



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

**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, JUNE 27, 2018
4:00 PM**

BOARD MEMBERS PRESENT: John George
Pamela McClain
Matthew Walters
Stephanie Washington
Maggie DeSantis
Ray Scott

BOARD MEMBERS ABSENT: Sonya Mays
Donele Wilkins

OTHERS PRESENT: Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Elizabeth Brinson (DEGC)
Rebecca Navin (DEGC)
Ngozi Nwaesei (Lewis & Munday)
Tyler Tinsey (DBA)
David Merritt (Give Merit)
Kuhu Saha (Give Merit)
Chris McClain (Citizen Detroit)
Shelby MsPherson (VM3 Construction)
Alisha M. Moss (VM3 Construction)



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MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, JUNE 27, 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 4:02 PM.

GENERAL

Approval of Minutes:

Ms. McClain noted that Mr. Scott was not in attendance at the June 13, 2018 DBRA Board Meeting.

Mr. Walters called for a motion approving the minutes of June 13, 2018 as presented, with the correction that Mr. Scott was not in attendance at the June 13, 2018 DBRA Board Meeting. The Board took the following action:

On a motion by Mr. George, seconded by Ms. McClain, DBRA Resolution Code 18-06-02-235 was unanimously approved.

Treasurer's Report

Ms. Brinson presented the May 2018 Treasurer's report.

Ms. DeSantis asked what the \$4.2 million line item was in the receipts section of the May 2018 Treasurer's Report. Ms. Kanalos explained that it is the TIF received from the City of Detroit that is currently being processed for reimbursement to developers.

Mr. Walters called for a motion approving the May 2018 Treasurer's Report as presented. The Board took the following action:

On a motion by Mr. George, seconded by Ms. DeSantis, DBRA Resolution Code 18-06-03-176 was unanimously approved.

PROJECTS

Joe Louis Arena Brownfield Redevelopment Plan

Ms. Kanalos presented the Brownfield Plan for the Joe Louis Arena Redevelopment Project.

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 is to facilitate 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 \$5,561,009.

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
1. ALTA Survey	\$ 18,200.00
2. Environmental Assessment Activities	\$375,000.00
3. Engineering Services: Demo Design	\$790,286.00
4. Abatement and Demolition	\$3,600,000.00
5. 15% Contingency	\$717,523.00
6. Brownfield and Work Plan Preparation	\$30,000.00
7. Brownfield Plan Implementation	\$30,000.00
Subtotal Site Eligible Activities	\$5,561,009.00
8. DBRA Administrative Costs	\$1,142,079.00
9. Local Brownfield Revolving Fund	\$260,911.00
10. State Brownfield Redevelopment Fund	\$649,863.00
Total Estimated Cost to be Funded Through TIF	\$7,643,862.00

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

Other Incentives

The Developer is seeking 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 June 13, 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 Thursday, June 21, 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. Scott asked if the City of Detroit will be receiving TIF reimbursements. Mr. Walters explained that the TIF reimbursements in the Plan are collateral for the loan from the Michigan Strategic Fund’s Community Revitalization Program.

Mr. Scott asked what the consequences will be if there is not a new development on the site in five years. Ms. Kanalos explained that the situation should be addressed in the agreement between the City of Detroit and the Michigan Strategic Fund.

Ms. DeSantis asked how the benefit of the TIF reimbursements will flow to a future developer. Mr. Walters explained that the City of Detroit may pay back the loan using General Funds, and that the TIF revenue is collateral for the loan. The City of Detroit is obligated to demolish Joe Louis Arena within one year of taking ownership which occurred on January 1, 2017. The Detroit Building Authority has been working diligently on a plan for the deconstruction.

Ms. Nwaesei explained that the timing for the project is unfortunate. Joe Louis Arena qualifies as an Eligible Property under the Plan because it is functionally obsolete. If the structure is demolished before being in a Brownfield Plan, it can no longer qualify as an Eligible Property on the basis of being functionally obsolete. TIF capture under the Plan is being delayed for five years in anticipation of a delay of a new development on the Property.

Ms. DeSantis asked if the worst-case scenario is that the Michigan Strategic Fund receives the TIF reimbursements. Mr. Walters explained that the worst-case scenario is that the City of Detroit must use General Funds to pay the loan.

