Council, as presented. The Board took the following action:

Ms. McClain made a motion to approve the Amended and Restated Osi Art Apartments @ West End Brownfield Redevelopment Plan and its submittal to Detroit City Council, as presented. Ms. Wilkins seconded the motion. A roll call vote was conducted with the following result:

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

Nays: None.

DBRA Resolution Code 21-10-277-07 was approved.

Proposed Local Brownfield Revolving Fund Grant and Loan Request for 3820 West End, LLC for Osi West End Project

Mr. Vosburg presented the Proposed Local Brownfield Revolving Fund Grant and Loan Request for 3820 West End, LLC for Osi West End Project to the DBRA Board.

GRANT AND LOAN PURPOSE AND DEVELOPMENT DESCRIPTION

3820 West End, LLC, (the “Developer”) is development team formed in 2019 led by Roderick Hardamon and George N’Namdi. The Developer is seeking to redevelop a 0.36-acre vacant parcel of land at 3820 Grand River into a mixed-use development (the “Project”). To facilitate the development, the Developer is seeking \$375,000.00 from the Detroit Brownfield Redevelopment Authority (“DBRA”) Local Brownfield Revolving Fund (the “LBRF”) as follows: \$100,000 in the form of a grant (“Grant”) and \$275,000.00 as a loan to Developer (the “Loan”).

The Project’s Osi West End Brownfield Plan was approved by the DBRA on October 9, 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 Brownfield Plan and Work Plan will both need to be amended in order to incorporate the Grant and Loan and therefore any approval will be contingent upon full approval by the DBRA, Detroit City Council, MSF (for the CRP loan only) and EGLE of the amended Brownfield Plan and Work Plan.

The Grant and Loan request is a result of the Developer encountering greater than expected Brownfield Plan Eligible Activities at the Project. The Project has received approval for loan funding from the following sources: Local Initiatives Support Corporation (“LISC”) for \$3.78M, the MSF’s CRP for \$1.2M, the City of Detroit’s Affordable Housing Leverage Fund (“AHLFF”) for \$470,000 and Invest Detroit for \$400,000. The Project has also received a grant from the AHLFF for \$150,000. In addition, the Developer’s equity contribution to the Project will be approximately \$700,000.

The Grant and Loan will support a \$7 million new construction project of a 5 story, 30-unit apartment building with 5,000 square feet of ground floor retail and 23 spaces of surface parking behind the building. Approximately \$833,284 in Brownfield TIF revenue will be captured for eligible activities which include environmental studies and remediation, demolition, site preparation, public infrastructure, green stormwater systems, and brownfield and work plan preparation.

This Project brings back to life a large vacant site on Grand River near the intersection of the Woodbridge, North Corktown and Core City neighborhoods. It is projected to create a total of 43 construction jobs and 2 FTEs permanent jobs.

Under the LBRF, funds are available to developers to use for only Brownfield Plan eligible activities with approved Brownfield Plans. Grants are available for government, non-profit and Detroit headquartered developers. Loans and Grants are available for all eligible activities on eligible property defined under Michigan Public Act 381 of 1996, as amended. DBRA staff is recommending the approval of the Grant and Loan through the LBRF in accordance with the proposed terms below.

Grantee/Borrower Name: 3820 West End, LLC

Grantee/Borrower Location: 3820 Grand River, Detroit MI 48208

Loan Request:	\$275,000.00
Interest Rate:	1.0% per annum
Loan Term:	10 years, amortized over 30 years
Loan Repayment:	Interest only payments for years 1-3, principal & interest years 4-10. Balloon payment at end of term.
Security:	Pari passu lien position on Brownfield TIF revenue with LISC. Invest Detroit will have a second lien position on the Brownfield TIF revenue. Brownfield TIF will have a value of \$833,284 with the Amended & Restated Brownfield Plan.
Grant Request	\$100,000.00
Fee:	1% of the Grant and Loan amount due at application.
Eligible Uses:	Act 381 eligible activities identified in the Brownfield Plan, including environmental studies & investigation, environmental remediation, demolition, infrastructure (including green storm water systems), site preparation, brownfield & work plan preparation & implementation.
Disbursement:	DBRA will disburse funds no more frequently than on a monthly basis for Developer's requested Brownfield Plan eligible expenses. Funds will be disbursed as part of project construction draw requests and in coordination and agreement with other funders, or on a reimbursement basis.
Conditions:	Satisfactory review and acceptance of standard due diligence items. Binding commitments for construction loan(s) and evidence of equity contribution. Borrower will provide itemized schedule and use of funds. Execution of mutually acceptable loan documents. Approval by the DBRA, Detroit City Council, MSF (for the CRP loan only) and EGLE of the amended Brownfield Plan and Work Plan.

