



**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, SEPTEMBER 14, 2022 – 3:00 P.M.**

BOARD MEMBERS PRESENT: Marvin Beatty
Charles Beckham
David Blaszkiewicz
Ehrlich Crain
Melvin Hollowell
James Jenkins
John Naglick
Steve Ogden
Donald Rencher
Nicole Sherard-Freeman

BOARD MEMBERS ABSENT: Austin Black
Richard Hosey

OTHERS PRESENT: Bryan Amann (Related)
Keith Bradford (ODM)
Kenyetta Bridges (DEGC/DDA)
Andrew Cantor (Related)
Community Development Advocates (Public)
Cora Capler (DEGC/DDA)
Detroit's Otter (Public)
Eden (Public)
Rian English (ODM)
Gay Hilger (DEGC/DDA)
David Howell (DEGC/DDA)
Lanard Ingram (DEGC/DDA)
Kevin Johnson (DEGC/DDA)
Jennifer Kanalos (DEGC/DDA)
Bill Lichwalla (Plant Moran/ODM)
Glen Long, Jr. (DEGC/DDA)
Nzingha Masani-Manuel (Public)
Monika McKay-Polly (DEGC/DDA)
Rebecca Navin (DEGC/DDA)
Noah's Otter (Public)
David Palmer (Outlier Media & Detroit Documenters)
Luke Polcyn (Mayor's Office)
Theo Pride (Public)



OTHERS PRESENT (continued):

Carolyn Pugh (Public)
Ed Saenz (ODM)
Lexi Shaw (DEGC/DDA)
John Valentine (ODM)



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226
WEDNESDAY, SEPTEMBER 14, 2022 – 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 3:00 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 June 22, 2022 Regular Board meeting. Hearing none, the Board took the following action:

Mr. Beatty made a motion approving the June 22, 2022 minutes, as written.
Mr. Beckham seconded the motion. All were in favor with none opposed.
DDA Resolution Code 22-09-02-648 was unanimously approved.

Receipt of Treasurer's Reports

Mr. Naglick reviewed the Treasurer's Report of Receipts and Disbursements for the month of June 2022 and responded to questions.

Ms. Sherard-Freeman called for a motion.

Mr. Ogden made a motion approving the DDA Treasurer's Report for the month of June 2022, as presented. Mr. Jenkins seconded the motion. All were in favor with none opposed.
DDA Resolution Code 22-09-03-535 was unanimously approved.

Mr. Naglick reviewed the Treasurer's Report of Receipts and Disbursements for the month of July 2022 and responded to questions.



Ms. Sherard-Freeman called for a motion.

Mr. Crain made a motion approving the DDA Treasurer's Report for the month of July 2022, as presented. Mr. Hollowell seconded the motion. All were in favor with none opposed.

DDA Resolution Code 22-09-03-536 was unanimously approved.

PROJECT

Catalyst Development Project: Arena Hotel Site Project Specific Development Agreement and Amendment to Master Development Agreement

Ms. Navin reported that on December 11, 2014, the City of Detroit Downtown Development Authority (the "DDA") and Olympia Development of Michigan, LLC ("ODM") executed that certain Master Development and Reimbursement Agreement relating to the commitment by to invest, or cause the investment of, at least \$200 Million in private investment as part of the EC Ancillary Development Project (as amended, the "MDA"). Pursuant to the MDA, the DDA transferred to ODM (or its designated affiliates) certain publicly owned properties in the area known as the Catalyst Development Area (the "Ancillary Development Properties"), including certain properties located on Woodward Avenue (the "Woodward Properties").

Pursuant to the terms of the MDA, ODM is obligated to have received approval by the DDA of a development proposal for the last Woodward Property, located at 2473 Woodward Avenue, as well as all other remaining Ancillary Development Properties, by September 12, 2022.

ODM has submitted a proposed development proposal that includes the properties located at 2473 Woodward, 54 W. Fisher, and 83 Henry, pursuant to which the land located immediately south of the Little Caesars Arena would be developed into a mixed-use development consisting of an approximately 14-floor, 290-room hotel, and approximately 30,000 square feet of hotel amenity and ground floor retail spaces (the "Project"). The land would continue to be owned by ODM's affiliate and ground leased to a joint venture to be established between ODM and The Related Companies, LP. The Project would commence construction by the third quarter of 2024 and be completed within 36 months, with an estimated investment of \$190 million. The full development proposal, including a site plan, initial conceptual drawings and elevations, and Project budget, was included in the Board book as Exhibit A (the "Development Proposal").

With respect to the remaining Ancillary Development Properties, which include 84 Sproat, 2720 Park, and various properties located on Third and Fourth Streets, ODM is seeking a one-year extension for the deadline by which such properties must be subject



to an approved development proposal to September 12, 2023. DDA staff finds such extension request reasonable, given ODM's continued progress throughout the Covid-19 pandemic on other development projects in and around the Catalyst Development Area, including, but not limited to, the renovation of the Eddystone Hotel and the commencement of the renovation of seven historic buildings on Henry Street into residential buildings, both of which include substantial set-asides for affordable units.

