

City of Detroit



Downtown Development Authority

500 Griswold, Suite 2200, 22<sup>nd</sup> Floor

Detroit, Michigan 48226

Phone: 313 963 2940

Fax: 313 963 8839

**CODE DDA 19-01-02-614**

**APPROVAL OF MINUTES OF NOVEMBER 14, 2018**

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

January 23, 2019

City of Detroit



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**DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING  
WEDNESDAY, NOVEMBER 14, 2018 – 3:00 P.M.**

**BOARD MEMBERS PRESENT:**

Marvin Beatty  
David Blaszkiewicz  
Ehrlich Crain  
James Jenkins  
Tom Lewand (Mayor's Representative)  
David Massaron  
John Naglick  
Steve Ogden

**BOARD MEMBERS ABSENT:**

Austin Black  
Sonya Delley  
Melvin Hollowell  
Richard Hosey

**OTHERS PRESENT:**

Kenyetta Bridges (DEGC/DDA)  
Bowden Brown (Dykema)  
Charlotte Fisher (DEGC/DDA)  
Lisa Hegan (Hawkins Delafield & Wood)  
Gay Hilger (DEGC/DDA)  
Malinda Jensen (DEGC/DDA)  
Paul Kako (DEGC/DDA)  
Jennifer Kanalos (DEGC/DDA)  
Steve Kantor (Hilltop Securities)  
John Lauve (Public)  
Glen Long, Jr. (DEGC/DDA)  
Adam Lorbert (Jefferies)  
Mike McLaughlin (ODM)  
Rebecca Navin (DEGC/DDA)  
Simon Rubin (Insite Commercial)  
Jarrod Smith (Dykema)  
Ron Sorey (Fidelity National Title Insurance)

City of Detroit



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**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING  
WEDNESDAY, NOVEMBER 14, 2018  
DETROIT ECONOMIC GROWTH CORPORATION  
500 GRISWOLD STREET, SUITE 2200 – 3:00 P.M.**

**GENERAL**

**Call to Order**

Noting that a quorum was present, Mr. Lewand, the Chairman's Representative, called the Regular meeting of the Downtown Development Authority Board of Directors to order at 3:08 p.m.

**Approval of Minutes**

Mr. Lewand questioned whether there were any additions, deletions or corrections to the minutes of the September 26, 2018 Regular Board meeting. Hearing none, the Board took the following action:

On a motion by Mr. Crain, seconded by Mr. Jenkins, Resolution Code DDA 18-11-02-613 was unanimously approved.

**Receipt of Treasurer's Report**

Mr. Naglick reviewed the Treasurer's Report of Receipts and Disbursements for the Month of September 2018 for the benefit of the Board and responded to questions. Subsequent to the discussion, the Board took the following action:

On a motion by Mr. Ogden, seconded by Mr. Jenkins, Resolution Code 18-11-03-489 was unanimously approved.

**PROJECTS**

**Catalyst Development Project Refinancing -- Bond Authorizing Resolution**

Mr. Long reported that the Board of Directors of the City of Detroit Downtown Development Authority (the "DDA") (the "Board") authorized the issuance of bonds in 2014 (the "2014 Bonds") and in 2017 (the "2017 Bonds") (together, the "Prior Catalyst Development Bonds") to: (a) assist in the financing and development of the Events Center Project, now named Little Caesars Arena ("LCA"); (b) finance other eligible costs of construction of the "catalyst development project" undertaken by the DDA, of which the LCA is a part, and (c) finance other related public facilities, public infrastructure and public spaces in the DDA's Development Area No. 1 (collectively, the "Catalyst Development Project").

The Prior Catalyst Development Bonds were sold at interest rates of 4.125% (2014) and 4.50% (2017) that will each automatically increase to 10% on January 1, 2019 unless the Prior Catalyst Development Bonds are refinanced. At the time of issuance, DDA staff and the DDA's financial and legal advisors believed that the economic activity in the Catalyst Development Project would improve so that the Prior Catalyst Development Bonds would be able to be refinanced on favorable terms on or before January 1, 2019. Their belief was based upon a projected improvement in the financial condition of City of Detroit, specifically the completion of the LCA, the economic growth resulting from the Catalyst Development Project, and other growth in Development Area No. 1.

Following a July 2018 Request for Proposals, DDA's financial and legal advisors engaged in discussions with potential bond underwriters to structure a plan of financing that would enable the DDA to issue long-term fixed rate debt. No firm proposed a financing plan that provided an affordable long-term fixed rate and no firm believed that the refunding bonds would achieve an investment grade rating (BBB- or better). As a result, DDA staff proposed to the Board the issuance of bonds with a 3-year interest reset, which was a similar structure to the Prior Catalyst Development Bonds. In connection with this proposal, on August 22, 2018, pursuant to Resolution DDA 18-08-123-66, the Board approved the selection of Jefferies LLC as the underwriter for the DDA's issuance of revenue refunding bonds through a public sale (the "Series 2018 Bonds").

Following the August 2018 Board approval, recognizing the Board's preference to issue long-term fixed rate bonds and eliminate the interest rate risks associated with another short-term refinancing, DDA's financial advisor also engaged in conversations with potential bond insurers, and, relying on the Board's September 26, 2018 approval (DDA 18-09-123-67), the DDA applied for bond insurance. Insuring the Series 2018 Bonds would allow the DDA to issue fixed rate long term bonds at an investment grade rating.

DDA has received a proposed commitment letter from Assured Guaranty ("Assured"), a bond insurer rated AA, to provide bond insurance for a 30-year bond issue, allowing the Series 2018 Bonds to achieve a AA investment grade insured rating. Assured's proposal to insure both series of the Series 2018 Bonds described below is conditional upon the issue receiving an investment grade rating for the Series 2018A Bonds from a national rating agency. Kroll Bond Rating Agency ("Kroll") has evaluated the proposed structure and is prepared to provide an investment grade rating to the Series 2018A Bonds.

As part of the review of the proposed transaction structure by Assured and Kroll, both entities have required that the DDA's \$24 million of Series 1998A Bonds secured by a senior lien on General Tax Increment Revenues, be refunded on a subordinate lien basis.

As a result, the following actions are proposed in connection with the refunding of the Prior Catalyst Development Bonds, as more particularly described in the Executive Summary attached hereto as **Exhibit A**:

- ***Series 2014A Bonds and Series 2017 Bonds*** – The Prior Catalyst Project Bonds will be refunded through an issuance of approximately \$300 million of 30-year fixed rate debt (not to exceed \$310 million), insured by Assured's bond insurance policy (the "Series 2018A Bonds"), with a lien on DDA's General Tax Increment Revenues and Catalyst Project Revenues (as defined below, being the same revenues previously securing the 2014A and 2017 Bonds).
- ***Series 1998A Bonds*** – It is anticipated that the DDA will deposit up to \$5 million, plus the proceeds of the issuance of bonds maturing in 2025 (the "Series 2018B Bonds"), into an account to redeem the Series 1998A Bonds. The Series 2018B Bonds will be secured on a subordinate basis to the Series 2018A Bonds with a subordinate lien on DDA's General Tax Increment Revenues only, and the Series 2018B Bonds will likewise be insured by Assured's bond insurance policy.
- ***Series 1996C and 1998B*** – These bonds are not callable, will remain outstanding, and maintain a senior lien on DDA's General Tax Increment Revenues. However, the 2019 debt service of approximately \$4.1 million for these senior bonds is expected to be fully

funded upon receipt of the 1<sup>st</sup> half General Tax Increment Revenues installment. Commencing on or about July 1, 2019 and each year thereafter until the maturity of the Senior Bonds in 2028, the upcoming year's debt service will similarly be pre-funded from the prior year's General Tax Increment Revenues released from the Series 2018 Indenture. The initial \$4.1 million deposit will come from tax General Tax Increment Revenues to be released to the DDA by the Series 2018 Bond trustee by July 1, 2019.

The Series 2018 Bonds will be sold by the underwriters pursuant to a public sale as contemplated by the August 2018 Board Approval; however, as the structure of the proposed bond issuance has changed, staff recommended the inclusion of an additional underwriter (Siebert Cisneros Shank & Co.) to assist Jefferies in the marketing of the Series 2018 Bonds.

A bond authorizing resolution was included in the Board material as Exhibit B.

Mr. Naglick advised that the Finance Committee met earlier in the week and unanimously recommends approval of the proposed deal to the Board. They were particularly happy that staff was able to work with all of the parties to come up with an affordable long-term deal that now includes some local participation.

