



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, OCTOBER 13, 2023
4:15 PM**

BOARD MEMBERS PRESENT:

Jose Lemus
John George
Pamela McClain
Raymond Scott
Eric Dueweke
Maggie DeSantis

BOARD MEMBERS ABSENT:

Juan Gonzalez
Sonya Mays
Amanda Elias

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Sierra Spencer (DEGC/DBRA)
Nasri Sobh (DEGC)
Rebecca Navin (DEGC)
Glen Long, Jr. (DEGC)
Ngozi Nwaesei (Lewis & Munday)
David Alade (Century Partners)
Ryan Higuchi (PM Environmental)
Ronita Coleman (Green Living Solutions)
Taylor Lydon (Grosse Pointe Moving and Storage)
Matt Schenk
RoShaun Harris (Eastside Community Network)



**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, OCTOBER 11, 2023**

CALL TO ORDER

Chairperson Raymond Scott called the meeting to order at 4:25 PM.

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

GENERAL

Approval of Agenda:

Mr. Scott called for a motion approving the agenda of the October 11, 2023 DBRA meeting, as amended, moving the "Other" section of the Agenda to the top of the Agenda.

The Board took the following action:

Ms. DeSantis made a motion approving the agenda of the October 11, 2023 DBRA meeting, as amended. Ms. McClain seconded the motion.

Mr. George joined the meeting at 4:30pm.

OTHER

Ms. Kanalos introduced Mr. Jose Lemus to the DBRA Board as the newest DBRA Board Member. Mr. Lemus provided more information about himself including his role in the Mayor's Office.

Approval of Minutes:

Mr. Scott called for a motion approving the minutes of September 13, 2023, as presented.

The Board took the following action:

Ms. DeSantis made a motion approving the minutes of the September 13, 2023 Board meeting, as presented. Mr. George seconded the motion.
DBRA Resolution Code 23-10-02-329 was unanimously approved.

Treasurer's Report – August 2023

Mr. Long presented the August 2023 Treasurer's Report.

Mr. George asked if the DBRA funds are in an interest-bearing account. Mr. Long confirmed that the DBRA funds are in an interest-bearing account.

Ms. DeSantis asked for clarification on if the DBRA Board is asked to approve or accept Treasurer's Reports. Mr. Scott stated that the DBRA Board is asked to accept Treasurer's Reports.

Mr. Scott called for a motion to accept the August 2023 Treasurer's Report, as presented. The Board took the following action:

Mr. George made a motion accepting the August 2023 Treasurer's Report, as presented. Mr. Dueweke seconded the motion.

DBRA Resolutions Code 23-10-03-239 was unanimously approved.

PUBLIC COMMENT

Mr. Scott opened public comment and stated that each person would be given two minutes to provide their comments.

Mr. RoShaun Harris stated that he is an organizer with the Eastside Community Network and that the Terminal Street project would allow for an increase in truck traffic in the area that would contribute to the already increased air pollution in the area which leads to health concerns for residents in the community, and that if the DBRA Board is to approve the Terminal Street project, there should be some buffering installed in order to protect the residential areas from the truck traffic emissions.

Seeing no further public comment, Mr. Scott closed public comment.

PROJECTS

Land Assembly Project (Stellantis): Terminal Street Reconstruction and Parking Lot Project – Authorization to Enter into Contract with Major Contracting Group, Inc. – Informational Update

Ms. Navin provided an update to the DBRA Board on the Land Assembly Project (Stellantis): Terminal Street Reconstruction and Parking Lot Project – Authorization to Enter into Contract with Major Contracting Group, Inc. including information on the status of the FOIA lawsuit between Grosse Pointe Moving and Storage and the City of Detroit and that Grosse Pointe Moving and Storage and the City of Detroit have been in settlement discussions for that lawsuit, hoping to reach resolution by November 3, 2023. Ms. Navin stated that the current proposal is that Terminal Street would see 90 trucks into the Stellantis property and 90 trucks out of the Stellantis property out of the total 468 trucks into and out of the Stellantis property and that Stellantis is conducting a traffic study to see how much more truck traffic can be routed down St. Jean to Freud Street. Ms. Navin stated that the option of opening Edlie Street as an option for truck traffic into and out of the Stellantis property and reiterated the reasons why opening Edlie Street is cost and time prohibitive. Ms. Navin stated that Stellantis has continued to work with the City to soften the Jefferson Avenue frontage of the Stellantis property in efforts for beautification. Ms. Navin stated that the issues raised about the trucks idling on the Mack Service Drive have been addressed by Stellantis but the problems have persisted and that DPW has been engaged to put up "No Standing" or "No Parking" signs so that the Detroit Police Department can begin to issue tickets to those trucks that are idling on the Mack Service Drive.