The DBRA LBRF Committee reviewed the proposed Loan and Grant at 1:00 pm on Wednesday, October 27, 2021. The Committee recommended approval of the Loan and Grant. DBRA staff is seeking approval of the Loan and Grant to Developer consistent with the terms noted above. A resolution was attached for the Board's consideration.

Ms. DeSantis asked for clarification on the shared first position for the TIF should the Developer default on the Loan. Mr Vosburg stated that DBRA has a shared first position with LISC should the Developer default on the Loan and its loan with LISC.

Mr. Scott called for a motion to approve the Proposed Local Brownfield Revolving Fund Grant and Loan Request for 3820 West End, LLC for Osi West End Project, as presented. The Board took the following action:

Mr. George made a motion to approve the Proposed Local Brownfield Revolving Fund Grant and Loan Request for 3820 West End, LLC for Osi West End Project, as presented. Ms. McClain seconded the motion. A roll call vote was conducted with the following result:

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

Nays: None.

DBRA Resolution Code 21-10-277-08 was approved.

Local Brownfield Revolving Fund Grant and Loan Request for Woodborn Partners LLC for the Bagley and 16th Brownfield Redevelopment Project

Mr. Vosburg presented the Local Brownfield Revolving Fund Grant and Loan Request for Woodborn Partners LLC for the Bagley and 16th Brownfield Redevelopment Project to the DBRA Board.

Woodborn Partners, LLC, (the “Developer”) is development team formed in 2018 led by Cliff Brown, majority owner and minority ownership partners. The Developer is seeking to redevelop various blighted properties in the southwest Detroit Strategic Neighborhood located at Bagley and 16th Street including the properties located at 2420 Bagley, and 1725 and 1729 16th St. (collectively, the “Property”) into 78 residential units and approximately 2,600 SF of commercial space (the “Project”). Upon completion of construction, the Project will feature 78 residential of which 20% will be reserved for households at 80% AMI. This Project will activate vacant land adding density and activity to a once blighted area. It is projected to create a total of 105 construction jobs and 3 FTEs permanent jobs.

To facilitate the development, the Developer is seeking \$732,439.00 in financing from the City of Detroit Brownfield Redevelopment Authority (“DBRA”) Local Brownfield Revolving Fund (the “LBRF”) to be provided to the Project as follows: \$632,439.00 to be provided as a loan to Developer (the “Loan”) and \$100,000.00 to be provided as a grant to Developer (the “Grant”). The Project’s Brownfield Plan was presented to and approved by the DBRA Board of Directors on June 9, 2021 and presented and approved by City Council on July 20th. The Developer has targeted to present the Project to the Michigan Strategic Fund December 7, 2021.

The Loan and Grant request is a result of the Developer’s desire to begin Brownfield Plan Eligible Activities for the Project, often the first construction activities of any project, in advance of Developer’s closing on its construction financing. The Project has received a \$10,265,956 construction financing letter of interest from Mercantile Bank and it is anticipated that the Project will include financing from Invest Detroit, the Economic Development Corporation of Detroit, Michigan Strategic Fund (“MSF”) Community Revitalization Program funds, and sponsor equity.

In addition to the financing being directly provided to the Project, approximately \$2.504M 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.

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 and Grant through the LBRF in accordance with the proposed terms and sources and uses below.

