



Detroit Brownfield Redevelopment Authority
500 Griswold Street • Suite 2200
Detroit, Michigan 48226
Phone: 313 963-2940
Fax: 313 963-8839

**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
SPECIAL BOARD OF DIRECTORS MEETING
WEDNESDAY, NOVEMBER 7, 2018
4:00 PM**

BOARD MEMBERS PRESENT:

Matthew Walters
Pamela McClain
Sonya Mays
Stephanie Washington
John George
Maggie DeSantis

BOARD MEMBERS ABSENT:

Juan Gonzalez
Ray Scott
Donele Wilkins

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Glen Long (DEGC)
Rebecca Navin (DEGC)
Paul Kako (DEGC)
Charlotte Fisher (DEGC)
Ngozi Nwaesei (Lewis & Munday)



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**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY SPECIAL MEETING
WEDNESDAY, NOVEMBER 7, 2018
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD SUITE 2200 DETROIT, MI – 4:00 PM**

CALL TO ORDER

Chair Matthew Walters called the meeting to order at 4:05 PM.

GENERAL

Approval of Minutes:

Mr. Walters called for a motion approving the minutes of October 24, 2018 as presented. The Board took the following action:

On a motion by Ms. Mays, seconded by Ms. McClain, DBRA Resolution Code 18-11-02-243 was unanimously approved.

PROJECTS

Amended and Restated Joe Louis Arena Brownfield Redevelopment Plan

Mr. Vosburg presented the Amended and Restated Joe Louis Arena Brownfield Redevelopment Plan to the DBRA Board.

A Plan Amendment is being requested due to increased Eligible Activities that have recently been discovered by environmental consultants working on behalf of the City of Detroit. Abatement and Demolition activities have increased from \$3.6 million the original Plan to approximately \$8.8 million in the Plan Amendment. Engineering Services: Demo Design has increased from \$790,286 to \$840,286. New Eligible Costs of Due Care Activities, Response Activities and Interest totaling approximately \$2.7 million are new Eligible Cost. In total, the Eligible Costs have increased from \$5,561,009 to \$14,363,147.

Project Introduction

In connection with the development of the property commonly known as the “Little Caesars Arena”, an agreement was reached by the applicable parties to demolish the JLA once the Little Caesars Arena was completed and ready for use. As of the date of this Plan, the Little Caesars Arena has been completed and the Detroit Red Wings have vacated the JLA and relocated to the Little Caesars Arena.

The primary purpose of this Plan Amendment is to increase the amount of tax increment revenues that can be captured for reimbursement of eligible activities. This increase is a result of additional information that was subsequently discovered following the original Brownfield Plan approval. The capture of tax increment revenues pursuant to the Plan Amendment is to reimburse for eligible activities in connection with the demolition of the JLA and to prepare the Property for a future mixed-use development, which may include residential, commercial, and/or retail space. For the purposes of this Plan, the use of the term “Developer” shall refer to the City of Detroit. The City of Detroit is the owner of Joe Louis Arena and the Detroit Building Authority will oversee demolition.

Total TIF reimbursement amount for the demolition and related eligible activities under this Plan is \$14,363,147.

Property Subject to the Plan

The eligible property (the "Property") consists of six (6) parcels located at 27 Washington Boulevard. The common address of the JLA is also known as "600 Civic Center Drive." 25 Washington Boulevard, 29 Washington Boulevard, 31 Washington Boulevard, and 33 Washington Boulevard are properties that are adjacent and continuous to 27 Washington Boulevard. 501 Third is also adjacent to 27 Washington Boulevard and is the location of the Detroit People Mover – Joe Louis Arena Station Stop. The Property is located adjacent to the Central Business District and is generally bounded by Jefferson Street to the north, Atwater Street to the east, Detroit River to the south and Cobo Convention Center to the west.

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 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 functionally obsolete or adjacent and contiguous 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, demolition and abatement and brownfield plan and work plan preparation and brownfield plan implementation. 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 within eighteen months and be completed within three (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

Description of Eligible Activities	Estimated Cost
MSF Activities	
1. ALTA Survey	\$ 18,200
2. Engineering Services: Demo Design	\$ 840,286
3. Abatement and Demolition	\$ 8,829,870
4. Brownfield and Work Plan Preparation	\$ 15,000
5. Brownfield Plan Implementation	\$ 15,000
6. 15% Contingency	\$ 1,453,253
7. MSF Interest	\$ 2,346,038
Subtotal MSF	\$ 13,517,647
MDEQ Activities	
8. Environmental Assessment Activities	\$ 375,000
9. Response Activities	\$ 20,000
10. Due Care Activities	\$ 200,000
11. Brownfield and Work Plan Preparation	\$ 15,000