Mr. George asked if the railroad tracks across Edlie Street are currently in use. Ms. Navin stated that it is her understanding that it is classified as an active railroad.

Mr. George asked if the land on either side of Edlie Street is vacant or occupied. Ms. Navin stated that she believes that the land on either side of Edlie Street is currently vacant. Mr. Dueweke confirmed that the land is vacant and is currently owned by Crown Enterprises. Ms. Navin stated that the land is owned by Crown Enterprises, the US Department of Homeland Security, and Nortrue Inc. and there are four additional private property owners along Edlie Street who would need to be engaged in order to perform the widening of Edlie Street required for the proposed truck traffic.

Mr. Dueweke asked how the information about the Edlie Street property ownerships and proposed widening was obtained. Ms. Navin stated that property records were looked at to determine the property owners and stated that she can confirm with DPW if Edlie Street would need to be widened in order to allow for two-way truck traffic into and out of the Stellantis Property and that Edlie Street would need to be rededicated to the City and another railroad crossing would need to be eliminated.

Mr. Scott stated that every option for truck routes into and out of the Stellantis property needs to be investigated and exhausted before the Terminal Street project comes back to the Board for consideration.

Ms. DeSantis stated that there are still the issues of air quality and the installation of air quality monitors, the actual number of trucks that are traveling into and out of the Stellantis property, and the trucks parked and idling on the Mack Service Drive is a hinderance to the visitors to the park.

Ms. Navin stated that the funding that was to be used for the Terminal Street project have time limitations and an extension on those funds would need to be brought to the DBRA Board for approval before the Terminal Street project could be considered by the DBRA Board.

100 Clairmount Brownfield Plan: Reimbursement Agreement

Mr. Vosburg presented the 100 Clairmount Brownfield Plan: Reimbursement Agreement to the DBRA Board.

On September 13, 2023, the City of Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution authorizing the transmittal of the Brownfield Plan for 100 Clairmount (the "Plan") to Detroit City Council ("City Council") with a recommendation for approval. The City Council public hearing for the Plan was held on October 5, 2023, and Detroit City Council is scheduled to approve the Plan on October 10, 2023. A requirement for Tax Increment Financing reimbursement pursuant to the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA and Clairmount Apartments LLC. The Agreement has been prepared between the DBRA and Clairmount Apartments LLC and is presented to the DBRA for review and approval.

Project Introduction

Clairmount Apartments LLC is the project developer ("Developer"). Developer intends to rehabilitate the building and upon completion it is anticipated that the project will consist of a four-story approximately 26,018 square feet residential space housing approximately forty-two (42) units (studio, one-, two-, and three-bedroom units). Rental rates for all 42 residential units will range from approximately 50% to 80% Area Median Income (AMI). The basement will house approximately five (5) garden level units, fitness, and laundry space. The building is in extreme disrepair and will require an entire overhaul in order to ready the site for prospective residential tenants. The project will commence with selective interior demolition and lead/asbestos abatement. Construction of the project will begin in fall 2023. The project will be completed in phases; however, this Plan only contemplates eligible activities associated with Phase 1 of the project.

The total investment is estimated to be \$8.9 million. The Developer is requesting \$472,750.00 in TIF reimbursement.

There will be approximately 69 temporary construction jobs expected and approximately 3 permanent jobs to be created by the developer.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcel, 100 Clairmount, located east of the John C. Lodge Freeway and west of Woodward Avenue in the Boston Edison neighborhood.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) it was previously utilized for a commercial purpose; (b) is located within the City of Detroit, a qualified local governmental unit; and (c) the Property has been determined to be "functionally obsolete" as defined by Act 381.

