



Detroit Brownfield Redevelopment Authority
500 Griswold Street • Suite 2200
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**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, SEPTEMBER 12, 2018
4:00 PM**

BOARD MEMBERS PRESENT:

Matthew Walters
Pamela McClain
Sonya Mays
Stephanie Washington
Donele Wilkins
John George
Ray Scott

BOARD MEMBERS ABSENT:

Juan Gonzalez
Maggie DeSantis

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Ngozi Nwaesei (Lewis & Munday)
Ben Phillips (Develop Detroit)
Galaan Dafa (Develop Detroit)
Elizabeth Masserang (PM Environmental)



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**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, SEPTEMBER 12, 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 4:11 PM.

GENERAL

Approval of Minutes:

Mr. Walters called for a motion approving the minutes of August 22, 2018 as presented. The Board took the following action:

On a motion by Ms. Mays, seconded by Mr. George, DBRA Resolution Code 18-09-02-240 was unanimously approved.

PROJECTS

Eastern Market Gateway

Mr. Vosburg presented the Brownfield Plan for the Eastern Market Gateway Redevelopment Project.

Project Introduction

Dev Detroit 1346 Gratiot LLC, an affiliate of Develop Detroit and Town Partners, is the project developer (the "Developer") for the Plan which entails the construction of approximately 200 residential units, with a minimum of 20% of those units priced to meet affordable unit requirements for 80% of the Area Median Income. Retail and commercial spaces will include a minimum of 20,000 square feet, inclusive of live/work spaces as well as anticipated restaurant/bar uses and additional tenants, which will be a mix of new construction and the rehabilitation of existing structures. A parking structure will be constructed in the central portion of the property with a minimum of 200 parking stalls, both structured and surface to accommodate the development. The Developer will create greenspace as well as a piazza on the western portion of the Property, creating a gathering space within the district.

The total investment is estimated to be \$70 million. The Developer is requesting \$16,531,896.00 in TIF reimbursement.

There will be 70 temporary construction jobs and 40 FTE jobs. The 70 temporary jobs are expected to be created over a 2-year period once construction begins. The FTE jobs will be associated with the commercial and retail aspects of the development.

Property Subject to the Plan

The eligible property (the "Property") consists of twenty-one (21) parcels, which will be combined into one parcel prior to City Council approval of the Plan: bounded loosely by Gratiot Avenue to the north, Russell Street to the east, Maple Street to the south, and Rivard Street to the west and includes the rights-of-way in Detroit's Eastern Market neighborhood.

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 and industrial use; (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 “facility.”

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 Section 2 of Act 381, because they include Pre-Approved Activities, Department Specific Activities (such as environmental remediation and abatement), Demolition Activities, Asbestos and Lead Abatement, Infrastructure Improvements, Site Preparation Activities, and Preparation and Implementation of a Brownfield Plan/Act 381 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. Construction is anticipated to begin in the spring of 2019 and eligible activities are slated to be completed within 24 months.

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. Environmental Investigation and BEA	\$80,000.00
2. Demolition	\$300,000.00
3. Lead and Asbestos Activities	\$110,000.00
4. Site Preparation	\$2,183,913.00
5. Infrastructure Improvements	\$11,020,160.00
6. Brownfield Plan & Act 381 Work Plan	\$60,000.00
7. Department Specific Activities	\$639,750.00
8. Contingency – (15%)	\$2,138,073.00
*Total Reimbursement to Developer	\$16,531,896.00
9. Authority Administrative Costs	\$2,760,691.00
10. State Brownfield Redevelopment Fund	\$1,107,017.00
11. Local Brownfield Revolving Fund	\$110,487.00
TOTAL Estimated Costs	\$20,510,091.00

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 additional incentives, which will include local and/or state approval of Public Act 210 Tax Abatement, Michigan Community Revitalization Program funds, Project Based Vouchers (PBV), Low Income Housing Tax Credits (LIHTC), and HOME funds.

DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the August 22, 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, August 30, 2018 at 5:30 pm at Eastern Market – Shed #5 located at Russel Street at Alfred Street in Detroit, Michigan. The results of the DBRA public hearing are attached.