Ms. McClain asked if the Property is considered a prime property for a new development. Mr. Walters explained that it is a good location because of the proximity to Downtown, but it is separated from the downtown area by public infrastructure. The developer for a new development on the Property will need to be well versed in public-private partnerships and work with the City of Detroit, the People Mover, COBO, and other organizations to ensure that the new development is functional and integrates well with its surroundings. The City of Detroit Planning Department has been looking into options for extending Second Street and Third Street across the Lodge Freeway, either with pedestrian or vehicle access, but it is difficult to make those connections.

Mr. Walters called for a motion approving the referral of the Joe Louis Arena Brownfield Plan and its submittal to the Detroit City Council as presented. The Board took the following action:

On a motion by Mr. George, seconded by Ms. DeSantis, DBRA Resolution Code 18-06-256-03 was unanimously approved.

MDEQ Grant Program Application for Merit Goodness

Mr. Vosburg presented the request for the DBRA to sponsor the MDEQ Grant or Merit Goodness.

Project Introduction

The developer is Give Merit (the "Developer"), a non-profit organization affiliated with Straight Gate Church. The Developer is proposing to remediate and demolish several

long vacant and blighted commercial buildings across the street from Straight Gate Church to create a new park for the neighborhood. The park will be owned and operated by Merit Goodness. The park will feature a basketball court and a multi-sport court with spectator stands, an obstacle course fitness area, as well as reused shipping containers that will provide opportunities for retail and food small businesses. Park operations will include youth and adult sports leagues and camps, open playtime, STEAM educational events and camps, neighborhood art and music events, and TEDx-style community presentations and discussions.

After review of the Developer's proposed project, the Michigan Department of Environmental Quality (the "MDEQ") has proposed providing a grant of up to \$650,000.00 to provide environmental testing and assessment, environmental abatement and remediation; and building demolition. The Developer, MDEQ and DBRA staff believe that \$650,000.00 will be sufficient to cover needed environmental and demolition needs. The Developer is in discussions with several foundations regarding funding for the construction of the new park after environmental and demolition work is complete. It is anticipated that the Developer will hire its own contractors for the project with the DBRA reimbursing the Developer from MDEQ funds.

The DBRA is being asked to sponsor Merit Goodness' grant to the MDEQ for up to \$650,000.00 in funds from the State of Michigan to offer an environmental cleanup grant through its existing Brownfield Grant & Loan Program. No local match is required as part of this grant application. Funds are anticipated to be provided in two phases. The first anticipated phase to be funded by the MDEQ would be environmental studies, environmental assessment and demolition plans. The second phase to be funded by the MDEQ would be the environmental remediation and abatement and building demolition.

Mr. George asked who currently owns the property. Mr. Merritt explained that Give Merit owns the largest parcel.

Ms. DeSantis asked how the other parcels will be used for the new park if they are owned by a private owner. Mr. Merritt explained that Give Merit is currently trying to purchase the other parcels and that the MDEQ Grant would be used on the parcel already owned by Give Merit.

Ms. McClain asked how the population is doing in the surrounding neighborhood. Mr. Merritt said that the surrounding neighborhood has a significant population under the age of 17 years old and it is lacking community spaces for recreation.

Mr. George asked if Give Merit acquires all of the parcels how much land area there will be for the new park. Mr. Merritt explained that there would be just over one acre of land for the new park, which isn't very large, but this is a placemaking effort for Give Merit and an effort to integrate sports and educational programming.

Ms. DeSantis suggested that Give Merit work with other organizations in District 7, citing the Tuxedo Project specifically.

Mr. Walters called for a motion approving the MDEQ Grant Program Application for Merit Goodness. The Board took the following action:

On a motion by Mr. George, seconded by Ms. McClain, DBRA Resolution Code 18-06-257-01 was unanimously approved.

Mr. Walters left the meeting and Ms. DeSantis stepped in as Vice Chair to continue the meeting.

APPROVAL OF AN AGREEMENT BETWEEN THE DBRA AND M1-RAIL RELATING TO NEW BROWNFIELD PROJECTS IN THE POTENTIAL FUTURE TRANSIT ZONE

Ms. Navin presented the information on the Agreement to Use Certain Tax Increment Revenues for Certain Brownfield Projects within the Transit Zone.