Eligible Activities and Projected Costs

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Sec 2 of Act 381, because they include department specific activities, demolition, lead and asbestos abatement, infrastructure improvements, and the development, preparation and implementation of a brownfield plan and/or Act 381 work plan. The eligible activities are to be financed solely by the Developer. The DBRA will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated and captured from the Property. No advances have been or shall be made by the City or the DBRA for the costs of eligible activities under this Plan. 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. Department Specific Activities	\$10,000.00
2. Demolition	\$325,000.00
3. Asbestos and Lead Abatement	\$25,000.00
4. Infrastructure Improvements	\$25,000.00
5. Contingency (15%)	\$57,750.00
6. Brownfield Plan & Work Plan	\$30,000.00
Total Reimbursement to Developer	\$472,750.00
7. Authority Administrative Costs	\$189,923.00
8. State Brownfield Redevelopment Fund	\$58,129.00
9. Local Brownfield Revolving Fund	\$451,907.00
TOTAL Estimated Costs	\$1,172,709.00

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 includes local and/or state approval of a Neighborhood Enterprise Zone (PA 147) Tax Abatement.

The Agreement and a resolution approving the Agreement and its subsequent execution are attached for your review and approval.

Mr. Scott called for a motion to approve the 100 Clairmount Brownfield Plan: Reimbursement Agreement, as presented. The Board took the following action:

Mr. George made a motion to approve the 100 Clairmount Brownfield Plan: Reimbursement Agreement, as presented. Ms. McClain seconded the motion.
DBRA Resolution Code 23-10-321-04 was unanimously approved.

210 Bethune Brownfield Plan: Reimbursement Agreement

Ms. Kanalos presented the 210 Bethune Brownfield Plan: Reimbursement Agreement to the DBRA Board.

Project Introduction

On August 23, 2023, the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) Board of Directors adopted a resolution authorizing the transmittal of the Brownfield Plan for 210 Bethune (the “Plan”) to Detroit City Council (“City Council”) with a recommendation for approval. The City Council public hearing for the Plan was held on September 28, 2023, and Detroit City Council approved the Plan on October 3, 2023. A requirement for Tax Increment Financing reimbursement pursuant to the Plan is that a Reimbursement Agreement (the “Agreement”) be entered into between the DBRA and EBE Bethune, LLC. The Agreement has been prepared between the DBRA and EBE Bethune, LLC and is presented to the DBRA for review and approval.

Project Introduction

EBE Bethune, LLC is the project developer (“Developer”). The Property is occupied by a two-story building (the main building) that was previously utilized as a mounted police station, and a two-story building (the eastern building) that was previously utilized for storage and horseshoeing. Both buildings were operated

by the City of Detroit’s Police Department until the mounted police division was disbanded in 2005 and the buildings have been unoccupied since that time. Prior to its use as a mounted police station, the Property was occupied by residential dwellings as early as 1897. Phase I of the project will redevelop the main building into office space consisting of approximately 9,067 square feet which will be occupied Kode Labs, the Developer’s parent entity. Phase II of the project will commence after the redevelopment of the main building has been completed and will consist of approximately 1,150 square feet of retail or restaurant space. Additionally, the overgrown vegetation on the eastern portion of the Property will be cleared to create an outdoor event space that will be open for public use with landscaping that includes open green space, native pollinator garden beds, street trees, and sidewalk improvements. It is currently anticipated construction for Phase I will begin in the fall of 2023 and all eligible activities are anticipated to be completed within two (2) years thereafter. Phase II is estimated to begin in late 2025.

The total investment is estimated to be \$2.7 million. The Developer is requesting \$826,203.00 in TIF reimbursement.

There will be approximately 48 temporary construction jobs and approximately 20 permanent jobs are expected to be created by the project.

Property Subject to the Plan

The eligible property (the “Property”) consists of one (1) parcel, bounded by East Bethune Street to the north, John R Street to the east, Custer Avenue to the south, and the property line to the west in North End neighborhood.

Basis of Eligibility

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) it was previously utilized for a commercial purpose; (b) is located within the City of Detroit, a qualified local governmental unit; and (c) the Property is determined to be a “facility” 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 environmental assessment activities, due care activities, interior demolition and asbestos abatement, infrastructure improvements, site preparation, and the development, preparation and implementation of a brownfield plan and an 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	\$31,320.00
2. Department Specific Activities	\$138,000.00
3. Demolition	\$92,400.00
4. Asbestos and Lead Abatement	\$215,000.00
5. Site Preparation	\$52,050.00
6. Infrastructure Improvements	\$158,970.00
7. Brownfield Plan & Work Plan	\$40,000.00
8. Contingency (15%)	\$98,463.00
Total Reimbursement to Developer	\$826,203.00
9. Authority Administrative Costs	\$160,140.00

10. State Brownfield Redevelopment Fund	\$51,327.00
11. Local Brownfield Revolving Fund	\$37,811.00
TOTAL Estimated Costs	\$1,075,481.00

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 includes local and/or state approval of a Obsolete Property Rehabilitation Act (PA 146) Tax Abatement.

