



**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, JANUARY 11, 2023 – 3:00 P.M.
(REVISED AT TABLE 2-22-23)**

BOARD MEMBERS PRESENT: Marvin Beatty
Charles Beckham
Austin Black (left at 4:35PM)
David Blaszkiewicz
Ehrlich Crain
Richard Hosey
James Jenkins
Steve Ogden
Donald Rencher (arrived at 3:45PM)
Nicole Sherard-Freeman

BOARD MEMBERS ABSENT: Melvin Hollowell
John Naglick

OTHERS PRESENT: Bryan Amann
Jake Austermann (Plante Moran)
Adam Barnett (Friends of Bowen Library)
Rian English Barnhill (ODM)
Malachi Barrett (Bridge Detroit)
Keith Bradford (ODM)
Kenyetta Bridges (DEGC/DDA)
Andrew Cantor (Related)
Cora Capler (DEGC/DDA)
Detroit's Outlier Media
Catherine Frazier (DEGC/DDA)
Ryan Friedrichs (Related)
John George
Sean Gray (DEGC/DDA)
John Hewitt (WWJ)
Gay Hilger (DEGC/DDA)
David Holtzman (Law 360)
David Howell (DEGC/DDA)
Lanard Ingram (DEGC/DDA)
Malinda Jensen (DEGC/DDA)
Kevin Johnson (DEGC/DDA)
Paul Kako (DEGC/DDA)
Bill Lichwalla (Plante Moran)
Glen Long, Jr. (DEGC/DDA)



OTHERS PRESENT:

Continued

Monika McKay-Polly (DEGC/DDA)
Mike McLauchlan (Ilitch Holdings)
Gage Minkley
Rebecca Navin (DEGC/DDA)
Susan Newell
Kirk Pinho (Crain's Detroit Business)
Luke Polcyn (City)
Nushrat Rahman (Detroit Free Press)
Samuel Robinson (Axios.com)
Ed Saenz (ODM)
Julie Schneider (City)
Amy Sense
Nevan Shokar (DEGC/DDA)
Sonya Stuckey
John Valentine
WWJ Newsroom
Jeremy Waldorf (Schonox)
Candice Williams (Detroit News)



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226
WEDNESDAY, JANUARY 11, 2023 – 3:00 P.M.**

GENERAL

Call to Order

Chairperson Sherard-Freeman called the regular meeting of the Downtown Development Authority Board of Directors to order at 3:03 p.m. Roll call was conducted, and a quorum was established.

GENERAL

Approval of Minutes

Ms. Sherard-Freeman asked if there were any additions, deletions, or corrections to the minutes of the December 14, 2022 Regular Board meeting. Hearing none, the Board took the following action:

Mr. Jenkins made a motion approving the December 14, 2022 minutes, as written.
Mr. Beatty seconded the motion. All were in favor with none opposed.
DDA Resolution Code 23-01-02-651 was unanimously approved.

Receipt of Treasurer's Reports

Mr. Long reviewed the Treasurer's Report of Receipts and Disbursements for the month of November 2022. Ms. Sherard-Freeman asked if there were any questions. Hearing none, she called for a motion.

Mr. Crain made a motion approving the DDA Treasurer's Report for the month of November 2022, as presented. Mr. Blaszkiewicz seconded the motion. All were in favor with none opposed.
DDA Resolution Code 23-01-03-540 was unanimously approved.



PROJECTS

Housing, Office, Retail Development and Absorption Fund – Modification to Loan Parameters for Affordable Housing Units

Mr. Shokar advised that on November 9, 2022, the DDA Board approved certain program parameters in connection with housing loans made under the DDA's Housing, Office, Retail Development and Absorption Fund, where the housing developer makes a commitment that at least 20% of the residential rental units will be reserved for households making 70% of AMI or less (the "**Affordable Housing Program Parameters**").

The Affordable Housing Program Parameters include a provision that if affordable units are occupied by individuals who have been residents of the City of Detroit for at least 5 years prior to occupancy, then a portion of the loan may be eligible for forgiveness, upon terms to be approved by DDA Board of Directors.

Following further discussion of the Affordable Housing Program Parameters with the City's Housing and Revitalization Department ("**HRD**"), HRD expressed concern that housing insecure individuals could find it difficult to demonstrate city of residency for 5 years prior their tenancy in the housing project, which could have the unintended consequence of excluding individuals that the program seeks to assist.

As such, DDA staff seeks approval for a modification to the relevant provision in the Affordable Housing Program Parameters as follows:

*If affordable units are occupied by individuals who have been residents of the City of Detroit for at least **3** years prior to occupancy, then a portion of the loan may be eligible for forgiveness, upon terms to be approved by DDA Board of Directors*

The DDA Finance Committee has recommended the approval of the modification to the Affordable Housing Program Parameters as outlined herein and DDA staff requested such approval from the DDA Board of Directors.

A resolution was included for the Board's consideration.

Ms. Sherard-Freeman asked if there were any questions/comments.

Mr. Beatty expressed concerns about the proposed modification and time was provided for members to discuss.

Ms. Sherard-Freeman requested that a representative from the City's Housing and Revitalization Department join the meeting to respond to Board Members' questions and



called for a motion to table this item. Mr. Jenkins made a motion and Mr. Beatty seconded the motion and the item was tabled.