Mr. George asked what the eligible activities are under the Plan. Mr. Vosburg stated that the eligible activities include environmental investigation, demolition, site preparation, infrastructure improvements, and lead and asbestos abatement.

Mr. George asked if the existing structures will be demolished. Mr. Vosburg stated that there will be a new mixed-use building constructed and that some of the existing structures will remain.

Ms. Nwaesei stated that Ms. Mays has previously provided disclosure to the DBRA Board of her position as President and CEO of Develop Detroit in accordance with Michigan Public Act 317, and that a roll call vote of the DBRA Board for the DBRA resolution will be required.

Mr. Walters called for a motion for a roll call vote approving the Brownfield Plan for Eastern Market Gateway and its submittal to the Detroit City Council as presented.

On a motion by Ms. Wilkins, seconded by Ms. McClain, the Board took the following action: Mr. Scott, Ms. Washington, Mr. George, Ms. McClain, Ms. Wilkins, and Mr. Walters voted to approve the resolution. Ms. Mays abstained. No members present opposed the resolution. DBRA Resolution Code 18-09-260-02 was approved.

Auto Body One Recommend Termination

Mr. Vosburg presented the Auto Body One Brownfield Plan and described the circumstances that have led to the proposed termination of the Development Agreement and the Brownfield Plan.

The Detroit Brownfield Redevelopment Authority intends to terminate the Development Agreement between Auto Body One, Inc. (the "Developer") and the City of Detroit Brownfield Redevelopment Authority dated April 1, 2001 (the "Development Agreement") in accordance with Section 9(c) of the Development Agreement. Section 9(c) of the Development Agreement states:

The DBRA may terminate this Agreement should Owner (1) fail to fulfill in a timely and proper manner any of its obligations under this Agreement or (2) violate a representation or warranty of any of the covenants, agreements, or stipulations of this Agreement; provided that before such termination the DBRA shall deliver to the Owner a written notice of termination specifically describing the breach causing issuance of the notice of termination, and the Owner shall have thirty (30) days after delivery of the notice to cure such termination. If the Owner cures within the time allowed, then this Agreement shall not be terminated for breach. If the Owner does not cure, then the termination shall be effective on the 31st day after the notice of termination is delivered.

Section 4(e) of the Development Agreement states that "[t]he Owner shall provide the DBRA with a final certification of costs of Eligible Activities within 90 days after the earlier of the date of completion of the Eligible Activities for which reimbursement is sought under this Agreement or 5 years after the effective date of this Agreement."

The effective date of the Development Agreement was the date of the approval of the Auto Body One Brownfield Redevelopment Plan (the "Plan"). The Plan was approved by Detroit City Council on April 11, 2011. By letter dated April 8, 2015, the DBRA detailed the documentation that would need to be submitted to the DBRA in order to receive reimbursement (the "Letter"). To date, the documentation required by Section 4 of the Development Agreement has not been provided to the DBRA.

In the event the documentation required by Section 4(e) of the Development Agreement (i.e. Items 1-8 of the Letter) is not received by the DBRA within 30 days of Developer's receipt of the Notice of Termination, the Development Agreement shall be considered terminated as of the 31st day after the Notice of Termination is delivered.

Section 9(d) of the Development Agreement states "[u]pon the effective date of the termination of this Agreement, the DBRA shall have no further obligation under this Agreement to make any

payments to Owner in reimbursement of any costs of Eligible Activities incurred or to be incurred by the Owner.

Upon termination of the Development Agreement, the DBRA shall have no further obligations to the Developer and shall recommend the abolishment/termination of the Plan to the Detroit City Council in accordance with Section 14(8) of Act 381 of 1996, as amended.

Section 14(8) of Act 381 of 1996, as amended, states:

“A brownfield plan or plan amendment may be abolished or terminated according to this subsection subject to all of the following:

(b) The governing body may terminate a brownfield plan or plan amendment for an eligible property if the project for which eligible activities were identified in the brownfield plan or plan amendment fails to occur with respect to the eligible property for at least 2 years following the date of the resolution approving the brownfield plan or plan amendment, provided that the governing body first does both of the following:

- (i) Gives 30 days' prior written notice to the developer at its last known address by certified mail or other method that documents proof of delivery attempted.
- (ii) Provides the developer an opportunity to be heard at a public meeting.”

