



Detroit Brownfield Redevelopment Authority
500 Griswold Street • Suite 2200
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**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, APRIL 26, 2017
4:00 PM**

BOARD MEMBERS PRESENT: Maggie Desantis
Evette Griffie
Mia Grillier
Derrick Sanders
Raymond Scott
Matthew Walters

BOARD MEMBERS ABSENT: Pamela McClain
Donele Wilkins
Stephanie Washington

OTHERS PRESENT: Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Ayesha Maxwell (DEGC/DBRA)
Elizabeth Brinson (DEGC/DBRA)
Glen Long (DEGC/DBRA)
Ngozi Nwaesei (Lewis & Munday)
Christopher Tyler Burks (Regional Planning Commission of
Greater Birmingham, AL)
Steven Ogden (Bedrock Detroit)
Scott Collins (Bedrock Detroit)
Anne Jamieson (Jamieson Development Consulting)
Mark Jacobs (Dykema)
Allyson Farquhar Boyle (Neighborhood Service
Organization)
Stephanie Cayce (Wayne County)
Michelle Bakun (MDEQ)



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MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, APRIL 26, 2017
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD SUITE 2200 DETROIT, MI - 4:00PM

CALL TO ORDER

Chairperson Matt Walters called the meeting to order at 4:14 PM. Mr. Walters noted that a quorum of the board was not yet present, but asked that in the interest of time staff begin their presentations on Projects as several board members have indicated they will be arriving soon.

PROJECTS

Former Free Press Building Brownfield Redevelopment Plan

Mr. Vosburg presented the Former Free Press Building Brownfield Redevelopment Plan and noted the addition of the construction timeline and a voluntary Tier I Community Benefits Agreement (“CBA”) that have been added to the board memo. Mr. Ogden and Mr. Collins provided additional information on the project including an overview of the project and the voluntary Tier 1 CBA as well as board member questions regarding project timing, design, Detroit employment and contractors, future tenants and affordable housing.

Project Introduction

Pyramid Development Co., LLC, a Bedrock Detroit affiliate, is the project developer (the “Developer”) for the Plan which entails the rehabilitation of the 276,183 square foot former Detroit Free Press building into a mixed-use building with retail on the first floor, office on the second and third floors, and residential on floors 4-17 and an undetermined use for the basement and sub-basement. First through third floor tenants have not been determined at this time.

It is estimated that 196 temporary construction jobs will be created and 10 direct permanent jobs will be created in connection with the redevelopment. Additional permanent jobs are expected to be created by the retail and office tenants. The Developer has agreed to comply with City Executive Orders.

Total investment is expected to be approximately \$69,660,000.00. The Developers are requesting \$7,029,190.00 in TIF reimbursement under the proposed Plan.

Property Subject to the Plan

The eligible property (the “Property”) consists of a single (1) parcel containing only the Free Press Building located at 321 West Lafayette Boulevard on the west side of downtown Detroit.

Basis of Eligibility

The property is considered “eligible property” as defined by Act 381, Section 2 because (a) the property was previously utilized or is currently utilized for a commercial 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 Functionally Obsolete.

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 site demolition, selective building demolition, lead & asbestos surveying, asbestos abatement, air monitoring, hazardous material removal, site preparation, and preparation of a brownfield plan and work plan. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to begin in the summer of 2017 and be complete no later than December 2020.

Tax Increment Financing (TIF) Capture

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan pursuant to the terms of a Reimbursement Agreement with the DBRA.

COSTS TO BE REIMBURSED WITH TIF

1. Site Demolition	\$121,701.00
2. Selective Building Demolition	\$951,503.00
3. Lead & Asbestos Survey	\$55,000.00
4. Asbestos Abatement	\$951,503.00
5. Air Monitoring	\$145,000.00
6. Hazardous Material Removal	\$895,100.00
7. Brownfield Plan	\$10,000.00
8. Work Plan	\$15,000.00
Total Reimbursement to Developer	\$7,029,190.00
9. Authority Administrative Costs	\$1,169,001.00
10. State Brownfield Redevelopment Fund	\$1,012,326.00
11. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$9,210,517.00

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement.

Other Development Incentives

The Developers of this Plan will seek additional support through the transfer of the existing Michigan Business Tax Credit for the property as well as a Neighborhood Enterprise Zone Abatement (PA 147).

DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the April 12, CAC meeting. Attached is the DBRA-CAC’s letter of recommendation for the DBRA Board’s consideration.

Public Comments

Attached are the results of the DBRA public hearing for the Plan that was held on Tuesday, April 18, 2017 at 5:30 pm at DEGC offices located at 500 Griswold, Suite 2200 in Detroit, Michigan.

Attached for Board review and approval was a resolution approving the Former Free Press Building Brownfield Redevelopment Plan and its submittal to Detroit City Council.

At 4:22 PM Ms. DeSantis arrived.

Mr. Walters, noting that a quorum of the board was now present, called for a motion approving the referral of the Former Free Press Building Brownfield Redevelopment Plan and its submittal to Detroit City Council.

On a motion by Ms. Grillier, seconded by Mr. Sanders, DBRA Resolution Code 17-04-245-02, was unanimously approved.

GENERAL

With a quorum of the board present, Mr. Walters asked that the board return to the beginning of the agenda to continue voting matters.

Approval of Minutes

Mr. Walters called for a motion approving the minutes of April 12, 2017 as presented. The Board took the following action:

On a motion by Mr. Scott, seconded by Ms. Grillier, DBRA Resolution Code 17-04-02-216 was unanimously approved.