Presentation by Olympia Development of Michigan and The Related Companies

In order to provide background and context for the second and third project items on the Board agenda, DDA staff invited representatives from the developer, Olympia Development of Michigan and The Related Companies to provide an overview of recent and proposed developments within the DDA prior to staff's presentation of the proposed requests for DDA support.

Ms. Rian English Barnhill of Olympia Development and Mr. Andrew Canter of Related Company provided a comprehensive presentation on the background of the developer, including previously completed projects, as well as visuals of the 10 proposed projects that are included in the projects being considered by the Board. They informed that the projects will create a tremendous amount of construction jobs, affordable housing, office, retail and hotel jobs, shopping and dining, and development of surface lots going forward, and the revitalization of historic assets. The plan is to create a district that is centered with the activity around Woodward, activity around New Center for Innovation planned on Grand River, as well as support development north of I-75.

Ms. Sherard-Freeman asked the presenters to net out the real number of affordable units and projected rents. Mr. Cantor stated that there will be approximately 150 units and the average rent for the affordable units will be between \$800 to \$900 per month.

Ms. Sherard-Freeman called for remarks from the Finance Committee that met and discussed these items.

Mr. Blaszkiewicz reported that the Committee had an extensive conversation about these projects with lots of questions. There is a second component, infrastructure, that the Committee also discussed, that also will be presented by Mr. Shokar for the Board's approval. Mr. Blaszkiewicz advised that the Committee asked about start times, intermediate times, and completion times, so that this was not just an open-ended request for financial support. He thanked the DEGC team for addressing those concerns and coming back with a scenario that more than addresses them, as well as including some reporting requirements, and advised the Board that the Finance Committee is in full support of what is being presented today.

At the conclusion of the developer's presentation, General Counsel Navin advised that Ms. Julie Schneider, Director of the Housing and Revitalization Department for the City of Detroit, should be joining on Zoom and suggested that Mr. Shokar move on to his presentation on the infrastructure item, then present his report on the Loan Approvals, and after speaking with Ms. Schneider, the Board can go back to all three items individually for a vote.



Ms. Sherard-Freeman called for a motion to table the Request for Affordable Housing Loan Approvals and to move first to the Proposed Infrastructure Support. Mr. Jenkins made a motion, Mr. Beatty seconded the motion, and the item was tabled.

EC Ancillary Development Project – Proposed Infrastructure Support

Mr. Shokar informed that in 2013, as part of the City of Detroit Downtown Development Authority (the “**DDA**”) Restated City of Detroit Downtown Development Authority Tax Increment Financing and Development Plan for Development Area No. 1 (the “**DDA Plan**”), the DDA established the EC Ancillary Development Project. The purpose of the EC Ancillary Development Project is to encourage the development, redevelopment, rehabilitation and repurposing of existing buildings and vacant lands located within the Catalyst Development Area, outside of the Events Center (aka Little Caesars Arena).

Olympia Development of Michigan LLC (“**Olympia**”) and The Related Companies LP (“**Related**”) recently announced 10 mixed-use development projects within the DDA Catalyst Development Area, adding an estimated 1,200,000 gross square feet of office space, 140,000 gross square feet of new retail, 460 new hotel keys, and 700 new residential units across the 10 projects (each, a “**Project**”). The Projects, which will be undertaken by affiliates of Olympia and Related’s joint development entity Related Olympia Predevelopment Company, LLC, include approximately \$29 million in public infrastructure improvements, including but not limited to right of way improvements, public utility installation, and development of public spaces (the “**Public Infrastructure Improvements**”).

In furtherance of the EC Ancillary Development Project, and in order to assist with the financial viability of the Projects, DDA staff recommends DDA support of the Public Infrastructure Improvements in an amount not to exceed \$25 million, payable on a reimbursement basis and in accordance with the terms and conditions set forth in **Exhibit A** attached to the resolution (the “**Proposed Funding Terms**”).

Accordingly, DDA staff hereby requests the approval of (i) the funding request; (ii) the execution of a reimbursement agreement setting forth the funding conditions described in the Proposed Funding Terms; and (iii) a reallocation of necessary amounts from other DDA Plan Table 3 line items to the EC Ancillary Development Project, as authorized by Section 408.1 of the DDA Plan, in order to fund the funding request. The DDA Finance Committee has reviewed such requests and recommends their approval to the DDA Board of Directors.

A resolution was included for the Board’s consideration.

Ms. Sherard-Freeman asked if the Finance Committee had anything to add to Mr. Shokar’s report. Mr. Blaszkiewicz stated that he thinks that staff did a good job responding



to the Finance Committee's concerns and the Committee is fully in support of approval of the projects and approval of the infrastructure.

Mr. Crain asked about what would happen if the funds were not available at any given point.

Mr. Long led a thoughtful discussion about the source of the revenues, how he fully expects DDA will meet this schedule and that staff is comfortable with the availability to funds in order to meet the funding schedule while maintaining funding availability for other programs.

Mr. Ogden advised that he does not have a problem with the affordable housing request. What he has a problem with is the infrastructure piece and putting all of DDA's "eggs in one basket" so to speak. What about the other small to medium-sized projects that come to the Board requesting help. Mr. Beatty agreed.

Mr. Ogden proposed a friendly amendment to the infrastructure agenda item giving half of what is requested and saving the other half for other downtown projects that come requesting help, **specifically the Paradise Valley development area**, that we've seen over the past three years coming to the Board requesting extensions.