Included in the Board book for consideration was a resolution (i) approving the Development Proposal and authorizing the execution of a Project Specific Development Agreement relating thereto, and (ii) approving an amendment to the MDA extending the deadline for the approval of a development proposal on the remaining Ancillary Development Properties to September 12, 2023.

Ms. Sherard-Freeman called for comments/questions.

Mr. Hollowell stated that he would like to propose a motion to approve, but he has some things he would like to go through. Mr. Hollowell asked if two separate resolutions were needed. Ms. Navin advised that the resolution was drafted to include both approvals.

Mr. Jenkins asked if the architect is local and was advised by a meeting guest that they were based in New York. The Chair asked that the guests please introduce themselves before speaking. Keith Bradford introduced himself as President of Olympia Development and Andrew Cantor introduced himself as President of Related Group. Mr. Jenkins advised he had a comment rather than a question and suggested that they consider adding a bridge from the hotel to Arena, as he has seen that done before and it helps.

Mr. Hollowell commented that these are challenging times and in his view, the requests here are reasonable. Mr. Hollowell provided rationale for his thinking and referred to other projects in the area. He also mentioned a study that recently came out that used cell phone pings, and that the downtown area is only 40% of where it was before the pandemic.

Mr. Beckham stated that he totally agrees with Mr. Hollowell. He questioned what the projection is of the kind of retail and the timing of the retail. The developer responded that they have been experimenting with Detroit-based businesses getting into the market at LCA this year, and they plan to continue same with this development, as well as Columbia Street and the rest of the district. The timing of the retail will coincide with the rest of the development—36 months.

Mr. Ogden asked about their budget and if they were comfortable with \$4,500 a foot and think it will be enough. The developer responded that they have gotten multiple contractor estimates that support that amount and are comfortable with the budget.



Mr. Ogden added that if anybody has a sympathetic ear on these complex projects, it would be him.

Ms. Sherard-Freeman called for any other questions/comments. Hearing none, she stated that she would like to make a comment before calling for a motion and advised that that this Board and the DEGC are looking forward to continued partnership and engagement with the developer on all things small business.

Ms. Sherard-Freeman called for a motion.

Mr. Hollowell made a motion approving the Arena Hotel Site Project Specific Development Agreement and Amendment to Master Development Agreement, as presented. Mr. Jenkins seconded the motion. All were in favor with none opposed.

DDA Resolution Code 22-09-123-72 was unanimously approved

ADMINISTRATION

Ms. Kanalos informed that it is hoped at the next meeting to again use the iPads with the new platform, BoardEffect, rather than printed paper copies of the agenda book, and to watch for an email setting up usernames and passwords.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

With there being no further business to be brought before the Board, on a motion by Mr. Jenkins, seconded by Mr. Ogden, Ms. Sherard-Freeman adjourned the meeting at 3:27 p.m.



CODE DDA 22-09-02-648

APPROVAL OF MINUTES OF JUNE 22, 2022

RESOLVED that the minutes of the Regular meeting of June 22, 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.

September 14, 2022



CODE DDA 22-09-03-535

RECEIPT OF TREASURER'S REPORT FOR JUNE 2022

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

September 14, 2022



CODE DDA 22-09-03-536

RECEIPT OF TREASURER'S REPORT FOR JULY 2022

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending July 31, 2022, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

September 14, 2022



CODE DDA 22-09-123-72

CATALYST DEVELOPMENT PROJECT: ARENA HOTEL SITE PROJECT SPECIFIC DEVELOPMENT AGREEMENT AND AMENDMENT TO MASTER DEVELOPMENT AGREEMENT

WHEREAS, on December 11, 2014, the City of Detroit Downtown Development Authority (the “DDA”) and Olympia Development of Michigan, LLC (“ODM”) executed that certain Master Development and Reimbursement Agreement relating to the commitment by to invest, or cause the investment of, at least \$200 Million in private investment as part of the EC Ancillary Development Project (as amended, the “MDA”); and

WHEREAS, pursuant to the MDA, the DDA transferred to ODM (or its designated affiliates) certain publicly-owned properties in the area known as the Catalyst Development Area (the “Ancillary Development Properties”), including certain properties located on Woodward Avenue (the “Woodward Properties”); and

WHEREAS, ODM is obligated to have received approval by the DDA of a development proposal for the last Woodward Property, located at 2473 Woodward Avenue, as well as all other remaining Ancillary Development Properties, by September 12, 2022; and

WHEREAS, ODM has submitted a proposed development proposal that includes the properties located at 2473 Woodward, 54 W. Fisher and 83 Henry, pursuant to which the land located immediately south of the Little Caesars Arena would be developed into a mixed-use development consisting of an approximately 14-floor, 290-room hotel, and approximately 30,000 square feet of hotel amenity and ground floor retail spaces (the “Project”), which development proposal, including a site plan, initial conceptual drawings and elevations, and Project budget, is attached hereto as **Exhibit A** (the “Development Proposal”); and

WHEREAS, with respect to the remaining Ancillary Development Properties, OMD has requested, and DDA staff recommends, amending the MDA to extend the deadline for the approval of a development proposal thereon to September 12, 2023 (the “Amendment”); and

WHEREAS, upon review of the Development Proposal and the proposed Amendment, the DDA Board has determined that each of the Development Proposal and the proposed Amendment is consistent with the goals of the Catalyst Development



Project and DDA's statutory purposes and otherwise in the best interests of the DDA and the Catalyst Development Project.