Description of Eligible Activities	Estimated Cost
12. Brownfield Plan Implementation	\$ 15,000
13. 15% Contingency	\$ 89,250
14. MDEQ Interest	\$ 131,250
<i>Subtotal MDEQ</i>	\$ 845,500
Subtotal Site Eligible Activities	\$ 14,363,147
15. DBRA Administrative Costs	\$ 2,429,098
16. Local Brownfield Revolving Fund	\$ 1,658,009
17. State Brownfield Redevelopment Fund	\$ 1,822,047
<i>Total Other Eligible Activities</i>	\$ 5,909,154
Total Estimated Cost to be Funded Through TIF	\$ 20,272,301

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 a loan through the Michigan Strategic Fund’s Community Revitalization Program.

DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the October 24, 2018 CAC meeting. Attached is 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 Monday, November 5, 2018 at 5:30 pm at DEGC offices located at 500 Griswold, Suite 2200 in Detroit, Michigan. The results of the DBRA public hearing are attached.

Mr. Walters called for approval of the resolution approving the Amended and Restated Joe Louis Arena Brownfield Redevelopment Plan and its submittal to City Council as presented. The Board took the following action:

On a motion by Ms. McClain, seconded by Ms. DeSantis, DBRA Resolution Code 18-11-256-05 was unanimously approved.

Industrial Land Assembly

Ms. Navin presented the Land Assembly Project including the acceptance of funds and engagement of counsel, including a history of the DBRA Board’s prior action. Detroit City Council approved the transfer of funds to the DBRA on November 7, 2018. The City of Detroit has requested that the DBRA use Miller Canfield, P.L.C. as counsel for the project for continuity, as the City of Detroit has a contract with Miller Canfield in relation to the project.

As the Board is aware, the City of Detroit administration has requested the assistance of the City of Detroit Brownfield Redevelopment Authority (“DBRA”) in industrial land assembly activities aimed at establishing market-ready industrial sites within City limits in order to attract manufacturing and logistics companies (the “Land Assembly Project”). On October 24, 2018 (DBRA 18-10-262-01) the Board approved certain initial steps in connection with the Land Assembly Project, including the allocation and acceptance of a total of \$1 Million in initial funds for the Land Assembly Project, which funds were expected to be reimbursed by the City.

The City has identified \$10 Million in funds available from the City's 2014 exit financing (the "Funds") that are available for the Land Assembly Project and proposes to transfer the Funds to the DBRA pursuant to the Funding Agreement attached hereto as Exhibit A (the "Funding Agreement"). Pursuant to the Funding Agreement, the DBRA would be responsible for quarterly spending reports to City Council and any unexpended funds would be returned to the City after one year. A resolution approving the Funding Agreement is scheduled for City Council's 11/7/18 Formal Session agenda.

In connection with Land Assembly Project, the City has engaged the law firm of Miller Canfield (the "Firm") to undertake certain tasks related thereto, as described on Exhibit B hereto (the "Scope of Services"). In light of the proposed Funding Agreement and for continuity of services, the City has requested that the DBRA engage the Firm for the same Scope of Services. The Firm has agreed to utilize the same fee structure it has in place with the City.

A resolution (i) accepting the Funds for the Land Assembly Project; (ii) approving the Funding Agreement, subject to City Council's approval, and (iii) engaging the Firm to undertake the Scope of Services is attached for the Board's consideration.

Mr. George asked where within the City of Detroit financing are the Funds coming from. Ms. Navin stated that the Funds will be from the bankruptcy exit funds for the City of Detroit.

Ms. DeSantis asked to what extent with the DBRA play a role in the Land Assembly Project. Ms. Navin stated that the DBRA may need to take title of some properties and acquire properties and all contracts related to the Land Assembly Project will be brought to the DBRA Board for review and approval as per the normal DBRA review process.

Ms. DeSantis asked how the insurance liability of the DBRA in relation to the Land Assembly Project will be paid. Ms. Navin stated that the DBRA is still determining if the insurance liability of the DBRA in relation to the Land Assembly Project can be paid using the Funds.

Mr. Walters called for approval of the Industrial Land Assembly Project: Acceptance of Funds and Engagement of Counsel. The Board took the following action:

On a motion by Mr. George, seconded by Ms. Washington, DBRA Resolution Code 18-11-262-02 was unanimously approved.

ADMINISTRATIVE

None.

OTHER

None.

PUBLIC COMMENT

None.

