



Detroit Brownfield Redevelopment Authority
500 Griswold Street • Suite 2200
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**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
SPECIAL BOARD OF DIRECTORS MEETING
WEDNESDAY, MARCH 15, 2017
4:00 PM**

BOARD MEMBERS PRESENT: Mia Grillier
Pamela McClain
Raymond Scott
Matt Walters
Stephanie Washington

BOARD MEMBERS ABSENT: Maggie DeSantis
Evette Griffie
Derrick Sanders
Donele Wilkins

OTHERS PRESENT: Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Ayesha Maxwell (DEGC/DBRA)
Elizabeth Brinson (DEGC/DBRA)
Rebecca Navin (DEGC/DBRA)
Anthony Askew (DEGC)
Ngozi Nwaesei (Lewis & Munday)
Kirstie Hardy (AKT Peerless)
Ron Castellano (Herman Kiefer Development)
Tom Wackerman (ASTI)
Paul Catenacci (Novara Tesija)
Michael Torres (Torch Development)
Carl Dortmans
Awenate Cobbins (Palace Sports & Entertainment)
Richard Haddad (Palace Sports and Entertainment)
Richard Barr (Honigman)
Jamaine Dickens (Palace Sports & Entertainment)
David Williams (City of Detroit Jobs & Economy Team)
Bret Stuntz (AKT Peerless)
George Etheridge (City Planning Commission)
Sue Mosey (Midtown Detroit, Inc.)
David Howell (Midtown Detroit, Inc.)
Vince Keenan (Mayor's Office)
Hazel Balaban (Herman Kiefer Development)
Marcel Hurt (Legislative Policy Division)
Derek Headd (Legislative Policy Division)
Bob Rossbach (MCCI)



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MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY SPECIAL MEETING
WEDNESDAY, MARCH 15, 2017
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD SUITE 2200 DETROIT, MI - 4:00PM

CALL TO ORDER

Chairperson Matt Walters called the meeting to order at 4:07 PM.

GENERAL

Approval of Minutes

Mr. Walters called for a motion approving the minutes of February 8, 2016 as presented. The Board took the following action:

On a motion by Ms. McClain, seconded by Mr. Scott, DBRA Resolution Code 17-03-02-213 was unanimously approved.

Acceptance of the December 2016 Treasurer's Report

Ms. Brinson presented the January 2017 DBRA Treasurer's Report.

Mr. Walters called for a motion accepting the January 2017 Treasurer's Report.

On a motion by Mr. Scott, seconded by Ms. Grillier, DBRA Resolution Code 17-03-03-160 was unanimously approved.

PROJECTS

Pistons Corporate Headquarters and Practice Facility Campus Brownfield Redevelopment Plan

Ms. Kanalos presented the Pistons Corporate Headquarters and Practice Facility Campus Brownfield Redevelopment Plan. PowerPoint slides provided maps and renderings of the project. The development team provided additional information regarding the pending Tier 1 Community Benefits Agreement between the City of Detroit and the developer and responded to board member questions about project timing and design.

Project Introduction

Palace Sports and Entertainment, LLC ("PSE") and Henry Ford Health System ("HFHS") are the project developers (the "Developers") for the Plan which entails the construction of a corporate headquarters and practice facility for the Detroit Pistons National Basketball Association team. The facility is expected to include approximately 128,000 square feet of office space, locker and training rooms and a practice facility, all within a single facility (the "Pistons Facility"). The Pistons

Facility is expected to include ground-floor retail or commercial space for uses that may include a team store, restaurant and/or bank.

The Plan also includes an approximately 25,000 square foot sports medicine and medical office building to be constructed, owned and operated by HFHS. The Pistons Facility and the HFHS Facility will be joined by an approximately 400 space above-grade parking structure. It is estimated that 120 temporary construction jobs will be created at the overall property and 150 permanent jobs will be created in connection with the Pistons Facility.

Total investment is expected to exceed \$83,000,000.00. The Developers are requesting \$19,348,568.00 in TIF reimbursement under the proposed Plan.