NOW THEREFORE BE IT RESOLVED that the DDA Board hereby (i) approves the Development Proposal and authorizes the execution of a Project Specific Development Agreement relating thereto (the "Development Agreement"), and (ii) approves the Amendment.

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 negotiate and execute the Development Agreement and Amendment on terms and conditions consistent with the Development Proposal, the MDA, and this resolution, together with such changes that are reasonably required for the project and are approved by DDA Authorized Agents and counsel, which changes are not inconsistent with the intent of this resolution or the MDA.

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 any other actions and execute any other 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.

September 14, 2022



EXHIBIT A

DEVELOPMENT PROPOSAL

EXHIBIT A-1**ACCEPTED DEVELOPMENT PLAN**

- (i) The Project is a mixed-use development consisting of an approximately 14-floor, 290-room hotel, and approximately 30,000 square feet of hotel amenity and ground floor retail spaces. The site is located at 2455 Woodward Avenue, which is bordered by Woodward Avenue to the East, Little Caesars Arena to the North, Park Avenue to the West, and W. Fisher Service Drive to the South. The Project will include all necessary infrastructure and landscaping improvements. ODM also anticipates that, prior to commencement of the Project as noted below, affiliates of ODM may activate the Property with non-permanent community uses;
- (ii) The Developer does not expect that any of the work will be done in a public right of way or other publicly-owned property, except for utility connections;
- (iii) A legal description of the Property to be improved is attached as Exhibit A-2;
- (iv) A site plan and survey (see attached);
- (v) Initial conceptual drawings and elevations (see attached);
- (vi) Nexus Properties, LLC (“Nexus”), an affiliate of ODM, currently owns, or will acquire from another affiliate of ODM, the Property. Nexus will thereafter enter into a Ground Lease of the entire Property with the Developer; the Developer intends to apply for existing, available governmental incentives, which are required to pay a portion of the costs of the Project in order for the Project to be economically feasible; additional funds to pay the costs of the development and the improvements will be obtained through a loan from a financial institution in an amount to be determined; and the balance paid from an equity contribution from the member or members of the Developer (which will include affiliates of ODM and Related as the managing members / general partners, and one or more capital partners as the non-managing members / limited partners). In the event that sufficient incentive funds are not available, the Developer will attempt to modify the financing plan and/or the Project; any such modification shall be subject to reasonable approval by the DDA. The loan from the financial institution would be secured by a leasehold mortgage on the Property;
- (vii) The Developer anticipates that construction of the Project will commence not later than the third quarter of 2024, with completion anticipated thirty-six (36) months thereafter; ODM also anticipates that, in connection with the non-permanent community uses noted in item (i) above, certain temporary improvements to the Property may be made prior to the third quarter of 2024, including erection of tents or other non-permanent structures, and temporary ancillary facilities such as portable restrooms associated therewith.
- (viii) The total cost of the Project would be approximately \$190.5 million; a budget is attached;
- (ix) The Developer will be a limited liability company controlled by affiliates of ODM and Related;
- (x) NA (the Developer will be a limited liability company controlled by affiliates of ODM and Related);
- (xi) See item (vi) above;
- (xii) NA (the Developer will be a limited liability company controlled by affiliates of ODM and Related);
- (xiii) Developer, as a Michigan limited liability company, upon entry into the Ground Lease identified

above, will have the right to lease and develop the Property;

(xiv) Copies of title information, a survey, and environmental reports obtained by Developer with respect to the Property have been delivered to the DDA; and

(xv) The Developer has acknowledged the existence of the Master Development Agreement between the DDA and ODM in the Agreement.