The Agreement and a resolution approving the Agreement and its subsequent execution are attached for your review and approval.

Mr. Scott called for a motion to approve the 210 Bethune Brownfield Plan: Reimbursement Agreement, as presented. The Board took the following action:

Mr. George made a motion to approve the 210 Bethune Brownfield Plan: Reimbursement Agreement, as presented. Mr. Dueweke seconded the motion. DBRA Resolution Code 23-10-319-03 was unanimously approved.

Proposed Local Brownfield Revolving Fund Loan Request for Green Living Solutions for 11601 Linwood Project

Mr. Vosburg presented the Proposed Local Brownfield Revolving Fund Loan Request for Green Living Solutions for 11601 Linwood Project to the DBRA Board.

Green Living Solutions, a Michigan non-profit corporation, (the “Developer”) is a Detroit headquartered real estate development firm led by Ronita Coleman. The Developer is seeking to redevelop a vacant 3 story, 11,000 square foot mixed-use apartment building on a single parcel of land in the City of Detroit located at 11601 Linwood Street into a 13-unit apartment building with ground floor commercial space (the “Project”) with an estimated Project cost of approximately \$2.27 Million. The residential portion of the Project will include a mix of 1 bedroom and 2-bedroom units with rents set for tenants with a gross income equaling 60% or less of the Area Median Income.

In furtherance of the Project, the Developer has received grant funds from the Michigan State Housing Development Authority (“MSHDA”) Missing Middle program in the amount of \$975,000 (“MSHDA Funds”) and has applied for a Michigan Economic Development Corporation (“MEDC”) Build MI Community Grant in the amount of up to \$250,000 (the “MEDC Grant”). The Developer has also received approval for loan funding from the Local Initiatives Support Corporation (“LISC”) as follows: a construction loan in the amount of \$750,000, a bridge loan of \$975,000 for the MSDHA Funds, and, if the MEDC Grant is awarded, a bridge loan of up to \$250,000 for the MEDC Grant. Additionally, the Developer has contributed approximately \$176,000 in equity towards the acquisition and securitization of the property and is also seeking approval of an Obsolete Property Rehabilitation Act (the “OPRA”) tax abatement for the Project. Notwithstanding the aforementioned confirmed funding sources for the Project, there is still a gap of \$350,000 in the funding for the Project.

The Developer is seeking a loan in the amount of up to \$350,000 (the “Loan”) from the DBRA’s Local Brownfield Revolving Fund (the “LBRF”) to complete the Project financing. If the Developer is successful in obtaining the MEDC Grant, the DBRA will reduce its Loan by the actual amount of the MEDC Grant.

The Loan proceeds will be used by the Developer to fund “eligible activities” as permitted by Act 381 of 1996, as amended (“Act 381”). Act 381 permits the DBRA to utilize LBRF funds for eligible activities on property that qualifies as “eligible property” under Act 381, regardless of whether the property is included in a brownfield plan; however, the DBRA LBRF Guidelines state that an applicant must have an approved

Reimbursement Agreement in connection with an approved brownfield plan in order to receive LBRF funds. DBRA staff has reviewed the projected brownfield tax increment financing (“TIF”) available for the Project during the OPRA abatement and concluded that the small annual amount of projected TIF capture does not provide a meaningful benefit to the Project or a meaningful source of collateral to the DBRA. As a result, the Developer has requested that the DBRA consider a variance from the aforementioned policy requiring a Reimbursement Agreement given the low value of a brownfield plan compared to the costs to obtain an approved brownfield plan. Given the deep affordability of the rental units being provided, sufficient cashflow to repay the Loan, the offering of 2-bedroom units for families within the neighborhood, the rehabilitation of a severely deteriorated building, and the Project’s location well outside of the Downtown and Midtown neighborhoods, DBRA staff supports and recommends waiving the DBRA’s Reimbursement Agreement requirement for this Loan. Furthermore, this Project brings back to life a highly visible and architecturally noteworthy vacant apartment building at the corner of Linwood and Burlingame in the Dexter-Linwood neighborhood and is projected to create 15 construction jobs and 1 full-time permanent job.