Mr. Beatty added that he is 100 percent in support of the housing piece, but the infrastructure piece is a problem for him. He is on the Board of Paradise Valley, Greektown Neighborhood Partnership, Randolph Plaza, and all of those things are an important part of the redevelopment of Greektown and that community.

Ms. Sherard-Freeman said that what she believes the Board is challenged by here is the timing of this, and she hears Mr. Ogden's and Mr. Beatty's concerns about equity.

Ms. Bridges stated that at a recent meeting, the DDA Board approved grant dollars to – the Downtown Detroit Partnership – in support of initiatives being led by - Greektown Neighborhood Partnership, Paradise Valley Conservancy and the Downtown Detroit Partnership - local partners who were awarded funds through the State's Revitalization and Placemaking Program. DDA has always been supportive of these types of initiatives and the development community in general including recent support of the United Artist Building at 150 Bagley.

Mr. Ogden said that was the first time DDA has ever made an investment in those types of programs and the support was not proportionate to what is being asked for the project today.

Mr. Long reviewed the DDA financial report for the Board's understanding and reiterated that this program will not deplete all of the projected revenues.



Ms. Schneider of the Housing and Revitalization Department joined Zoom to answer questions regarding the first agenda item (Housing, Office, Retail Development and Absorption Fund – Modification to Loan Parameters for Affordable Housing Units). Ms. Sherard-Freeman asked Mr. Beatty to restate his questions regarding the modification to the Loan Parameters as discussed in the two previously discussed agenda items.

Mr. Beatty summarized his concerns with the reduction of the qualifying time from five years to three years. Mr. Beatty stated that he believes that when you reduce it to three years, you are taking away the opportunity for those most senior people.

Ms. Schneider explained the additional burdens that people must meet to demonstrate that they do indeed qualify for affordable housing. She advised that this program adds an additional requirement for Detroiters to demonstrate that they have lived in the city for a number of years. For some, they may not have had to file income tax because they did not meet the threshold required to file income taxes. Then they will be asked to provide utility bills, and the resident might not have kept the bills for that period of time, or the utilities might have been in someone else's name. Reducing the number of years requirement from five to three years reduces the administrative burden for people to prove their residency.

Mr. Rencher answered that in order to live in affordable housing, you have to be low income to qualify and prove that you are low income at the time of application and annually thereafter. Mr. Rencher added that he agrees with Ms. Schneider and what we are trying to do here in changing the Detroit residency requirement from five years to three is positive and will reduce the administrative burden for the applicants.

Ms. Sherard-Freeman stated that she can speak about other low-income programs that she is responsible for that are offered by the City. The more documentation that is required, the more administrative burden is created for the resident. In the end, when the resident is unable to produce the required documentation, the City has to say no to those Detroiters who are most deeply disadvantaged, most deeply disconnected, and the most in need. Reducing the burden here is a good thing for the Detroit residents.

Mr. Hosey stated that he believes making it easier to provide documentation is the only path that we may have and questioned if there was possibly a form that the potential resident could sign that would allow us to request the tax returns. Anything we can do that would drop that barrier for them would be positive as the Program Administrator.

General Counsel Navin advised that she wanted to clarify the question of what the parameters are here. The requirement will be 20 percent of the units must be affordable at between 50 percent and 70 percent AMI. We are talking about the loan parameters in general, not what will be requested today. If, under any loan, there were 50 percent of the participants occupied by existing Detroiters, then there may be a forgiveness



mechanism. It is a way to get developers to try harder to get Detroiters into those units, and we believe the forgiveness component will incentivize them to try to do that. We initially suggested five years, but based on feedback from the City’s HRD, they said it would be too hard getting the documentation.

Ms. Sherard-Freeman asked Mr. Shokar to present the final project that had been previously tabled.

Housing, Office, Retail Development and Absorption Fund – Request for Affordable Housing Loan Approvals

Mr. Shokar advised that in November 2022, the Board approved new loan parameters under the DDA’s Housing, Office, Retail Development and Absorption Fund (the “Program”) in response to market demand in the DDA’s Development Area for affordable housing units reserved for households with incomes 70% or less than the Area Median Income for the Detroit-Warren-Livonia Metropolitan Statistical Area (“AMI”) as well as occupancy of such affordable housing units by existing Detroit residents.

Specifically, the below parameters were approved (the “Affordable Housing Program Parameters”):

Affordable Housing (where at least 20% of the residential rental units will be reserved for households making 70% of AMI or less)

<u>Affordability Target</u>	<u>Loan Amount</u>
50% AMI	40% of Hard Construction Cost
60% AMI	30% of Hard Construction Costs
70% AMI	20% of Hard Construction Costs
80% AMI	<i>No loan available under Affordable Housing Program Parameters</i>

Terms:

- (1) Project must include at least 10 affordable units
- (2) Interest rate not-to-exceed 2%. The terms and conditions of each loan will vary and will be determined based on the development project economics and market conditions at the time of underwriting and closing.
- (3) If affordable units are occupied by individuals who have been residents of the City of Detroit for at least 3 years prior to occupancy,



then a portion of the loan may be eligible for forgiveness, upon terms to be approved by DDA Board of Directors.¹

(4) Maximum Loan Amount = \$200k/affordable unit

Olympia Development of Michigan LLC (“**Olympia**”) and The Related Companies LP (“**Related**”) recently announced 10 mixed-use development projects within the DDA Development Area, adding an estimated 1,200,000 gross square feet of office space and 695 new residential rental units across the 10 projects.

