



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
REGULAR BOARD OF DIRECTORS MEETING  
WEDNESDAY, MARCH 11, 2020  
4:00 PM**

**BOARD MEMBERS PRESENT:**

Pamela McClain  
Stephanie Washington  
Donele Wilkins  
John George  
Raymond Scott  
Juan Gonzalez  
Maggie DeSantis  
Amanda Elias

**BOARD MEMBERS ABSENT:**

Sonya Mays

**OTHERS PRESENT:**

Jennifer Kanalos (DEGC/DBRA)  
Brian Vosburg (DEGC/DBRA)  
Cora Capler (DEGC/DBRA)  
Paul Kako (DEGC)  
Malinda Jensen (DEGC)  
Rebecca Navin (DEGC)  
Sarah Pavelko (DEGC)  
Ngozi Nwaesei (Lewis & Munday)  
Jahmal Dokes (Bettis Betters)  
Jerome Bettis (Bettis Betters)  
Richard Barr (Honigman)  
Tracy Daniel (FleishmanHillard)



**MINUTES OF THE DETROIT BROWNFIELD  
REDEVELOPMENT AUTHORITY REGULAR MEETING  
WEDNESDAY, MARCH 11, 2020  
DETROIT ECONOMIC GROWTH CORPORATION  
500 GRISWOLD SUITE 2200 DETROIT, MI – 4:00 PM**

**CALL TO ORDER**

Chair Raymond Scott called the meeting to order at 4:00 PM.

**GENERAL**

**Approval of Minutes:**

Mr. Scott called for a motion approving the minutes of February 28, 2020 as presented. The Board took the following action:

On a motion by Ms. Wilkins, seconded by Ms. DeSantis, DBRA Resolution Code 20-03-02-271 was unanimously approved.

Mr. Scott introduced Amanda Elias as the newest DBRA Board member.

**PROJECTS**

**City Club Apartments Brownfield Plan: Reimbursement Agreement**

Mr. Vosburg presented the City Club Apartments Brownfield Plan: Reimbursement Agreement to the DBRA Board.

On December 18, 2019, the Detroit Brownfield Redevelopment Authority (the “DBRA”) Board of Directors recommended approval to City Council of the Brownfield Plan for the City Club Apartments Redevelopment Project (the “Plan”). The City Council public hearing for the Plan was held January 23, 2020 and City Council approved the Plan on January 28, 2020. A requirement for Tax Increment Financing reimbursement pursuant to the Plan is that a Reimbursement Agreement (the “Agreement”) be entered into between the DBRA and CCA CBD Detroit, LLC. The Agreement has been prepared between the DBRA and CCA CBD Detroit, LLC and is presented to the DBRA for review and approval.

**Project Introduction**

CCA CBD Detroit, LLC is the project developer (the “Developer”) for the Plan which involves the construction of a mixed-use building that will contain approximately 288 apartments, 11,291 square feet of retail and other commercial space and an underground parking garage with capacity for approximately 410 vehicles. Twenty percent of the 288 residential units will be available at 80% of the Area Median Income (AMI).

*The adoption of this Plan is being requested after the commencement of construction due to the discovery of significant unknown underground obstructions during construction. Although eligible activities in connection with the Plan are expected to exceed \$10,000,000, the Developer is requesting approval of \$7,933,739, which corresponds to the additional costs that have been incurred by the Developer due to the discovery of the unknown underground obstructions. Further, in the event the Michigan Strategic Fund (“MSF”) does not approve the use of school taxes to reimburse eligible activity costs, the Developer seeks approval for only \$4,359,103 of the eligible activity costs and interest thereon.*

The total investment is estimated to be \$92 million.

There will be approximately 450 temporary construction jobs and 58 FTE jobs created under this Plan. Approximately 50 part time and full-time retail jobs are expected for the commercial and retail establishments and 8 full time jobs related to property management.

Property Subject to the Plan

The eligible property (the “Property”) consists of one (1) parcel located at 313 Park Avenue in Downtown Detroit, bounded by Park Avenue to the north, Washington Boulevard to the east, Clifford Street to the south, and Bagley Street to the west.