Over the years, the DBRA has approved Brownfield Plans which describe projects that have failed to come to fruition (the “Plan(s)”). These Plans, particularly Plans that involve TIF revenue, create an administrative burden for the City and the DBRA with multiple annual accounting and reporting requirements for each Plan. Additionally, a stalled Plan prevents a new proposed development from being able to use and/or take full advantage of Brownfield TIF. Terminating a Plan allows new proposed developments to make full use of Brownfield TIF financing through a new Brownfield Plan that is in line with the new proposed development.

The project, developed by Auto Body One, Inc., proposed the redevelopment of 5 parcels in Detroit. No eligible costs have been submitted to the DBRA for the project. Section 14(8)(b) of Act 381 of 1996, as amended, allows City Council to terminate the plan as a result.

It is the opinion of DBRA staff that the Development Agreement and the Auto Body One Plan should be terminated due to the fact that no eligible costs for the project have been submitted and more than 2 years has passed since City Council approval of the Plan. On October 10, 2017 City Council delegated authority to the DBRA to issue 30-day notices for termination to Developers on behalf of City Council. DBRA staff, upon DBRA approval, will send a notice via certified mail to the Developer no less than 30 days before the date City Council is scheduled to terminate the Plan.

A resolution recommending the following actions for the Plan is attached for your review and approval:

1. Recommendation to terminate the Development Agreement.
2. Issue a certified letter notifying the Developer of the intent to terminate the Development Agreement in no less than 30 days if Developer fails to cure the breach causing issuance of the notice of termination.
3. Recommendation to terminate the Plan to City Council, if Developer fails to cure the breach causing issuance of the notice of termination.
4. Issue a certified letter notifying the Developer of: the intent to terminate the Plan in no less than 30 days, the schedule of City Council meetings where the termination will be contemplated, and the opportunity to be heard at a public meeting.

5. Authorization to the DBRA to terminate the Reimbursement Agreement and any other agreements or contracts between Developer and the DBRA executed in conjunction with the Plan upon termination of the Plan by City Council.

The Plan will be formally terminated upon adoption of a Resolution for the Plan by City Council and following the signing of the Resolution by the Mayor.

Ms. Mays asked what the termination of the Development Agreement and the Brownfield Plan will mean for the Developer. Mr. Vosburg described the process of TIF reimbursement, the developer's submission of certified costs, the DBRA's process of reviewing the submitted costs, and described the Developer's failure to submit costs to be reviewed and certified.

Ms. Mays asked what the economic impact is on the Developer if the Brownfield Plan is terminated. Mr. Vosburg stated that the Developer will not be able to receive TIF reimbursement under the Brownfield Plan.

Ms. Mays asked why a developer would go through the process to create a Brownfield Plan and go through the approval process if they were not going to effectively pursue TIF reimbursement. Ms. Nwaesei stated that the circumstances for the Developer have led to their failure to submit costs to be reviewed and certified by the DBRA, and that some developers offer the TIF reimbursement as collateral to lenders and if the Brownfield Plan is terminated they may have consequences with their lenders.

Ms. Kanalos stated that the DBRA has been working with the Developer for years to receive costs to be reviewed and certified in order to receive TIF reimbursement, and the Developer will receive notice of the DBRA's intent to terminate the Development Agreement and the Brownfield Plan.

Ms. Wilkins asked if the TIF reimbursement amount was not what was expected by the Developer or is it possible that they wanted money for something that they did not do. Mr. Vosburg stated that the Developer has failed to submit costs to be reviewed and certified for TIF reimbursement and that has led to the recommendation of termination.

Ms. Nwaesei stated that the tax increment revenue that has been collected under the Brownfield Plan will be returned to the applicable taxing jurisdictions.

Ms. Mays asked if the Developer will be surprised when they receive the notice of the DBRA's intent to terminate the Development Agreement and the Brownfield Plan. Mr. Vosburg stated that the Developer should not be surprised when they receive the notice. Ms. Kanalos added that the Developer will have the opportunity to speak on their behalf when the termination of the Brownfield Plan goes to Detroit City Council for review. Mr. Vosburg stated that the notice will be sent through certified mail.