As part of the residential offerings, ODM and Related, through the joint development entity Related Olympia Predevelopment Company, LLC (“**Developer**”) have committed to reserving at least 20% of the residential rental units for households making 50% of AMI or less in the each of the below projects (each, a “**Project**” and collectively, the “**Projects**”).

- **2250 Woodward** – New construction of a 20-story multi-family housing tower, with first floor retail, facing the Fox Theatre, expected to include 287 residential units, of which 20% (58 units) would be affordable at 50% AMI or below. Construction is expected to commence in fall of 2024, with a 2-year construction period.
- **2205 Cass** – New construction of 18 story multi-family housing tower with first floor retail, located across from the planned University of Michigan Detroit Center for Innovation, expected to include 261 residential units, of which 20% (54 units) would be affordable at 50% AMI or below. Construction is expected to commence in spring of 2024, with a 2 ½ year construction period.
- **408 Temple** – Historic rehabilitation of former American / Fort Wayne Hotel located in the Cass Park district, with first floor retail, expected to include 131 residential units, of which 20% (27 units) would be affordable at 50% AMI or below. Construction is expected to commence in fall of 2026, with a 2-year construction period.

Developer has requested the DDA support of the Projects through a loan to each Project under the Affordable Housing Program Parameters. Proposed terms of the loans are set forth in **Exhibit A**.

DDA staff is supportive of each of the loans which subsidize the high cost of constructing new residential units in the CBD that are reserved for very low-income households. For

¹ The Board has been asked to approve a change in the Affordable Housing Program Parameters that would reduce this requirement from 5 years to 3 years.



reference, an individual making 50% of the AMI earns approximately \$31,350 annually. The rents in these units would be discounted from an average monthly market rent of \$2,400 to \$840. This discounted rent is only made possible by the DDA's financial support of the residential projects. The deeply affordable rental rates being offered here create a sizeable gap in the proforma when considered in conjunction with the steep rise of construction costs over recent years.

The DDA Finance Committee has reviewed the terms of the Project loans described on **Exhibit A** attached to the resolution and has recommended its approval of the proposed terms and the reallocation of necessary amounts from other DDA Plan Table 3 line items to the Program as necessary to fund the Project loans, as authorized by Section 408.1 of the DDA Plan, to the DDA Board of Directors.

A resolution was included for the Board's consideration.

Ms. Sherard-Freeman advised that the Finance Committee had reviewed this as well and called on Mr. Blaszkiewicz who advised that the Committee recommends approval.

Ms. Sherard-Freeman asked if there were any additional questions for Mr. Shokar or the Finance Committee. Hearing none, Ms. Sherard-Freeman advised that she would like to go back to the first project item and call for a vote on each of the three agenda items in the order of which they appear on the agenda.

Housing, Office, Retail Development and Absorption Fund – Modification to Loan Parameters for Affordable Housing Units

Ms. Sherard-Freeman asked if there was a motion.

Mr. Hosey made a motion approving the Modification to Loan Parameters for Affordable Housing Units, as presented. Mr. Jenkins seconded the motion. All were in favor with Mr. Beatty opposing. Mr. Black was not present for the vote. DDA Resolution Code 23-01-93-37 was approved.

Housing, Office, Retail Development and Absorption Fund – Request for Affordable Housing Loan Approvals

Ms. Sherard-Freeman asked if there was a motion.

Mr. Ogden made a motion approving the Request for Affordable Housing Loan Approvals, as presented. Mr. Beatty seconded the motion. All were in favor with none opposed. Mr. Black was not present for the vote. DDA Resolution Code 23-01-93-38 was unanimously approved.



EC Ancillary Development Project – Proposed Infrastructure Support

Ms. Sherard-Freeman asked if there was a motion.

Mr. Ogden again proposed a friendly amendment to the resolution that would cut the dollar amount to half of the \$25 million and keep the other half for other projects, specifically the Paradise Valley development area.

Mr. Blaszkiewicz stated that the Finance Committee thoroughly discussed this and the Committee was in favor of recommending approval to the Board as it was presented to the Board by Mr. Shokar and the resolution as it is written.

Mr. Blaszkiewicz made a motion approving the Request for Proposed Infrastructure Improvements, as presented. Mr. Hosey seconded the motion. All were in favor, with Mr. Beatty and Mr. Ogden opposing. Mr. Black was not present for the vote.

DDA Resolution Code 23-01-123-73 was approved.

ADMINISTRATIVE

None.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

With there being no further business to be brought before the Board, on a motion by Mr. Blaszkiewicz, seconded by Mr. Hosey, Ms. Sherard-Freeman adjourned the meeting at 4:53 p.m.



CODE DDA 23-01-02-651

APPROVAL OF MINUTES OF DECEMBER 14, 2022

RESOLVED that the minutes of the Regular meeting of December 14, 2022, 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 Downtown Development Authority.