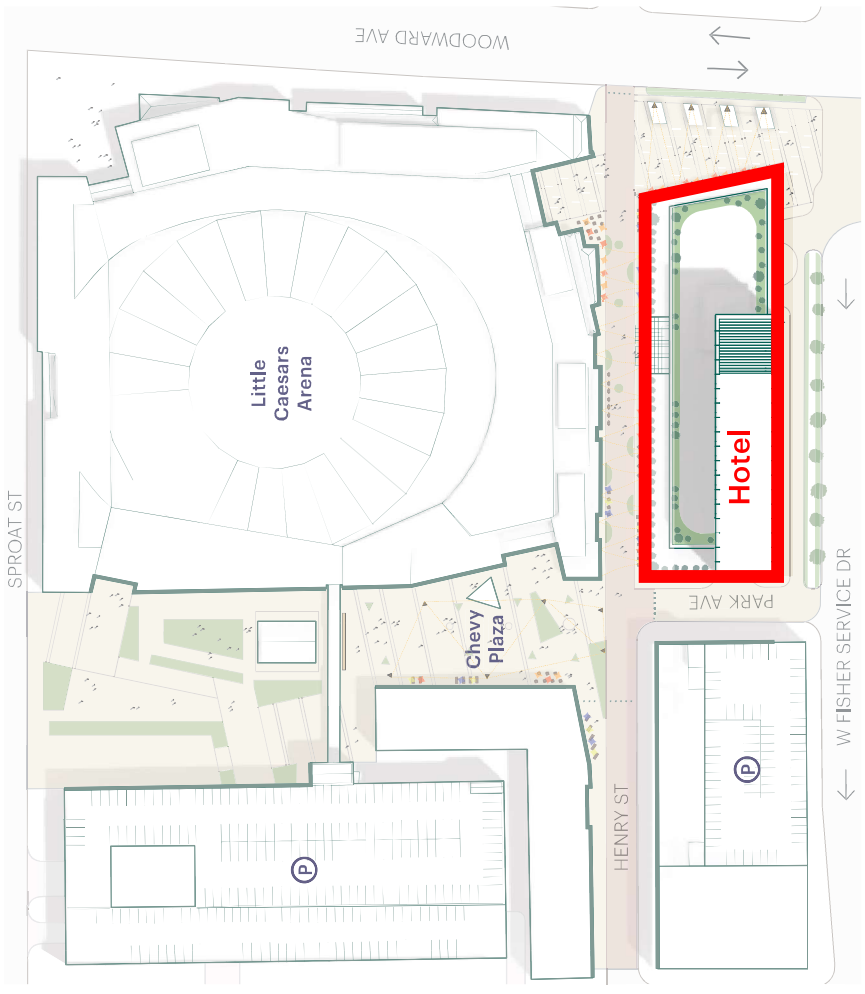
Project Budget

Direct Construction and Tenant Improvements	\$ 137,303,836
Soft Costs	
Architecture & Engineering	\$ 13,399,644
Project Mgmt, Developer Fee, Legal & Other	\$ 11,598,419
Permit & Utility Fees	\$ 2,467,650
Leasing & Marketing	\$ 5,175,977
Financing	\$ 6,696,173
Contingency	<u>\$ 13,807,092</u>
Total	\$ 190,448,792