As the Board may know, M-1 RAIL (“**M-1 RAIL**”) was constructed and operates the Q-Line under authority derived from the Nonprofit Street Railway Act (as amended, the “**Rail Act**”). Pursuant to the Rail Act, with the approval of the Detroit City Council and subject to the requirements of the Rail Act, M-1 RAIL and the City may execute an agreement whereby M-1 RAIL would be able to establish a tax increment financing district comprised of parcels located within 1/4 mile of the Q-Line (the “**Transit Zone**”). Tax increment revenues captured by M1-RAIL in the Transit Zone after its establishment would be used to support its operations.

Under the Aid Agreement executed in 2014 by the City of Detroit Downtown Development Authority (“**DDA**”) and M-1 RAIL, it is a condition precedent to the DDA’s obligation to disburse payments thereunder that the DBRA and M-1 RAIL enter into an agreement to address the effect of any transit operations finance zone established by M-1 RAIL under the Nonprofit Street Railway Act (the “**Transit Zone**”) and to provide a procedure allowing for the capture by the DBRA of stipulated tax increment revenues that would otherwise be subject to a tax increment financing plan established in the Transit Zone and which are generated by future brownfield redevelopment projects under Act 381 of 1996, as amended, in such Transit Zone (the “**DBRA/M-1 RAIL Agreement**”).

In order to maintain the ability to establish new brownfield plans in the future Transit Zone and to comply with the terms of the Aid Agreement, representatives of DBRA and M-1 RAIL have negotiated the terms of a proposed DBRA/M-1 Agreement, a form of which is attached hereto as **Exhibit A**. A general summary of the terms of the proposed DBRA/M-1 Agreement are as follows:

1. If M-1 RAIL seeks to establish a Transit Zone, the following shall apply:
 - a. Any agreement between M-1 RAIL and the city of Detroit relating to the establishment of a Transit Zone shall incorporate the terms of the DBRA/M-1 Agreement.

- b. M-1 RAIL shall provide prompt notice to the DBRA if it petitions for such agreement and/or holds a public hearing relating to such agreement and shall provide a copy of the proposed agreement prior to publishing notice of the required public hearing.
2. In the event that a Transit Zone Agreement is approved by the Detroit City Council, then following the effective date of such Transit Zone Agreement, the following terms and provisions shall apply:
 - a. The DBRA shall not approve any new brownfield plans for projects within the Transit Zone after the effective date of the Transit Zone Agreement unless such brownfield plan meets the following (each such project, a “Qualifying Transit Zone Brownfield Project”):
 - i. The proposed brownfield project will not result in a decrease in the then annual amount of tax increment revenues that are subject to capture by M-1 RAIL under the Transit Zone Agreement on the brownfield project site (the “**Tax Increment Revenues**”), without taking into account any other tax incentives available from or granted by any other governmental entities.
 - ii. Any approval by the DBRA of a brownfield plan within the Transit Zone shall include a finding by the DBRA Board of Directors that such plan relates to a Qualifying Transit Zone Brownfield Project.
 - b. For each Qualifying Transit Zone Brownfield Project that is approved by the DBRA board and the Detroit City Council following the effective date of the Transit Zone Agreement, M-1 RAIL shall have the right to collect Tax Increment Revenues generated from the effective date of the Transit Zone Agreement up to the base year established by the Qualifying Transit Zone Brownfield Project. The DBRA shall have the right to collect any Tax Increment Revenues eligible for capture by the DBRA under Act 381 from the base year established by the Qualifying Transit Zone Brownfield Project through the duration of such brownfield plan (the “**Qualifying Project Revenues**”).
 - c. Upon the conclusion of a Qualifying Transit Zone Brownfield Project and the capture of all applicable Qualifying Project Revenues thereunder, the right to collect and use the related Qualifying Project Revenues shall revert to M-1 RAIL.

In the event that there are Qualifying Project Revenues captured by the DBRA remaining after the fulfillment of all obligations eligible to be paid by the DBRA with such Qualifying

Project Revenues, the remaining balance shall be promptly paid by the DBRA to M-1 RAIL.

Mr. Scott asked if M-1 RAIL can capture TIF outside of the DDA. Ms. Navin explained that M-1 RAIL has not yet established a TIF district and in order to do so M-1 RAIL would have to negotiate an agreement with the City of Detroit, hold public hearings, and have the agreement approved by City Council.

Mr. Scott asked if when M-1 RAIL creates a TIF district, if M-1 RAIL will receive all TIF revenue within the district, or if other developments in the district will receive TIF revenue. Ms. Navin explained that absent the agreement presented to the DBRA board, M-1 RAIL would receive all of the TIF revenue within the potential new TIF district.