Borrower Name:	Woodborn Partners, LLC.
Borrower Location:	3663 Woodward, Suite 500, Detroit, MI 48201
Loan Request:	\$632,439.00 payable to the DBRA pursuant to a promissory note in accordance with the following:
Interest Rate:	2% per annum
Fee:	1% of the loan amount due at application.
Term:	One hundred and twenty (120) months.
Repayment:	Interest only payments for forty-eight (48) months followed by monthly P & I payments through the maturity date. Upon maturity,

a balloon payment of principal plus accrued interest shall be due and payable.

Security:	First-Position lien on Brownfield Tax Increment Financing Revenue
Grant Request:	\$100,000 grant to be provided to Developer for the eligible uses described hereinafter
Eligible Uses:	Those identified in Attachment E of the Bagley & 16 th Brownfield Plan approved by the DBRA Board of Directors
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. Binding commitments for construction loan(s). Borrower will provide itemized schedule and use of funds. Execution of mutually acceptable loan and grant documents.

SOURCES AND USES

	Cost	%
Senior Loan - Mercantile Bank	\$ 10,265,956.00	49%
EDC Loan #1	\$ 200,000.00	1%
EDC Loan #2	\$ 911,400.00	4%
Brownfield Revolving Loan Fund (loan)	\$ 632,439.00	3%
Invest Detroit SNF	\$ 1,693,408.00	8%
CRP	\$ 3,771,862.00	18%
EGLE Grant	\$ 1,000,000.00	5%
Brownfield Revolving Grant	\$ 100,000.00	0%
Deferred Developer Fee	\$ 203,484.00	1%
Cash Equity	\$ 2,323,792.00	10%
Total Sources	\$ 21,102,341.00	100%

Use of Funds

Land Acquisition	\$ 1,457,000.00	8%
Hard Costs		
Site Improvements (ROW, landscaping, fencing, site lighting, drainage, utilities)	\$ 273,825.00	1%
Demolition	\$ -	0%
Structures	\$ 12,665,701.00	68%
Earthwork	\$ 273,957.00	1%
Builder Overhead/Profit/General Requirements/Temp Facilities	\$ 2,023,211.00	11%
Permits/Tap Fees/Bond/Bost Certification	\$ 145,249.00	1%
Soft Cost Contingency	\$ 82,404.00	0%
Construction Contingency	\$ 1,614,818.00	9%

Furniture & Fixtures	\$ 220,001.00	1%
Subtotal Hard Costs	\$ 18,756,166.00	89%
Architectural & Engineering	\$ 510,000.00	2%
Loan Fees	\$ 181,000.00	1%
Construction Interest, Taxes, and Insurance	\$ 493,904.00	2%
Title Work	\$ 20,000.00	0%
Operating Reserve, Administrative, Marketing & Leasing	\$ 107,371.00	1%
Soft Cost Contingency	\$ 82,404.00	0%
Project Management Fee	\$ 25,000.00	0%
Developer Fee	\$ 813,936.00	4%
Marketing Study	\$ 112,560.00	1%
Subtotal Soft Costs	\$ 2,346,175.00	11%
TOTAL DEVELOPMENT COSTS	\$ 21,102,341.00	100%

The DBRA LBRF Committee reviewed the proposed Loan and Grant at 1:00 pm on Wednesday, October 27, 2021. The Committee recommended approval of the Loan and Grant. DBRA staff is seeking approval of the Loan and Grant to Developer consistent with the terms noted above. A resolution was attached for the Board's consideration.

Mr. Vosburg stated that the developer has requested that the Loan and Grant be in the name of Bagley + 16th, LLC instead of Woodborn Partners, LLC. and requested that the board approve the updated change in entity.

Mr. Scott called for a motion to approve the Local Brownfield Revolving Fund Grant and Loan Request for Woodborn Partners LLC for the Bagley and 16th Brownfield Redevelopment Project, as presented. The Board took the following action:

Ms. McClain made a motion to approve the Local Brownfield Revolving Fund Grant and Loan Request for Woodborn Partners LLC for the Bagley and 16th Brownfield Redevelopment Project, as presented. Ms. Wilkins seconded the motion. A roll call vote was conducted with the following result:

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

Nays: None.

DBRA Resolution Code 21-10-302-04 was approved.

OTHER

Mr. Scott asked if the LBRF Committee meeting notices are sent to the full DBRA Board or just to the LBRF Committee Members. Ms. Capler stated that the LBRF Committee meeting notices are sent to the full DBRA Board and the calendar invitations for the meetings are sent just to the LBRF Committee Members.

