SUMMARY OF 2017 PROPOSED PLAN AMENDMENTS

Maximum Bonded Indebtedness

The DDA currently has approximately $52 million in outstanding tax increment revenue bonds from its issuances in 1996 and 1998 and $250 million in outstanding tax increment revenue bonds from its issuance in 2014 to support the development of the Events Center. In addition, the DDA anticipates issuance of $36 million in additional tax increment revenue bonds in 2017 to assist in financing additional improvements to the Events Center to support the relocation of the Detroit Pistons to the Events Center and a refunding of the 2014 and 2017 tax increment revenue bonds prior to January 1, 2019 (collectively, the "**EC Tax Increment Revenue Bonds**"). Thus, it is anticipated that following the issuance of the 2017 and 2019 EC Tax Increment Revenue Bonds, the DDA's maximum bonded indebtedness in tax increment revenue bonds supporting the Events Center will be no higher than $310 million, excluding original issuance premiums.

Plan Duration

To accommodate the pledge of Catalyst Project Revenues and other tax increment revenues for the repayment of the EC Tax Increment Revenue Bonds and other Catalyst Development Project obligations, the life of the Plan has been extended through fiscal year 2050-2051.

Adjustments to Revenues

Adjustments to Tax Increment Revenues:

- Adjustments of the estimated annual tax increment revenues to more accurately reflect taxable values and millage rate changes.
- Estimated tax increment revenues for FY 2045-46 through 2050-51.
- Estimated Catalyst Project Revenues earmarked for the Events Center Project due to Net Bond Proceeds 2017 and Net Bond Proceeds 2019.
- Estimated Catalyst Project Revenues earmarked for the EC Ancillary Development Project in FY 2048 – 2051.

Adjustments to Other Revenues Include:

- Adjustments to Anticipated Loan Repayment Receipts.
- Adjustments to Michigan Avenue Garage Net Receipts.
- Adjustments in Sale of Real Estate Receipts.
- Adjustments to Interest Income on TIF and Bond Revenues over the Life of the Plan, which expires in FY 2050-2051.

Adjustments to Project Expenditures[1]

Convention Facilities Area Public Improvements

An additional $200,000 per year for fiscal years 2018-2019 through 2022-2023 was added to this project in order to support the Holiday Lighting/Decorating Program for those years.

Tigers/Lions Stadia Complex

The DDA's allocation for repairs and maintenance has increased by $1.45 million due to extension of the Plan, assuming the Tigers exercise all available extension options under the Concession and Management Agreement for Comerica Park.

Housing/Office/Retail Development and Absorption Fund

The DDA's allocation to accommodate construction and/or rehabilitation of downtown facilities under its Housing/Office/Retail Development program is increased by $119.43 million over the life of the Plan.

Land Assemblage

To address the conditions of blight which exists in certain areas of the Downtown District, the DDA maintains a fund to target and acquire properties (buildings or vacant buildable sites) for site assemblage opportunities. This Program is one that the DDA uses to satisfy market demand and meet the development needs (i.e. size, zoning, parking etc.) of investors. The 2017 Plan amendment provides for an additional $119.31 million in tax increment funding over the life of the Plan.

Ally Financial

In 2015, Ally Financial consolidated its regional operations to downtown Detroit. Ally Financial relocated its headquarters to 500 Woodward Avenue and signed a 12-year and nine-month lease for approximately 321,000 square feet of Class A office space. The consolidation resulted in the retention of 700 employees and the relocation of an additional 600 employees to Detroit. Total investment exceeded $50 million.

The DDA Board of Directors approved a resolution reprogramming of $11.63 million tax increment revenues from the Housing/Office/Retail Development and Absorption Fund to offset costs associated with employee parking over the term of Ally's lease.

Catalyst Development Project: Events Center Project

As contemplated by the 2013 Plan amendments, the DDA owns the Events Center and has entered into a concession management agreement (the "**EC CMA**") with Olympia Entertainment Events Center, LLC ("**OEEC**"), pursuant to the terms of which OEEC is responsible for the management and operation of Events Center. In December 2014, the DDA and the MSF issued $450 million in bonds to support the construction of the Events Center, $250 million of which were financed through estimated future tax increment revenues through 2045 and $200 million of which were to be paid by OEEC's annual concession payments to the DDA under the

[1] Note that revised expenditures may be adjusted prior to formal approval of the 2017 Plan amendments.