Property Subject to the Plan

The eligible property (the "Property") consists of three (3) parcels located at 6201 Second Avenue and 690 Amsterdam, north of Amsterdam and between Second Avenue and Third Avenue in Detroit's Midtown/New Center Area.

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, public or residential purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is a "facility" pursuant to Part 201 or is adjacent or contiguous thereto.

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 site assessment activities, due care activities, additional response activities, site demolition, asbestos abatement, site preparation, infrastructure improvements, interest, and development, preparation, and implementation of a brownfield plan and/or work plan. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to begin in the summer of 2017 and complete within eighteen (18) months.

Tax Increment Financing (TIF) Capture

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

COSTS TO BE REIMBURSED WITH TIF

1. Brownfield Plan and MDEQ/MSF Work Plan Preparation	\$30,000.00
2. Baseline Environmental Assessment Activities	\$28,000.00
3. Additional Response Activities (Effective 4/3/17, part of "Department Specific Activities")	\$313,000.00
4. Due Care Activities	\$25,000.00
5. Site Preparation	\$2,451,579.00

6. Infrastructure Improvements, including a park deck, storm water management features and right of way improvements.	\$13,263,483.00
7. Lead and Asbestos Survey and Abatement	\$26,500.00
8. Site Demolition	\$146,573.00
9. Brownfield Plan Implementation	\$30,000.00
10. DEQ Activities Contingency (15%)	\$50,400.00
11. MSF Activities Contingency (15%)	\$2,383,220.00
12. Interest (capped at \$3,000,000.00)	\$608,861.00
Total Reimbursement to Developer	\$19,348,568.00
13. Authority Administrative Costs	\$2,372,586.00
14. State Brownfield Redevelopment Fund	\$1,018,068.00
15. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$22,739,222.00

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 Development Incentives

PSE will seek additional support through a Commercial Rehabilitation Act Abatement (PA 210).

Attached for Board review and approval was a resolution authorizing the Pistons Corporate Headquarters and Practice Facility Campus Brownfield Plan for submittal to the Community Advisory Committee and the authorization to conduct a public hearing in the area to which the Proposed Plan applies within the next 30 days.

Mr. Walters called for a motion approving the transmittal of the Brownfield Plan to the Community Advisory Committee as well as to conduct a public hearing for the Plan for the Pistons Corporate Headquarters and Practice Facility Campus Brownfield Redevelopment Plan.

On a motion by Ms. McClain, seconded by Ms. Grillier, DBRA Resolution Code 17-03-243-01, was unanimously approved.

Former Herman Kiefer Health Complex Brownfield Redevelopment Plan

Mr. Vosburg presented the Former Herman Kiefer Health Complex Brownfield Redevelopment Plan. PowerPoint slides provided maps and renderings of the project. The development team provided additional information regarding the project and community outreach and responded to board member questions about specific project uses, timing, environmental conditions, developer capacity and timing of the projects. Mr. David Williams provided additional information regarding the Development Agreement between the City of Detroit and the developers.

Project Introduction

Herman Kiefer Development, LLC is the project developer (the “Developer”) for the Plan which entails the rehabilitation of the vacant former Herman Kiefer Health Department complex, two vacant former Detroit Public Schools and 510 residential parcels, 503 of which will be acquired from the Detroit Land Bank Authority and City of Detroit. In total the project includes 84.95 acres of land and well over 500,000 square feet of existing buildings. The project proposes the reuse of the Herman Kiefer complex buildings and the former Crosman and Hutchins schools into

commercial uses. Residential homes will be rehabilitated to the extent possible and leased or sold. Vacant land will be put into productive reuse.

The total investment is estimated to be approximately \$143 million. The Developer is requesting \$47,767,473.00 in TIF reimbursement.

Property Subject to the Plan

The eligible property (the “Property”) consists of five-hundred fifteen (515) parcels largely located west of the John C. Lodge Freeway and south of Clairmount Street. Please see Attachment A and B of the Plan for a list and map of parcels.