Basis of Eligibility

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Property was previously utilized for a commercial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is a “facility” pursuant to Part 201.

Eligible Activities and Projected Costs

The “eligible activities” that are intended to be carried out at the Property are considered “eligible activities” as defined by Sec 2 of Act 381, because they include environmental assessment activities, infrastructure improvements, interest, and development and implementation of brownfield plan and/or Act 381 work plan. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities began in November 2017 and are expected to be complete by the end of 2019.

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 – WITH MSF APPROVAL**

1. Environmental Assessment Activities	\$28,000.00
2. Infrastructure Improvements	\$6,452,156.00
3. Brownfield Plan & Work Plan Preparation	\$30,000.00
4. Interest	\$1,423,583.00
<b>Total Reimbursement to Developer</b>	<b>\$7,933,739.00</b>
5. Authority Administrative Costs	\$1,420,712.00
6. State Brownfield Redevelopment Fund	\$949,148.00
7. Local Brownfield Revolving Fund	\$1,068,728.00
<b>TOTAL Estimated Costs</b>	<b>\$11,372,327.00</b>

**COSTS TO BE REIMBURSED WITH TIF – WITHOUT MSF APPROVAL**

8. Environmental Assessment Activities	\$28,000.00
9. Infrastructure Improvements	\$4,060,324.00
10. Brownfield Plan & Work Plan Preparation	\$30,000.00
11. Interest	\$242,779.00
<b>Total Reimbursement to Developer</b>	<b>\$4,359,103.00</b>
12. Authority Administrative Costs	\$769,606.00
13. State Brownfield Redevelopment Fund	\$0.00
14. Local Brownfield Revolving Fund	\$0.00
<b>TOTAL Estimated Costs</b>	<b>\$5,128,709.00</b>

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 Property has been approved for a Commercial Rehabilitation Act (PA 210) Abatement and a Neighborhood Enterprise Zone Act (PA 147) Abatement.

The Agreement and a resolution approving the Agreement and its subsequent execution were attached for the DBRA Board's review and approval.

Mr. Scott called for a motion to approve the City Club Apartments Brownfield Redevelopment Plan: Reimbursement Agreement, as presented. The Board took the following action:

On a motion by Ms. DeSantis, seconded by Ms. Wilkins, DBRA Resolution Code 20-03-282-03 was unanimously approved.

#### **Dakkota Integrated Systems Brownfield Redevelopment Plan**

Mr. Vosburg presented the Dakkota Integrated Systems Brownfield Redevelopment Plan to the DBRA Board.

#### Project Introduction

Dakkota Integrated Systems, L.L.C. is the project developer (the "Developer") for the Plan. The project will include the construction of an approximately 300,000 square foot light industrial building and related site improvements on the property. The Developer has entered into agreements with the City of Detroit that provide for hiring practices intended to maximize the hiring of nearby and other Detroit residents. The project includes a stormwater management system designed to retain a 100-year storm.

The total investment is estimated to be \$45 million. The Developer is requesting \$5,442,244.00 in TIF reimbursement though current tax increment revenue projects estimate only \$3,708,214 in tax capture.

There will be approximately 155 temporary construction jobs and 419 FTE jobs.

#### Property Subject to the Plan

The eligible property (the "Property") consists of one parcel located on Detroit's east side, bounded by Van Dyke Avenue to the east, by Hendrie Street to the south, by Townsend Street and Field Street to the west and by the former Conger Street to the north.

#### Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized for public (school) purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is a "facility" pursuant to Part 201 due to the presence of lead in soil above the Part 201 generic residential cleanup criteria.

#### 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 department specific activities (including baseline environmental assessments, due care activities and response activities), asbestos abatement, demolition, site preparation, infrastructure improvements, brownfield plan preparation and 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.

