



Detroit Brownfield Redevelopment Authority
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**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, SEPTEMBER 28, 2016
4:00 PM**

BOARD MEMBERS PRESENT: Maggie DeSantis
Mia Grillier
Pamela McClain
Raymond Scott
Stephanie Washington
Donele Wilkins

BOARD MEMBERS ABSENT: Evette Griffie
Derrick Sanders
Matt Walters

OTHERS PRESENT: Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Glen Long (DEGC/DBRA)
Raynard Jones (Lewis & Munday)

DBRA

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MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, SEPTEMBER 28, 2016
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD SUITE 2200 DETROIT, MI - 4:00PM

CALL TO ORDER

Vice Chairperson, Maggie DeSantis, called the meeting to order at 4:09 PM.

GENERAL

Approval of Minutes

Ms. DeSantis called for a motion approving the minutes of September 28, 2016 as presented. The Board took the following action:

On a motion by Ms. Grillier, seconded by Ms. McClain, DBRA Resolution Code 16-09-02-207 was unanimously approved.

Acceptance of the Treasurer's Report

Mr. Long presented the Treasurer's report for July 2016 and responded to Board Member questions regarding the specifics of the report. Ms. DeSantis called for a motion accepting the Treasurer's report for July 2016. The Board took the following action:

On a motion by Ms. Wilkins, seconded by Ms. McClain, DBRA Resolution Code 16-09-03-154 was unanimously approved.

Mr. Long presented the Treasurer's report for August 2016. Ms. DeSantis called for a motion accepting the Treasurer's report for August 2016. The Board took the following action:

On a motion by Mr. Scott, seconded by Ms. McClain, DBRA Resolution Code 16-09-03-155 was unanimously approved.

PROJECTS

Queen Lillian II Brownfield Redevelopment Plan: Plan Duration Requirements Extension Request

Mr. Vosburg presented the extension request for the Queen Lillian II Brownfield Redevelopment Plan and responded to Board Member questions regarding any future requests for plan duration extensions.

The Queen Lillian II Brownfield Redevelopment Plan (the “Plan”) was approved by the DBRA Board of Directors on April 9, 2014 and by Detroit City Council (the “Council”) on June 10, 2014. The Reimbursement Agreement was executed on September 15, 2014. On April 6, 2016 the DBRA approved a 120-day extension for Work Plan submission and a 1-year extension to complete eligible activities.

Queen Lillian II, LLC is the developer (the “Developer”) for Plan which is located at 3439 - 3455 Woodward at the corner of Stimson. Due to delays with underwriting the complex financing at the Michigan Economic Development Corporation (“MEDC”) and the Michigan Strategic Fund (“MSF”) beyond the control of the Developer, the Developer was not able to submit the Work Plan within eighty (120) days of the DBRA extension and similarly will not likely complete eligible activities within the allotted extension. MEDC staff have indicated that completion of underwriting and Work Plan submission will be able to occur soon, however they have not given a firm date as to when this will happen.

As such, the Developers are requesting 1) a one (1) year extension from the date of the attached resolution receive work plan approval by the Michigan Strategic Fund and the Michigan Department of Environmental Quality and 2) a one (1) year extension from the extended completion date of June 11, 2018 to complete all eligible activities.

DBRA staff recommended the approval of the second extension.

A resolution granting the second extension of the Queen Lillian II Brownfield Redevelopment Plan duration requirements was attached for Board review and approval.

Ms. DeSantis called for a motion approving the Queen Lillian II Brownfield Redevelopment plan duration requirements extension. The Board took the following action:

On a motion by Ms. McClain, seconded by Ms. Wilkins, DBRA Resolution Code 16-09-228-05 was unanimously approved.

ADMINISTRATIVE

Local Site Remediation Revolving Fund Guidelines

Ms. Kanalos presented the Local Site Remediation Revolving Fund Guidelines and responded to Board Member questions regarding how the specifics of the fund and its potential benefit to developers.