ADJOURNMENT

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

On a motion by Ms. DeSantis, seconded by Ms. McClain the meeting was unanimously adjourned at 4:15 PM.



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CODE DBRA 18-11-02-243

APPROVAL OF MINUTES OCTOBER 24, 2018

RESOLVED, that the minutes of the regular meeting of October 24, 2018 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.

November 7, 2018



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CODE DBRA 18-11-256-05

AMENDED AND RESTATED JOE LOUIS ARENA 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 Amended and Restated Brownfield Plan for the Joe Louis Arena 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 Amended and Restated Brownfield Plan for the **Joe Louis Arena 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 has determined that the Plan constitutes a “Qualifying Downtown Brownfield Project” under that certain Interlocal Agreement by and between the DBRA and the City of Detroit Downtown Development Authority.

3. 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.

4. 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.

5. 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.

6. 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.

7. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

November 7, 2018



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CODE DBRA 18-11-262-02

LAND ASSEMBLY PROJECT: ACCEPTANCE OF CITY FUNDS, ENGAGEMENT OF COUNSEL

WHEREAS, the City of Detroit administration has requested the assistance of the City of Detroit Brownfield Redevelopment Authority (“DBRA”) in industrial land assembly activities aimed at establishing market-ready industrial sites within City limits in order to attract manufacturing and logistics companies (the “Land Assembly Project”); and

WHEREAS, on October 24, 2018 (DBRA 18-10-262-01), the Board approved certain initial steps in connection with the Land Assembly Project, including the allocation and acceptance of a total of \$1 Million in initial funds for the Land Assembly Project, which funds were expected to be reimbursed by the City; and

WHEREAS, the City has identified \$10 Million in funds available from the City’s 2014 exit financing (the “Funds”) that are available for the Land Assembly Project and proposes to transfer the Funds to the DBRA pursuant to the Funding Agreement attached hereto as **Exhibit A** (the “Funding Agreement”), which Funding Agreement is subject to approval by the Detroit City Council; and

WHEREAS, the City has requested that the DBRA engage the law firm of Miller Canfield (the “Firm”) to continue to provide the scope of services described on **Exhibit B** hereto (the “Scope of Services”), which Scope of Services has heretofore been provided to the City by the Firm; and

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

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors hereby authorizes the acceptance of \$10 Million from the City for the Land Assembly Project.

BE IT FURTHER RESOLVED, that the Board of Directors of the DBRA authorizes the execution of the Funding Agreement, subject to City Council approval, substantially in the form attached hereto as **Exhibit A**, together with such changes as may be approved by counsel and Authorized Agents to the DBRA, so long as such changes are not materially inconsistent with this resolution and do not have a materially adverse impact on the DBRA.

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

BE IT FURTHER RESOLVED, that any one of the officers and any one of the Authorized Agents of the DBRA or any two of the Authorized Agents of the DBRA shall hereafter have the authority to negotiate and execute all documents, contracts, or other papers, and take such other actions, necessary or appropriate to implement the provisions and intent of this Resolution on behalf of the DBRA.

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

November 7, 2018

EXHIBIT A
Form of
FUNDING AGREEMENT
BY AND BETWEEN
THE CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
AND
THE CITY OF DETROIT
(ECONOMIC DEVELOPMENT PROJECTS)

THIS FUNDING AGREEMENT ("Agreement") executed this ___ day of _____, 2018, is an agreement by and between **The City of Detroit Brownfield Redevelopment Authority** (the "DBRA"), a Michigan public authority and body corporate organized and existing pursuant to Act 381 of the Public Acts of Michigan of 1996, as amended, and the **City of Detroit**, a Michigan municipal corporation (the "City"). The City and the DBRA may also be known individually as a "Party" or collectively as the "Parties".

WHEREAS, the DBRA from time to time has the opportunity to acquire and/or prepare land in the City ("Property") for the purpose of contributing such Property to one or more industrial economic development projects in the City (each a "Project"), providing jobs for residents of the City, generating significant private financial investment in the City and creating other economic benefits for the City; and

WHEREAS, in preparation for a Project, the DBRA may be required to acquire portions of Property (including but not limited to purchase options), conduct surveys, environmental assessments, geotechnical and title work, as well as other miscellaneous site readiness and due diligence activities, and retain professional services necessary and ancillary thereto, related to the DBRA's acquisition, possession or conveyance of Property (collectively, "Activities"); and

WHEREAS, in recognition of the benefits conferred to the City and its residents and taxpayers, the City Council has determined it is in the best interest to provide a portion of the funding for the public contribution to one or more Projects, and specifically Activities related thereto.