#### 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	\$262,810.00
2. Demolition (includes abatement costs)	\$2,632,703.00
3. Infrastructure Improvements	\$1,078,348.00
4. Stormwater Infrastructure	\$66,468.00
5. Site Preparation	\$1,064,937.00
6. Brownfield Plan & Work Plan Preparation/Implementation	\$30,000.00
7. Contingency (15%)	\$454,106.00
8. Interest	\$1,875,178.00
<b>Total Reimbursement to Developer</b>	<b>\$7,464,550.00</b>
9. Authority Administrative Costs	\$654,663.00
10. State Brownfield Redevelopment Fund	\$1,543.00
11. Local Brownfield Revolving Fund	\$0.00
<b>TOTAL Estimated Costs</b>	<b>\$8,120,756.00</b>
<i>Although the costs of eligible activities are estimated at \$7,464,550.00, the total reimbursement will be capped at \$5,442,244.00. Current tax increment revenue projects estimate only \$3,708,214 in tax capture.</i>	

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 a Renaissance Zone Act and Industrial Facilities Exemption (PA 198) tax abatements.

DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the February 12, 2020 CAC meeting. Attached is the DBRA-CAC's letter of recommendation for the DBRA Board's consideration.

Public Comments

The DBRA public hearing for the Plan was held on Thursday, February 20, 2020 at 5:30 pm at Alkebu-lan Village located at 7701 Harper Ave., Detroit, Michigan. The results of the DBRA public hearing are attached.

Attached for the DBRA Board's review and approval was a resolution approving the Dakkota Integrated Systems Brownfield Redevelopment Plan and its submittal to Detroit City Council.

Mr. Scott called for a motion to approve the Dakkota Integrated Systems Brownfield Redevelopment Plan and submit it to Detroit City Council, as presented. The Board took the following action:

On a motion by Mr. George, seconded by Mr. Gonzalez, DBRA Resolution Code 20-03-284-02 was unanimously approved.

Mr. Barr provided an update to the DBRA Board on the Dakkota project and stated that construction is ahead of schedule and that the DBRA staff has been very helpful in getting the Plan approved.

**Uniroyal Site: Amendment Request**

Ms. Pavelko presented the Uniroyal Site: Amendment Request to the DBRA Board.

The Detroit Brownfield Redevelopment Authority (“DBRA”) engaged Skidmore, Owings and Merrill (“SOM”) to create a Master Plan for the 42 acre Uniroyal site (the “Site”) in order to better inform a phasing of the acquisition and development of the Site under the 2005 Development Agreement between the DBRA and Bettis/Bettters Development, LLC (the “Development Agreement”). The closing under the Development Agreement was extended to June 15, 2020 if revised development requirements were not reached by March 14, 2020.

Based on the Master Plan created by SOM, with participation of the City of Detroit’s Planning and Development Department and the City Planning Commission, DBRA Staff negotiated a comprehensive term sheet with the Developer for the Board’s review.

The revised terms provide clear milestones and performance requirements to ensure future development on the Site reflects the vision laid out in the 2018 East Riverfront Framework plan. The project is split into three phases, with performance requirements that have to be completed prior to the Developer exercising the purchase option for subsequent phases. Based on this, Staff is requesting the DBRA Board approve (i) the terms for an amendment to the Development Agreement as outlined in Exhibit A and (ii) the negotiation and execution of a revised land transfer agreement with the City of Detroit relating to the Site.

A resolution was attached for the Board’s consideration.

Mr. Gonzalez asked when the environmental cleanup will occur on the Site. Ms. Pavelko stated that it has not yet been determined when the environmental cleanup on the Site will occur because there is more testing and investigation that needs to occur and the level of cleanup required will depend on the proposed developments on the Site and that has not yet been determined.

Ms. Wilkins asked how the cleanup costs have been determined across the Site. Mr. Scott stated that Parcel 3 of the Site is the least contaminated area, Parcel 2 of the Site has a lot of subsurface debris, and Parcel 1 of the Site had the most environmental contamination due to the previous use of that area of the Site.

Mr. George asked what the total acreage is of the Site. Ms. Pavelko stated that the entire Site is approximately 42 acres.

Ms. DeSantis asked why Parcel 3 of the Site is the most difficult for development. Ms. Pavelko stated that there is a sewer outflow under Parcel 3 of the Site, and it would be cost-prohibitive to move such a large piece of infrastructure.