Basis of Eligibility

The property is considered “eligible property” as defined by Act 381, Section 2 because (a) the property was previously utilized for residential or public purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be a facility, blighted and/or adjacent to or contiguous to an eligible parcel and is estimated to increase the captured taxable value of that property as defined by Act 381. The three Herman Kiefer Health Complex parcels at 1151 Taylor, 1110 Clairmount and 8700 Byron, the Hutchins School at 1501 Hazelwood and the Crosman School at 9027 John C Lodge have all been declared facilities pursuant to Part 201 by the MDEQ. The 510 surrounding residential parcels (see Attachment B in the Plan) have initially been determined blighted per Act 381 via an initial determination of blight letter from Detroit City Planning Commission staff. Documents supporting these determinations can be found in Attachments B, G and H of the Plan.

Eligible Activities and Projected Costs

The “eligible activities” that are intended to be carried out in four (4) phases at the Property are considered “eligible activities” as defined by Sec 2 of Act 381, because they include baseline environmental site assessment activities, due care activities, additional response activities, environmental insurance, demolition, lead and asbestos abatement, site preparation, infrastructure improvements, preparation of a brownfield plan and work plan, a 15% contingency as well as 5% simple interest after expiration of tax abatements. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to begin in the summer of 2017. Phases will be completed within the following timeline from approval of the Plan: Phase I three (3) years, Phase II five (5) years, Phase III seven (7) years, and Phase IV ten (10) 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. BEA Activities	\$100,605.00
2. Due Care Activities	\$912,000.00
3. Additional Response Activities	\$1,151,000.00
4. Environmental Insurance	\$274,101
5. Demolition	\$9,890,611.00
6. Lead & Asbestos Abatement	\$4,299,475.00

7. Site Preparation	\$12,962,703.00
8. Infrastructure Improvements	\$8,662,172.00
9. Brownfield Plan & Act 381 Work Plan	\$96,000.00
10. Contingency – (15%)	\$5,735,470.00
11. Interest – (5% simple after OPRA Expiration)	\$3,683,336.00
Total Reimbursement to Developer	\$47,767,473.00
12. Authority Administrative Costs	\$7,068,179.00
13. State Brownfield Redevelopment Fund	\$2,356,152.00
14. Local Site Remediation Revolving Fund	\$8,581,074.00
TOTAL Estimated Costs	\$65,772,878.00

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 Development Incentives

The Developer of this Plan will seek additional support through an Obsolete Property Rehabilitation Act Abatement (PA 146).

Attached for Board review and approval was a resolution authorizing the Former Herman Kiefer Health Complex Brownfield Plan for submittal to the Community Advisory Committee and the authorization to conduct a public hearing in the area to which the Proposed Plan applies within the next 30 days.

Mr. Walters called for a motion approving the transmittal of the Brownfield Plan to the Community Advisory Committee as well as to conduct a public hearing for the Plan for the Former Herman Kiefer Health Complex Brownfield Redevelopment Plan.

On a motion by Ms. McClain, seconded by Ms. Washington, DBRA Resolution Code 17-03-244-01, was approved with Ms. Grillier abstaining.

Amended and Restated 3800 Woodward Brownfield Redevelopment Plan

Mr. Vosburg presented the extension to complete eligible activities request for the Amended and Restated 3800 Woodward Brownfield Redevelopment Plan. The development team responded to Board member questions regarding dates of the previous plan approvals, details of the delay, developer capacity to move forward with the project and project timing.

Project Background

The Amended & Restated 3800 Woodward Brownfield Redevelopment Plan (the “Plan”) was approved by the DBRA Board of Directors on March 12, 2014 and by Detroit City Council (the “Council”) on May 27, 2014. The Reimbursement Agreement was entered into on June 11, 2014.