Mr. Scott asked what the life of the potential new TIF district would be, if created. Ms. Navin said that the life of the TIF district would need to be negotiated between the City of Detroit and M-1 RAIL, but would presumably exist so long as M-1 RAIL operates the Q-Line.

Mr. George asked who owns M-1 RAIL. Ms. Navin explained that M-1 RAIL is a non-profit and that two of the Board members that she is aware of are Matt Cullen and Roger Penske.

Mr. George asked whose idea it was for M-1 RAIL to have the option to create its own TIF district. Ms. Navin explained that the Nonprofit Street Railway Act, as amended, enables M-1 RAIL to create the potential TIF district.

Mr. George asked what is being asked of the DBRA board in connection with the proposed agreement. Ms. Navin explained that the DBRA board is being asked to approve the agreement as presented, which would require M-1 Rail to give the DBRA advance notice of its intent to create a TIF district, an advance copy of its proposed agreement with the City of Detroit for the proposed TIF district, and if the potential TIF district is approved, the DBRA will be aware of which parcels are affected by it, and analyze if the TIF district will result in a decrease of TIF revenue. Once any new brownfield plans are approved by Detroit City Council, the new development would then capture the TIF revenue. After such new plan expires, the TIF revenue would then revert back to M-1 RAIL.

Ms. Washington asked why this agreement is being presented to the DBRA board now. Ms. Navin explained that under the Aid Agreement executed in 2014 by the City of Detroit Downtown Development Authority (“**DDA**”) and M-1 RAIL, it is a condition precedent to the DDA’s obligation to disburse payments thereunder that the DBRA and M-1 RAIL enter into an agreement to address the effect of any transit operations finance zone established by M-1 RAIL under the Nonprofit Street Railway Act.

Ms. DeSantis asked if the timing of executing this agreement is a problem. Ms. Navin explained that the DBRA is not sure if M-1 RAIL will attempt to establish a TIF district or

not, and that the DBRA presented a map of eligible parcels to M-1 RAIL and they have not yet determined if they will move toward City Council with a proposed TIF district.

Mr. George asked what will happen if the DBRA board does not approve the agreement, as presented. Ms. Navin stated that it would be preferred if any issues that the DBRA board has with the agreement as presented be worked through and resolved in order to get an agreement in place with M-1 RAIL. If an agreement is not executed between the DBRA and M-1 RAIL, M-1 RAIL would have the ability to attempt to create a TIF district, and if successful, prevent future brownfield plans within the TIF district.

Ms. DeSantis asked who would approve the new TIF district. Ms. Navin said that Detroit City Council would approve it.

Mr. George asked who Ms. Navin was representing in the matter. Ms. Navin stated that she is representing the DDA and the DBRA. Ms. Navin stated that when the Aid Agreement was negotiated between the DDA and M-1 RAIL, the DDA kept in mind the needs of the DBRA and included a requirement in the Aid Agreement that the proposed agreement between the DBRA and M-1 RAIL would need to be in place before the DDA disburses payments to M-1 RAIL under the Aid Agreement.

Ms. Nwaesei explained that this agreement is an opportunity for the DBRA to protect itself and future brownfield projects should M-1 RAIL attempt to create its own TIF district. The DBRA will lose its leverage if it does not execute an agreement with M-1 RAIL.

Mr. George asked if it was in the best interest of the DBRA to approve the agreement, as presented. Ms. Navin and Ms. Nwaesei advised that it is in the best interest of the DBRA to approve the agreement as presented.

Ms. DeSantis called for a motion approving the Agreement to Use Certain Tax Incremental Revenues for Certain Brownfield Projects within the Transit Zone as presented. The Board took the following action:

On a motion by Ms. McClain, seconded by Mr. George DBRA Resolution Code 18-06-01-201 was unanimously approved.

ADMINISTRATIVE:

Election of Officers for FY 2018-2019

Ms. Kanalos presented the current slate of officers for the DBRA for FY 2017-2018.

Ms. DeSantis called for nominations for officers for the DBRA for FY 2018-2019.

Ms. Washington nominated Mr. Walters as Chair.

Mr. Scott nominated Ms. DeSantis as Vice Chair.

Mr. Scott nominated Ms. Wilkins as Secretary.

Ms. Washington nominated Ms. Mays as Treasurer.