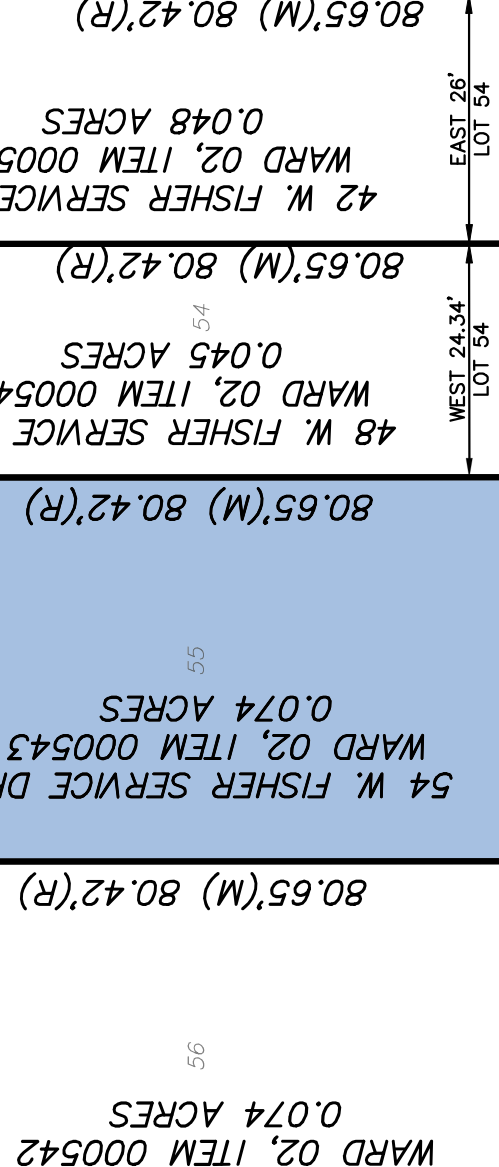
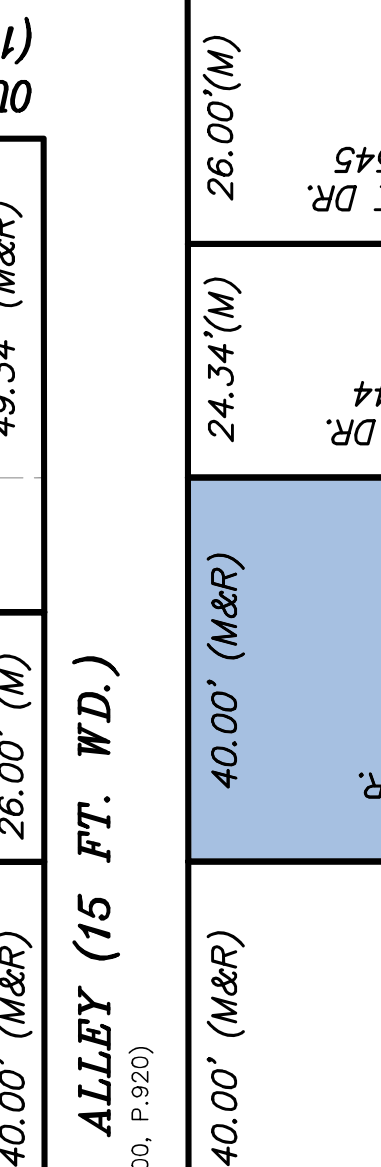
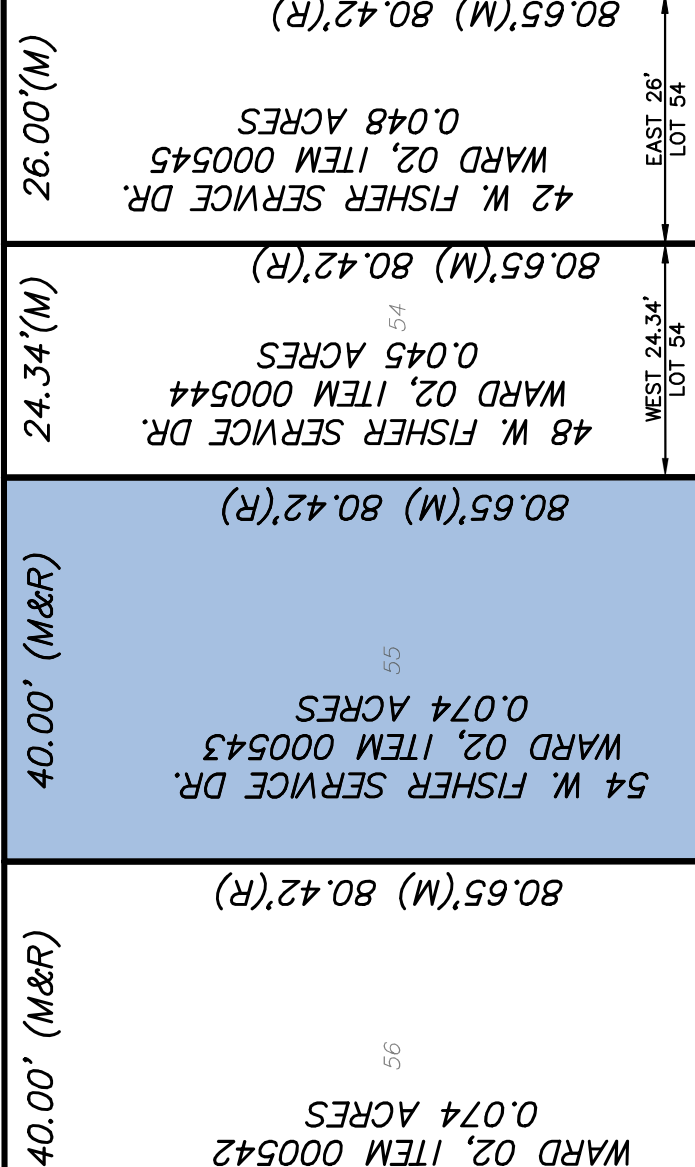