Subsequent to the discussion, the Board took the following action:

On a motion by Mr. Ogden, seconded by Mr. Blaszkiewicz, Resolution Code DDA 18-11-123-68 was unanimously approved. A roll call vote was taken, with all eight Board members present voting in favor.

#### ADMINISTRATION

#### PUBLIC COMMENT

Mr. Lewand called for public comment advising two minutes would be given:

Mr. John Lauve of Holly, Michigan, stated the following:

**“It was interesting to see the financial presentation. One thing that occurs to me is that if it wasn’t for Rock Financial’s Gilbert, this picture wouldn’t be as rosy. It is nice that he is contributing to the tax base being improved. I went to the Wayne County Stadium Authority. They had a list of ticket holders for the kids 50,000 tickets they gave out. They needed to provide to children of low income families. I read down the list, 82% of them were given to the tri-county area. Here is how they gave the tickets. They rewarded students for academic achievement. There was one for underprivileged youth. It says specifically for children of low income families. So children of low income families, if you don’t have good grades, you are out of the picture. That is not the intent of this program. We never had a complete subcommittee meeting where everybody showed up. And the utilization rate of the last one said they were 12,000 tickets short so that shortage is just forgotten about instead of rolled into the next year. And then I see that he is going to be rewarded for his bonus investment in the city, Ilitch. Well here is one project. One and a half million dollars from the DDA and here is how it looks.”**

#### OTHER MATTERS

#### ADJOURNMENT

With there being no other business to be brought before the Board, Mr. Lewand adjourned the meeting at 3:32 p.m.

**EXHIBIT A**  
**Executive Summary**

Significant terms of the Series 2018 Bonds are summarized below.

**Series 2018 Bonds**

***Issuer:***

- DDA will issue
  - Approximately \$300 million (not to exceed \$310 million) Tax Increment Revenue Refunding Bonds, Series 2018A (Catalyst Development Project) (the "Series 2018A Bonds") and
  - Approximately \$25 million Subordinate General Tax Increment Revenue Refunding Bonds, Series 2018B (Development Area No. 1 Projects) (the "Series 2018B Bonds") and, together with the Series 2018A Bonds, the "Series 2018 Bonds")

***Use of Bond Proceeds:***

- Refunding Series 2014A Bonds and Series 2017 Bonds (Series 2018A Bonds)
- Refunding Series 1998A Bonds (Series 2018B Bonds)
- Payment of certain expenses incurred in connection with the issuance of the Series 2018 Bonds, including bond insurance premiums and DDA's issuance expenses and costs

***Term:***

- Series 2018A Bonds: Final maturity date of July 1, 2048 with a projected optional call date which will be negotiated with investors (no earlier than July 1, 2024). Principal to be paid based on an annual maturity or mandatory sinking fund redemption schedule, anticipated to commence in 2021.
- Series 2018B Bonds: Final maturity date of no later than July 1, 2028. May have an optional call date.

***Interest Rate:***

- Interest Rates of the Series 2018 Bonds will be fixed at the time of pricing (not exceeding a true interest cost of 7% for the Series 2018A Bonds; not exceeding a true interest cost of 5% for the Series 2018B Bonds).

***Repayment Sources:***

- General Tax Increment Revenues. DDA's tax increment revenues specifically described under Section 1(cc)(i) of Act 197 (e.g., non-school tax increment revenue in the development area), excluding such revenues to the extent levied and collected on the real property comprising the LCA and excluding other tax increment revenues shared with taxing jurisdictions pursuant to sharing agreements or other arrangements (the "General Tax Increment Revenues"),
- Catalyst Project Revenues. DDA's tax increment revenues specifically described under Section 1(cc)(vi) of Act 197 (e.g., school tax increment revenue in the development area), excluding (i) Future Brownfield Tax Increment Captures (as defined below) (the "Catalyst Project Revenues" and collectively with the General Tax Increment Revenues, the "Tax Increment Revenues") "Future Brownfield Tax Increment Captures" means the captures of tax increment revenues that would otherwise be Catalyst Project Revenues and which are generated by future brownfield redevelopment projects in Detroit DDA Development Area No. 1, subject to various statutory criteria and governmental approvals and created pursuant to Act 381 of 1996, as amended.

***Security:***

- The Series 2018A Bonds will be secured by a pledge by the DDA of, and statutory liens on: (i) the Tax Increment Revenues, subordinate to the liens on such General Tax Increment Revenues securing the DDA's Tax Increment Bonds (Development Area No. 1 Projects), Series 1996C; Tax Increment Refunding Bonds (Development Area No. 1 Projects), Series 1998B (Taxable) (collectively, the "Senior Bonds"),
- The Series 2018B Bonds secured by a pledge by the DDA of, and statutory lien on the General Tax Increment Revenues, and will be further subordinate to the lien of the Senior Bonds and the Series 2018A Bonds. The Series 2018B Bonds will not be secured by the Catalyst Project Revenues,
- Debt services for the Series 2018 Bonds will be insured by the Assured bond insurance policy (as more fully described below).

***Flow of Funds:***

- General Tax Increment Revenues will be applied to the following purposes, in the order set forth below:
  1. Senior Bonds debt service, reserve replenishment, and fee requirements, if applicable.
  2. (i) Series 2018A Bonds debt service payable from scheduled amounts of General Tax Increment Revenues; (ii) additional amounts to meet 2018A Bond debt service (to the extent of deficiencies in Catalyst Project Revenues as provided for in the Indenture); (iii) reserve replenishment and fee requirements of the Series 2018A Bonds; and (iv) Series 2018B Bonds debt service requirements. To the extent that the General Tax Increment Revenues are applied to debt service on the Series 2018A Bonds in excess of the annual payments schedule, the Indenture provides a mechanism for the DDA to be reimbursed for such excess payments from future collections of General Tax Increment Revenues or Catalyst Project Revenues.
  3. Approximately \$4.1 million into a bond fund for the advance funding of the next year's debt service requirements for the Senior Bonds, if applicable.
  4. Balance to the DDA to fund other DDA Plan expenses.
- Catalyst Project Revenues will be applied to the following purposes, in the order set forth below:
  - Series 2018A Bonds debt service requirements not covered by scheduled amounts of General Tax Increment Revenues, reserve replenishment, and fee requirements of the Series 2018A Bonds.
  - Revenue Stabilization Fund to provide additional security for the 2018A Bonds, and to be applied and released to the DDA from time to time upon terms acceptable to Assured.

***Method of Sale – Public Sale:***

- As the structure of the proposed bond issuance has changed, staff is recommending the inclusion of Siebert Cisneros Shank & Co. (together with Jefferies, the "Underwriter") in the capacity of co-manager to assist Jefferies in the marketing of the Series 2018 Bonds.
- The Underwriter has proposed to sell both the Series 2018A Bonds and Series 2018B Bonds to the public, pursuant to the terms of a Bond Purchase Agreement to be executed by the Underwriter and the DDA.
- The DDA will execute a continuing disclosure agreement pursuant to which the DDA will agree to certain ongoing financial and statistical disclosures consistent with its prior continuing disclosure undertakings for prior issues.

**Bond Insurance**

In order for the Series 2018 Bonds to be marketed as fixed rate bonds with investment grade ratings, the DDA will obtain bond insurance from Assured Guaranty ("Assured"). The insurance policy will guaranty scheduled payments to bondholders for the life of the Series 2018 Bonds, thereby allowing the Series 2018 Bonds to be priced at lower fixed interest rates.

**Premium:**

- DDA will pay the insurance premium on the Series 2018A Bonds on an annual basis, with the first five (5) years of premium payable upfront. The insurance premium on the Series 2018B Bonds will be paid upfront.