Please find below the proposed terms of the Loan, and a Sources and Uses table.

Grantee/Borrower Name: Green Living Solutions
Grantee/Borrower Location: 11601 Linwood Street, Detroit MI 48206
Request: Loan: Up to \$350,000.
To be reduced by the actual amount of the MEDC Grant, if awarded.
Fee: 1% of the Loan amount due at application.
Interest Rate: 4% per annum
Loan Term: 5 years
Loan Repayment: No payment in year 1. Interest-only payments for years 2 and 3. Full principal and interest payments for years 4 and 5. Balloon payment at end of term.
Loan Security: Subordinate mortgage lien position to senior lender, LISC.
Loan Guaranty: Personal Guaranty of Ronita Coleman.
Eligible Uses: Eligible activities identified in the LBRF Application including environmental studies & investigation, demolition, lead & asbestos abatement, and infrastructure improvements.
Disbursement: Developer will first make an equity contribution of at least 7% of total Project costs before Loan funds are disbursed. DBRA will disburse Loan funds no more frequently than on a monthly basis for the Developer’s requested LBRF eligible expenses.
Conditions: (i) Satisfactory review and acceptance of standard due diligence items; (ii) Binding commitments for construction loan(s), bridge loan(s) and grant(s) necessary for the completion of the Project; (iii) Evidence of minimum 7% equity investment for the Project prior to Loan funding; (iv) Developer shall have received approval of the OPRA tax abatement by Detroit City Council; (v) Developer will provide itemized schedule and use of funds; and (vi) Execution of mutually acceptable loan documents.

TOTAL SOURCES		
Senior Debt		
LISC Construction Loan	\$750,980	33.00%
LISC Missing Middle Bridge Loan	\$975,000	42.84%
DBRA LBRF Loan	\$350,000	10.98%
Subordinate Debt/Grants		
MEDC Build MI Community Grant (<i>if awarded</i>)	\$250,000	

LISC Build MI Community Bridge Loan (<i>if grant is awarded</i>)	\$250,000	
MSHDA Missing Middle Grant (<i>granted at completion of successful lease up</i>)	\$975,000	
Deferred Fees/Cash Equity		
Land/Building Contribution Owner	\$176,500	7.75%
Cash Equity Owner	\$23,500	1.03%
TOTAL DEVELOPMENT SOURCES	\$2,275,980	100.0%

ELIGIBLE USES OF \$350,000 LBRF LOAN FUNDS		
Eligible Costs		
Environmental Studies & Investigations	\$38,350	
Environmental Remediation	\$50,000	
Lead, Asbestos & Lead Abatement	\$64,640	
Demolition	\$110,590	
Infrastructure Improvements	\$21,180	
15% Contingency	\$52,500	
TOTAL AVAILABLE ELIGIBLE LBRF USES	\$402,500	

A resolution is attached for the Board's consideration.

Ms. DeSantis stated that the DBRA Board is being asked to approve the loan request from the LBRF and that the DBRA Staff is comfortable that the Property would qualify as a brownfield property even though a brownfield plan will not be pursued, and that the LBRF Committee made a request that the DBRA Board receive an update on the final percentage of collateral the DBRA will have on the LBRF loan.

Mr. George asked what the total development costs are for the project. Mr. Vosburg stated that the total development costs for the project are approximately \$2.27 million.

Mr. George asked how many residential units are included in the project. Mr. Vosburg stated that there are 13 residential units and 1 retail unit in the project.

Mr. George asked if this is the first project of this size that this Developer has completed. Mr. Vosburg stated that the Developer has completed smaller residential projects, but this would be their largest project to date.

Mr. Dueweke asked if the DBRA has awarded LBRF grants or loans to other nonprofit developers in the past and stated that it a great project and he would like to see more projects like this brought to the DBRA Board for consideration. Mr. Vosburg stated that the DBRA has not awarded LBRF grants or loans to other nonprofit developers in the past.

Mr. Scott called for a motion to approve the Proposed Local Brownfield Revolving Fund Loan Request for Green Living Solutions for 11601 Linwood 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 Green Living Solutions for 11601 Linwood Project, as presented. Mr. Dueweke seconded the motion.

DBRA Resolution Code 23-10-322-01 was unanimously approved.