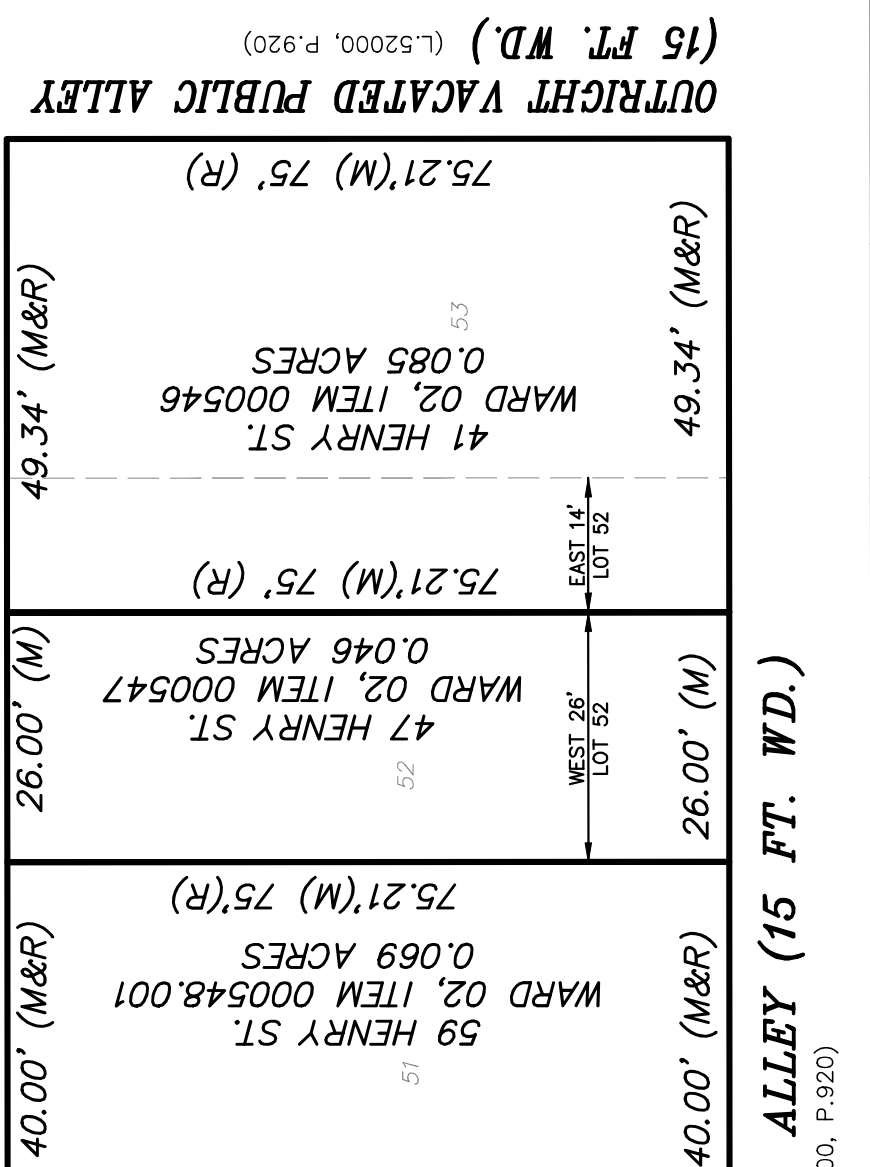
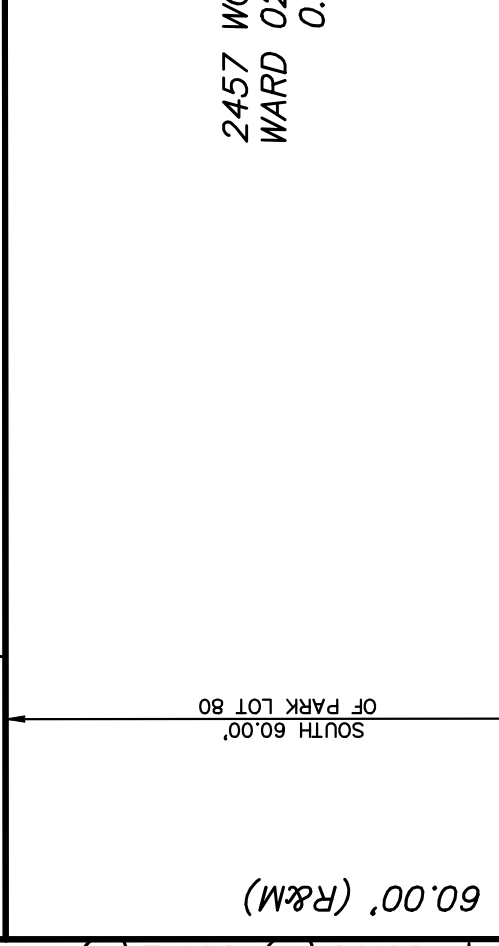
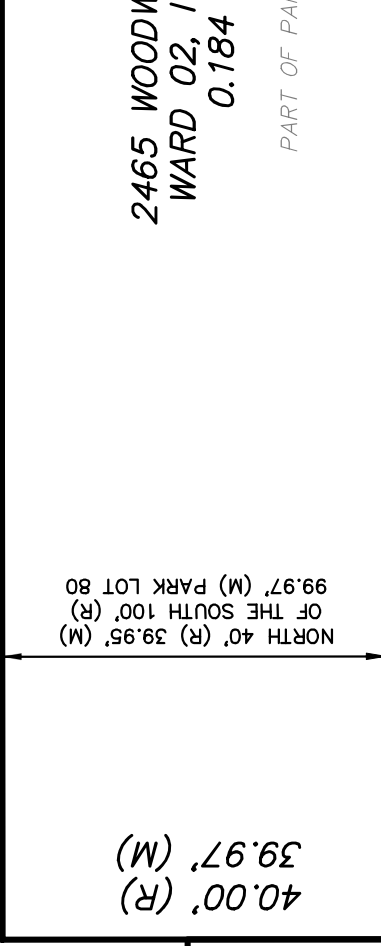