**Special Covenants and Conditions:**

- **Use of Revenue Stabilization Fund:** From the date the Series 2018 Bonds are issued to maturity, cumulative deposits of excess Catalyst Project Revenues into a Revenue Stabilization Fund created under the Indenture will be utilized for the purpose of providing supplemental liquidity and security for the Series 2018A Bonds. DDA will undertake bond redemptions as described in the Assured agreement until all Series 2018A Bonds are retired and will have the right to a release of funds from the Revenue Stabilization Fund for other purposes, including pursuant to the terms of the Assured agreement.
- **Series 1998A Refunding:** A condition to issuance of an investment grade rating by Kroll on the Series 2018A Bonds and bond insurance by Assured for the Series 2018 Bonds is that the DDA refund the outstanding Series 1998A Bonds by issuing additional bonds to complete a current refunding of the remaining Series 1998A Bonds as subordinate lien bonds (described above as the Series 2018B Bonds). DDA may contribute up to \$5 million, or such greater amount required by Assured, in order to reduce the size of the issue and annual debt service requirements.
- **Advance funding of annual debt service for Series 1996C and 1998B Bonds:** An additional condition to the issuance of an investment grade rating from Kroll for the Series 2018A Bonds and bond insurance from Assured for the Series 2018 Bonds is the requirement that the DDA deposit approximately \$4.1 million of General Tax Increment Revenues released from the Series 2018 Indenture into the bond fund for the Senior Bonds, to pre-fund approximately \$4.1 million in debt service on the Senior Bonds becoming due and payable in 2020. Every year thereafter, through the final maturity of the Senior Bonds in 2028, using the prior year's General Tax Increment Revenues released back to DDA by the Series 2018 Bond trustee, the DDA will deposit approximately \$4.1 million funds with the Senior Bonds trustee to pre-fund the upcoming year's debt service on the Senior Bonds. This arrangement was established in very much the same form in 2014 with respect to the Series 1998A Bonds, which are now being refunded by the Series 2018B Bonds.
- Additional terms and conditions with Assured are still under negotiation and will be memorialized in an insurance agreement with the DDA and Assured.

**Relevant Documentation:**

A resolution is attached for the Board's consideration, together with the forms of the following documents referenced in this Memorandum and the resolution:

- Trust Indenture
- Bond Purchase Agreement
- Preliminary Official Statement
- Continuing Disclosure Agreement (attached to POS)



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**CODE DDA 18-11-02-613**

**APPROVAL OF MINUTES OF SEPTEMBER 26, 2018**

RESOLVED, that the minutes of the Regular meeting of September 26, 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 Downtown Development Authority.

November 14, 2018

City of Detroit



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**CODE DDA 18-11-03-489**

**RECEIPT OF TREASURER'S REPORT FOR SEPTEMBER 2018**

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending September 30, 2018, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

November 14, 2018

City of Detroit



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**CODE DDA 18-11-123-68**

**CITY OF DETROIT DOWNTOWN DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF  
TAX INCREMENT REVENUE REFUNDING BONDS, SERIES 2018A  
(CATALYST DEVELOPMENT PROJECT) AND SUBORDINATE GENERAL  
TAX INCREMENT REVENUE REFUNDING BONDS, SERIES 2018B  
(DEVELOPMENT AREA NO. 1 PROJECTS)**

At a regular meeting of the Board of the City of Detroit Downtown Development Authority (the "Authority"), County of Wayne, State of Michigan, held at the offices of the Detroit Economic Growth Corporation, 500 Griswold Street, Suite 2200, Detroit, Michigan, on Wednesday, November 14, 2018, at 3:00 p.m., Michigan time, there were

Present: Marvin Beatty, David Blaszkiewicz, Ehrlich Crain, James Jenkins, Tom Lewand (Chair's Representative), David Massaron, John Naglick, and Steve Ogden.

Absent: Austin Black, Sonya Delley, Melvin Hollowell, and Richard Hosey

The following preamble and resolution were offered by Mr. Ogden and seconded by Mr. Blaszkiewicz:

**Recitals**

WHEREAS, pursuant to Act No. 197, Michigan Public Acts of 1975, as amended ("Act 197"), and the Authority's Restated Tax Increment Financing Plan and Development Plan (as amended from time to time, the "Development Plan"), in 2014 the Authority undertook the financing and development of a "catalyst development project" (as defined in Act 197), consisting of the acquisition, construction, installation, furnishing and equipping of a new multipurpose events center comprised of approximately 650,000 square feet, approximately 18,000 seats, attached parking and ground floor retail to serve as the home arena of the Detroit Red Wings National Hockey League franchise and as a year-round venue for a wide range of sports and entertainment events (the "Events Center Project"), and the development or redevelopment of vacant and/or underutilized properties within the area adjacent to or near the Events Center Project (collectively, with the Events Center Project and the Additional Catalyst Development Project Improvements, as defined below, the "Catalyst Development Project"); and,

WHEREAS, on December 11, 2014, the Michigan Strategic Fund (the “MSF”) issued its Limited Obligation Revenue Bonds, Series 2014A (Events Center Project) (the “Series 2014A Bonds”) for the benefit of the Authority, in the aggregate principal amount of \$250,000,000, pursuant to a Trust Indenture, dated as of December 1, 2014 (the “Series 2014A MSF Indenture”) between the MSF and U.S. Bank National Association, as Trustee (the “Series 2014A MSF Bond Trustee”), the proceeds of which were loaned to the Authority pursuant to a Loan Agreement, dated as of December 1, 2014 (the “Series 2014A MSF Loan Agreement”) between the MSF and the Authority, to (a) finance a portion of the costs of the Events Center Project, (b) fund a debt service reserve fund for the Series 2014A Bonds, (c) pay capitalized interest on the Series 2014A Bonds, and (d) pay certain expenses incurred in connection with the issuance of the Series 2014A DDA Bond (as defined below) and the Series 2014A Bonds, all as permitted under Act 270, Public Acts of Michigan, 1984, as amended (the “MSF Act”); and,

WHEREAS, in order to secure its loan repayment obligations under the Series 2014A MSF Loan Agreement, the Authority issued to the MSF its Tax Increment Revenue Bond (Development Area No. 1 Projects), Series 2014A (the “Series 2014A DDA Bond”), pursuant to Act 197 and bond authorizing resolutions of the Authority, in the principal amount of \$250,000,000; and,

WHEREAS, the Authority entered into a Memorandum of Understanding, dated December 1, 2016 (“MOU”), with Palace Sports & Entertainment, LLC, a Delaware limited liability company, with respect to the terms upon which the Authority would, among other matters, assist in the financing and development of (a) additional improvements to the Events Center Project (now named Little Caesars Arena), to accommodate the basketball, operational and facility requirements of the Detroit Pistons Basketball Company, in connection with the relocation of its home venue for professional basketball games and related operations from the Palace of Auburn Hills to the Events Center Project commencing with the 2017-2018 National Basketball Association season, (b) other eligible costs of construction of the Catalyst Development Project, and (c) other public facilities, public infrastructure and public spaces in the DDA’s Development Area No. 1 relating to the foregoing, as further set forth in the Concession Agreement, as defined herein (collectively, the “Additional Catalyst Development Project Improvements”); and,

WHEREAS, on August 10, 2017, the Authority issued additional tax increment revenue bonds pursuant to Section 16(2) of Act 197, in the principal amount of \$36,000,000 (the “Series 2017 Bonds”), to enable the Authority to fund or reimburse \$34,500,000 of the Additional Catalyst Development Project Improvements, as contemplated by the MOU, and to finance the costs of issuance of the Series 2017 Bonds and the Authority’s expenses and costs, direct or indirect, related to the Events Center Project and the Additional Catalyst Development Project Improvements and allocable to capital account, pursuant to a Trust Indenture (the “Series 2017 Indenture”) between the Authority and U.S. Bank National Association, as Trustee (the “Series 2017 Trustee”); and,

WHEREAS, the development of the Additional Catalyst Development Project Improvements and issuance of the Series 2017 Bonds required certain amendments to the Development Plan, including, not by way of limitation, an extension of the term of the Development Plan and authorization of an increase in the tax increment bond indebtedness of the Authority corresponding to the maximum principal amount of bonds authorized hereunder, including any amounts needed to refund the Series 2014A Bonds and the Series 2017 Bonds (the “Plan Amendments”), which were approved by resolution of the Authority on April 19, 2017, by

the MSF, pursuant to the requirements of Section 19(3) of Act 197, on May 23, 2017, and by the City Council by ordinance on June 20, 2017, pursuant to the notice, public hearing and other requirements of Act 197, and which became effective as of July 6, 2017; and,

WHEREAS, the Series 2014A Bonds (and corresponding Series 2014A DDA Bond) and the Series 2017 Bonds (collectively, the “Prior Catalyst Development Bonds”) were secured by pledges of the Authority’s Catalyst Project Revenues and Net General Tax Increment Revenues, each as defined herein, the pledge securing the Series 2017 Bonds being subordinate to the pledge securing the Series 2014A Bonds and corresponding Series 2014A DDA Bond; and,