ADMINISTRATIVE
Election of Treasurer FY 2023-24

With the resignation of Stephanie Washington and the new appointment of Jose Lemus to the DBRA Board, there is a need to elect a new Treasurer for the remainder of the current fiscal year ending June 30, 2024.

DBRA staff proposes that the Chair open the floor to nominations, followed by a vote of the DBRA Board.

Mr. Scott opened the floor for nominations for Treasurer.

Mr. Scott nominated Mr. Dueweke as Treasurer of the DBRA Board. Ms. DeSantis seconded the nomination.

DBRA Resolution Code 23-10-01-243 appointing Mr. Dueweke as Treasurer was unanimously approved.

ADJOURNMENT

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

On a motion by Ms. DeSantis, seconded by Mr. George, the meeting was unanimously adjourned at 5:17 PM.



CODE DBRA 23-10-02-329

APPROVAL OF MINUTES OF SEPTEMBER 13, 2023

RESOLVED, that the minutes of the special meeting of September 13, 2023 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 11, 2023



DBRA 23-10-03-239

ACCEPTANCE OF TREASURER'S REPORT FOR AUGUST 2023

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period August 1 through August 31, 2023, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

October 11, 2023



CODE DBRA 23-10-321-04

100 CLAIRMOUNT BROWNFIELD REDEVELOPMENT PLAN: REIMBURSEMENT AGREEMENT

WHEREAS, on September 13, 2023, 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 100 Clairmount (the "Project"); and

WHEREAS, on October 10, 2023, the Detroit City Council is scheduled to vote to approve the Plan; and

WHEREAS, a condition to reimbursing the developer for eligible activities under the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA and Clairmount Apartments LLC as developer of the Project; and

WHEREAS, the Agreement has been drafted, approved as to form by DBRA legal counsel; and

WHEREAS, the Board of Directors desires to approve the Agreement and authorize its execution and delivery on behalf of the DBRA; and

NOW THEREFORE, BE IT RESOLVED, by the DBRA Board of Directors as follows:

1. The Agreement, in substantially the form attached to this Resolution as Exhibit A, is hereby approved, with such necessary or desirable modifications additions, deletions or completions as are approved by DBRA legal counsel and the Officers or designated Authorized Agents of the DBRA executing the Agreement.
2. Any two Officers or designated Authorized Agents or one Officer and one designated Authorized Agent of the DBRA are authorized and directed to execute and deliver the Agreement.
3. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be and the same hereby are 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 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 11, 2023



CODE DBRA 23-10-319-03

210 BETHUNE BROWNFIELD REDEVELOPMENT PLAN: REIMBURSEMENT AGREEMENT

WHEREAS, on August 23, 2023, 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 210 Bethune (the "Project"); and

WHEREAS, on October 3, 2023, the Detroit City Council is scheduled to vote to approve the Plan; and

WHEREAS, a condition to reimbursing the developer for eligible activities under the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA and EBE Bethune, LLC as developer of the Project; and

WHEREAS, the Agreement has been drafted, approved as to form by DBRA legal counsel; and

WHEREAS, the Board of Directors desires to approve the Agreement and authorize its execution and delivery on behalf of the DBRA; and

NOW THEREFORE, BE IT RESOLVED, by the DBRA Board of Directors as follows:

1. The Agreement, in substantially the form attached to this Resolution as Exhibit A, is hereby approved, with such necessary or desirable modifications additions, deletions or completions as are approved by DBRA legal counsel and the Officers or designated Authorized Agents of the DBRA executing the Agreement.
2. Any two Officers or designated Authorized Agents or one Officer and one designated Authorized Agent of the DBRA are authorized and directed to execute and deliver the Agreement.
3. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be and the same hereby are 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 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 11, 2023



CODE DBRA 23-10-322-01

11601 LINWOOD LOCAL BROWNFIELD REVOLVING FUND LOAN

WHEREAS, Green Living Solutions, a Michigan non-profit corporation, (the “Developer”) is seeking to redevelop an existing vacant apartment building located at 11601 Linwood Street into a 13-unit apartment development with ground floor commercial space (the “Project”); and

WHEREAS, in furtherance of the Project, the Developer has secured grant funds from the Michigan State Housing Development Authority (“MSHDA”) Missing Middle program in the amount of \$975,000 (“MSHDA Funds”) and has applied for a Michigan Economic Development Corporation (“MEDC”) Build MI Community Grant in the amount of up to \$250,000 (the “MEDC Grant”); and