NOW, THEREFORE, in consideration of the mutual duties and obligations of the Parties, the sufficiency of which is hereby acknowledged, it is agreed that:

1. The City shall transfer to the DBRA Ten Million and 00/100 Dollars (\$10,000,000) from Appropriation 13824 to pay the cost of Activities to be performed by DBRA (the "Funds") not less than 10 days nor more than 30 days from the date of execution hereof.

2. The DBRA shall use the Funds only for Activities related to Property in connection with one or more Projects within one year from the date the Funds are received by the DBRA, which may include reimbursement for costs incurred by the DBRA in connection with such Activities performed prior to the date on which the Funds are received, including such Activities performed prior to the date of execution hereof.
3. In the event and to the extent any portion of the Funds is not used by the DBRA for Activities related to Property in connection with a Project within one year from the date the Funds are transferred, such unused Funds shall be returned to Appropriation 13824 as soon as practicable thereafter.
4. In connection with any third-party agreement relating to any Activities for which the DBRA requires indemnification from such third party, the DBRA shall require such third party to indemnify both the City and the DBRA.
5. In connection with any third-party agreement relating to any Activities for which the DBRA requires such third party to maintain certain insurance coverages, the DBRA shall require the applicable insurance policy or policies to name the "City of Detroit" as an additional insured.
6. The DBRA shall provide quarterly reports to the City Council on the expenditure of the Funds on the Projects. The report shall be provided within one month following the end of each fiscal year quarter until all of the Funds have been spent.
7. This Agreement may be executed in any number of counterparts. All such counterparts shall be deemed originals and together shall constitute one and the same instrument.
8. This instrument contains the entire agreement between the Parties respecting the subject matter of this Agreement, and all prior negotiations and agreements are merged herein. Neither Party nor its agents have made any representations except those expressly set forth herein, and no rights or remedies are or shall be acquired by the Parties by implication or otherwise unless expressly set forth herein.
9. This Agreement may be amended at any time by mutual agreement of the Parties; provided, that no amendment to this Agreement will be effective unless it is in writing, expressly makes reference to this Agreement and is executed by a duly authorized representative of each Party and is approved by City Council.
10. This Agreement will become effective upon its approval and execution by both the City and the DBRA and expire on either (i) the date on which all of the Funds have been spent

in accordance herewith or (ii) the date on which all unused Funds have been returned to the City as described in paragraph 3 hereof.

(remainder of page left blank intentionally; signatures commence on next page)

IN WITNESS WHEREOF, DBRA and the City, by and through their duly authorized representatives, have executed this Agreement as of the year and date first written above.

THE CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY, a Michigan public authority and body corporate.

By: _____

Print Name: _____

Its:

Approved as to Form Only:
Counsel to the DBRA

By: _____

CITY OF DETROIT, a Michigan municipal:

By: _____

Print Name: _____

Law: _____

Procurement: _____

Its:

EXHIBIT B

Scope of Services

- Provide legal and management support to real property acquisitions, including recommending, managing, and interfacing with brokers, title companies, surveyors, and environmental and civil engineering consultants
- Prepare and negotiate agreements for the acquisition of real property
- Provide legal and management support to title, survey, environmental, and civil engineering due diligence teams
- Review legal titles and surveys, assist in clearing titles and quiet title actions as needed
- Coordinate closing on real property acquisitions
- Prepare and negotiate confidentiality agreements
- Counsel regarding environmental limitations on liability, regulatory obligations, and responses
- Provide legal support to site preparation activities, including right of way vacations and infrastructure relocation
- Assist with condemnation matters related to property being acquired for public purposes, such as roads and public utilities
- Develop, analyze, and evaluate the legal requirements, implications, and feasibility of financing options for acquisition, site preparation, and redevelopment
- Counsel regarding corporate strategies to support acquisition, environmental response and remediation, site preparation, disposition, and development, including choice of entity, entity formation, and corporate governance, and prepare the necessary corporate formation agreements and filings
- Provide other legal counseling and recommendations to advance acquisition, environmental response and remediation, site preparation, disposition, and development strategies

City of Detroit Rates:

Aronoff, Jeffrey S.	\$340.00
Boore, Karen L.	\$330.00
Chester, Steven E.	\$400.00
Clark, Alexander J.	\$350.00
Fazio, Joseph M.	\$495.00

Greenberg, Matthew J.	\$285.00
McCarty, Donovan C.	\$175.00
Polcyn, Lucas J	\$330.00
Sixbery, Shari L.	\$270.00