EC CMA. The DDA also contributed $34.75 million of then existing Catalyst Project Revenues and the City, DDA, and OEEC affiliates contributed all land necessary for the Events Center.

In November, 2016, the Pistons organization announced plans for the Detroit Pistons to relocate to the Events Center as its National Basketball Association ("**NBA**") home arena starting in the Fall 2017 NBA season. It is estimated that modifications to the Events Center to meet NBA requirements and otherwise accommodate the Detroit Pistons will cost at least $34.5 million. The DDA proposes issuing additional tax increment revenue bonds to contribute towards such increased costs. It is also anticipated that prior to January 1, 2019, the 2014 and 2017 tax increment revenue bonds will be refunded.

Since the 2013 Plan amendments, the estimated cost of the Events Center has increased to reflect final plans and specifications of the project. Other than the additional contribution by the DDA proposed to support the Pistons relocation, OEEC is solely responsible for all project costs in excess of the 2014 financing proceeds.

A revised sources and uses for the Events Center Project is found below. In addition, commencing in 2018 and continuing for the term of the EC Tax Increment Revenue Bonds, the DDA and OEEC will each make an annual contribution into the Events Center repair fund in the amount of $250,000, escalating at an annual rate of 4%.

Land acquisition costs, preliminary site work and construction of Event Center		
Private Financing (ODM)		$538,800,000
Public Financing		$324,100,000
Existing Catalyst Project Revenues	$34,750,000	
Series 2014A DDA Bond	$250,000,000	
Proceeds from Series 2017 DDA Bonds	$34,500,000	
Estimated net closing costs and debt service for 2017 and 2018 bond issuances	$4,850,000	
Events Center Total		$862,900,000

In addition, the Plan has been modified to reflect other changes to the Events Center Project since the 2013 Plan amendment, including updates to estimated parking and retail components of the project, the final footprint of the Events Center, and the exact public and private property contributions to the Events Center.

Catalyst Development Project: EC Ancillary Development Project

The second component of the Catalyst Development Project, the EC Ancillary Development Project, contemplates the development, redevelopment, rehabilitation and repurposing of vacant or underutilized buildings and lands within the Catalyst Development Area outside of the Events Center. The 2013 Plan amendment contemplated projects of at least $200 million, to be supported by $62 million of Catalyst Project Revenues after the payment of the EC Tax Increment Revenue Bonds; however, pursuant to an agreement reached by the DDA, ODM, MSF, and the City's emergency manager prior to the approval by Detroit City Council of the 2013 Plan amendments but after the 2013 Plan amendments were formally submitted to the Detroit City Council for approval, subject to approval of a subsequent Plan amendment, the amount of tax increment revenue support was increased to $74 million from Catalyst Project Revenues.

In December, 2014, the DDA and Olympia Development of Michigan, LLC ("**ODM**") entered into a Master Development and Reimbursement Agreement ("**MDA**") pursuant to which (i) certain DDA-owned properties, including properties transferred to the DDA for the Events Center Project which ultimately are not included in the final configuration of the Events Center Project, will be transferred to ODM or its affiliate for redevelopment, (ii) such properties must be subject to development proposals approved by the DDA within five (5) years following the completion of the Events Center, except that certain properties along Woodward Avenue must be subject to a development proposal approved by the DDA prior to December, 11, 2017, and (iii) the DDA will reimburse eligible development costs of up to $74 million (subject to approval of an increased allocation in the Plan amendment) from available Catalyst Project Revenues, after the payment of debt service on the EC Tax Increment Revenue Bonds, provided that the DDA approves development proposals with an aggregate investment of at least $200 million within five years following the completion of the Events Center, and actually completes such projects.

Since the 2013 Plan amendment the DDA approved the following projects pursuant to the MDA:

- In September of 2016 the DDA Board of Directors approved the proposed development plans for a new building to expand the Little Caesars headquarters. The proposed 234,000 square foot mixed use development is located at Columbia and Woodward and will have eight floors of office space and 24,000 square feet of ground retail floor space. In addition, the proposed plans include a sky walk connecting the new development to the Fox Theatre. Columbia Street will be vacated to develop a pedestrian friendly "Festival Street." Total investment is estimated at $150 million. This investment is expected to be attributed to ODM's $200 million commitment set forth in the MDA.

