



Detroit Brownfield Redevelopment Authority
500 Griswold Street • Suite 2200
Detroit, Michigan 48226
Phone: 313 963-2940
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**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, JANUARY 9, 2019
4:00 PM**

BOARD MEMBERS PRESENT:

Juan Gonzalez
Pamela McClain
Donele Wilkins
Stephanie Washington
John George
Sonya Mays
Ray Scott

BOARD MEMBERS ABSENT:

Matthew Walters
Maggie DeSantis

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Glen Long (DEGC)
Elizabeth Brinson (DEGC)
Rebecca Navin (DEGC)
Paul Kako (DEGC)
Ngozi Nwaesei (Lewis & Munday)
Richard Barr (Honigman)
Stephen Duczynski (Brush Park South)
Katrina Chaves (City of Detroit)
Maria Mastej (City of Detroit)



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**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, JANUARY 9, 2019
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD SUITE 2200 DETROIT, MI – 4:00 PM**

CALL TO ORDER

Secretary Donele Wilkins called the meeting to order at 4:04 PM.

GENERAL

Approval of Minutes:

Ms. Wilkins called for a motion approving the minutes of December 12, 2018 as presented. The Board took the following action:

On a motion by Ms. Mays, seconded by Mr. Scott, DBRA Resolution Code 19-01-02-246 was unanimously approved.

Treasurer's Report

Mr. Long presented the November 2018 Treasurer's report.

Ms. Wilkins called for a motion approving the November 2018 Treasurer's Report as presented. The Board took the following action:

On a motion by Mr. George, seconded by Mr. Gonzalez, DBRA Resolution Code 19-01-03-182 was unanimously approved.

PROJECTS

Brush Park South: Brownfield Redevelopment Plan

Mr. Vosburg presented the Brownfield Plan for the Brush Park South project.

Project Introduction

Brush Park South Phase I MR LLC is the project developer (the "Developer") for the Plan which entails a comprehensive, mixed-use redevelopment of the site. The redevelopment, Brush Park South, is planned to consist of three mixed-income apartments buildings that will include approximately 149 apartments and 600 square feet of retail space. Approximately 58 apartments will be rented as affordable apartments with rents restricted and otherwise subject to various requirements to assure their occupancy by residents who satisfy affordable housing criteria. Twenty-nine of the affordable units will use project-based vouchers through the Detroit Housing Commission and the other 29 affordable units will use Low Income Housing Tax Credits. A portion of the remainder of the Property will be used for parking that will remain in place indefinitely for use by tenants of the new apartment buildings as well as additional parking that will be available

until alternative, permanent alternative parking becomes available either on the east side of Brush or at other locations. It is expected that the alternative parking will not be available for at least several years.

The total investment is estimated to be \$37 million. The Developer is requesting \$5,273,310.00 in TIF reimbursement.

There will be 250 temporary construction jobs and 4-6 FTE jobs. The 250 temporary construction jobs are expected to be created over a 2-year period once construction begins. The 4-6 FTE jobs will be related to property management. An unknown number of jobs are expected to be created by one or more businesses that located in the retail component of the project.

Property Subject to the Plan

The eligible property (the "Property") consists of nine (9) parcels located in the Brush Park area, west of Brush Street, north of Winder Street and south of the east-west alley between Adelaide and Alfred Street from Brush Street to John R Street.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) it was previously utilized for a commercial purpose and/or public purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) it is a facility under Part 201 due to the presence of metals, PNAs, PCBs soil and fill or adjacent and contiguous to a facility and the development of the adjacent or contiguous parcels is estimated to increase the captured taxable value of the remainder of the eligible property.

Eligible Activities and Projected Costs

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Sec 2 of Act 381, because they include baseline environmental assessment activities, due care activities, additional response activities, site preparation, infrastructure improvements, development and preparation of a brownfield plan and work plan, brownfield plan implementation and interest. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to commence within 18 months of approval of the Plan and be completed within 3 years after approval of the Michigan Strategic Fund work plan, if applicable, or three years after execution of the Reimbursement Agreement.