January 11, 2023



CODE DDA 23-01-03-540

RECEIPT OF TREASURER'S REPORT FOR NOVEMBER 2022

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending November 30, 2022, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

January 11, 2023



CODE DDA 23-01-93-37

**HOUSING, OFFICE, RETAIL DEVELOPMENT AND ABSORPTION FUND –
MODIFICATION TO LOAN PARAMETERS FOR AFFORDABLE HOUSING UNITS**

WHEREAS, the City of Detroit Downtown Development Authority’s (“DDA”) Development and Tax Increment Finance Plan for Development Area No. 1 (the “DDA Plan”) established a Housing, Office, Retail Development and Absorption Fund (the “Program”) pursuant to which the DDA may make loans to support housing, office, and retail projects in the Development Area; and

WHEREAS, the DDA Plan provides, among other things, that the DDA shall adjust the procedures and parameters of the Program to be consistent with market demand; and

WHEREAS, on November 9, 2022, the DDA Board approved certain program parameters in connection with housing loans made under the Program, where the housing developer makes a commitment that at least 20% of the residential rental units will be reserved for households making 70% of AMI or less (the “Affordable Housing Program Parameters”); and

WHEREAS, the Affordable Housing Program Parameters include a provision that if affordable units are occupied by individuals who have been residents of the City of Detroit for at least 5 years prior to occupancy, then a portion of the loan may be eligible for forgiveness, upon terms to be approved by DDA Board of Directors; and

WHEREAS, following further review and discussion of the Affordable Housing Program Parameters with the City’s Housing and Revitalization Department (“HRD”) and in order to avoid unintended consequence of excluding individuals that the program seeks to assist, DDA staff seeks to modify a provision in the Affordable Housing Program Parameters as follows:

*If affordable units are occupied by individuals who have been residents of the City of Detroit for at least **3** years prior to occupancy, then a portion of the loan may be eligible for forgiveness, upon terms to be approved by DDA Board of Directors.*
; and

WHEREAS, the DDA Finance Committee has reviewed the proposed modification to the Affordable Housing Program Parameters and recommends its approval to the DDA Board; and

WHEREAS, the DDA Board has determined that the proposed modification to the Affordable Housing Program Parameters as described above is consistent with the goals



of the Program, the DDA Plan and DDA's statutory purposes and otherwise in the best interests of the DDA

NOW THEREFORE BE IT RESOLVED that DDA Board hereby approves the modification to the Affordable Housing Program Parameters as described herein.

BE IT FURTHER RESOLVED that the DDA Board hereby authorizes any two of its Officers, or any two of its Authorized Agents, or one Officer and any one Authorized Agent to take such actions and execute such documents necessary or appropriate to implement the provisions and intent of this resolution.

BE IT FINALLY RESOLVED that all of the acts and transactions of any Officer or Authorized Agent of the DDA, in the name and on behalf of the DDA, 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.

January 11, 2023



CODE DDA 23-02-93-38

HOUSING, OFFICE, RETAIL DEVELOPMENT AND ABSORPTION FUND – REQUEST FOR AFFORDABLE HOUSING LOAN APPROVALS

WHEREAS, In November 2022, the Board approved new loan parameters under the DDA’s Housing, Office, Retail Development and Absorption Fund (the “**Program**”) in response to market demand in the DDA’s Development Area for affordable housing units reserved for households with incomes 70% or less than the Area Median Income for the Detroit-Warren-Livonia Metropolitan Statistical Area (“**AMI**”) as well as occupancy of such affordable housing units by existing Detroit residents; and

WHEREAS, Olympia Development of Michigan LLC (“**Olympia**”) and The Related Companies LP (“**Related**”) recently announced 10 mixed-use development projects within the DDA Development Area and as part of the residential offerings for these projects, ODM and Related, through the joint development entity Related Olympia Predevelopment Company, LLC (“**Developer**”) have committed to reserving at least 20% of the residential rental units for households making 50% of AMI or less in the each of the below projects (each, a “**Project**” and collectively, the “**Projects**”):

- **2250 Woodward** – New construction of a 20-story multi-family housing tower, with first floor retail, facing the Fox Theatre, expected to include 287 residential units, of which 20% (58 units) would be affordable at 50% AMI or below. Construction is expected to commence in fall of 2024, with a 2-year construction period.
- **2205 Cass** – New construction of 18 story multi-family housing tower with first floor retail, located across from the planned University of Michigan Detroit Center for Innovation, expected to include 261 residential units, of which 20% (54 units) would be affordable at 50% AMI or below. Construction is expected to commence in spring of 2024, with a 2 ½ year construction period.
- **408 Temple** – Historic rehabilitation of former American / Fort Wayne Hotel located in the Cass Park district, with first floor retail, expected to include 131 residential units, of which 20% (27 units) would be affordable at 50% AMI or below. Construction is expected to commence in fall of 2026, with a 2-year construction period.

; and

WHEREAS, Developer has requested the DDA support of the Projects through a loan to each Project under the Affordable Housing Program Parameters in accordance with the proposed terms of the loans are set forth in **Exhibit A**; and



WHEREAS, the DDA Finance Committee has reviewed the terms of the Project loans and recommends their approval to the DDA Board, subject to certain conditions relating to project commencement, completion and reporting being included in the final terms; and

WHEREAS, the DDA Board has determined that providing the Project loans to Developer in accordance with the terms contained on **Exhibit A** is consistent with the goals of the Program, the DDA Plan and DDA's statutory purposes and otherwise in the best interests of the DDA.