Ms. DeSantis asked if the information in the presentation is also included in the Exhibit A attached to the resolution. Ms. Navin stated that the information in the presentation is included in the Exhibit A attached to the resolution with more detail.

Ms. McClain asked if the Developer currently owns all three parcels of the Site. Ms. Pavelko stated that the Developer does not currently own all three parcels of the Site and that Parcel 1 will be sold to the Developer while Parcels 2 and 3 will be held by the DBRA until the Developer meets the development criteria and exercises its option to purchase Parcels 2 and 3 in succession.

Ms. DeSantis asked if the Developer will have to come to the DBRA Board for approval to purchase Parcels 2 and 3. Ms. Pavelko stated that the Developer will not have to come to the DBRA Board for approval to purchase Parcels 2 and 3 but will need to come to the DBRA Board for approvals concerning the Brownfield Plan for the Site. Ms. Navin added that under the current Development Agreement, the DBRA would transfer all 42 acres of the Site to the Developer and the Amendment to the Development Agreement puts a phased approach in place with development requirements that must be met in order for the DBRA to release Parcels 2 and 3.

Ms. McClain asked if the deadline for investment on Parcel 1 is January 1, 2025 or December 31, 2025. Ms. Pavelko stated that the deadline for investment on Parcel 1 is September 1, 2025 based on the current

timeline based on the executed of the Development Agreement and should the execution of the Development Agreement be delayed, the timelines set forth in the Amendment would be adjusted accordingly.

Ms. McClain asked if the DBRA has ever structured a project in this manner before. Ms. Pavelko stated that because of the size and environmental contamination on the Site it makes this project unique, but that the DBRA based the structure of the project on other projects that they have seen.

Mr. Scott stated that the environmental cleanup on Parcel 1 of the Site would not have occurred had the Developer not gotten involved and held DTE Energy accountable for the environmental contamination.

Ms. McClain called for the question.

Mr. Scott called for a motion to approve the Uniroyal Site: Amendment Request, as presented. The Board took the following action:

On a motion by Ms. McClain, seconded by Mr. Gonzalez, DBRA Resolution Code 20-03-130-20 was unanimously approved.

Ms. DeSantis asked for clarification that the DBRA Board members were fully aware of what was included in DBRA Resolution Code 20-03-130-20.

Ms. Navin stated that the Land Transfer Agreement will need to go to Detroit City Council for approval due to the changes to the Agreement and clarified that the DBRA Resolution Code 20-03-130-20 approves the changes to the Development Agreement and the Land Transfer Agreement.

In light of the subsequent discussion, Mr. Scott called for a motion to approve the Uniroyal Site: Amendment Request, as presented. The Board took the following action:

On a motion by Mr. George, seconded by Ms. DeSantis, DBRA Resolution Code 20-03-130-20 was unanimously approved.

#### **ADMINISTRATIVE**

None.

#### **OTHER**

Ms. McClain stated that she would like to welcome Amanda Elias to the DBRA Board.

Ms. DeSantis stated that she asked for clarification on the Uniroyal Site: Amendment Request because of the complexity of the project and the history of the Site and she wants to be able to clearly communicate the actions that the DBRA Board has taken if asked by anyone in the community.

#### **PUBLIC COMMENT**

None.

#### **ADJOURNMENT**

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

On a motion by Mr. George, seconded by Ms. McClain the meeting was unanimously adjourned at 4:37 PM.



**CODE DBRA 20-03-02-271**

**APPROVAL OF MINUTES FEBRUARY 28, 2020**

RESOLVED, that the minutes of the special meeting of February 28, 2020 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.