WHEREAS, the Prior Catalyst Development Bonds were issued as special, limited obligations of the Authority, payable solely from the pledged Catalyst Project Revenues and Net General Tax Increment Revenues, without recourse to any other revenues of the Authority or to any other properties or assets, now owned or hereafter acquired, tangible or intangible, of the Authority; and,

WHEREAS, the Prior Catalyst Development Bonds are subject to mandatory tender on January 1, 2019 (the “Prior Catalyst Development Bonds Mandatory Tender Date”), and are subject to optional redemption on any date at the direction of the Authority, without premium, upon not less than 30 days’ prior written notice to bondholders by the Series 2014A MSF Bond Trustee and not less than 15 days’ prior written notice to bondholders by the Series 2017 Trustee; and,

WHEREAS, it is deemed to be in the best interests of the Authority to reduce the debt service on and to consolidate the indebtedness represented by the Prior Catalyst Development Bonds prior to the Prior Catalyst Development Bonds Mandatory Tender Date, and therefore it is proposed that the Authority issue its tax increment revenue refunding bonds in an aggregate principal amount not exceeding \$310,000,000 (the “Series 2018A Bonds”) for the purposes of refunding all of the indebtedness represented by the Prior Catalyst Development Bonds, funding all or a part of a debt service reserve fund, and paying the costs of municipal bond insurance and costs of issuance of the Series 2018A Bonds; and,

WHEREAS, the issuance of the Series 2018A Bonds as obligations subordinate to the Senior DDA Obligations (as defined herein) is permitted under Section 8.06 of the Senior DDA Bond Resolution (as defined herein); and

WHEREAS, the Series 2018A Bonds shall be secured by the Authority’s pledge of (i) the Net General Tax Increment Revenues and (ii) the Catalyst Project Revenues (collectively, the “Pledged Tax Increment Revenues”); and,

WHEREAS, it is further deemed to be in the best interests of the Authority to reduce the debt service on the Authority’s outstanding Tax Increment Refunding Bonds (Development Area No. 1 Projects), Series 1998A (the “Senior Bonds to be Redeemed”), and to subordinate such indebtedness to the Series 2018A Bonds, and therefore it is proposed that, contemporaneously with issuance of the Series 2018A Bonds, the Authority issue its tax increment revenue refunding bonds in an aggregate principal amount not exceeding \$30,000,000 (the “Series 2018B Bonds”) for the purposes of refunding substantially all of the indebtedness represented by the Senior Bonds to be

Redeemed, funding a debt service reserve fund, and paying the costs of municipal bond insurance and costs of issuance of the Series 2018B Bonds, a portion of which refunding may be funded with the Authority's available funds up to \$5,000,000, or such greater amount as may be required in order to obtain municipal bond insurance; and,

WHEREAS, the Series 2018B Bonds shall be secured by the Authority's pledge of the Net General Tax Increment Revenues, on a subordinate basis to the Senior DDA Obligations and the Series 2018A Bonds; and,

WHEREAS, it is proposed that the Series 2018A Bonds and the Series 2018B Bonds (collectively, the "Series 2018 Bonds") be issued as multi-modal bonds bearing interest at fixed rates for their respective fixed rate periods (which fixed rate periods will be fixed from the date of delivery of the Series 2018 Bonds to their respective final maturity dates); and

WHEREAS, the Series 2018A Bonds will be subject to optional redemption, as well as purchase in lieu of redemption, on and after their first call date, and the Series 2018B Bonds may be subject to redemption prior to their final maturity date; and,

WHEREAS, the Series 2018A Bonds may be converted, in whole or in part, to other Rate Periods (including another Fixed Rate Period) on or after their first call date; and

WHEREAS, it is proposed that the Series 2018 Bonds be issued as serial or term bonds, at interest rates to be fixed at the time of pricing, not exceeding a true interest cost of 7.0% per annum for the Series 2018A Bonds and not exceeding a true interest cost of 5.0% per annum for the 2018B Bonds; and

WHEREAS, the substantially final form of the Series 2018 Indenture (as defined herein), pursuant to which the Authority will issue the Series 2018 Bonds, and of the forms of the Series 2018A Bonds and Series 2018B Bonds as contained in the Series 2018 Indenture, subject to modification pursuant to the terms and parameters of this Resolution, have been presented to the Board for approval; and,

WHEREAS, it is necessary and appropriate to authorize the use and distribution of a Preliminary Official Statement and a final Official Statement by Jefferies LLC and Siebert Cisneros Shank & Co., as underwriters (the "Underwriters"), in connection with the offer and sale of the Series 2018 Bonds, and to approve the form of and to authorize the execution of a bond purchase contract to be entered into with the Underwriters in connection with its underwriting of the Series 2018 Bonds (the "Bond Purchase Contract"); and,

WHEREAS, it is necessary and appropriate for the Board to approve the financing arrangements for the issuance and sale of the Series 2018 Bonds to refund all outstanding Prior Catalyst Development Bonds and Senior Bonds to be Redeemed (collectively, the "Prior Bonds"), as set forth in the Series 2018 Indenture and in these Recitals, the sale of the Series 2018 Bonds to the Underwriters, execution of one or more orders awarding the Series 2018 Bonds and the Bond Purchase Contract, the procedures necessary to effect the redemption of the Prior Bonds on a timely basis, the transfers and application of funds currently on deposit under the Series 2014A MSF Indenture, the Series 2017 Indenture and the Senior DDA Bond Resolution (each as defined herein), the filing of any necessary applications for approvals or exemptions with the Michigan

Department of Treasury, and the execution of all material instruments and agreements by the appropriate officers of the Authority.

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

ARTICLE I  
DEFINITIONS

Section 1.1 Definitions.

Terms not defined in the foregoing Recitals or otherwise herein shall have the meanings specified in the Series 2018 Indenture. In addition to the terms defined above, the following are defined terms under this Resolution and shall for all purposes hereof have the meaning herein specified unless the context clearly otherwise requires:

- (a) “Act 197” means Act No. 197, Michigan Public Acts of 1975, as amended.
- (b) “Act 34” means Act No. 34, Michigan Public Acts of 2001, as amended.
- (c) “Authorized Agents” means those individual staff members of the Detroit Economic Growth Corporation designated in writing from time to time by the President of the Detroit Economic Growth Corporation pursuant to the Professional Services Contract, dated July 1, 2018, between the Authority and the Detroit Economic Growth Corporation, as such contract may be amended, extended or renewed, to execute documents on behalf of the Authority as its “duly authorized agents” (each individually, an “Authorized Agent”).
- (d) “Authorized Officers” means the Chairman, Vice Chairman, Secretary, Treasurer and each of the Authorized Agents of the Authority (each individually, an “Authorized Officer”).
- (e) “Board” means the Board of Directors of the Authority.
- (f) “Bond Year” means the time period commencing July 1 of any calendar year to June 30 of the immediately following calendar year.
- (g) “Catalyst Project Revenues” means the Tax Increment Revenues specifically described in Section 1(cc)(vi) of Act 197, except Future Brownfield Tax Increment Captures.
- (h) “Concession Agreement” means the Amended and Restated Concession and Management Agreement, dated December 11, 2014, among the Authority, Olympia Entertainment Events Center, LLC, a Delaware limited liability company (“OEEC”), as successor in interest to Olympia Development of Michigan Events Center, LLC, a Delaware limited liability company, as concessionaire, and, solely for certain purposes, Detroit Red Wings, Inc., a Michigan corporation, as amended by a First Amendment dated July 11, 2016, a Second Amendment dated August 9, 2017, a Third Amendment dated November 9, 2017 and a Fourth Amendment dated December 20, 2017, and as it may be further amended, supplemented or restated from time to time.

(i) “Concessionaire” means OEEC, as the successor concessionaire under the Concession Agreement.

(j) “Development Plan” means the Authority’s Restated Tax Increment Financing Plan and Development Plan, as amended from time to time.

(k) “Future Brownfield Tax Increment Captures” means the captures of tax increment revenues pursuant to Act 197 that would otherwise be Catalyst Project Revenues and which are generated by future brownfield redevelopment projects in Development Area No. 1, subject to various statutory criteria and governmental approvals and created pursuant to Act 381 of 1996, as amended.

(l) “General Tax Increment Revenues” shall have the meaning assigned to such term in the Senior DDA Bond Resolution, provided that upon the release and discharge of the lien of the Senior DDA Bond Resolution such term shall mean all Tax Increment Revenues other than the Catalyst Project Revenues.