Ms. Washington asked if there is any indication that the Developer will try to resist the termination. Mr. Vosburg stated that the Developer has had a significant amount of time and contact with the DBRA regarding the possibility of termination.

Mr. Walters called for a motion approving the recommendation to terminate the Auto Body One Development Agreement; the Auto Body One Brownfield Plan; to issue a Notice to the Developer; and to submit the recommendation to terminate to the Detroit City Council. The Board took the following action:

On a motion by Ms. Wilkins, seconded by Ms. McClain DBRA Resolutions Code 18-09-122-04 was unanimously approved.

Tireman and Epworth Recommend Termination

Mr. Vosburg presented the Tireman and Epworth Brownfield Plan and described the circumstances that have led to the proposed termination of the Development Agreement and the Brownfield Plan.

The Detroit Brownfield Redevelopment Authority intends to terminate the Reimbursement Agreement between Tireman Associates, LLC (the "Developer") and the City of Detroit Brownfield Redevelopment

Authority dated November 21, 2007 (the "Reimbursement Agreement") in accordance with Section 9(c) of the Development Agreement. Section 10(b) of the Development Agreement states:

The DBRA may terminate this Agreement should Owner (1) fail to fulfill in a timely and proper manner any of its obligations under paragraph 3, 4 or 7; or (2) violate a representation or warranty in paragraph 10(a); provided that before such termination the DBRA shall deliver to the Owner a written notice of termination specifically describing the breach causing issuance of the notice of termination, and the Owner shall have thirty (30) days after delivery of the notice to cure such termination; provided however, if the nature of the breach is such that 30 days is not a reasonable time to complete the cure, the provided Owner has commenced with activities to cure the breach and is diligently pursuing the cure of the breach, the Owner shall have a reasonable time to cure the breach, provided, however, in no event shall such cure period exceed 90 days with the prior written consent of the DBRA. If the Owner cures within the time allowed (as may be extended), then this Agreement shall not be terminated for breach. If the Owner does not cure, then the termination shall be effective on the 31st day after the notice of termination is delivered unless the cure period is extended pursuant to this Section.

Section 4(e) of the Reimbursement Agreement states that "The Owner shall notify the DBRA of completion of the Eligible Activities for which reimbursement may be sought under this Agreement and will execute and deliver to DBRA and the City a Certificate of Completion. The Owner shall provide the Certificate of Completion within ninety (90) days after the date of completion of the Eligible Activities for which reimbursement is sought under this Agreement. The Owner may receive progress payments under paragraph 4(c) for costs incurred for Eligible Activities prior to submitting the Certificate of Completion."

The effective date of the Reimbursement Agreement was the date of the approval of the Tireman and Epworth Brownfield Redevelopment Plan (the "Plan"). The Plan was approved by Detroit City Council on October 21, 2007. By letter dated October 21, 2016, the DBRA detailed the documentation that would need to be submitted to the DBRA in order to receive reimbursement (the "Letter"). To date, the documentation required by Section 4 of the Reimbursement Agreement has not been provided to the DBRA.

In the event the documentation required by Section 4(e) of the Reimbursement Agreement is not received by the DBRA within 30 days of Developer's receipt of the Notice of Termination, the Reimbursement Agreement shall be considered terminated as of the 31st day after the Notice of Termination is delivered.

Section 10(c) of the Reimbursement Agreement states that "[u]pon the effective date of the termination of this Agreement, the DBRA shall have no further obligation under this Agreement to make any payments to Owner in reimbursement of any costs of Eligible Activities incurred or to be incurred by the Owner.

Upon termination of the Reimbursement Agreement, the DBRA shall have no further obligations to the Developer and shall recommend the abolishment/termination of the Plan to the Detroit City Council in accordance with Section 14(8) of Act 381 of 1996, as amended.

Section 14(8) of Act 381 of 1996, as amended, states:

"A brownfield plan or plan amendment may be abolished or terminated according to this subsection subject to all of the following:

(b) The governing body may terminate a brownfield plan or plan amendment for an eligible property if the project for which eligible activities were identified in the brownfield plan or plan amendment fails to occur with respect to the eligible property for at least 2 years following the date of the resolution approving the brownfield plan or plan amendment, provided that the governing body first does both of the following:

- (iii) Gives 30 days' prior written notice to the developer at its last known address by certified mail or other method that documents proof of delivery attempted.
- (iv) Provides the developer an opportunity to be heard at a public meeting."