Section 8 of the Michigan Public Act 381 of 1996, as amended (“Act 381”) allows Brownfield Redevelopment Authorities (“BRAs”) to establish a Local Site Remediation Revolving Fund (“LSRRF”). Utilizing a LSRRF, BRAs may collect up to an additional 5 years of Tax Increment Revenue (“TIR”) after the Developer is fully reimbursed for their Eligible Costs. Since the inception of the City of Detroit Brownfield Redevelopment Authority (“DBRA”), all DBRA approved brownfield plans have contemplated this additional 5 years of capture for deposit into a LSRRF. Per Act 381, the LSRRF can be

used to “pay the costs of eligible activities on eligible property that is located within a municipality.”

The DBRA is ready to establish its LSRRF and as such, guidelines have been drafted for the implementation of the fund. Key highlights of the guidelines include:

- The LSRRF is to be used to provide revolving loans to eligible entities to support Brownfield redevelopment in Detroit.
- The loan amount shall not exceed 50% of the DBRA’s Tax Increment Financing (“TIF”) commitment to a project with a minimum amount of \$25,000.00 and a maximum loan amount of \$300,000.00.
- TIF capture from the project shall be pledged to DBRA as security for loan repayment for each LSRRF loan. Additional security may also be required by the DBRA, including, but not limited to, personal guaranties and mortgage liens on eligible property.
- Interest rates and repayment terms on LSRRF loans will be market competitive based on loan underwriting and project needs.
- The principal portion of the loan repayments will be deposited into the LSRRF, providing a sustainable source of capital within the community and payments of interest received by DBRA in connection with LSRRF loans shall be used by DBRA to fund LSRRF operating costs.
- All loans would be subject to DBRA Board approval.

The Board requested that at least one (1) Board Member be appointed to review the loans. Board Members inquired as to the feasibility of the Budget Committee, the subsequent item on the agenda, to review the loans but it was determined that the proposed Budget Committee would be to review just the DBRA Budget. Staff informed the Board that it would consult with legal counsel on the formation of a Loan Review Committee. The Board requested that the resolution reflect the formation of a Loan Review Committee.

Attached for Board review and approval were the proposed LSRRF Guidelines and a resolution approving the LSRRF Guidelines.

Ms. DeSantis called for a motion approving the Local Site Remediation Revolving Fund Guidelines. The Board took the following action:

On a motion by Ms. Grillier, seconded by Ms. Wilkins, DBRA Resolution Code 16-09-01-170, as amended, was unanimously approved.

Formation of a Budget Committee

Ms. Kanalos presented a resolution approving the formation of the Budget Committee.

At the July 13, 2016 DBRA board meeting, as part of approving the FY 2016-2017 Budget, the DBRA Board requested that a Budget Committee be formed to review the proposed DBRA budget in advance of the full DBRA Board approval.

Per the DBRA Bylaws, as amended:

“Section 10. Other Committees. The Board may, by resolution, designate one or more committees, each committee to consist of one or more of the members of the Board.”

DBRA staff discussed the formation of the committee with the Board Chair and propose the creation of a Budget Committee (the “Committee”) with the following composition and duties:

1. The Committee shall consist of three (3) members of the DBRA Board of Directors. One (1) of the Committee members shall be the Board Treasurer who shall be the Chair of the Committee.
2. The Committee will meet as requested by the Board Chair, as approved by a quorum of the DBRA Board of Directors or as requested by the DBRA Authorized Agent.
3. The Committee will review proposed DBRA budget approvals as well as any proposed DBRA budget amendments as requested by the Board Chair, a quorum of the DBRA Board of Directors or as requested by the DBRA Authorized Agent.
4. The review of a proposed budget by the Committee shall be advisory only. Only a quorum of the full DBRA Board of Directors at a scheduled Board of Directors meeting may approve a DBRA budget or any potential budget amendments.
5. Committee members shall be appointed to the Committee to serve by a vote of a quorum of the DBRA Board of Directors.

Attached for Board review and approval was a resolution approving the creation of the DBRA Budget Committee.

Ms. DeSantis called for a motion approving the formation of the DBRA Budget Committee. The Board took the following action:

On a motion by Ms. Wilkins, seconded by Mr. Scott, DBRA Resolution Code 16-09-01-171, as amended, was unanimously approved.

Appointment of Budget Committee Members

Ms. Kanalos presented a resolution approving the appointment of Board Members to the Budget Committee.