- In September of 2016 the DDA Board of Directors approved the proposed development plan related to the property located at Henry and Cass for the development of a new seven story above-grade parking structure with approximately 530 spaces and 7,000 square feet of ground floor retail on Henry Street. The investment is estimated at $24.4 million. This investment is expected to be attributed to ODM's $200 million commitment set forth in the MDA.

In July of 2016 the DDA Board of Directors approved the proposed development plan relating to the property located at 2771 and 2743 Woodward for the development of a new 120,000 square foot school of business for Wayne State University to be known as the Michael Ilitch School of Business. Total Investment is estimated at $59 million. This investment will not be attributed to

ODM's $200 million commitment set forth in the MDA.A revised sources and uses for the EC Ancillary Development Project is as follows:

Land acquisition, demolition, construction, rehabilitation, infrastructure for EC Ancillary Development Project	
Private Financing	$185,000,000
Public Financing	$74,000,000
EC Ancillary Development Project Total	$259,000,000

DDA Operating Fund

For fiscal year 2045-2046 through fiscal year 2050-2051, a total addition of $4.5 million of tax increment revenues is proposed for the DDA operating fund, to be transferred at an annual rate of $750,000.

Debt Service Reserves/Closing Costs/Service Fees

For tax increment revenue bonds other than the EC Tax Increment Revenue Bonds, an additional $300,000 has been allocated to debt service reserves and an additional $740,000 has been allocated for service fees for the life of the Plan.

Other Project Revisions

As necessary, additional changes are proposed to reflect the current status of the DDA's development projects and other matters affecting the Downtown District or Development Area No. 1, where no new or additional tax increment revenue funds have been pledged. Highlights of such changes include the following:

Joe Louis Arena

Joe Louis Arena, the soon to be former home of the Red Wings, is expected to be demolished after the arena is vacated. The 8.6 acre site is expected to be redeveloped into mixed-use including residential, retail, and a hotel.

Monroe Cadillac Mixed Use Development

In November of 2016 the DDA approved development plans by Rosko Development L.L.C. ("**Rosko**") an affiliate of Bedrock Real Estate Services. The integrated development plan includes three sites: (1) the surface parking lot bounded by Monroe, Cadillac Square, Farmer and Bates (the "**Monroe Block**"); (2) the former Bates Garage located at 126 Monroe; and (3) the National Theatre Site owned and operated by the City and located at 118 Monroe. The mixed-use project will be redeveloped in two phases. Phase one of the Project will be constructed on the Monroe Block and consist of at least 600,000 square feet of mixed use development inclusive of at least 35,000 square feet of ground-floor retail and an office tower of at least 20 stories. In addition, there will be below grade parking as part of phase 1. Phase 2 of the Project will be constructed on the Bates and National Theatre sites and consist of 225,000 square feet of residential inclusive of at least 25,000 square feet of ground-floor retail and a residential tower of at least 16 stories. It is the intention of the developer to incorporate and restore the National Theatre façade into the redevelopment unless the developer demonstrates through the report of a qualified engineer that the façade cannot be preserved.

Campus Martius Condominium Unit No. 2

In November, 2007, the DDA Board of Directors approved a resolution authorizing the execution of a development agreement between the DDA and Rosko granting development rights to certain DDA-owned properties to Rosko, including the site of the former Hudson's department store, as part of an incentive package for Quicken Loans to relocate its operations and at least 2,000 employees to downtown Detroit. In 2017, Rosko submitted a development plan for a project consisting of approximately 1,500,000 square feet, including a 42-story 250-unit residential tower, approximately 840,000 square feet of mixed use, commercial, and civic space, and 700 below grade parking spaces. Financing for the proposed development plan depends, in part, on the approval by the Michigan legislature of certain amendments to PA 381 of 1996. If the legislation is not approved, it is expected that Rosko will pursue an alternative development plan meeting the above-described minimum requirements.

Harmonie Park Acquisition/Rehabilitation (currently Paradise Valley Cultural and Entertainment District)

In 2015, the DDA released a Request for Proposals from qualified developers to acquire and redevelop five DDA properties within the District. In June 2016, five development teams were selected to redevelop the properties for an estimated total investment of $52 million. Each of the development teams has agreed to form, participate, and support the operation of a non-profit 501(c)(3) called the Paradise Valley Conservancy (the **"Conservancy"**) for at least ten years following the completion of construction. The mission of the Conservancy will include programming the Paradise Valley Cultural and Entertainment District's public spaces in a manner that preserves and celebrates the original Paradise Valley at its prime.