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. Department Specific Activities	\$3,041,152.00
2. Phase I, Phase II, and BEAs	\$60,000.00
3. Due Care Activities	\$10,000.00
4. Site Preparation	\$26,705.00
5. Infrastructure Improvements	\$542,693.00
6. Brownfield Plan & Act 381 Work Plan	\$30,000.00

7. Cost Tracking Compliance	\$30,000.00
8. Contingency – (15%)	\$541,583.00
9. Interest (5% simple, after expiration of abatements)	\$991,177.00
*Total Reimbursement to Developer	\$5,273,310.00
10. DBRA Administrative Costs	\$1,387,555.00
11. State Brownfield Redevelopment Fund	\$520,821.00
12. Local Site Remediation Revolving Fund	\$2,068,679.00
TOTAL Estimated Costs	\$7,181,686.00

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 Commercial Rehabilitation Act (CRA) Tax Abatement, City of Detroit allocations of HUD HOME & Community Development Block Grant (CDBG) funds, Low Income Housing Tax Credits (LITHC), and Project-Based Vouchers (PBV) from the Detroit Housing Commission.

Attached for your review and approval is a resolution authorizing the Brush Park South Brownfield Plan for submittal to the Community Advisory Committee for consideration and comment within 30 days of their receipt of the proposed Plan. In addition, it authorizes the President of the Detroit Economic Growth Corporation or any person designated by him, as a representative of the DBRA, to conduct a public hearing in the area to which the Proposed Plan applies within the next 30 days. This public hearing may be held jointly with any public hearing conducted by the Community Advisory Committee.

Ms. Mays requested more information on the development team for the Project. Mr. Duczynski stated that the Developer is Schostak Brothers & Company as a joint venture with John Rhea, the contractor is Rockford Construction Company working as a joint venture with Jenkins Construction Company, the architect is Hamilton Anderson Associates with the support of consultants including Giffels as the civil engineer, and the local structural engineer is SDI.

Ms. Mays asked if the parcels included in the Plan are owned by the City of Detroit and were part of a Request for Proposal process. Ms. Chavez confirmed that the parcels included in the Plan are owned by the City of Detroit and were part of a Request for Proposal process.

Mr. George asked what the Developer's commitment is to employing Detroit residents to work on the Project. Mr. Duczynski stated that the Developer will work with the contractors to ensure that at least 51% of workers are Detroit residents and 51% of contractors and subcontractors have addresses in the City of Detroit.

Ms. Mays asked if the Project is still on track to begin construction in February 2019. Mr. Duczynski stated that the Project is still on track and that the Developer will have construction drawings by February 15, 2019 and expect to start construction on April 15, 2019 beginning with the removal of soil.

Ms. Wilkins called for approval of the Brush Park South Brownfield Redevelopment Plan. The Board took the following action:

On a motion by Mr. George, seconded by Ms. Mays, DBRA Resolution Code 19-01-263-01 was unanimously approved.

Land Assembly Project: Dickerson Properties Assignment and Assumption of Purchase Agreement

Mr. Vosburg presented the Land Assembly Project: Dickerson Properties Assignment and Assumption of Purchase Agreement to the DBRA Board.

As the Board is aware, the City of Detroit administration has requested the assistance of the City of Detroit Brownfield Redevelopment Authority (“DBRA”) in industrial land assembly activities aimed at establishing market-ready industrial sites within City limits in order to attract manufacturing and logistics companies (the “Land Assembly Project”). On October 24, 2018 (DBRA 18-10-262-01) and November 7, 2018 (DBRA 18-10-262-02) the Board approved certain initial steps in connection with the Land Assembly Project, including the allocation and acceptance of a total of \$10 Million in initial funds for the Land Assembly Project.

In connection with the Land Assembly Project, the City Administration has asked the DBRA to take title to certain properties via assignment and assumption of purchase agreement negotiated by 1511-1646 Dickerson Associates, LLC for the purchase of 20 parcels on Dickerson Street, consisting of 18 parcels of vacant land and 2 parcels containing houses, one of which is known to be tenant-occupied. The purchase price for all parcels is of \$250,000, with a \$10,000 earnest money deposit. The proposed assignment and assumption of purchase agreement for the Dickerson Properties, including a list of the properties to be transferred, is attached hereto as **Exhibit A** (the “Dickerson Properties Purchase Agreement”).