WHEREAS, the Developer has also received approval for loan funding from the Local Initiatives Support Corporation (“LISC”) as follows: a construction loan in the amount of \$750,000, a bridge loan of \$975,000 for the MSDHA Funds, and, if the MEDC Grant is awarded, a bridge loan of up to \$250,000 for the MEDC Grant; and

WHEREAS, an Obsolete Property Rehabilitation Act (the “OPRA”) tax abatement will be considered by Detroit City Council at a future date”); and

WHEREAS, in order to fill a gap in the financing for the Project, the Developer is seeking a \$350,000.00 loan (the “Loan”) from the City of Detroit Brownfield Redevelopment Authority (“DBRA”) Local Brownfield Revolving Fund (the “LBRF”); and

WHEREAS, if the Developer awarded a MEDC Grant, the DBRA will reduce its Loan by the actual amount of the MEDC Grant; and

WHEREAS, under Michigan Public Act 381 of 1996, as amended (“Act 381), LBRF funds are available to developers to use only for eligible activities as defined under Act 381; and

WHEREAS, Act 381 permits the DBRA to utilize LBRF funds for eligible activities on property that qualifies as “eligible property” under Act 381, regardless of whether the property is included in a brownfield plan; however, the DBRA LBRF Guidelines state that an applicant must have an approved Reimbursement Agreement in connection with an approved brownfield plan in order to receive LBRF funds; and

WHEREAS, DBRA staff has reviewed the projected brownfield tax increment revenue (“TIF”) available for the Project during the OPRA abatement and concluded that the small annual amount of projected TIF capture does not provide a meaningful benefit to the Project or a meaningful source of collateral to the DBRA; and

WHEREAS, as a result, the Developer has requested that the DBRA consider a variance from the aforementioned policy requiring a Reimbursement Agreement given the low value of a brownfield plan compared to the costs to obtain an approved brownfield plan; and

WHEREAS, DBRA staff has reviewed the Developer's financial documentation and given certain aspects of the Project (including, but not limited to, the deep affordability of the rental units being provided, sufficient cashflow to repay the Loan, etc.), DBRA staff supports and recommends waiving the DBRA's Reimbursement Agreement requirement for this Loan and proposes the following terms and conditions for the Loan:

Grantee/Borrower Name: Green Living Solutions
Grantee/Borrower Location: 11601 Linwood Street, Detroit MI 48206
Request: Loan: Up to \$350,000.
To be reduced by the actual amount of the MEDC Grant, if awarded.
Fee: 1% of the Loan amount due at application.
Interest Rate: 4% per annum
Loan Term: 5 years
Loan Repayment: No payment in year 1. Interest-only payments for years 2 and 3. Full principal and interest payments for years 4 and 5. Balloon payment at end of term.
Loan Security: Subordinate mortgage lien position to senior lender, LISC.
Loan Guaranty: Personal Guaranty of Ronita Coleman.
Eligible Uses: Eligible activities identified in the LBRF Application including environmental studies & investigation, demolition, lead & asbestos abatement, and infrastructure improvements.
Disbursement: Developer will first make an equity contribution of at least 7% of total Project costs before Loan funds are disbursed. DBRA will disburse Loan funds no more frequently than on a monthly basis for the Developer's requested LBRF eligible expenses.
Conditions: (i) Satisfactory review and acceptance of standard due diligence items; (ii) Binding commitments for construction loan(s), bridge loan(s) and grant(s) necessary for the completion of the Project; (iii) Evidence of minimum 7% equity investment for the Project prior to Loan funding; (iv) Developer shall have received approval of the OPRA tax abatement by Detroit City Council; (v) Developer will provide itemized schedule and use of funds; and (vi) Execution of mutually acceptable loan documents.

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 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 approve the provision of the Loan to the Developer on the terms stated above.

BE IT FURTHER RESOLVED, that the DBRA Board of Directors hereby approve the following variance to the DBRA LBRF Guidelines for this Project and waive the requirement that a Reimbursement Agreement in connection with an approved brownfield plan be entered into by the DBRA and the Developer in order to receive LBRF funds from the DBRA for this Project.