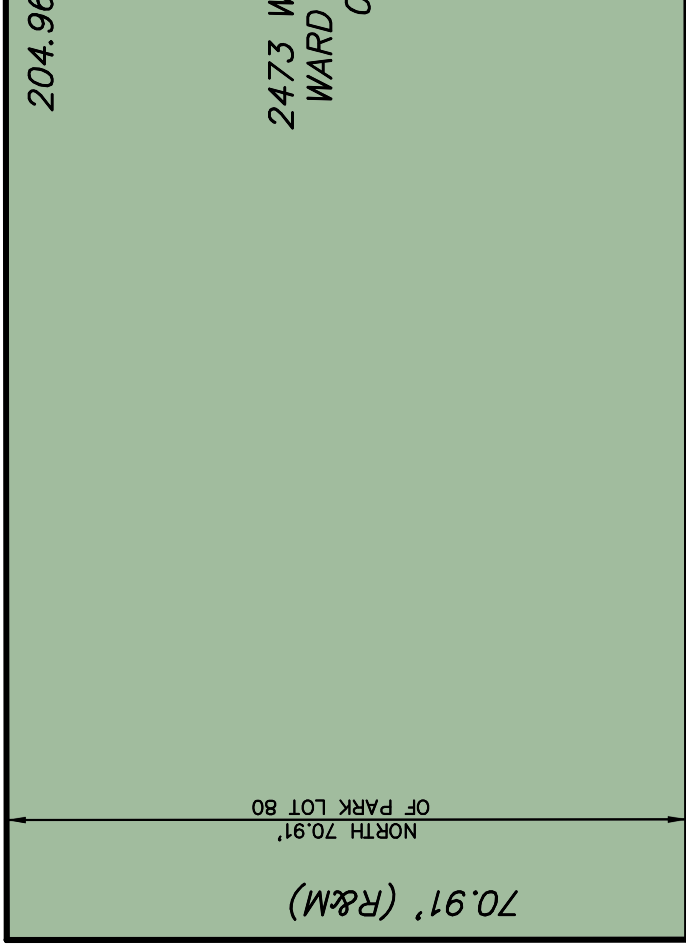
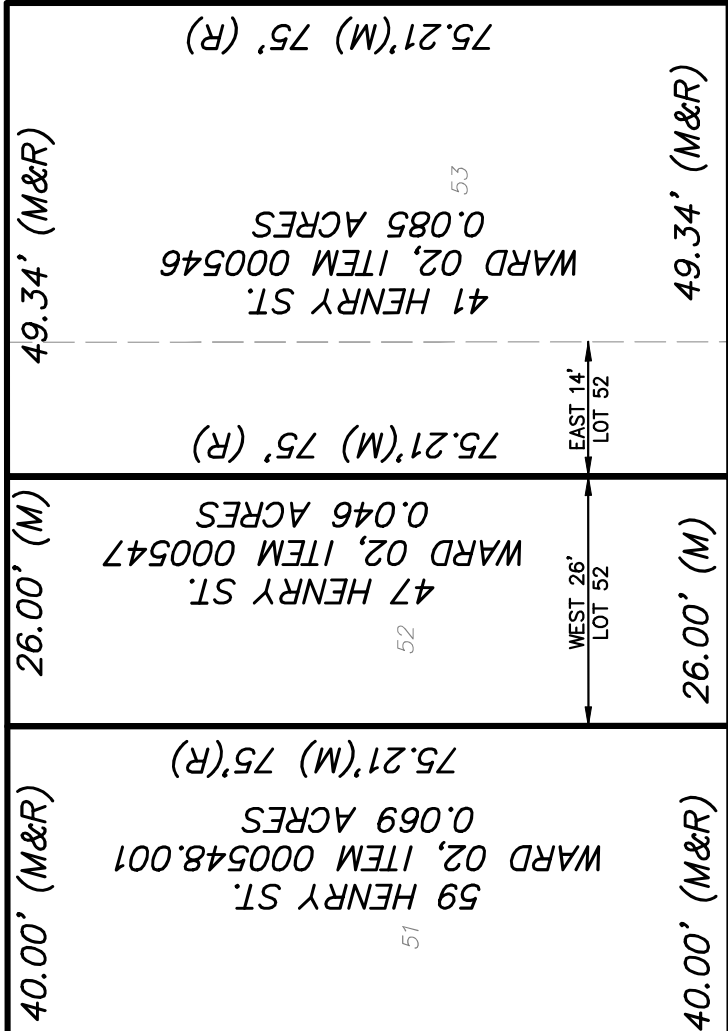
Site Plan and Survey