NOW THEREFORE BE IT RESOLVED that DDA Board hereby approves (i) each of the Project loans upon the terms set forth in **Exhibit A** and (ii) the reallocation of amounts from other DDA Plan Table 3 line items to the Program as necessary to fund the Project loans, as authorized by Section 408.1 of the DDA Plan.

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 DDA's Authorized Agents, shall hereafter have the authority to negotiate and execute loan documents for each Project loan consistent with **Exhibit A**, 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 DDA.

BE IT FINALLY RESOLVED that all of the acts and transactions of any officer or authorized agent of the DDA, in the name and on behalf of the DDA, 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.

January 11, 2023



EXHIBIT A
Proposed Loan Terms

Borrower	Project Location	Maximum Loan Amount
SPE Affiliate of Related Olympia Predevelopment Company, LLC	2250 Woodward Ave, Detroit MI 48201	\$10,900,000 based upon 40% of the hard construction costs in order to complete 58 affordable units within the greater 287 total unit development
SPE Affiliate of Related Olympia Predevelopment Company, LLC	2505 Cass, Detroit MI 48201	\$8,804,000 based upon 40% of the hard construction costs in order to complete 54 affordable units within the greater 261 total unit development
SPE Affiliate of Related Olympia Predevelopment Company, LLC	408 Temple St, Detroit MI 48201	\$4,061,000 based upon 40% of the hard construction costs in order to complete 27 affordable units within the greater 131 total unit development.

Loan Amounts:

Above loan amounts represent maximum loan commitments. Final loan amounts to be determined based upon final unit and affordable unit count and final construction budget, per DDA Board approved loan parameters.

Interest Rate:

1.0% per annum

Fee:

0.5% at closing

Term:

408 months (34 years)

Repayment:

Interest accrues and is deferred for 48 months following closing. Deferred interest shall be capitalized and added to the principal loan balance at the beginning of the 49th month following closing (such amended principal balance being the “**Amended Principal Amount**”). Monthly interest only payments commencing on the first business day of the 50th month following closing and continuing until loan maturity. Commencing on the first business day of the month immediately following the 3rd anniversary of closing,



Borrower shall submit an annual rent roll verification for the affordable units, including number of affordable units occupied by Existing Detroiters. For every year in which at least 50% of the affordable units are occupied by Existing Detroiters, 1/30th of the original principal loan amount (or, from and after the 49th month, the Amended Principal Amount) will be forgiven. Remaining principal balance and accrued but unpaid interest, if any, is due at maturity. Loan is due upon sale of Borrower's interest in the Project, unless DDA reasonably approves an assignment and assumption of the loan to Borrower's proposed assignee.

“Existing Detroitier” is defined as an individual who has been a resident of the City of Detroit for the three (3) consecutive years prior to their occupancy in the Project.

Security:

Subordinated Lien position on all business assets, Assignment of Leases and Rents, Subordinated Leasehold Mortgage on the property. DDA's security interest will be subordinated to that of the senior lender and/or MSHDA.

Affordability Requirements:

At least 20% of the residential units must be reserved for households making 50% AMI or less for the term of the Loan; affordable unit mix subject to approval by DDA staff.

Guaranty

A joint and several corporate Guaranty of payment by each of Olympia Development of Michigan, LLC and The Related Companies LP, or a by respective affiliate thereof approved by the DDA.

Eligible Uses:

All Project costs, including hard construction costs (including demolition), equipment and fixtures.

Disbursement:

Owner equity contributions are first, followed by the DDA loan on a construction draw basis.

Commencement and Completion:

Projects must be commenced (as evidenced by the closing of the applicable DDA and senior loans) within 5 years following the approval by the Michigan Strategic Fund (“MSF”) of the Developer's proposed Transformational Brownfield Plan (“TBP”). Funding authority granted by the Board of Directors for any project not so commenced shall



be automatically null and void without further authorization of the Board of Directors.

Projects must be completed (as evidenced by a temporary certificate of occupancy issued by BSEED) by the later of 48 months following the applicable loan closing and the maturity or conversion (as applicable) of the senior construction loan.

Other Conditions:

Satisfactory review and acceptance of standard due diligence items. Binding commitments for all project loans, including executed loan documents. Borrower will provide itemized schedule and use of funds. Execution of mutually acceptable loan documents by Borrower and Guarantors. DDA may assign the right to receive loan fee to DEGC. The closing of each loan shall be subject to the aforementioned conditions and each loan shall be independent of the other loans and not subject to cross-default. From the date of Board Approval through loan closing, Developer shall provide DDA a semi-annual written update of status of each of the projects. Following loan closing through completion, Developer shall provide DDA a quarterly written update of status of each of the projects.