A resolution authorizing the execution of the Dickerson Properties Purchase Agreement is attached for the Board’s consideration.

Ms. Wilkins called for approval of the Land Assembly Project: Dickerson Properties Assignment and Assumption of Purchase Agreement. The Board took the following action:

On a motion by Ms. McClain, seconded by Mr. Scott, DBRA Resolution Code 19-012-262-06 was unanimously approved.

ADMINISTRATIVE

None.

OTHER

Ms. Kanalos stated that the DBRA would let the DBRA Board know if a special meeting on January 11, 2019 would be necessary.

Ms. Wilkins presented and distributed a flyer for the Green Door Initiative’s Construction/Environmental Technician Careers & Training Program.

PUBLIC COMMENT

None.

ADJOURNMENT

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

On a motion by Ms. McClain, seconded by Ms. Mays the meeting was unanimously adjourned at 4:20 PM.



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CODE DBRA 19-01-02-246

APPROVAL OF MINUTES DECEMBER 12, 2018

RESOLVED, that the minutes of the regular meeting of December 12, 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.

January 9, 2019



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DBRA 19-01-03-182

ACCEPTANCE OF TREASURER'S REPORT FOR NOVEMBER 2018

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period November 1 through November 30, 2018, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

January 9, 2019



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CODE DBRA 19-01-263-01

BRUSH PARK SOUTH BROWNFIELD REDEVELOPMENT PLAN – TRANSMITTAL OF BROWNFIELD PLAN TO THE COMMUNITY ADVISORY COMMITTEE

WHEREAS, pursuant to 381 PA 1996 (“Act 381”), the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) has been established by resolution of the City Council of the City of Detroit (the “City”) for the purpose of promoting the revitalization of environmentally distressed areas in the City; and

WHEREAS, under Act 381 the DBRA is authorized to develop and propose for adoption by City Council a brownfield plan for one or more parcels of eligible property; and

WHEREAS, under the resolution establishing the DBRA and the bylaws of the DBRA requires the DBRA, prior to the approval of a brownfield plan, submit the proposed brownfield plan to the Community Advisory Committee for consideration and comment and solicit comments by publication of notice that the proposed brownfield plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies.

NOW, THEREFORE, BE IT RESOLVED:

1. The City of Detroit Brownfield Redevelopment Authority acknowledges receipt of the proposed Brownfield Plan for the **Brush Park South Brownfield Redevelopment Plan** (the “Proposed Plan”) and authorizes and directs the Chairperson to cause the Proposed Plan to be transmitted to the Community Advisory Committee for consideration and comment within 30 days of their receipt of the Proposed Plan.

2. The President of the Detroit Economic Growth Corporation or any person designated by him, as a representative of the DBRA, shall conduct a public hearing in the area to which the Proposed Plan applies within the next 30 days. This public hearing may be held jointly with any public hearing conducted by the Community Advisory Committee.

3. The Chairperson is authorized and directed to cause there to be published notice that the Proposed Plan has been submitted to the Community Advisory Committee and of the public hearing to be held pursuant to this resolution.

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

January 9, 2019



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CODE DBRA 19-01-262-06

LAND ASSEMBLY PROJECT: EXECUTION OF DICKERSON PROPERTIES PURCHASE AGREEMENT

WHEREAS, the City of Detroit administration has requested the assistance of the City of Detroit Brownfield Redevelopment Authority ("DBRA") in industrial land assembly activities aimed at establishing market-ready industrial sites within City limits in order to attract manufacturing and logistics companies (the "Land Assembly Project"); and

WHEREAS, on November 7, 2018 (DBRA 18-10-262-02), the Board approved the acceptance a total of \$10 Million in funds from the City for the Land Assembly Project; and

WHEREAS, in connection with the Land Assembly Project, the City of Detroit Administration has asked the DBRA to take title to certain properties via an assignment and assumption of purchase agreement, as further described in the attached **Exhibit A** (the "Dickerson Properties Purchase Agreement"); and

WHEREAS, pursuant to its statutorily authorized powers, the DBRA has the power to acquire property and take the other steps contemplated by this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the DBRA authorizes the execution of the Dickerson Properties Purchase Agreement and the consummation of the transactions described therein.