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 all documents evidencing the 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 11, 2023



CODE DBRA 23-10-01-243

ADMINISTRATION: ELECTION OF TREASURER FOR FY 2023-2024

RESOLVED, that the following is hereby elected as Treasurer of the Board of Directors of the Detroit Brownfield Redevelopment Authority:

Eric Dueweke

Treasurer

October 11, 2023



DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY

DBRA BOARD MEETING

Wednesday, October 11, 2023



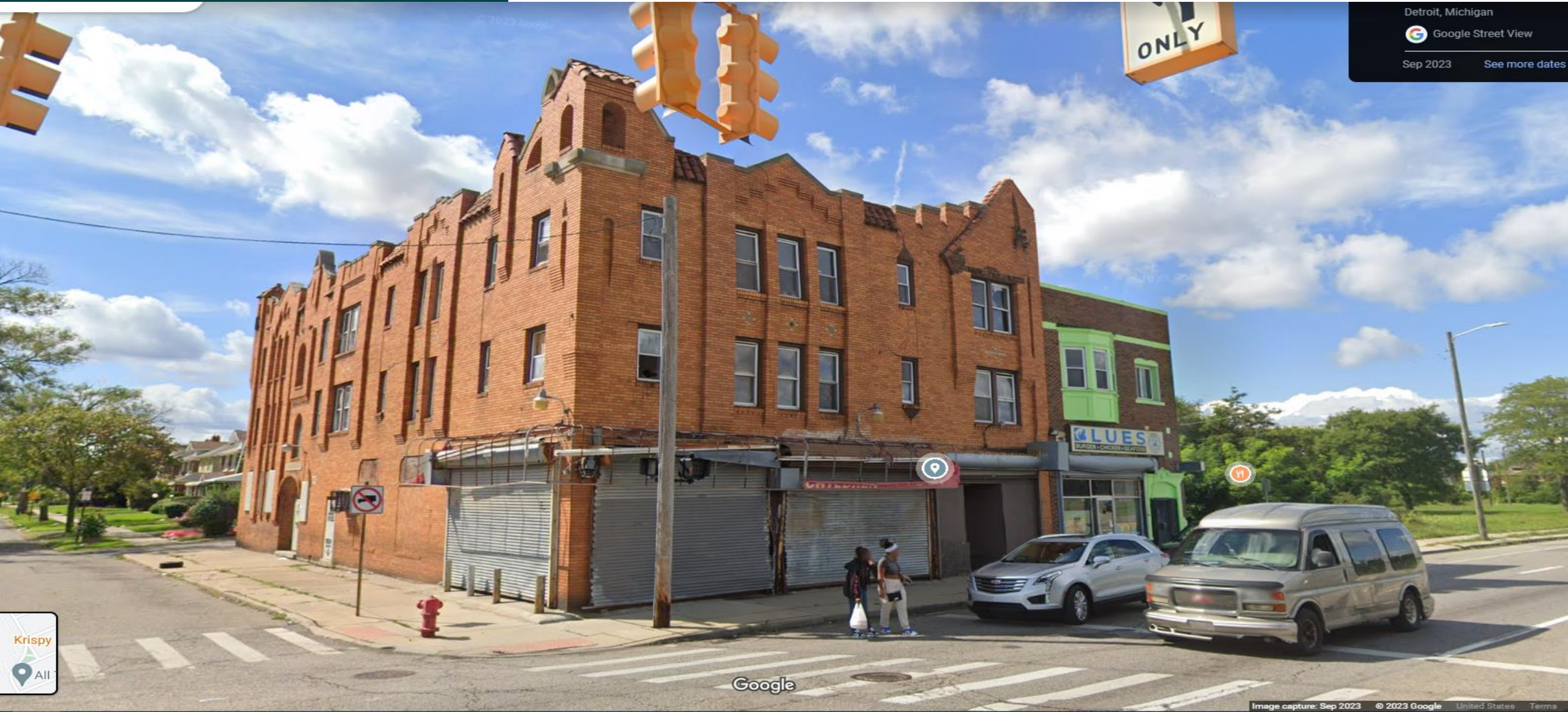
11601 Linwood Project

**PUBLIC ACT
381**





11601 Linwood Project | Current Conditions

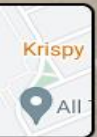


Detroit, Michigan

Google Street View

Sep 2023

See more dates



11601 Linwood Project | Current Conditions

MI 48206 🔍 ✕

2610 Burlingame St
Detroit, Michigan
Google Street View
Jul 2022



11601 Linwood Project | Current Conditions