(m) “Net General Tax Increment Revenues” means, so long as any Senior DDA Obligations are outstanding, the General Tax Increment Revenues required to be transferred to the Authority by the Senior DDA Trustee pursuant to Section 6.06(k) of the Senior DDA Bond Resolution. At such time as no Senior DDA Obligations remain outstanding and the lien of the Senior DDA Bond Resolution has been released and discharged, “Net General Tax Increment Revenues” means all General Tax Increment Revenues, other than as set forth in the following sentence. General Tax Increment Revenues, if any, (i) to the extent levied and collected on the real property comprising any part of the Events Center Project (as defined in the Recitals hereto) or (ii) shared by the Authority with taxing jurisdictions pursuant to sharing agreements or other similar instruments are excluded from the definition of “Net General Tax Increment Revenues” and are not pledged as security for the payment of the Series 2018 Bonds.

(n) “Pledged Tax Increment Revenues” means the Net General Tax Increment Revenues and the Catalyst Project Revenues.

(o) “Prior Bonds” means, collectively, the Prior Catalyst Development Bonds and the Senior Bonds to be Redeemed.

(p) “Prior Catalyst Development Bonds” means, collectively, the Series 2014A Bonds (and corresponding Series 2014A DDA Bond) and the Series 2017 Bonds.

(q) “Project” means the Catalyst Development Project.

(r) “Reimbursable General Tax Increment Revenue Payments” shall have the meaning of such term as used in Section 2.3 hereof.

(s) “Scheduled Net General Tax Increment Revenue Payments” means the annual amounts of the Net General Tax Increment Revenues for each fiscal year as set forth in the schedule attached as Exhibit A hereto, from which the amounts of the Reimbursable General Tax Increment Revenue Payments are to be computed, as such schedule may be amended from time to time pursuant to the Concession Agreement and the Series 2018 Indenture.



(t) “Senior Bonds to be Redeemed” means the Authority’s Tax Increment Refunding Bonds (Development Area No. 1 Projects), Series 1998A.

(u) “Senior DDA Bond Resolution” means that certain Amended and Restated Bond Resolution adopted by the Authority on April 2, 1996, as amended by the First Supplemental Resolution thereto adopted on August 18, 1998, and by the Second Supplemental Resolution thereto adopted on November 24, 2014.

(v) “Senior DDA Obligations” means all bonds issued under the Senior DDA Bond Resolution and outstanding after the issuance of the Series 2018 Bonds.

(w) “Senior DDA Trustee” means the Trustee, as defined in the Senior DDA Bond Resolution.

(x) “Series 2014A DDA Bond” means the Authority’s Tax Increment Revenue Bond (Development Area No. 1 Projects), Series 2014A.

(y) “Series 2014A Bonds” means the Michigan Strategic Fund’s Limited Obligation Revenue Bonds, Series 2014A (Events Center Project).

(z) “Series 2014A MSF Indenture” means the Trust Indenture between the Michigan Strategic Fund and U.S. Bank National Association, as Trustee, relating to the Series 2014A Bonds.

(aa) “Series 2014A MSF Bond Trustee” means U.S. Bank National Association, or any successor trustee under the Series 2014A MSF Indenture

(bb) “Series 2017 Bonds” means the Authority’s Subordinate Tax Increment Revenue Bonds (Development Area No. 1 Projects), Series 2017.

(cc) “Series 2017 Indenture” means the Trust Indenture between the Authority and U.S. Bank National Association, as Trustee, relating to the Series 2017 Bonds.

(dd) “Series 2017 Trustee” means U.S. Bank National Association, or any successor trustee under the Series 2017 Indenture.

(ee) “Series 2018A Bonds” means the Authority’s Tax Increment Revenue Refunding Bonds, Series 2018A (Catalyst Development Project) authorized by Sections 2.1 and 2.2 of this Resolution.

(ff) “Series 2018B Bonds” means the Authority’s Subordinate General Tax Increment Revenue Refunding Bonds, Series 2018B (Development Area No. 1 Projects), authorized by Sections 2.1 and 2.2 of this Resolution.

(gg) “Series 2018 Bonds” means, collectively, the Series 2018A Bonds and the Series 2018B Bonds.

(hh) “Series 2018 Indenture” means the Trust Indenture between the Authority and U.S. Bank National Association, as Trustee, relating to the Series 2018 Bonds.

(ii) “Series 2018 Trustee” means U.S. Bank National Association, or any successor trustee under the Series 2018 Indenture.

(jj) “Tax Increment Revenues” shall have the meaning assigned to such term in Section 1 of Act 197.

(kk) “Underwriters” means Jefferies LLC and Siebert Cisneros Shank & Co.

ARTICLE II  
AUTHORIZATION OF SERIES 2018 BONDS;  
BOND TERMS AND PROVISIONS; SALE

Section 2.1 Approval of the Issuance of the Series 2018 Bonds; Series 2018 Indenture; Forms of Series 2018 Bonds. The Authority hereby authorizes the issuance of its tax increment revenue refunding bonds pursuant to Act 197 (including, without limitation, Section 16(2) thereof), Act 34 and the Series 2018 Indenture, in an aggregate principal amount not to exceed \$310,000,000 with respect to the Series 2018A Bonds and in an aggregate principal amount not to exceed \$30,000,000 with respect to the Series 2018B Bonds, each in one or more series, subseries and interest rate periods, as necessary, for the purposes of refunding the entire outstanding principal amount of the Prior Bonds prior to January 1, 2019, funding debt service reserve funds, and paying the costs of municipal bond insurance, bond issuance costs and other related transaction costs. The Authority hereby approves the Series 2018 Indenture and forms of the Series 2018A Bonds and Series 2018B Bonds contained in the Series 2018 Indenture, in substantially the forms thereof presented to the Board, with such changes thereto as the Authorized Officers executing each such agreement determine to be necessary and appropriate, not inconsistent with the terms of this Resolution, and not materially adverse to the interests of the Authority, and which changes shall have been reviewed and accepted by the Authority’s General Counsel and bond counsel.

Section 2.2 Designation and Terms of Series 2018 Bonds. The tax increment revenue refunding bonds authorized hereunder shall be designated “City of Detroit Downtown Development Authority Tax Increment Revenue Refunding Bonds, Series 2018A (Catalyst Development Project)” and “City of Detroit Downtown Development Authority Subordinate General Tax Increment Revenue Refunding Bonds, Series 2018B (Development Area No. 1 Projects).” The Series 2018 Bonds shall be issued as multi-modal bonds bearing interest at Fixed Rates for their respective Fixed Rate Periods (which Fixed Rate Periods will be from the date of delivery of the Series 2018 Bonds to their respective maturity dates), and may be issued as serial or term bonds. The Series 2018A Bonds shall mature July 1, 2048 (subject to extension pursuant to the terms of the Series 2018 Indenture and as may be permitted by applicable law), and shall bear interest from their date of issuance until such final maturity date at interest rates to be fixed at the time of pricing, not exceeding a true interest cost of 7.0% per annum. The Series 2018A Bonds shall be subject to optional redemption and conversion to a new Rate Period, as defined in the Series 2018 Indenture, on a date no earlier than July 1, 2024, upon the terms and following notice as set forth in the Series 2018 Indenture and as to be specified in the Sale Order provided for under Section 4.1 hereof. The Series 2018B Bonds shall mature not later than July 1, 2028,

and shall bear interest from their date of issuance until such final maturity date at interest rates to be fixed at the time of pricing, not exceeding a true interest cost of 5.0% per annum. The Series 2018B Bonds may be subject to optional redemption prior to maturity, upon the terms and following notice as set forth in the Series 2018 Indenture and as to be specified in the Sale Order provided for under Section 4.1 hereof.

The Authority shall promptly pay or cause to be paid to the registered owner or owners of the Series 2018 Bonds, from the Catalyst Project Revenues and Net General Tax Increment Revenues, as applicable, pursuant to the terms of this Resolution and the Series 2018 Indenture, the amounts due and payable under the Series 2018 Bonds, in lawful money of the United States of America. The Series 2018 Bonds shall be subject to payment at the times and in the amounts set forth in the Series 2018 Indenture.

The Series 2018 Bonds shall be dated the date of their original issuance and delivery, and shall have such other terms and conform in all respects to the requirements set forth in the Series 2018 Indenture, Act 197 and Act 34. The Series 2018 Bonds shall be initially issued, respectively, in the form of a single fully-registered bond for each maturity in a denomination equal to the aggregate principal amount of such maturity, numbered from R-1 upward. The Series 2018 Bonds may be issued in book-entry-only form through the Depository Trust Company in New York, New York ("DTC") and any two Authorized Officers are authorized to make such changes in the bond forms within the parameters of this Resolution as may be required to accomplish the foregoing.