At the July 13, 2016 DBRA board meeting as part of approving the FY 2016-2017 Budget, the DBRA Board requested that a Budget Committee be created to review the proposed DBRA budget in advance of the full DBRA Board approval.

The following DBRA board members have indicated an interest in and have volunteered to serve on the Committee:

- Mia Grillier – Committee Chair
- Pamela McClain
- Stephanie Washington

Attached for Board review and approval was a resolution approving the appointment of the above board members to the DBRA Budget Committee.

Ms. DeSantis called for a motion approving the slate of Budget Committee Members. The Board took the following action:

On a motion by Ms. Wilkins, seconded by Mr. Scott, DBRA Resolution Code 16-09-01-171 was unanimously approved.

FY 2015-2016 Act 381 Report (Informational Only)

Mr. Vosburg presented the table that reflects the information submitted with the Annual Financial Reports, pursuant to Public Act 381 of 1996, Sections (2) and (3), as amended. Mr. Vosburg and Ms. Kanalos responded to Board Member questions regarding understanding the numbers listed in the job section of the report.

OTHER

Mr. Vosburg informed the Board that the Detroit City Council approved the amendment to the Funding Agreement between the DBRA and City of Detroit, allowing the EPA Revolving Loan Funds to be used as assessments grant funds.

PUBLIC COMMENT

None

ADJOURNMENT

There being no further business, Ms. Desantis called for a motion approving the adjournment of the meeting. On a motion by Ms. Wilkins, seconded by Ms. Grillier, the board agreed unanimously to adjourn the meeting at 4:50 PM.
the meeting at 4:50 PM.



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CODE DBRA 16-09-02-207

APPROVAL OF MINUTES AUGUST 24, 2016

RESOLVED, that the minutes of the regular meeting of August 24, 2016 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Detroit Brownfield Redevelopment Authority.

September 28, 2016



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DBRA 16-09-03-154

ACCEPTANCE OF TREASURER'S REPORT FOR JULY 2016

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period July 1 through July 31, 2016, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

September 28, 2016



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DBRA 16-09-03-155

ACCEPTANCE OF TREASURER'S REPORT FOR AUGUST 2016

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period August 1 through August 31, 2016, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

September 28, 2016



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CODE DBRA 16-09-228-05

QUEEN LILLIAN II BROWNFIELD REDEVELOPMENT PLAN: SECOND EXTENSION OF PLAN DURATION REQUIREMENTS

WHEREAS, pursuant to 381 PA 1996 (“Act 381”), the Queen Lillian II Brownfield Redevelopment Plan (the “Plan”) was approved by the Detroit Brownfield Redevelopment Authority (the “DBRA”) on April 9, 2014 and Detroit City Council (the “Council”) on June 10, 2014; and

WHEREAS, Queen Lillian II, LLC is the developer (the “Developer”) for the Plan located in Detroit at 3439 - 3455 Woodward at the corner of Stimson that entails a mixed-use residential and commercial development as well as an attached parking ramp; and

WHEREAS, the Plan duration required that the Developers 1) receive the applicable work plan approvals by the Michigan Strategic Fund and the Michigan Department of Environmental Quality within one hundred and eighty (180) days after Council approval and 2) complete all eligible activities within three (3) years of Council approval; and

WHEREAS, due to financing issues partially caused by project setbacks associated with a change from medical commercial rental use to residential rental use, the Developers did not receive the applicable required work plan approvals within one hundred and eighty (180) days of Council approval nor are they scheduled to complete all eligible activities within three (3) years of Council approval; and

WHEREAS, on April 6, 2016 the DBRA approved a one hundred and twenty (120) day extension for Work Plan approval and a one (1) year extension for completion of all eligible activities; and

WHEREAS, due to delays caused by complex underwriting by the Michigan Strategic Fund staff, the Work Plan was not approved within the extension and as such eligible activities will also not be able to be completed within the allowed extension; and

WHEREAS, the Developers continue to diligently work on the work plan submittal and the remaining eligible activities are slated to be complete before the middle of 2020; and

WHEREAS, the Developers are requesting extension on the work plan approval and a two (2) year extension to complete eligible activities; and

WHEREAS, DBRA staff recommends the approval of the Plan duration extension based upon 1) the draft work plan submittal to DBRA and Michigan Economic Development Corporation staff and 2) the Developers ability complete the remainder of the eligible activities within the timeframe of the extension.