BE IT FURTHER RESOLVED, 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.

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

January 9, 2019

EXHIBIT A

Dickerson Properties Purchase Agreement

ASSIGNMENT AND ASSUMPTION OF PURCHASE AGREEMENT

This Assignment and Assumption of Purchase Agreement (the “Agreement”) is entered into this __ day of December, 2018, by 1511-1646 DICKERSON ASSOCIATES LLC, a Michigan limited liability company (“Assignor”), and the CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY, a Michigan public body corporate (“Assignee”).

RECITALS:

A. A&M Properties, Inc., Zitadell Properties, Inc., and Eastlawn, LLC (collectively, the “Seller”), and Eli Halpern (on behalf of an entity to be formed and not personally) entered into that Purchase Agreement dated as of September 21, 2018, as amended by that First Amendment to Purchase Agreement dated October __ 2018, and by a Second Amendment to Purchase Agreement dated December 24, 2018, which Purchase Agreement, as amended, was assigned to Assignor on December 13, 2018 (the “Purchase Agreement”), and which Agreement provides for the purchase and sale of certain real property more particularly described in the Purchase Agreement; and

B. A complete copy of the Purchase Agreement, as amended, is attached as Exhibit A; and

C. Assignor has agreed to assign all of its right, title and interest in the Purchase Agreement to Assignee (the “Assignment”), and Assignee desires to accept said Assignment and assume all such obligations of Assignor under the Purchase Agreement, upon the following terms and conditions.

NOW, THEREFORE, in consideration of the foregoing and the terms and conditions set forth below, the parties agree as follows:

1. Assignment and Assumption. Assignor hereby assigns to Assignee all of its right, title, interest, and obligations in, to, and under the Purchase Agreement, including the Deposit (as defined in the Purchase Agreement); and Assignee hereby assumes all of such right, title, interest, and obligations of Assignor under the Purchase Agreement.

2. The Deposit. Assignor represents to Assignee that the Deposit in the amount of \$10,000.00 has been deposited in the escrow established by the Purchase Agreement, and Assignor hereby conveys to Assignee all rights of Assignor in the escrow created in connection with the Purchase Agreement; and Assignee hereby agrees to reimburse Assignor the sum of \$10,000.00 constituting such Deposit, simultaneously upon the execution of this Assignment by both Assignor and Assignee.

3. Cooperation. Assignor and Assignee mutually agree to cooperate and execute any and all necessary documentation to effectuate the intent of the foregoing assignment.

4. Representations and Warranties. Assignor represents and warrants to Assignee that: Assignor has full power to make the assignment set forth herein; Assignor has not previously sold, assigned, transferred or pledged its interest in the Purchase Agreement; and (i) to its knowledge Assignor is not in breach of the Purchase Agreement; and (ii) Assignor as no notice or knowledge of any potential, pending, or outstanding claims for damages that may be brought against the Assignor, that would impair the validity of this Assignment or the ability for any party to consummate the transactions contemplated by the Purchase Agreement..

5. Counterparts. This Agreement may be signed in two or more counterparts, each of which shall upon execution be an original, but all of which together shall constitute one and the same instrument. Assignor and Assignee agree to accept a digital image of this Agreement, as fully executed, as a true and correct original and admissible as best evidence to the extent permitted by a court with proper jurisdiction.

6. Governing Law. This Agreement and the performance hereof shall be construed and interpreted in accordance with the laws of the State of Michigan.

7. Entire Agreement. This Agreement (i) constitutes the entire agreement between the parties in connection with the subject matter of this Agreement, (ii) supersedes any and all other agreements, either oral or written, between the parties with respect to the subject matter of this Agreement, and (iii) may not be modified orally, and no modification shall be effective unless in writing and signed by Assignor and Assignee.

8. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the undersigned have signed this Assignment effective as of the day and year first above written.

ASSIGNOR:

1511-1464 Dickerson Associates LLC

By: _____

Name: _____

Its: _____

(signatures continue on following page)

ASSIGNEE:

CITY OF DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY,
a Michigan public body corporate

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

Approved as to form only:
Counsel to the Authority

By: _____
Rebecca A. Navin