Mr. Scott stated that the LBRF Committee does a great job in vetting the grant and loan requests and that the DBRA Staff does a good job presenting the information to support the requests.

Ms. DeSantis requested that information regarding the capital stack for projects be included in the memorandum to the DBRA Board. Ms. Kanalos stated that to the extent that information is available at the time the project is being presented to the DBRA Board it can be included in the memorandums to the DBRA Board.

Ms. Wilkins stated that she will be traveling to the COP 26 UN Climate Change Conference and once she returns she will update the DBRA Board on any updates during the conference.

PUBLIC COMMENT

None.

ADJOURNMENT

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

On a motion by Mr. George, the meeting was unanimously adjourned at 4:40 PM.



CODE DBRA 21-10-02-299

APPROVAL OF MINUTES OF OCTOBER 13, 2021

RESOLVED, that the minutes of the regular meeting of October 13, 2021 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Detroit Brownfield Redevelopment Authority.

October 27, 2021



CODE DBRA 21-10-01-232

ADMINISTRATION; DBRA AUDITED FINANCIAL STATEMENTS AND MANAGEMENT REPORT AS OF JUNE 30, 2021

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, 2021, with comparative totals as of June 30, 2020, as prepared by George Johnson and Company, Certified Public Accountants.

October 27, 2021



CODE DBRA 21-10-279-05

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, in connection with the Project, the Mosaic Eastern Market Brownfield Plan was approved by the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) Board of Directors on October 23, 2019, by Detroit 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 on the Project, on August 12, 2020, the DBRA Board of Directors approved a \$250,000.00 loan (the “Loan”) from the City of Detroit Brownfield Redevelopment Authority Local Brownfield Revolving Fund (the “LBRF”); and

WHEREAS, the Loan closed on October 22, 2020 and has a maturity date of October 22, 2021; and

WHEREAS, due to COVID-19, the Project has experienced delays which adversely impacted the Developer’s leasing commitments and the ability to obtain financing; and

WHEREAS, the Developer has requested an extension to the maturity date of the Loan to September 30, 2022; and

WHEREAS, the DBRA staff presented such information to the DBRA LBRF Committee which recommends the approval of an extension to the Loan maturity date to September 30, 2022; and

WHEREAS, the DBRA Board of Directors has considered the Developer’s request to extend the Loan maturity date and determined that providing an extension to the Loan maturity date is in the best interest of the Project and furthers the DBRA’s public policy objectives.

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors hereby approves the extension of the Loan maturity date to September 30, 2022 and the subsequent negotiation and execution of amendments (the “Amendments”) to the relevant loan documents, executed in conjunction with the Loan, to accomplish the same.

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 the Amendments 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.

October 27, 2021



CODE DBRA 21-10-305-02

JEFFERSON-HOLCOMB 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 **Jefferson-Holcomb 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 **Jefferson-Holcomb 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.

October 27, 2021



CODE DBRA 21-10-277-09

OSI WEST END BROWNFIELD REDEVELOPMENT PLAN: LOCAL BROWNFIELD REVOLVING FUND GRANT AND LOAN

WHEREAS, 3820 West End, LLC, (the “Developer”) is seeking to redevelop vacant land located at 3820 Grand River into a new-construction mixed-use commercial development (the “Project”); and

WHEREAS, the Project’s Osi West End Brownfield Plan was approved by the DBRA on October 9, 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 \$375,000.00 from the Detroit Brownfield Redevelopment Authority (“DBRA”) Local Brownfield Revolving Fund (the “LBRF”) as follows: \$100,000 in the form of a grant (“Grant”) and \$275,000.00 as a loan to Developer (the “Loan”); and

WHEREAS, DBRA staff has reviewed the Developer’s financial documentation and proposes the following terms and conditions for the Loan and Grant:

Borrower/Grantee Name:	3820 West End, LLC
Borrower/Grantee Location:	3820 Grand River, Detroit MI 48208
Loan Request:	\$275,000.00
Interest Rate:	1.0% per annum
Term:	10 years, amortized over 30 years
Repayment:	Interest only payments for years 1-3, principal & interest years 4-10. Balloon payment at end of term
Security:	Pari passu lien position on Brownfield TIF revenue with LISC. Invest Detroit will have a second lien position on the Brownfield TIF revenue. Brownfield TIF will have a value of \$833,284 with the Amended & Restated Brownfield Plan.
Grant Request:	\$100,000.00
Fee:	1% of the loan amount due at application.
Eligible Uses:	Act 381 eligible activities identified in the Brownfield Plan, including environmental studies & investigation, environmental remediation, demolition, infrastructure (including green storm water systems), site preparation, brownfield & work plan preparation & implementation

Disbursement:

DBRA will disburse funds no more frequently than on a monthly basis for Developer's requested Brownfield Plan eligible expenses. Funds will be disbursed as part of project construction draw requests and in coordination and agreement with other funders, or on a reimbursement basis.

Conditions:

Satisfactory review and acceptance of standard due diligence items. Binding commitments for construction loan(s) and evidence of equity contribution. Borrower will provide itemized schedule and use of funds. Execution of mutually acceptable loan documents. Approval by the DBRA, Detroit City Council, MSF (for the CRP loan only) and EGLE of the amended Brownfield Plan and Work Plan.

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

WHEREAS, the DBRA Board of Directors has reviewed the terms of the Grant and Loan and determined that providing the Grant and 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 Grant and Loan to Developer in accordance with the terms stated herein.

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 the Grant and Loan 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.

October 27 2021



CODE DBRA 21-10-302-04

BAGLEY AND 16TH BROWNFIELD REDEVELOPMENT PLAN: LOCAL BROWNFIELD REVOLVING FUND GRANT AND LOAN

WHEREAS, Bagley + 16th, LLC, (the “Developer”) seeking to redevelop various blighted properties in the southwest Detroit Strategic Neighborhood located at Bagley and 16th Street into a new-construction mixed-use development (the “Project”); and

WHEREAS, the Project’s Bagley and 16th Brownfield Plan was approved by the DBRA on June 23, 2021 and by City Council on July 20, 2021; and

WHEREAS, in order to facilitate the development, the Developer is seeking \$732,439.00 from the Detroit Brownfield Redevelopment Authority (“DBRA”) Local Brownfield Revolving Fund (the “LBRF”) as follows: \$100,000 in the form of a grant (“Grant”) and \$632,439.00 as a loan to Developer (the “Loan”); and

WHEREAS, DBRA staff has reviewed the Developer’s financial documentation and proposes the following terms and conditions for the Loan and Grant:

- | | |
|---------------------------|--|
| Borrower Name: | Bagley + 16 th , LLC. |
| Borrower Location: | 3663 Woodward, Suite 500, Detroit, MI 48201 |
| Loan Request: | \$632,439.00 payable to the DBRA pursuant to a promissory note in accordance with the following: |
| Interest Rate: | 2% per annum |
| Fee: | 1% of the loan amount due at application. |
| Term: | One hundred and twenty (120) months. |
| Repayment: | Interest only payments for forty-eight (48) months followed by monthly P & I payments through the maturity date. Upon maturity, a balloon payment of principal plus accrued interest shall be due and payable. |
| Security: | First-Position lien on Brownfield Tax Increment Financing Revenue |
| Grant Request: | \$100,000 grant to be provided to Developer for the eligible uses described hereinafter |
| Eligible Uses: | Those identified in Attachment E of the Bagley & 16 th Brownfield Plan approved by the DBRA Board of Directors |

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.
Binding commitments for construction loan(s).
Borrower will provide itemized schedule and use of funds.
Execution of mutually acceptable loan and grant documents.

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

WHEREAS, the DBRA Board of Directors has reviewed the terms of the Grant and Loan and determined that providing the Grant and Loan is consistent with the LBRF program and its intended purposes and is otherwise in the best interest of the DBRA.

NOW, THEREFORE, BE IT, RESOLVED, that the DBRA Board of Directors hereby approves the provision of the Grant and Loan to Developer in accordance with the terms stated herein.

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 the Grant and Loan 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.

October 27, 2021