Over the years, the DBRA has approved Brownfield Plans which describe projects that have failed to come to fruition (the "Plan(s)"). These Plans, particularly Plans that involve TIF revenue, create an administrative burden for the City and the DBRA with multiple annual accounting and reporting requirements for each Plan. Additionally, a stalled Plan prevents a new proposed development from being able to use and/or take full advantage of Brownfield TIF. Terminating a Plan allows new proposed developments to make full use of Brownfield TIF financing through a new Brownfield Plan that is in line with the new proposed development.

The project under the Plan proposed the redevelopment of 4 parcels in Detroit. Sufficient eligible costs have not been submitted to the DBRA for the project. Section 14(8)(b) of Act 381 of 1996, as amended, allows City Council to terminate the Plan as a result.

It is the opinion of DBRA staff that the Reimbursement Agreement and the Plan should be terminated due to the fact that sufficient eligible costs have not been submitted and more than 2 years has passed since City Council approval of the Plan. On October 10, 2017 City Council delegated authority to the DBRA to issue 30-day notices for termination to Developers on behalf of City Council. DBRA staff, upon DBRA approval, will send a notice via certified mail to the Developer no less than 30 days before the date City Council is scheduled to terminate the Plan.

A resolution recommending the following actions for the Plan is attached for your review and approval:

1. Recommendation to terminate the Reimbursement Agreement.
2. Issue a certified letter notifying the Developer of the intent to terminate the Reimbursement Agreement in no less than 30 days if Developer fails to cure the breach causing issuance of the notice of termination.
3. Recommendation to terminate the Plan to City Council, if Developer fails to cure the breach causing issuance of the notice of termination.
4. Issue a certified letter notifying the Developer of: the intent to terminate the Plan in no less than 30 days, the schedule of City Council meetings where the termination will be contemplated, and the opportunity to be heard at a public meeting.
5. Authorization to the DBRA to terminate the Reimbursement Agreement and any other agreements or contracts between Developer and the DBRA executed in conjunction with the Plan upon termination of the Plan by City Council.

The Plan will be formally terminated upon adoption of a Resolution for the Plan by City Council and following the signing of the Resolution by the Mayor.

Mr. Walters called for a motion approving the recommendation to terminate the Tireman and Epworth Reimbursement Agreement; Tireman and Epworth Brownfield Plan; to issue a Notice to the Developer; and to submit the recommendation to terminate the Brownfield Plan to the Detroit City Council. The Board took the following action:

On a motion by Ms. McClain, seconded by Mr. George DBRA Resolution Code 18-09-142-04 was unanimously approved.

ADMINISTRATIVE

None.

OTHER

None.

PUBLIC COMMENT

None.

ADJOURNMENT

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

On a motion by Mr. George, seconded by Ms. McClain the meeting was unanimously adjourned at 4:29 PM.



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CODE DBRA 18-09-02-240

APPROVAL OF MINUTES AUGUST 22, 2018

RESOLVED, that the minutes of the regular meeting of August 22, 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.

September 12, 2018



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CODE DBRA 18-09-260-02

EASTERN MARKET GATEWAY 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 Brownfield Plan for the Eastern Market Gateway Redevelopment Project (the “Plan”) to the Community Advisory Committee for its consideration and comment and has solicited comments from 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, during the public meeting held by the DBRA Board of Directors on August 22, 2018, in accordance with Section 2(a)(ii) of 317 PA 1968, as amended, DBRA Board Member, Sonya Mays, as the CEO of Develop Detroit, Inc. disclosed to the DBRA Board of Directors that Develop Detroit, Inc. has a pecuniary interest in the proposed Plan and any subsequent Reimbursement Agreement that may be executed by Develop Detroit, Inc. in connection with the Plan; 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. Two thirds (2/3) of the full membership of the Board of Directors of the DBRA, without the vote of Sonya Mays, has determined that the adoption of the brownfield plan for the **Brownfield Plan for the Eastern Market Gateway Redevelopment Project** is in keeping with the purposes of Act 381 and recommends submittal of the Plan to City Council for approval.