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors approves the Plan duration extension as follows: 1) one (1) years from the date of this resolution for work plan approval and 2) one (1) year from the extended required completion date of June 11, 2018 to complete all eligible activities.

BE IT FINALLY RESOLVED, that a DBRA Authorized Agent shall hereafter have the authority to negotiate and execute any Letter(s) of Support to implement the provisions and intent of this resolution on behalf of the DBRA.

September 28, 2016



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CODE DBRA 16-09-01-170

ESTABLISHMENT OF LOCAL SITE REMEDIATION REVOLVING FUND AND APPROVAL OF LOCAL SITE REMEDIATION REVOLVING FUND GUIDELINES

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

WHEREAS, Section 8 of Act 381 authorizes the DBRA to establish a Local Site Remediation Revolving Fund (“LSRRF”); and

WHEREAS, in accordance with Section 8 of Act 381, the LSRRF shall be used only to pay the cost of eligible activities on eligible property that is located within the municipality; and

WHEREAS, the DBRA desires to establish a LSRRF and the DBRA staff has developed guidelines (the “LSRRF Guidelines”) that will describe what entities/individuals will be eligible to receive funds from the LSRRF, the eligible uses of such funds and the process that such entities/individuals will have to follow in order to receive such funds; and

WHEREAS, a copy of the LSRRF Guidelines is attached hereto; and

WHEREAS, a Loan Review Committee is to be formed at a future DBRA Board of Directors meeting to review LSRRF applications; and

WHEREAS, the Board of Directors has determined that the establishment of a LSRRF is consistent with the powers of the DBRA, its statutory purpose, and is authorized by Act 381.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the City of Detroit Brownfield Redevelopment Authority does hereby authorize the establishment of a Local Site Remediation Revolving Fund for the City of Detroit.

BE IT FURTHER RESOLVED, that the Board of Directors of the City of Detroit Brownfield Redevelopment Authority authorizes the adoption of the Local Site Remediation Revolving Funds Guidelines, substantially in the form of the document attached hereto.

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

necessary or appropriate to implement the provisions and intent of this resolution on behalf of the DBRA.

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

September 28, 2016



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CODE DBRA 16-09-01-171

ADMINISTRATION: FORMATION OF A BUDGET COMMITTEE

WHEREAS, Section 10 of the City of Detroit Brownfield Redevelopment Authority (the "DBRA") Bylaws, as amended, state that the "Board may, by resolution, designate one or more committees, each committee to consist of one or more members of the Board"; and

WHEREAS, the DBRA Board of Directors, at its meeting on July 13, 2016, expressed the desire to form a Budget Committee to assist with the discharge of approving the annual DBRA budget; and

WHEREAS, the Budget Committee shall consist of three (3) members of the DBRA Board of Directors, one of who shall be the Board Treasurer who shall also be the Chair of the Budget Committee; and

WHEREAS, the Budget Committee will review proposed DBRA budget approvals as well as any proposed DBRA budget amendments as requested by the Board Chair, a quorum of the DBRA Board of Directors or as requested by the DBRA Authorized Agent; and

WHEREAS, the Budget Committee's review of a proposed budget shall be advisory only and only a quorum of the full DBRA Board of Directors at a scheduled Board of Directors meeting may approve a DBRA budget or any potential budget amendments; and

WHEREAS, the Budget Committee members shall be appointed to the Committee to serve by a vote of a quorum of the DBRA Board of Directors

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors hereby approves the formation of the Budget Committee.

September 28, 2016



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CODE DBRA 16-09-01-171

ADMINISTRATION: APPOINTMENT OF COMMITTEE MEMBERS

WHEREAS, the Detroit Brownfield Redevelopment Authority (the “DBRA”) Board of Directors has adopted a resolution forming a Budget Committee; and

WHEREAS, the DBRA Board of Directors desires to appoint the following members to the Budget Committee:

1. Mia Grillier, Chair
2. Pamela McClain
3. Stephanie Washington

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors hereby approves the appointment of the following Budget Committee members:

1. Mia Grillier, Chair
2. Pamela McClain
3. Stephanie Washington

September 28, 2016