March 11, 2020



**CODE DBRA 20-03-282-03**

**CITY CLUB APARTMENTS BROWNFIELD REDEVELOPMENT PLAN: REIMBURSEMENT AGREEMENT**

WHEREAS, on December 18, 2019, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution recommending approval by the Detroit City Council of the Brownfield Plan (the "Plan") for a project captioned City Club Apartments Redevelopment (the "Project"); and

WHEREAS, on January 28, 2020, the Detroit City Council approved the Plan; and

WHEREAS, a condition to reimbursing the developer for eligible activities under the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA and CCA CBD Detroit, LLC as developer of the Project; and

WHEREAS, the Agreement has been drafted, approved as to form by DBRA legal counsel; and

WHEREAS, the Board of Directors desires to approve the Agreement and authorize its execution and delivery on behalf of the DBRA; and

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

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

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

March 11, 2020



**CODE DBRA 20-03-284-02**

**DAKKOTA INTEGRATED SYSTEMS, L.L.C. BROWNFIELD REDEVELOPMENT PLAN**

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

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

WHEREAS, in accordance with the policies, procedures and bylaws governing the DBRA, the DBRA has submitted a proposed Brownfield Plan for the **Dakkota Integrated Systems Redevelopment Project** (the “Plan”) to the Community Advisory Committee for its consideration and comment and has solicited comments by the public by publication of notice stating that the proposed Plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies; and

WHEREAS, the Community Advisory Committee has considered the proposed Plan and approved a resolution recommending the approval of the proposed Plan by the DBRA and the City Council as presented by the DBRA; and

WHEREAS, in accordance with the provisions of Act 381, the Board of Directors of the DBRA has considered the proposed Plan and desires to approve the proposed Plan and to request that City Council call a public hearing to consider and adopt a resolution approving the proposed Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the DBRA has determined that the adoption of the Brownfield Plan for the **Dakkota Integrated Systems Redevelopment Project** is in keeping with the purposes of Act 381 and recommends submittal of the Plan to City Council for approval.
2. The Board of Directors of the DBRA approves the Plan substantially in the form attached hereto and on file with the Secretary of the DBRA.
3. Any Authorized Agent of the DBRA is authorized and directed to submit a certified copy of this Resolution and the Plan to the City Clerk, together with a request that the City Council call a public hearing concerning the Plan and to take all other actions required to approve the Plan in accordance with Act 381.
4. That any one of the officers and any one of the Authorized Agents of the DBRA or any two of the Authorized Agents of the DBRA shall hereafter have the authority to negotiate and execute all documents, contracts, or other papers, and take such other actions, necessary or appropriate to implement the provisions and intent of this Resolution on behalf of the DBRA.

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

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

March 11, 2020



**CODE DBRA 20-03-130-20**

## **UNIROYAL SITE – EXTENSION REQUEST**

**WHEREAS**, on June 15, 2005, the Detroit Brownfield Redevelopment Authority (“DBRA”) entered into a Development Agreement (as amended, the “Development Agreement”) with Bettis/Bettters Development, LLC (the “Developer”) for the property commonly known as the Uniroyal Site (the “Site”); and

**WHEREAS**, in June, 2019, the DBRA Board of Directors approved the engagement of Skidmore, Owings and Merrill to create a Master Plan for the Site in order to better inform a phasing of the acquisition and development of the Site and extended the closing date under the Development Agreement was extended to December 13, 2019 if revised development requirements were not reached by late October, 2019; and

**WHEREAS**, in December, 2019, DBRA board approved further extensions of closing under the Development Agreement to June 15, 2020 if revised development requirements were not reached by March 14, 2020; and

**WHEREAS**, DBRA staff and representatives of the Developer have negotiated the revised development requirements outlined in Exhibit A and staff has recommended the Board’s authorization to amend the Development Agreement to reflect such revised terms; and

**WHEREAS**, the DBRA Board of Directors has reviewed the proposed revised development requirements and has determined that staff’s recommendation is reasonable and in the best interest of the project.

**NOW, THEREFORE, BE IT RESOLVED** that the DBRA Board of Directors hereby approves the revised development requirements outlined in Exhibit A.

**BE IT FURTHER RESOLVED** that any two officers, any two of the Authorized Agents or any one of the Officer and any one of the Authorized Agents of the DBRA, shall hereafter have the authority to negotiate and execute an amended Development Agreement, an amended Land Transfer Agreement with the City of Detroit, and any and all other documents, contracts or other papers, or take any and all 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.

March 11, 2020