Additional Funding Conditions:

Funding authority granted by the Board of Directors under the above terms shall be automatically null and void without further authorization of the Board of Directors unless each of the following occurs:

- MSF must approve TBP on or prior to December 31, 2023; and
- Commencement of construction under the TPB (of at least one Project) must commence within 2 years following MSF's



CODE DDA 23-01-123-73

EC ANCILLARY DEVELOPMENT PROJECT – PROPOSED INFRASTRUCTURE SUPPORT

WHEREAS, in 2013, as part of the City of Detroit Downtown Development Authority (the “**DDA**”) Restated City of Detroit Downtown Development Authority Tax Increment Financing and Development Plan for Development Area No. 1 (the “**DDA Plan**”), the DDA established the EC Ancillary Development Project which seeks to encourage the development, redevelopment, rehabilitation and repurposing of existing buildings and vacant lands located within the Catalyst Development Area, outside of the Events Center (aka Little Caesars Arena); and

WHEREAS, Olympia Development of Michigan LLC (“**Olympia**”) and The Related Companies LP (“**Related**”) recently announced 10 mixed-use development projects (each a “**Project**” and collectively, the “**Projects**”) within the DDA Development Area which will include approximately \$29 million in public infrastructure improvements, including but not limited to right of way improvements, public utility installation, and development of public spaces (the “**Public Infrastructure Improvements**”); and

WHEREAS in furtherance of the EC Ancillary Development Project, and in order to assist with the financial viability of the Projects, DDA staff recommends DDA support of the Public Infrastructure Improvements in an amount not to exceed \$25 million, payable on a reimbursement basis and in accordance with the terms and conditions set forth in **Exhibit A** attached hereto (the “**Proposed Funding Terms**”); and

WHEREAS, in addition to the approval of the Proposed Funding Terms, DDA staff also seeks approval of the execution of a reimbursement agreement setting forth the funding conditions described in the Proposed Funding Terms and a reallocation of necessary amounts from other DDA Plan Table 3 line items to the EC Ancillary Development Project, as authorized by Section 408.1 of the DDA Plan, in order to fund the funding request;

WHEREAS, the DDA Finance Committee has reviewed the Proposed Funding Terms and recommends their approval to the DDA Board; and

WHEREAS, the DDA Board has determined that providing financial assistance for Public Infrastructure Improvements is consistent with the goals of the DDA Plan, the EC Ancillary Development Project, the DDA’s statutory purposes and otherwise in the best interests of the DDA.



NOW THEREFORE BE IT RESOLVED that DDA Board hereby approves (i) the Proposed Funding Terms set forth in Exhibit A; (ii) the execution of a reimbursement agreement setting forth the funding conditions described in the Proposed Funding Terms; and (iii) a reallocation of necessary amounts from other DDA Plan Table 3 line items to the EC Ancillary Development Project, as authorized by Section 408.1 of the DDA Plan, in order to fund the funding request..

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 DDA's Authorized Agents, shall hereafter have the authority to negotiate and execute the reimbursement agreement 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 DDA.

BE IT FINALLY RESOLVED that all of the acts and transactions of any officer or authorized agent of the DDA, in the name and on behalf of the DDA, 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.

January 11, 2023



EXHIBIT A
PROPOSED FUNDING TERMS
Infrastructure Reimbursement Agreement

- Parties:** City of Detroit Downtown Development Authority (“**DDA**”) and Related Olympia Predevelopment Company LLC (“**Developer**”).
- Purpose:** Provide for the reimbursement from DDA’s general tax increment revenues of certain eligible infrastructure costs incurred by Developer (or its affiliate acting as the developer or a specific project) in connection with Developer’s 10 planned developments located within the DDA’s Catalyst Development Area within the DDA Plan, as described on Attachment A hereto (each, a “**Project**” and collectively, the “**Projects**”).
- Maximum Reimbursement:** \$25,000,000.00
- Eligible Costs:** Design, engineering, permitting, equipment, material, construction costs, and actual interest costs (not to exceed 5%) relating to the public infrastructure improvements described on the attached Attachment B.
- Non-Eligible Costs:** Costs of structured or surface parking; land acquisition costs; costs for which Developer has received or will receive reimbursement, grant funds, or similar funds from any other public or private third-party source, including but not limited to reimbursement under a brownfield plan.
- Reimbursement Conditions:** Closing of construction financing for the Project with which the relevant infrastructure is associated. For infrastructure associated with more than one Project, closing of construction financing for one of the associated Projects; and
- Cost verification for Eligible Costs, with substantiating documentation from Developer’s engineer or architect of record, including but not limited to contractor invoices and pay applications, proof of payment, and lien waivers; and



CRIO certification for Executive Order compliance.

**Anticipated Reimbursement
Schedule:**

7/1/2025-6/30/2026: \$3,000,000
7/1/2026-6/30/2027: \$3,000,000
7/1/2027-6/30/2028: \$5,000,000
7/1/2028-6/30/2029: \$5,000,000
7/1/2029-6/30/2030: \$5,000,000
7/1/2030-6/30/2031: \$4,000,000

DDA anticipates reimbursement payments to be made on the above schedule; provided, however, DDA shall have the right to defer all or part of any payments due (i) to the extent that the sum of the payment due and prior payments exceeds to the amount of Eligible Costs for which the Reimbursement Conditions have been satisfied or (ii) in the event that, in any year or years in which a payment hereunder is due, DDA does not receive general tax increment revenues in an amount sufficient to make the payment in accordance with the above payment schedule after payment by the DDA of (i) all bonded indebtedness, incurred before or after the date of this Agreement, and (ii) all contractual obligations made prior to the date of the reimbursement agreement, in which event DDA shall have the right to delay the scheduled payment to the extent of such insufficiency.

Other Conditions

Closing of the construction financing for each Project (or, for infrastructure with more than one associated Project, closing of the construction financing for one of the associated Projects) must occur within 5 years following the approval by the Michigan Strategic Fund (“MSF”) of the Developer’s proposed Transformational Brownfield Plan (“TBP”).