Roxbury Group and Midtown Project, LLC are the developers for the Plan which is located at 3800 and 3750 Woodward Avenue. Roxbury Group is currently rehabilitating the existing “Hammer & Nail Building” at 3800 Woodward Avenue. Midtown Project LLC (the “Developer”) will construct a new office building and parking deck at 3750 Woodward Avenue on the existing foundations built for the project. This state-of-the art facility will include office and medical facilities as well as retail and restaurant space and a parking structure. Total investment is estimated to be \$73,000,000.00. The MEDC approved a Michigan Business Tax (“MBT”) credit of \$10,000,000.00

on an eligible investment of \$50,755,702.00. The Developer was approved for a Tax Increment Financing ("TIF") reimbursement of \$8,175,302.00.

Extension Request

Due to delays regarding the final design details of the building on 3750 Woodward, construction was halted until the final design details could be confirmed. As a result of the construction delays, the Developer will not be able to complete Eligible Activities by the June 10, 2017 deadline provided in the Reimbursement Agreement. The Developer has indicated that design details have been finalized for the project and that construction will restart at the site this year as soon as weather allows.

As such, the Developer is requesting an extension to December 31, 2020 to complete eligible activities. This date is the same deadline for the construction completion deadline for the MBT credit, the preapproval from the State was included as an attachment to the memo.

DBRA staff recommended the approval of the extension.

A resolution granting the extension of the Amended and Restated 3800 Woodward Brownfield Redevelopment Plan duration requirements was attached for Board review and approval.

Mr. Walters called for a motion approving the extension of the Amended and Restated 3800 Woodward Brownfield Redevelopment Plan duration requirements.

On a motion by Ms. Washington, seconded by Ms. McClain, DBRA Resolution Code 17-03-197-07 was unanimously approved.

ADMINISTRATIVE

OTHER

Mr. Vosburg responded to Board inquiry regarding the TIF tracking database stating that it should be finalized within a couple of weeks.

Mr. Scott informed the Board that Michelle Bakun from the Michigan Department of Environmental Quality, has offered to do a presentation on the recent Amendments to Public Act 381 of 1996, as amended.

PUBLIC COMMENT

Ms. Susan Mosey spoke to lend support for all three projects listed on the agenda.

ADJOURNMENT

There being no further business, Mr. Walters called for a motion approving the adjournment of the meeting. On a motion by Mr. Scott, seconded by Ms. Washington, the board agreed unanimously to adjourn the meeting at 4:59 PM.



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CODE DBRA 17-03-02-213

APPROVAL OF MINUTES FEBRUARY 8, 2017

RESOLVED, that the minutes of the regular meeting of February 8, 2017 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.

March 15, 2017



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DBRA 17-03-03-160

ACCEPTANCE OF TREASURER'S REPORT FOR JANUARY 2017

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period January 1 through January 31, 2017, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

March 15, 2017



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CODE DBRA 17-03-243-01

**DETROIT PISTONS CORPORATE HEADQUARTERS AND PRACTICE FACILITY
CAMPUS BROWNFIELD REDEVELOPMENT PLAN – TRANSMITTAL OF
BROWNFIELD PLAN TO THE COMMUNITY ADVISORY COMMITTEE**

WHEREAS, pursuant to 381 PA 1996 (“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”) for the purpose of promoting the revitalization of environmentally distressed areas in the City; 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, under the resolution establishing the DBRA and the bylaws of the DBRA requires the DBRA, prior to the approval of a brownfield plan, submit the proposed brownfield plan to the Community Advisory Committee for consideration and comment and solicit comments by publication of notice that the proposed brownfield plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies.

NOW, THEREFORE, BE IT RESOLVED:

1. The City of Detroit Brownfield Redevelopment Authority acknowledges receipt of the proposed Brownfield Plan for the **Detroit Pistons Corporate Headquarters and Practice Facility Campus Brownfield Redevelopment Plan** (the “Proposed Plan”) and authorizes and directs the Chairperson to cause the Proposed Plan to be transmitted to the Community Advisory Committee for consideration and comment within 30 days of their receipt of the Proposed Plan.

2. The President of the Detroit Economic Growth Corporation or any person designated by him, as a representative of the DBRA, shall conduct a public hearing in the area to which the Proposed Plan applies within the next 30 days. This public hearing may be held jointly with any public hearing conducted by the Community Advisory Committee.