Section 2.3 Security for Payment of the Series 2018 Bonds; Pledges of General Tax Increment Revenues and Catalyst Project Revenues. The Series 2018A Bonds shall be issued in anticipation of and shall be payable solely from the Pledged Tax Increment Revenues, as provided below. The Series 2018B Bonds shall be issued in anticipation of and shall be payable solely from the Net General Tax Increment Revenues, as provided below.

For the benefit of the holders of the Series 2018A Bonds pursuant to the Series 2018 Indenture, and in consideration of the purchase of the Series 2018A Bonds for the purposes authorized herein, the Authority hereby irrevocably pledges all of its right, title and interest in and to receipts of the Pledged Tax Increment Revenues as security for the payment of the Authority's obligations under the Series 2018 Indenture and the Series 2018A Bonds. Pursuant to the Series 2018 Indenture, the Series 2018 Trustee shall maintain records of its receipts of the Net General Tax Increment Revenues and the Catalyst Project Revenues, respectively, for payment of the Series 2018A Bonds.

For the benefit of the holders of the Series 2018B Bonds pursuant to the Series 2018 Indenture, and in consideration of the purchase of the Series 2018B Bonds for the purposes authorized herein, the Authority hereby irrevocably pledges all of its right, title and interest in and to receipts of the Net General Tax Increment Revenues as security for the payment of the Authority's obligations under the Series 2018 Indenture and the Series 2018B Bonds, on a subordinate basis to the pledge of the Net General Tax Increment Bonds securing the Series 2018A Bonds, as set forth in the Series 2018 Indenture. Pursuant to the Series 2018 Indenture, the Series 2018 Trustee shall maintain records of its receipts of the Net General Tax Increment Revenues for payment of the Series 2018B Bonds.

The pledges of the Catalyst Project Revenues and Net General Tax Increment Revenues subject to the pledges of the foregoing paragraphs shall include any and all reimbursements or payments of any description provided to the Authority by the State or any fund or account of the State by reason of any exemption from taxation of personal property, any reduction in operating millage leviable by any local unit of government or taxing authority, or by reason of any reduction in the valuation of property or the percentage of the reduction in the valuation of property or the percentage of the true cash value of property subject to ad valorem taxation, or any credit against taxation or resulting directly or indirectly from any change in the Constitution or laws of the State as in effect on the date of this Resolution.

It is the intention of the Authority that by operation of the provisions of Act 197, and to the fullest extent permitted by law, the pledges of the Catalyst Project Revenues and Net General Tax Increment Revenues in the foregoing paragraphs shall create valid and binding statutory liens on the Catalyst Project Revenues and Net General Tax Increment Revenues, respectively, and that the Catalyst Project Revenues and Net General Tax Increment Revenues so pledged shall constitute “special revenues” within the meaning of Chapter 9 of Title 11 of the United States Code, as amended from time to time, or any successor statute thereto.

The Authority shall irrevocably direct or cause the Treasurer of the City, the Treasurer of the Charter County of Wayne, and other appropriate officers of the governmental units responsible for the collection of Catalyst Project Revenues (the “Tax Collection Officers”) to remit all such revenues directly to the Series 2018 Trustee immediately after collection, commencing with the fiscal year beginning July 1, 2018, and for so long as any of the indebtedness represented by the Series 2018A Bonds is outstanding, for deposit into the “Catalyst Project Revenues Account” established under the Series 2018 Indenture.

The Authority shall further irrevocably direct or cause the Senior DDA Trustee to transfer the Net General Tax Increment Revenues to the Series 2018 Trustee for so long as any of the indebtedness represented by the Series 2018 Bonds is outstanding, for deposit into the “Net General Tax Increment Revenues Account” established under the Series 2018 Indenture, and shall obtain the Senior DDA Trustee’s written acceptance of such direction. In the event of the release and discharge of the lien of the Senior DDA Bond Resolution during such time period, the Authority shall irrevocably direct or cause the Tax Collection Officers to remit the Net General Tax Increment Revenues directly to the Series 2018 Trustee immediately after collection for deposit in the same manner.

It is the intention of the Authority that, to the fullest extent permitted by law, the foregoing pledges shall be valid and binding from the time when they are made, that the General Tax Increment Revenues and the Catalyst Project Revenues so pledged and then or thereafter to be released and transferred to the Authority shall immediately be subject to the lien of such pledge without any physical delivery or further act, and that the liens of such pledges and the obligations to perform the contractual provisions in the Series 2018 Indenture and herein made by the Authority shall constitute first and senior liens pursuant to Act 197 (including, without limitation, Section 16(2) thereof), having priority over any or all other obligations and liabilities of the Authority, and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof. For so long as the Senior DDA Obligations remain outstanding, they are secured by a first

and senior lien on the General Tax Increment Revenues pursuant to the Senior DDA Bond Resolution.

To the extent that payments on the Series 2018A Bonds in any Bond Year are derived from Net General Tax Increment Revenues in an amount exceeding the annual amount of Net General Tax Increment Revenues for such Bond Year as set forth in the Scheduled Net General Tax Increment Revenue Payments attached as Exhibit A, and as such schedule may be amended pursuant to the Concession Agreement and as set forth in the Series 2018 Indenture, the Authority shall receive reimbursement from the Series 2018 Trustee, for the portion of such payments in excess of the applicable Scheduled Net General Tax Increment Revenue Payments, from Catalyst Project Revenues, at the times and in the manner set forth in the Series 2018 Indenture (the “Reimbursable General Tax Increment Revenue Payments”), until the Authority has been fully reimbursed. Pursuant to the Series 2018 Indenture, the Authority may direct the Series 2018 Trustee to apply Reimbursable General Tax Increment Revenue Payments to reduce future Scheduled Net General Tax Increment Revenue Payments.

The Authority hereby covenants that, so long as any of the indebtedness represented by the Series 2018A Bonds is outstanding it will not issue any additional indebtedness under the Senior DDA Bond Resolution, nor enter into any Swaps (as defined in the Senior DDA Bond Resolution) pursuant to the Senior DDA Bond Resolution, except to the extent expressly permitted under the terms of the Senior DDA Bond Resolution and the Series 2018 Indenture.

The Authority agrees not to amend any existing agreement, enter into any agreement, approve the issuance of any bond, note or other evidence of indebtedness or approve any amendments to the Development Plan or take any other action which (i) grants a priority or lien on the General Tax Increment Revenues or the Catalyst Project Revenues which is not subordinate to the priority and liens created hereunder, or (ii) which creates any additional liens on the General Tax Increment Revenues or the Catalyst Project Revenues which will, or can reasonably be expected to, otherwise jeopardize the Authority’s ability to promptly pay all amounts due and payable under the Series 2018 Bonds as provided in this Resolution and the Series 2018 Indenture.

Section 2.4 Special, Limited Obligations. Notwithstanding anything contained herein, in the Series 2018 Indenture or the Series 2018 Bonds to the contrary, the obligations of the Authority with respect to the Series 2018 Indenture and the Series 2018 Bonds shall be special, limited obligations of the Authority payable solely from the Catalyst Project Revenues and the Net General Tax Increment Revenues, as applicable, without recourse to any other revenues of the Authority, or to any other properties or assets, now owned or hereafter acquired, tangible or intangible, of the Authority.

The Authority makes no representations under the Series 2018 Indenture, the Bond Purchase Contract or this Resolution as to the sufficiency of future collections of the Catalyst Project Revenues and the Net General Tax Increment Revenues, as applicable, to provide for the payment of all principal and redemption price of, premium, if any, and interest on the Series 2018 Bonds when due during any period of time that the Series 2018 Bonds are outstanding, and for the other uses and purposes set forth in the Series 2018 Indenture. The Authority disclaims responsibility for the accuracy of projections and forecasts of future collections of tax increment revenues prepared by financial consultants or advisors to any party, including, without limitation,

financial consultants to the Authority, the availability and sufficiency of such collections of tax increment revenues being beyond the control of the Authority in the performance of its statutory duties under Act 197.