2. Two thirds (2/3) of the full membership of the Board of Directors of the DBRA, without the vote of Sonya Mays, approves the Plan substantially in the form attached hereto. A copy of the Plan is 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 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.

September 12, 2018



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CODE DBRA 18-09-122-04

AUTO BODY ONE BROWNFIELD PLAN: RECOMMENDATION TO CITY COUNCIL TO TERMINATE DEVELOPMENT AGREEMENT AND BROWNFIELD PLAN

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) was created pursuant to Michigan Public Act 381 of 1996, as amended (“Act 381”); and

WHEREAS, the City Council of the City of Detroit (“City Council”) is the governing body (as that term is defined by Act 381) of the DBRA; and

WHEREAS, on March 6, 2001, the DBRA Board of Directors approved the Auto Body One Brownfield Plan (the “Plan”) and recommended the approval of the Plan to City Council; and

WHEREAS, on April 1, 2001 the DBRA entered into a Development Agreement with Auto Body One, Inc. (“Development Agreement”); and

WHEREAS, on April 11, 2001, City Council approved the Plan; and

WHEREAS, on April 24, 2001, the Mayor of the City of Detroit approved the Plan; and

WHEREAS, Section 9(c) of the Development Agreement states the DBRA may terminate the Development Agreement should Developer (1) fail to fulfill in a timely and proper manner any of its obligations under the Development Agreement or (2) violate a representation or warranty of any of the covenants, agreements, or stipulations of the Development Agreement; provided that before such termination the DBRA shall deliver to the Developer a written notice of termination specifically describing the breach causing issuance of the notice of termination, and the Developer shall have thirty (30) days after delivery of the notice to cure such termination. If the Developer cures within the time allowed, then the Development Agreement shall not be terminated for breach. If the Developer does not cure, then the termination of the Development Agreement shall be effective on the 31st day after the notice of termination is delivered.

WHEREAS, Section 14(8) of Act 381 of 1996, as amended, permits a governing body to terminate a brownfield plan or plan amendment for an eligible property if the project for which eligible activities identified in the brownfield plan or plan amendment fails to occur with respect to the eligible property for at least 2 years following the date of the resolution approving the brownfield plan or plan amendment, provided that the governing body first does both of the following: (i) Gives 30 days' prior written notice to the developer at its last known address by certified mail or other method that documents proof of delivery attempted, and (ii) Provides the developer an opportunity to be heard at a public meeting; and

WHEREAS, on October 10, 2017, City Council delegated notice authority to the DBRA for the 30-day notice for Plans being considered for termination; and

WHEREAS, the “developer” for the Plan is Auto Body One, Inc. (the “Developer”); and

WHEREAS, the DBRA has determined that the Developer of the project identified in the Plan has failed to submit any eligible costs under the Plan; and

WHEREAS, the DBRA Board of Directors desires to recommend termination of the Development Agreement.

WHEREAS, the DBRA Board of Directors desires to recommend termination of the Plan to City Council, if Developer fails to cure the breach causing issuance of the notice of termination.

NOW THEREFORE, BE IT RESOLVED, subject to the completion of the notice requirements described in Section 9(c) of the Development Agreement, the DBRA Board of Directors hereby recommends termination of the Development Agreement; and subject to the completion of the notice requirements described in Section 14(8)(b)(i) of Act 381 and the provision to the Developer of an opportunity to be heard at a public meeting pursuant to Section 14(8)(b)(ii) of Act 381, the DBRA Board of Directors hereby recommends termination of the Plan to City Council; and

BE IT FURTHER RESOLVED, given the authority City Council has delegated to the DBRA, the DBRA Board of Directors hereby authorizes the issuance of a notification letter compliant with Act 381 of 1996, as amended, notifying the Developer of the intent to contemplate termination of the Plan; and

BE IT FURTHER RESOLVED, subject to the termination of the Plan by City Council, that the DBRA Board of Directors hereby authorizes the termination of any other agreements or contracts between the Developer and the DBRA that were executed in conjunction with the Plan; and

BE IT FINALLY RESOLVED that any two Officers, any two Authorized Agents, 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 any and all documents, contracts, or other papers necessary to implement the provisions and intent of this resolution on behalf of the DBRA.