Acceptance of the March 2017 Treasurer's Report

Ms. Brinson presented the March 2017 DBRA Treasurer's Report.

Mr. Walters called for a motion accepting the March 2017 Treasurer's Report.

On a motion by Mr. Scott, seconded by Mr. Sanders, DBRA Resolution Code 17-04-03-162 was unanimously approved.

PROJECTS

Oakman/Woodrow Wilson Brownfield Redevelopment Plan

Mr. Vosburg presented a Partial Assignment of Tax Increment Revenue Agreement ("Agreement") for the Oakman/Woodrow Wilson Brownfield Redevelopment Project. Focus:HOPE Revitalization, the Developer, worked with the Neighborhood Service Organization ("NSO"), to redevelop the Bell Building which is located on 3 parcels that are within the Oakman/Woodrow Wilson Brownfield Plan area. As a result Focus:HOPE Revitalization would like to assign the Brownfield TIF Revenues from these 3 parcels to the NSO. The Agreement included in the board book was drafted by DBRA counsel and reviewed by Focus:HOPE Revitalization and NSO.

Mr. Walters called for a motion approving the Partial Assignment of Tax Increment Revenue Agreement for the Oakman/Woodrow Wilson Brownfield Redevelopment Project.

On a motion by Ms. DeSantis, seconded by Mr. Scott, DBRA Resolution Code 17-04-124-04, was unanimously approved.

At 4:28 Mr. Walters excused himself from the meeting for another obligation.

At 4:35 Evette Griffie arrived.

OTHER

Recent Act 381 Amendments & Part 201 Rule Changes

Michelle Bakun from the Michigan Department of Environmental Quality (“MDEQ”) presented a PowerPoint presentation on recent amendments to Act 381 as well as rule changes to Part 201, 195 & 196 that involve the MDEQ and affect brownfield revitalization in the State of Michigan. Ms. Bakun answered board member questions regarding MDEQ grant and loan programs, new eligible costs for Act 381, municipalities as liable parties, and underground storage tanks. Ms DeSantis thanked Ms. Bakun for the presentation and her time.

PUBLIC COMMENT

None

ADJOURNMENT

There being no further business, Ms. Desantis called for a motion approving the adjournment of the meeting. On a motion by Ms. Grillier, seconded by Mr. Sanders, the board agreed unanimously to adjourn the meeting at 4:56 PM.



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CODE DBRA 17-04-02-216

APPROVAL OF MINUTES APRIL 12, 2017

RESOLVED, that the minutes of the regular meeting of the April 12, 2017 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.

April 26, 2017



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DBRA 17-04-03-162

ACCEPTANCE OF TREASURER'S REPORT FOR MARCH 2017

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period March 1 through March 31, 2017, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

April 26, 2017



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CODE DBRA 17-04-245-02

FORMER FREE PRESS BUILDING BROWNFIELD REDEVELOPMENT PLAN

WHEREAS, pursuant to 381 PA 1996 (“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”) for the purpose of promoting the revitalization of environmentally distressed areas in the City; 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, pursuant to the resolution establishing the DBRA and the bylaws of the DBRA, the DBRA has submitted the proposed Brownfield Plan for the Former Free Press Building (the “Plan”) to the Community Advisory Committee for consideration and comment has solicited comments by publication of notice 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 Authority and the City Council as presented by the Authority; and

WHEREAS, in accordance with the provisions of Act 381, the Authority desires to approve the proposed Plan and to request the Detroit City Council to call a public hearing to consider and adopt a resolution approving the proposed Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. The Authority determines that it is necessary for the achievement of the purposes of Act 381 to adopt the brownfield plan for the **Former Free Press Building Redevelopment Project** and submit it to the Detroit City Council for approval.
2. The Authority approves the Plan in the form attached hereto and on file with the Secretary of the Authority.
3. The Secretary 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 Detroit 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.
4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

April 26, 2017



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CODE DBRA 17-04-124-04

OAKMAN / WOODROW WILSON: PARTIAL ASSIGNMENT OF TAX INCREMENT REVENUE AGREEMENT

WHEREAS, on October 18, 2016, the City of Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution recommending approval of the Brownfield Plan (the "Plan") for the Oakman / Woodrow Wilson project (the "Project") by the Detroit City Council; and

WHEREAS, on November 17, 2006, the Detroit City Council approved the Plan; and

WHEREAS, on December 14, 2006 the Reimbursement Agreement (the "Agreement") was made and entered into by and between Focus:HOPE Revitalization and the DBRA; and

WHEREAS, a Partial Assignment of Tax Increment Revenue Agreement (the "Assignment") between Focus:HOPE Revitalization and NSO Bell Commercial, LLC has been drafted and approved as to form by DBRA legal counsel; and

WHEREAS, the Assignment needs to be executed by Focus:HOPE Revitalization and NSO Bell Commercial, LLC with acknowledgement and approval by DBRA; and

WHEREAS, the DBRA Board of Directors desire to approve the substantial form of the Assignment and authorize its execution and delivery on behalf of the DBRA.

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

1. The Partial Assignment of Tax Increment Revenue Agreement (the "Assignment"), substantially the form attached to this Resolution as Exhibit A, is hereby approved, with such necessary or desirable modifications, additions, deletions or revisions as are approved by DBRA legal counsel and the Officers or Designated Agents of the DBRA executing the Assignment.
2. Any two (2) Officers or Designated Authorized Agents or any one (1) Officer and one (1) Designated Authorized Agent of the DBRA is hereby authorized and directed to execute and deliver the Assignment.
3. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be repealed insofar as such conflict arises.
4. This Resolution shall take effect immediately upon its adoption.

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

April 26, 2017