Ms. DeSantis called for a motion approving the slate of officers for the DBRA for FY 2018-2019, as presented. The Board took the following action:

On a motion by Mr. George, seconded by Ms. McClain, DBRA Resolution Code 18-06-01-202 was unanimously approved.

DBRA LBRF Marketing Strategies Discussion

Ms. DeSantis called for a motion to table the DBRA LBRF Marketing Strategies Discussion for the next meeting of the DBRA Board.

On a motion by Mr. George, seconded by Ms. McClain, the DBRA LBRF Marketing Strategies Discussion was tabled for the next meeting of the DBRA Board.

OTHER

None.

PUBLIC COMMENT

None.

ADJOURNMENT

Citing no further business, Ms. DeSantis called for a motion to adjourn the meeting.

On a motion by Ms. McClain, seconded by Ms. Washington the meeting was unanimously adjourned at 4:57 PM.



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CODE DBRA 18-06-02-235

APPROVAL OF MINUTES JUNE 13, 2018

RESOLVED, that the minutes of the regular meeting of June 13, 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.

June 27, 2018



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DBRA 18-06-03-176

ACCEPTANCE OF TREASURER'S REPORT FOR MAY 2018

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period May 1 through May 31, 2018, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

June 27, 2018



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CODE DBRA 18-06-256-03

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 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 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.

2. 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.

3. 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.

4. 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.

5. 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.

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

June 27, 2018



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CODE DBRA 18-06-257-01

SUPPORT AND APPROVAL OF MERIT GOODNESS APPLICATION TO THE MDEQ BROWNFIELD REDEVELOPMENT GRANT & LOAN PROGRAM

WHEREAS, the DBRA was created pursuant to Act 381 of the Public Acts of Michigan of 1996 (“Act 381”) for the purpose of facilitating the implementation of brownfield plans and promoting the revitalization, redevelopment, and reuse of certain property, including, but not limited to, tax reverted, blighted or functionally obsolete property within the City of Detroit; and

WHEREAS, Merit Goodness (the “Developer”) has approached the DBRA to sponsor an application for a MDEQ Brownfield Redevelopment Program Grant application for the Merit Goodness development, which will entail environmental studies and assessments, environmental remediation and abatement, as well as the demolition of several blighted and vacant buildings to prepare for the construction of a new multi-use park (the “Project”); and

WHEREAS, the DBRA believes that the Project and Developer is well suited to be a successful Grant recipient; and

WHEREAS, the Board of Directors of DBRA has determined that proposed grant is consistent with the powers of the DBRA, its statutory purpose, and its submission is supported by the Brownfield Redevelopment Financing Act (Act 381 of the Public Acts of Michigan of 1996, as amended).

NOW THEREFORE BE IT RESOLVED:

1. That Board of Directors of the City of Detroit Brownfield Redevelopment Authority do hereby support and approve a six hundred fifty thousand-dollar (\$650,000.00) MDEQ Brownfield Grant & Loan Program Grant for the park Project being developed by Merit Goodness.
2. That any Authorized Agent of the DBRA is authorized and directed to submit appropriate documents to the MDEQ to support and secure funds for the Project on behalf of the DBRA.
3. That upon award, the DBRA is authorized to accept and utilize the Grant to reimburse the Developer for eligible costs.

4. 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 resolution except that such acts were taken prior to execution of these resolution, are hereby in all respects confirmed, approved and ratified.
5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

June 27, 2018



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CODE DBRA 18-06-01-201

APPROVAL OF AN AGREEMENT BETWEEN THE DBRA AND M-1 RAIL RELATING TO NEW BROWNFIELD PROJECTS IN THE POTENTIAL FUTURE TRANSIT ZONE

WHEREAS, M-1 RAIL (“**M-1 RAIL**”) was constructed and operates the Q-Line under authority derived from the Nonprofit Street Railway Act (as amended, the “Rail Act”), pursuant to which, with the approval of the Detroit City Council and subject to the requirements of the Rail Act, M-1 RAIL and the City may execute an agreement whereby M-1 RAIL would be able to establish a tax increment financing district comprised of parcels located within 1/4 mile of the Q-Line (the “**Transit Zone**”) to support its operations; and