[See attached]

Hotel
CONCEPTUAL SITE PLAN



HENRI SIREEI (30 FT. WD.)



Initial Concept Drawings

[See attached]

Conceptual Rendering



Conceptual Rendering



KPF

Related | ODM

District Detroit

Conceptual Rendering



KPF

Related | ODM | District Detroit

Conceptual Rendering



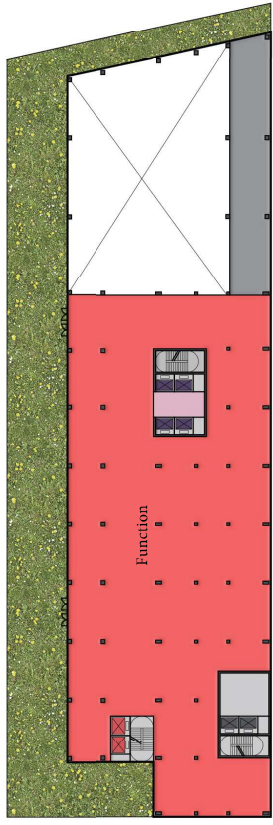
Hotel

CONCEPTUAL GROUND FLOOR DIAGRAM

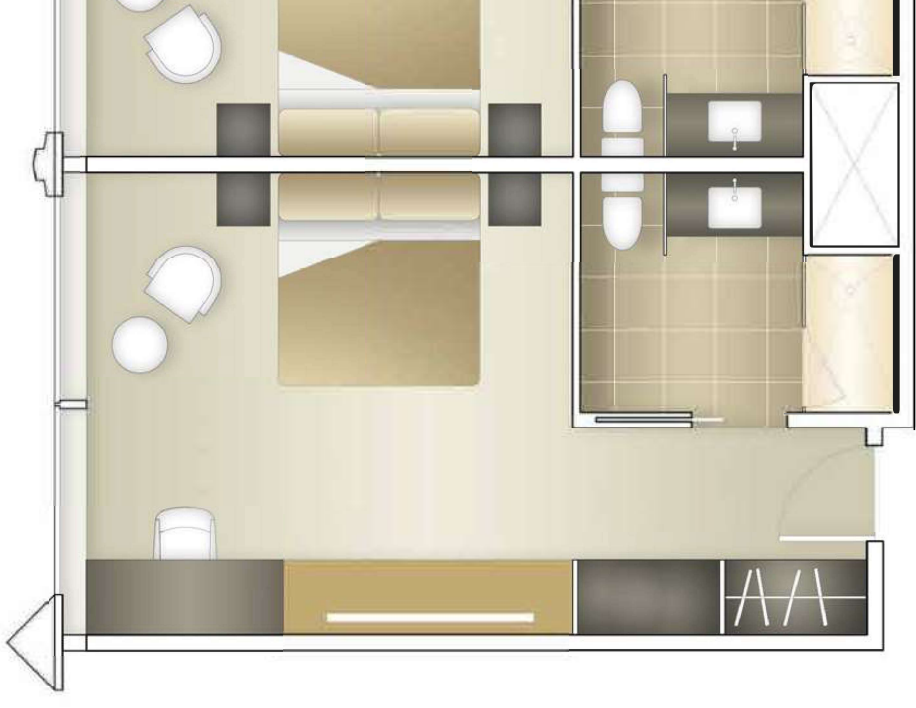


KPF

LCA Hotel
L3 CONCEPTUAL DIAGRAM

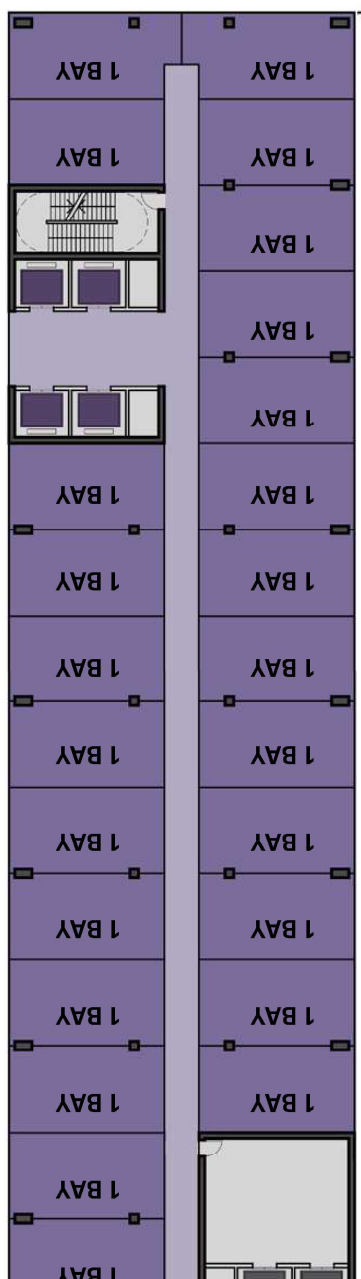


Unit 1



15'

TYPICAL BAY
SIZE 15' x 27'



270'

rooms

EXHIBIT A-2

LEGAL DESCRIPTION OF THE PROPERTY

LAND REFERRED TO HEREIN IS SITUATED IN THE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN AND IS DESCRIBED AS FOLLOWS:

(a) The legal description for the 2473 Woodward Property is:

NORTH 70.91 FEET OF THE EAST 204.96 FEET OF PARK LOT 80 LYING SOUTH AND ADJACENT TO HENRY STREET AND WEST AND ADJACENT TO WOODWARD AVENUE, PART OF PLAT OF PARK LOTS, LIBER 34, PAGE 542 OF DEEDS, WAYNE COUNTY RECORDS.

(b) The legal description for the 54 W. Fisher Property is:

LOT 55, DUFFIELDS SUBDIVISION, LIBER 1, PAGE 249 OF PLATS, WAYNE COUNTY RECORDS.

(c) The legal description for the 83 Henry Property is:

WEST 35 FEET OF LOT 49, ALL OF LOT 48 AND LOT 47, DUFFIELDS SUBDIVISION, LIBER 1, PAGE 249 OF PLATS, WAYNE COUNTY RECORDS.