3. The Chairperson is authorized and directed to cause there to be published notice that the Proposed Plan has been submitted to the Community Advisory Committee and of the public hearing to be held pursuant to this resolution.

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 resolution except that such acts were taken prior to execution of these resolution, are hereby in all respects confirmed, approved and ratified.

March 15, 2017



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CODE DBRA 17-03-244-01

FORMER HERMAN KIEFER HEALTH COMPLEX BROWNFIELD REDEVELOPMENT PLAN – TRANSMITTAL OF BROWNFIELD PLAN TO THE COMMUNITY ADVISORY COMMITTEE

WHEREAS, pursuant to 381 PA 1996 (“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”) for the purpose of promoting the revitalization of environmentally distressed areas in the City; 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, under the resolution establishing the DBRA and the bylaws of the DBRA requires the DBRA, prior to the approval of a brownfield plan, submit the proposed brownfield plan to the Community Advisory Committee for consideration and comment and solicit comments by publication of notice that the proposed brownfield plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies.

NOW, THEREFORE, BE IT RESOLVED:

1. The City of Detroit Brownfield Redevelopment Authority acknowledges receipt of the proposed Brownfield Plan for the **Former Herman Kiefer Health Complex Brownfield Redevelopment Plan** (the “Proposed Plan”) and authorizes and directs the Chairperson to cause the Proposed Plan to be transmitted to the Community Advisory Committee for consideration and comment within 30 days of their receipt of the Proposed Plan.

2. The President of the Detroit Economic Growth Corporation or any person designated by him, as a representative of the DBRA, shall conduct a public hearing in the area to which the Proposed Plan applies within the next 30 days. This public hearing may be held jointly with any public hearing conducted by the Community Advisory Committee.

3. The Chairperson is authorized and directed to cause there to be published notice that the Proposed Plan has been submitted to the Community Advisory Committee and of the public hearing to be held pursuant to this resolution.

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 resolution except that such acts were taken prior to execution of these resolution, are hereby in all respects confirmed, approved and ratified.

March 15, 2017



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CODE DBRA 17-03-197-07

3800 WOODWARD BROWNFIELD REDEVELOPMENT PLAN: EXTENSION OF PLAN DURATION REQUIREMENTS

WHEREAS, pursuant to 381 PA 1996 (“Act 381”), the Amended & Restated 3800 Woodward Brownfield Redevelopment Plan (the “Plan”) was approved by the Detroit Brownfield Redevelopment Authority (the “DBRA”) on March 12, 2014 and Detroit City Council (the “Council”) on May 27, 2014; and

WHEREAS, the 3800 Woodward Reimbursement Agreement was entered into June 11, 2014; and

WHEREAS, Midtown Project, LLC is the developer (the “Developer”) for the Plan located in Detroit at 3750 Woodward Avenue and Roxbury Group is the developer for 3800 Woodward Avenue which entail a mixed-use commercial and retail development as well as a parking structure; and

WHEREAS, the Plan duration required that the Developers complete all eligible activities within three (3) years of entering into the Reimbursement Agreement; and

WHEREAS, due to delays regarding final design details for the building, eligible activities will not be completed within three (3) years of execution of the Reimbursement Agreement; and

WHEREAS, the Developer has resolved final design details and will restart construction in 2017 once weather allows; and

WHEREAS, the Developer is requesting extension of eligible activities to December 31, 2020 to coincide with the construction completion deadline for the Michigan Business Tax credits; and

WHEREAS, DBRA staff recommends the approval of the Plan extension based upon the fact that the Developer has completed foundation and some infrastructure work and has committed to finalizing building designs with the City’s Planning & Development Department which will allow for the remainder of the eligible activities to be completed within the timeframe of the extension.

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors approves the Plan duration extension to December 31, 2020 to complete all eligible activities.

BE IT FINALLY RESOLVED, that a DBRA Authorized Agent shall hereafter have the authority to negotiate and execute any Letter(s) of Support to implement the provisions and intent of this resolution on behalf of the DBRA.

March 15, 2017