WHEREAS, under the Aid Agreement executed in 2014 by the City of Detroit Downtown Development Authority (“**DDA**”) and M-1 RAIL, it is a condition precedent to the DDA’s obligation to disburse payments thereunder that the DBRA and M-1 RAIL enter into an agreement to address the effect of any transit operations finance zone established by M-1 RAIL under the Rail Act (the “**Transit Zone**”) and to provide a procedure allowing for the capture by the DBRA of stipulated tax increment revenues that would otherwise be subject to a tax increment financing plan established in the Transit Zone and which are generated by future brownfield redevelopment projects under Act 381 of 1996, as amended, in such Transit Zone (the “**DBRA/M-1 RAIL Agreement**”); and

WHEREAS, in order to maintain the ability to establish new brownfield plans in the a future Transit Zone and to comply with the terms of the Aid Agreement, representatives of DBRA and M-1 RAIL have negotiated the terms of a proposed DBRA/M-1 Agreement, a form of which is attached hereto as **Exhibit A**, the general terms of which are summarized as follows:

1. If M-1 RAIL seeks to establish a Transit Zone, the following shall apply:
 - a. Any agreement between M-1 RAIL and the city of Detroit relating to the establishment of a Transit Zone shall incorporate the terms of the DBRA/M-1 Agreement.
 - b. M-1 RAIL shall provide prompt notice to the DBRA if it petitions for such agreement and/or holds a public hearing relating to such agreement and shall provide a copy of the proposed agreement prior to publishing notice of the required public hearing.
2. In the event that a Transit Zone Agreement is approved by the Detroit City Council, then following the effective date of such Transit Zone Agreement, the following terms and provisions shall apply:
 - a. The DBRA shall not approve any new brownfield plans for projects within the Transit Zone after the effective date of the Transit Zone Agreement

unless such brownfield plan meets the following (each such project, a “Qualifying Transit Zone Brownfield Project”):

- iii. The proposed brownfield project will not result in a decrease in the then annual amount of tax increment revenues that are subject to capture by M-1 RAIL under the Transit Zone Agreement on the brownfield project site (the “**Tax Increment Revenues**”), without taking into account any other tax incentives available from or granted by any other governmental entities.
 - iv. Any approval by the DBRA of a brownfield plan within the Transit Zone shall include a finding by the DBRA Board of Directors that such plan relates to a Qualifying Transit Zone Brownfield Project.
- b. For each Qualifying Transit Zone Brownfield Project that is approved by the DBRA board and the Detroit City Council following the effective date of the Transit Zone Agreement, M-1 RAIL shall have the right to collect Tax Increment Revenues generated from the effective date of the Transit Zone Agreement up to the base year established by the Qualifying Transit Zone Brownfield Project. The DBRA shall have the right to collect any Tax Increment Revenues eligible for capture by the DBRA under Act 381 from the base year established by the Qualifying Transit Zone Brownfield Project through the duration of such brownfield plan (the “Qualifying Project Revenues”).
 - c. Upon the conclusion of a Qualifying Transit Zone Brownfield Project and the capture of all applicable Qualifying Project Revenues thereunder, the right to collect and use the related Qualifying Project Revenues shall revert to M-1 RAIL.
 - d. In the event that there are Qualifying Project Revenues captured by the DBRA remaining after the fulfillment of all obligations eligible to be paid by the DBRA with such Qualifying Project Revenues, the remaining balance shall be promptly paid by the DBRA to M-1 RAIL.

WHEREAS, the DBRA Board of Directors has determined that execution of the DBRA/M-1 Agreement, upon the terms described herein, is in the best interests of the DBRA and is otherwise consistent with its statutory purposes under the Brownfield Act.

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors hereby authorizes the negotiation and execution of the DBRA/M-1 Agreement substantially in the form attached hereto as **Exhibit A**, together with such other terms and conditions deemed appropriate by staff and counsel and otherwise not inconsistent with the terms herein described.

BE IT FURTHER RESOLVED that any two Officers, any two of the Authorized Agents of the DBRA, or any one of the Officers and any one of the Authorized Agents of the DBRA, shall hereafter have the authority to negotiate and execute the any and all other documents, contracts, or other papers 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.

June 27, 2018



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

CODE DBRA 18-06-01-202

ADMINISTRATION: ELECTION OF OFFICERS FOR FY 2018-2019

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

Matthew Walters

Chairperson

Maggie DeSantis

Vice Chairperson

Donele Wilkins

Secretary

Sonya Mays

Treasurer

June 27, 2018