Section 2.5 Debt Service Reserve Fund; Revenue Stabilization Fund. The Series 2018 Bonds shall be secured by debt service reserve funds in amounts not exceeding the maximum amount allowed under regulations of the Internal Revenue Code of 1986, as amended (the “Code”), relating to a “reasonably required reserve or replacement fund,” to be funded through the transfer of funds currently on deposit in the debt service reserve fund established under the Series 2014A MSF Indenture, the Excess Catalyst Project Revenues Subaccount of the Capitalized Interest Account of the Project Fund established under, and as each such term is defined in, the Series 2014A MSF Indenture, and other funds and accounts established under the Series 2014A MSF Indenture and the Series 2017 Indenture as may be necessary, and further funded with proceeds of the Series 2018 Bonds to the extent necessary, all as set forth in the Series 2018 Indenture and as shall be determined by the Authorized Officers (the “Debt Service Reserve Funds”). The Authorized Officers, or any one of them, are authorized to select a qualified bidding agent to solicit proposals from securities brokerage firms for the investment of the Debt Service Reserve Fund in a portfolio of Qualified Investments, as defined in the Series 2018 Indenture. Any two Authorized Officers are authorized to negotiate and execute an agreement with respect to the retention of a bidding agent for such purposes.

A fund may be established pursuant to the Series 2018 Indenture as additional security for the Series 2018A Bonds, and may be initially funded in such amount as may be determined by the Authorized Officers through the transfer of funds from the Excess Catalyst Project Revenues Subaccount of the Capitalized Interest Account of the Project Fund established under, and as each such term is defined in, the Series 2014A MSF Indenture, and which may be further funded from time to time with deposits of Excess Catalyst Project Revenues, as defined in the Series 2018 Indenture (the “Revenue Stabilization Fund”). If so established, the Series 2018 Trustee shall use amounts in the Revenue Stabilization Fund to make transfers to the Bond Sinking Fund (as defined in the Series 2018 Indenture) to the extent necessary to pay the principal of (whether at maturity or pursuant to mandatory sinking fund redemption), and to the Interest Fund (as defined in the Series 2018 Indenture) to the extent necessary to pay interest on, the Series 2018A Bonds (prior to the application of any amounts in the Debt Service Reserve Fund for such purposes) as the same shall become due whenever and to the extent that the moneys on deposit in the Bond Sinking Fund and Interest Fund, respectively, are insufficient for such purposes. The Authorized Officers shall determine the terms upon which the Series 2018 Indenture and such requirements as they may negotiate with Assured Guaranty Municipal Corp., as bond insurer, shall provide for funds in the Revenue Stabilization Fund to accumulate as security for payment of the Series 2018A Bonds, to be applied to redeem Series 2018A Bonds, and to be released to the Authority from time to time free of the lien of the Series 2018 Indenture.

Section 2.6 Appointment of Series 2018 Trustee. U.S. Bank National Association is hereby designated as trustee, paying agent and bond registrar for the Series 2018 Bonds under the Series 2018 Indenture. The Series 2018 Trustee’s acceptance of its duties as trustee, paying agent and bond registrar shall be evidenced by its execution of the Series 2018 Indenture.

Section 2.7 Negotiated Sale of the Series 2018 Bonds. Pursuant to Section 309(1) of Act 34, the Authority hereby determines that due to the size, complexity of the financing structure and of the sources of payment and security for the Series 2018 Bonds, and the bond refunding purposes of the financing, a negotiated sale of the Series 2018 Bonds will provide the Authority with the greatest flexibility in structuring the financing, in optimally timing the sale of the Series 2018 Bonds, and in selling the Series 2018 Bonds at the most favorable interest rates and upon the most advantageous terms available. The Series 2018 Bonds shall therefore be sold as a negotiated sale to the Underwriters in connection with a public offering of the Series 2018 Bonds, subject to all applicable requirements of Act 197 and Act 34. The sale of the Series 2018A Bonds to the Underwriters at an aggregate purchase price of not less than 95% of the principal amount of the Series 2018A Bonds is hereby approved. The sale of the Series 2018B Bonds to the Underwriters at an aggregate purchase price of not less than 95% of the principal amount of the Series 2018B Bonds is hereby approved.

The Authority hereby approves the Bond Purchase Contract in substantially the form thereof presented to the Board. The Chairman, Vice Chairman, Secretary or Treasurer and any Authorized Agent, or any two Authorized Officers of the Authority, are hereby authorized and directed to execute and deliver the Bond Purchase Contract for such purposes, for and on behalf of the Authority, in substantially the form approved hereunder, with such changes as the Authorized Officers executing such agreement determine to be necessary and appropriate, not inconsistent with the terms of this Resolution, and not materially adverse to the interests of the Authority, and which changes shall have been reviewed and accepted by the Authority's General Counsel and bond counsel.

Section 2.8 Execution of the Series 2018 Bonds and Series 2018 Indenture. The Series 2018 Bonds shall be executed by (i) the manual or facsimile signatures of the Chairman, Vice Chairman, Secretary or Treasurer and any Authorized Agent of the Authority, or of any two Authorized Officers of the Authority, and by (ii) impressing, imprinting or otherwise reproducing thereon the official seal of the Authority (or a facsimile thereof). In case any officer whose signature shall appear on the Series 2018 Bonds shall cease to be such officer before the delivery of the Series 2018 Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such individual had remained in office until such delivery.

The Chairman, Vice Chairman, Secretary or Treasurer and any Authorized Agent, or any two Authorized Officers of the Authority, are hereby authorized and directed to execute and deliver the Series 2018 Indenture for and on behalf of the Authority, in substantially the form submitted to the Authority, with such changes as the Authorized Officers executing such agreement determine to be necessary and appropriate, not inconsistent with the terms of this Resolution, and not materially adverse to the interests of the Authority, and which changes shall have been reviewed and accepted by the Authority's General Counsel and bond counsel.

Section 2.9 Condition Precedent to Issuance of the Series 2018 Bonds. The issuance of the Series 2018 Bonds pursuant to the terms set forth in this Resolution and the Sale Order shall be approved by the Concessionaire, to the extent of its rights to approve "Modifications" as defined in Section 7.5 of the Concession Agreement. The Chairman, Vice Chairman, Secretary or Treasurer, together with an Authorized Agent, or any two Authorized Officers, are hereby authorized to execute and deliver an amendment to the Indemnity Agreement (as defined in the Series 2018 Indenture) of

the Concessionaire and an amendment to the Concession Agreement, as they deem necessary in connection with the issuance of the Series 2018 Bonds.

Section 2.10 Filings with Local Fiscal Accountability Division. The Authorized Officers are, and each is, hereby authorized and directed to make or cause to be made all necessary filings with the Local Fiscal Accountability Division of the Michigan Department of Treasury with respect to the issuance and sale of the Series 2018 Bonds, including post-issuance Security Reports, and to pay all fees required in connection therewith.

ARTICLE III  
ADMINISTRATION AND  
DISBURSEMENT OF PROCEEDS OF SERIES 2018 BONDS

Section 3.1 Application of Proceeds of the Series 2018 Bonds; Surplus Proceeds; Transfers of Proceeds of Prior Bonds. The proceeds of the Series 2018 Bonds shall be deposited as provided in the Series 2018 Indenture into the various funds and accounts created under the Series 2018 Indenture, and shall be invested, disbursed, applied and administered as set forth in the Series 2018 Indenture. Any surplus proceeds of the Series 2018 Bonds shall be applied as set forth in the Series 2018 Indenture. The proceeds of the Prior Bonds and collections of tax increment revenues held in certain funds and accounts relating to the Prior Bonds under the Series 2014A MSF Indenture, the Series 2017 Indenture and the Senior DDA Bond Resolution shall be transferred and deposited as set forth in the Series 2018 Indenture.

Section 3.2 Agreements and Certificates Regarding Tax Compliance. The Authorized Officers are hereby severally authorized and directed to execute and deliver on behalf of the Authority such agreements and certificates as may be required in order to evidence and maintain the tax-exempt status of interest payable on the Series 2018 Bonds, including, without limitation, agreements and certificates with respect to “arbitrage bonds” and “private activity bonds” within the meanings of the Code and regulations promulgated thereunder, subject to prior review and advice of bond counsel to the Authority. The Authorized Officers are further authorized and directed to keep and retain such records as may be required for purposes of maintaining the tax-exempt status of interest payable on the Series 2018 Bonds.