September 12, 2018



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CODE DBRA 18-09-142-04

TIREMAN AND EPWORTH BROWNFIELD PLAN: RECOMMENDATION TO CITY COUNCIL TO TERMINATE PLAN

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) was created pursuant to Michigan Public Act 381 of 1996, as amended (“Act 381”); and

WHEREAS, the City Council of the City of Detroit (“City Council”) is the governing body (as that term is defined by Act 381) of the DBRA; and

WHEREAS, on September 6, 2007, the DBRA Board of Directors approved the Tireman and Epworth Brownfield Plan (the “Plan”) and recommended the approval of the Plan to City Council; and

WHEREAS, on November 21, 2007 the DBRA entered into a Reimbursement Agreement with Tireman Associates, LLC (“Development Agreement”); and

WHEREAS, on October 23, 2007, City Council approved the Plan; and

WHEREAS, on November 2, 2007, the Mayor of the City of Detroit approved the Plan; and

WHEREAS, Section 10(b) of the Reimbursement Agreement states the DBRA may terminate the Reimbursement Agreement should Developer (1) fail to fulfill in a timely and proper manner any of its obligations under the Development Agreement or (2) violate a representation or warranty of any of the covenants, agreements, or stipulations of the Reimbursement Agreement; provided that before such termination the DBRA shall deliver to the Developer a written notice of termination specifically describing the breach causing issuance of the notice of termination, and the Developer shall have thirty (30) days after delivery of the notice to cure such termination. If the Developer cures within the time allowed, then the Reimbursement Agreement shall not be terminated for breach. If the Developer does not cure, then the termination of the Reimbursement Agreement shall be effective on the 31st day after the notice of termination is delivered.

WHEREAS, Section 14(8) of Act 381 of 1996, as amended, permits a governing body to terminate a brownfield plan or plan amendment for an eligible property if the project for which eligible activities identified in the brownfield plan or plan amendment fails to occur with respect to the eligible property for at least 2 years following the date of the resolution approving the brownfield plan or plan amendment, provided that the governing body first does both of the following: (i) Gives 30 days' prior written notice to the developer at its last known address by certified mail or other method that documents proof of delivery attempted, and (ii) Provides the developer an opportunity to be heard at a public meeting; and

WHEREAS, on October 10, 2017, City Council delegated notice authority to the DBRA for the 30-day notice for Plans being considered for termination; and

WHEREAS, the “developer” for the Plan is Tireman Associates, LLC (the “Developer”); and

WHEREAS, the DBRA has determined that the Developer of the project identified in the Plan has failed to submit sufficient eligible costs under the Plan; and

WHEREAS, the DBRA Board of Directors desires to recommend termination of the Reimbursement Agreement.

WHEREAS, the DBRA Board of Directors desires to recommend termination of the Plan to City Council, if Developer fails to cure the breach causing issuance of the notice of termination.

NOW THEREFORE, BE IT RESOLVED, subject to the completion of the notice requirements described in Section 9(c) of the Reimbursement Agreement, the DBRA Board of Directors hereby recommends termination of the Reimbursement Agreement; and subject to the completion of the notice requirements described in Section 14(8)(b)(i) of Act 381 and the provision to the Developer of an opportunity to be heard at a public meeting pursuant to Section 14(8)(b)(ii) of Act 381, the DBRA Board of Directors hereby recommends termination of the Plan to City Council; and

BE IT FURTHER RESOLVED, given the authority City Council has delegated to the DBRA, the DBRA Board of Directors hereby authorizes the issuance of a notification letter compliant with Act 381 of 1996, as amended, notifying the Developer of the intent to contemplate termination of the Plan; and

BE IT FURTHER RESOLVED, subject to the termination of the Plan by City Council, that the DBRA Board of Directors hereby authorizes the termination of any other agreements or contracts between the Developer and the DBRA that were executed in conjunction with the Plan; and

BE IT FINALLY RESOLVED that any two Officers, any two Authorized Agents, 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 any and all documents, contracts, or other papers necessary to implement the provisions and intent of this resolution on behalf of the DBRA.

September 12, 2018