For any Project for which construction financing closing does not occur by such deadline, (i) such Project shall not be eligible for reimbursement of associated infrastructure and (ii) the Maximum Reimbursement shall be reduced by the Proportionate Share associated with the Project, as set forth in **Attachment B**.



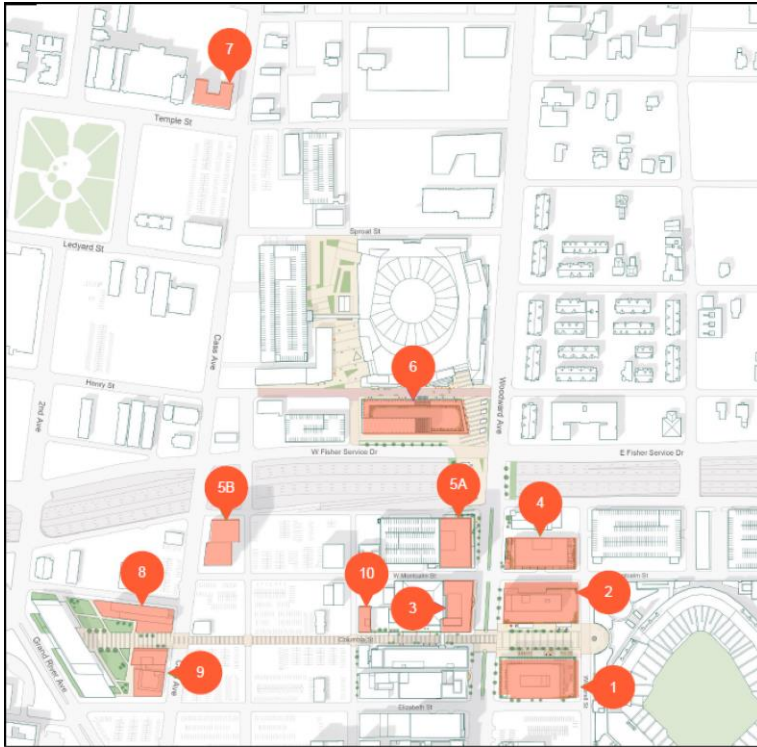
From the date of Board Approval, Developer shall provide DDA a semi-annual written update of status of each of the Projects. Following construction financing of a Project through completion, Developer shall provide DDA a quarterly written update of status of such Project(s).

Additional Funding Conditions:

Funding authority granted by the Board of Directors under the above terms shall be automatically null and void without further authorization of the Board of Directors unless each of the following occurs:

- MSF must approve the TBP on or prior to December 31, 2023; and
- Commencement of construction under the TPB (of at least one Project) must commence within 2 years following MSFs approval of the TBP.

Attachment A Projects



PROGRAM

			Investment \$/M	Mixed Income Residential Units	Mixed Income Residential Gross SF	Office Gross SF	Retail Gross SF	Hotel Keys	Hotel Gross SF
TOTAL	Dev Begin Date		\$1,532	695	519,073	1,253,397	146,477	467	386,802
1	2200 Woodward – Office	Jun, 2023	340	-	-	492,900	28,000	-	-
2	2250 Woodward – Residential	Oct, 2024	216	287	294,439	-	26,992	-	-
3	2211 Woodward – Fox Hotel	Apr, 2026	121	-	-	-	13,322	177	194,028
4	2300 Woodward – Mixed-Use	Apr, 2025	84	-	-	131,100	18,400	-	-
5 A/B	2305 Woodward / 2300 Cass – A/B Flexible Site – Office	Oct, 2026	279	-	-	545,950	10,050	-	-
6	2455 Woodward – Little Caesars Arena Hotel	Apr, 2024	191	-	-	-	21,900	290	252,900
7	408 Temple – The American Residential	Oct, 2026	69	131	152,325	-	5,310	-	-
8	2505 Cass – DCI Residential	Apr, 2024	150	261	247,300	-	8,750	-	-
9	2115 Cass – DCI Business Incubator	Apr, 2025	60	-	-	83,447	10,753	-	-
10	2210 Park – Detroit Life Residential	Apr, 2024	24	16	41,308	-	3,000	-	-



Attachment B
Infrastructure Improvements

	Project Number	Road Improvements	Utilities	Security	Public Spaces	Totals	Proportional Share
Superblock	1, 2, 4	\$ 4,663,156	\$ 2,509,237	\$ 422,554	\$ 5,000,000	\$12,594,947	40%
Fox Town	3, 5a*	\$ 1,437,096	\$ 718,902	\$ 155,735	-	\$2,311,733	7%
Columbia Park	5b*	\$ 1,936,366	\$ 332,000	\$ 180,783	-	\$2,449,149	8%
LCA Hotel	6	\$ 1,555,782	\$ 496,000	\$ 270,086	-	\$2,321,868	7%
The American	7	\$ 631,255	\$ 140,000	\$ 65,344	-	\$836,598	3%
M-Block	8, 9	\$ 5,315,432	\$ 1,319,606	\$ 412,752	\$ 3,500,000	\$10,547,790	33%
Detroit Life	10	\$ 378,429	\$ 58,000	\$ 26,137	-	\$462,566	1%
		\$15,917,516	\$5,573,744	\$1,533,391	\$8,500,000	\$31,524,651*	

*Developer will elect to proceed with either Project 5a or Project 5b, with total public infrastructure costs estimated at \$29 million following such election.