ARTICLE IV  
ADDITIONAL PROVISIONS

Section 4.1 Order Approving Sale of the Series 2018 Bonds. The Chairman, Vice Chairman, Secretary or Treasurer, together with an Authorized Agent, or any two Authorized Officers, are hereby authorized to execute an order approving the issuance and terms of the negotiated sale of the Series 2018 Bonds on behalf of the Authority, and the applicable fixed interest rate or rates payable on the Series 2018 Bonds within the limits authorized under Section 2.2 hereof, and other material terms thereof, including without limitation the issue size, schedule of principal payments and mandatory redemptions, terms with respect to the optional redemption and/or tender of the Series 2018 Bonds, bond premium or discount, and fees of the Underwriters, all within the parameters established under this Resolution and subject to applicable law (the “Sale Order”).



Section 4.2 Preliminary and Final Official Statement; Continuing Disclosure. The use and distribution of a Preliminary Official Statement and a final Official Statement, containing the definitive terms of the Series 2018 Bonds and of the offering thereof, in connection with the offer and sale of the Series 2018 Bonds by the Underwriters, in the form presented to the Authority is hereby approved. Any Authorized Officer is authorized to approve changes in the Preliminary Official Statement or the final Official Statement as may be necessary or desirable, permitted by Act 197, Act 34 or otherwise by the law, and not materially adverse to the Authority. Any two Authorized Officers are authorized to execute the final Official Statement and to approve the information contained in the final Official Statement relating to the Authority, the Series 2018 Bonds and the security pledged for the payment thereof, and to deem such information “final” for purposes of Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the “Rule”). The Authority shall provide continuing financial disclosure to the extent required by the Bond Purchase Contract to be entered into and in conformity with the Rule during the term of the Series 2018 Bonds, irrespective of whether an exemption to compliance with the Rule may otherwise apply. Any two Authorized Officers are authorized to execute a continuing disclosure agreement on behalf of the Authority in form and scope consistent with prior continuing disclosure undertakings entered into by the Authority, and to execute and deliver such other documents as may be required to satisfy the Authority’s obligations under such continuing disclosure agreement, including any appropriate supplements thereto.

Section 4.3 Municipal Bond Insurance. The Authorized Officers, or any one of them, are further authorized to apply for, negotiate the terms and cost of, and purchase policies of municipal bond insurance to be issued by Assured Guaranty Municipal Corp. (“Assured”) to insure the payment of principal of and interest on the Series 2018 Bonds, and to incorporate the terms of such insurance in the Sale Order. The Chairman, Vice Chairman, Secretary or Treasurer, together with an Authorized Agent, or any two Authorized Officers, are hereby authorized to execute and deliver commitment letters, financial guaranty agreements and premium payment agreements in connection with the issuance of such municipal bond insurance policies by Assured. In the event such policies are issued, the form of the Series 2018 Indenture shall be revised to comply with the provisions of said policies and related agreements respecting covenants of the Authority and notice, payment and such other insurance provisions as are applicable to the Series 2018 Bonds and as may be lawfully complied with by the Authority, and the forms of the Series 2018 Bonds contained in the Series 2018 Indenture may be modified to similarly comply with such provisions and to provide a statement regarding the issuance of such policies by Assured and to otherwise conform to the policies of municipal bond insurance.

Assured’s requirement that the Authority contractually agree to deposit an amount up to approximately \$4,122,474, using General Tax Increment Revenues to be released to the Authority by the Series 2018 Trustee, to pre-fund certain debt service on the Senior DDA Obligations becoming due and payable in 2020, and to repeat such deposits on an annual basis thereafter until the final maturity of the Senior DDA Obligations in 2028, is hereby approved.

In connection with the refunding of the Senior Bonds to be Redeemed through the issuance of the Series 2018B Bonds as authorized hereunder, a portion of such refunding may be funded with the Authority’s available funds up to \$5,000,000, or such greater amount as may be required by Assured.

Section 4.4 Authorization of Officer Actions. The actions of the Authorized Officers heretofore taken in furtherance of the purposes authorized under the provisions of this Resolution are hereby ratified and confirmed. The Authorized Officers are each hereby individually authorized and directed to do and perform any and all acts and things with respect to the issuance and sale of the Series 2018 Bonds which are necessary or appropriate to carry into effect, consistent with this Resolution, the authorizations therein and herein contained, including, but not limited to: the selection of such advisors as the Authorized Officers shall determine to be necessary, the submission of applications for a rating or ratings on the Series 2018 Bonds, the execution and delivery of all documents, instruments, and certificates, including, without limitation, those required under the Series 2018 Indenture, the continuing disclosure undertaking and the Bond Purchase Contract, and the filing of all necessary notices and reports with governmental units and administrative agencies and payment of related fees, including, without limitation, the filing of Security Reports with the Local Fiscal Accountability Division of the Michigan Department of Treasury.

The Authorized Officers are each further authorized and directed to pay applicable fees, costs and expenses relating to the issuance, sale and delivery of the Series 2018 Bonds (subject to any agreements for payment by others), including, but not limited to, as applicable, rating fees, bond insurance premiums, the fees of bond counsel, external general counsel, the Underwriters' and related counsel fees, municipal finance advisor, trustee, escrow agent, verification agent, bidding agent, municipal financial feasibility consultant and auditors, costs of printing the Preliminary Official Statement and final Official Statement, fees of the Michigan Department of Treasury and the Municipal Advisory Council of Michigan, and any other costs necessary to accomplish the issuance, sale and delivery of the Series 2018 Bonds as authorized under this Resolution.

Section 4.5 Redemption of the Prior Bonds. Each of the Authorized Officers is authorized to execute and deliver such written redemption directions to the Series 2014A MSF Bond Trustee, the Series 2017 Trustee and the Senior DDA Trustee; to execute and deliver one or more escrow deposit agreements, as necessary, and to execute and deliver such other notices and directions, instruments, documents and certificates and to take such other actions as may be necessary and appropriate in connection with the redemption of the Prior Bonds, the termination and discharge of prior indentures and resolutions and the liens created thereunder, and the release and discharge of the Authority with respect to all such obligations.

Section 4.6 Bond Counsel. The law firm of Dykema Gossett PLLC is hereby retained to act as nationally recognized bond counsel for the Authority in connection with the issuance and sale of the Series 2018 Bonds.

Section 4.7 Conflicting Resolutions. All resolutions and parts of resolutions in conflict with the foregoing are hereby rescinded.

A roll call vote on the foregoing resolution was taken, the result of which is as follows:

YES: \_\_\_\_\_

NO: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

THE RESOLUTION WAS THEREUPON DECLARED ADOPTED.

## CERTIFICATION

I, the undersigned, the duly qualified and acting Secretary of the City of Detroit Downtown Development Authority, Wayne County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Authority at a regular meeting held on November 14, 2018, the original of which is on file in my office, and that such meeting was conducted and public notice thereof was given pursuant to and in compliance with Act No. 267, Michigan Public Acts of 1976, as amended, and that minutes of such meeting were kept and are available as required by such Act.

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Sonya Delley, Secretary

Dated: November \_\_, 2018

**EXHIBIT A**

**SCHEDULED NET GENERAL TAX INCREMENT**  
**REVENUE PAYMENTS**

| <b><u>Bond Year Ending</u></b> | <b><u>Amount</u></b> |
|--------------------------------|----------------------|
|                                |                      |
| 6/30/2020                      | \$ 500,000           |
| 6/30/2021                      | 500,000              |
| 6/30/2022                      | 1,500,000            |
| 6/30/2023                      | 1,500,000            |
| 6/30/2024                      | 2,000,000            |
| 6/30/2025                      | 2,000,000            |
| 6/30/2026                      | 2,000,000            |
| 6/30/2027                      | 2,500,000            |
| 6/30/2028                      | 2,500,000            |
| 6/30/2029                      | 2,750,000            |
| 6/30/2030                      | 2,750,000            |
| 6/30/2031                      | 2,750,000            |
| 6/30/2032                      | 2,750,000            |
| 6/30/2033                      | 2,750,000            |
| 6/30/2034                      | 2,750,000            |
| 6/30/2035                      | 3,000,000            |
| 6/30/2036                      | 3,000,000            |
| 6/30/2037                      | 3,000,000            |
| 6/30/2038                      | 3,000,000            |

|           |           |
|-----------|-----------|
| 6/30/2039 | 3,000,000 |
| 6/30/2040 | 3,000,000 |
| 6/30/2041 | 3,000,000 |
| 6/30/2042 | 3,000,000 |
| 6/30/2043 | 3,000,000 |
| 6/30/2044 | 3,000,000 |
| 6/30/2045 | 3,000,000 |