



Detroit Brownfield Redevelopment Authority
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**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, NOVEMBER 9, 2016
4:00 PM**

BOARD MEMBERS PRESENT: Maggie DeSantis
Mia Grillier
Pamela McClain
Derrick Sanders
Raymond Scott
Matt Walters – 4:20 arrival
Stephanie Washington\
Donele Wilkins

BOARD MEMBERS ABSENT: Evette Griffie

OTHERS PRESENT: Brian Vosburg (DEGC/DBRA)
Ngozi Nwaesei (Lewis & Munday)
Anne Jamieson (ECT)
John D'Addona (ECT)
Kari Smith (Arte Express)
Beth Gotthelf (Butzel Long)
Richard Barr (Honigman)



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MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, NOVEMBER 9, 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 4:07 PM.

Mr. Sanders requested that the Packard Administration Building be moved to the first item on the agenda due to another commitment he has. Noting no objections from board members, Ms. DeSantis moved the item to first on the agenda.

PROJECTS

Packard Administration Building Brownfield Redevelopment Plan

Mr. Vosburg presented the Packard Administration Building Brownfield Redevelopment Plan.

Ms. Kari Smith, Anne Jamieson and Ms. Beth Gotthelf presented additional information regarding the project and answered various questions from board members regarding the history of the site, history of the developer, the hiring of Detroit based companies and workers, outreach to the community, status of tax abatements for the project, and the anticipated timeline for the redevelopment of the entire Packard Plant complex.

At 4:20 PM Chairperson Matt Walters arrived.

Project Introduction

Arte Express Detroit, LLC is the project developer (the "Developer") for the Plan which entails the rehabilitation of the vacant former Administration Building for the Packard Motor Car Company at 1580 East Grand Boulevard into a 121,000 square foot four-story commercial office building. Albert Kahn Associates, Inc., the original architect of the building built in 1911, have been retained as architects for the project. The project will involve green features such as the historic restoration of the exterior of the building to the extent possible as well as a green roof. The developer will also be cleaning up adjacent vacant land with green storm water features for outdoor courtyard amenities and tenant parking.

Approximately 7 permanent full time equivalent jobs and 136 temporary construction jobs are expected to be created as a result of the project. A significant number of indirect jobs via building tenants are also expected to locate at the development. The total investment is estimated to be \$22.6 million. The Developer is requesting \$5,391,278.00 in TIF reimbursement.

Property Subject to the Plan

The eligible property (the “Property”) consists of five parcels located at 1580 E. Grand Boulevard (the Administrative Building), as well as 2821 & 5847 Concord (outdoor corridors within the Packard complex) and 5580 & 5590 Concord (vacant lots to be redeveloped). The parcels are generally located on the eastside of Detroit with the Administration building on East Grand Boulevard, east of Mt. Elliot Avenue.

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 and/or residential purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be functionally obsolete, blighted and/or adjacent to or contiguous to an eligible parcel and is estimated to increase the captured taxable value of that property as defined by Act 381. 1580 E. Grand Boulevard, the administration building, has been certified functionally obsolete by a level 3 or level 4 assessor. 5821 & 5847 Concord have been determined blighted per Act 381 via a determination of blight letter from Detroit City Planning Commission staff. The parcels identified as 5580 & 5590 Concord have been determined to be a facility pursuant to Part 201. Letters and/or reports supporting these determinations can be found in Attachment G of the Plan

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 site assessment activities, due care and additional response activities, demolition, lead and asbestos abatement, site preparation, infrastructure improvements, and preparation of a brownfield plan and/or 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 are estimated to begin in fall/winter of 2016 and complete within eighteen (18) months.

Tax Increment Financing (TIF) Capture

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan pursuant to the terms of a Reimbursement Agreement with the DBRA.

COSTS TO BE REIMBURSED WITH TIF

1. BEA Activities	\$35,000.00
2. Due Care Activities	\$406,600.00

3. Additional Response Activities	\$42,950.00
4. Demolition	\$744,000.00
5. Lead & Asbestos Abatement	\$680,618.00
6. Site Preparation	\$858,850.00
7. Infrastructure (includes green roof)	\$1,902,875.00
8. Brownfield Plan & Act 381 Work Plan	\$25,000.00
9. Environmental Contingency – Less BEA (15%)	\$67,433.00
10. Non-Environmental Contingency (15%)	\$627,951.00
Total Reimbursement to Developer	\$5,391,278.00
11. Authority Administrative Costs	\$917,576.00
12. State Brownfield Redevelopment Fund	\$616,963.00
13. Local Site Remediation Revolving Fund	\$1,948,778.00
TOTAL Estimated Costs	\$8,874,595.00

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 Development Incentives

The Developer of this Plan will seek additional support through an Obsolete Property Rehabilitation Act Abatement (PA 146).

Attached for the board's review is a resolution authorizing the Packard Administration Building 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.

Mr. Walters called for a motion approving the transmittal of the Brownfield Plan to the Community Advisory Committee as well as to conduct a public hearing for the Plan for the Packard Administration Building Brownfield Redevelopment Plan.

On a motion by Ms. Wilkins, seconded by Mr. Sanders, DBRA Resolution Code 16-10-242-01, was unanimously approved.

At 4:35 PM Mr. Sanders excused himself from the meeting.

GENERAL

Approval of Minutes

Mr. Walters called for a motion approving the minutes of October 26, 2016 as presented. The Board took the following action:

On a motion by Mr. Scott, seconded by Mr. Sanders, DBRA Resolution Code 16-10-02-209 was unanimously approved.

PROJECTS

Third and Grand Assignment Agreement

Mr. Vosburg presented the history of the project and the assignment agreement before the board. Mr. Barr and Ms. Nwaesei answered questions and provided additional details that the board presented.

Mr. Walters called for a motion approving the Security Agreement and Collateral Assignment of the Tax Increment Finances for the Third and Grand Brownfield Redevelopment Plan.

On a motion by Ms. Wilkins, seconded by Mr. Sanders, DBRA Resolution Code 16-10-242-01, was unanimously approved.

ADMINISTRATIVE

Join EPA Assessment Grant Coalition

Mr. Vosburg presented the proposed resolution and letter of support for the DBRA to join a coalition with the Wayne County Brownfield Redevelopment Authority and the Detroit Wayne County Port Authority to support the application for an EPA Assessment Grant application. Based on the overwhelming response the DBRA had to the limited assessment grant funds it awarded during a one-week window last month, DBRA staff are confident that new grant funds would also be quickly obligated.

Mr. Walters called for a motion approving joining the coalition and supporting an application for EPA Assessment Grant funds.

On a motion by Ms. McClain, seconded by Ms. Grillier, DBRA Resolution Code 16-10-01-175, was unanimously approved.

OTHER

None

PUBLIC COMMENT

None

ADJOURNMENT

There being no further business, Mr. Walters called for a motion approving the adjournment of the meeting. On a motion by Ms. Wilkins, seconded by Ms. DeSantis, the board agreed unanimously to adjourn the meeting at 4:43 PM.



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CODE DBRA 16-11-242-01

**PACKARD ADMINISTRATION BUILDING 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 **Packard Administration Building 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.

November 9, 2016



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CODE DBRA 16-10-02-210

APPROVAL OF MINUTES OCTOBER 26, 2016

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

November 9, 2016



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CODE DBRA 16-10-240-04

THIRD AND GRAND: ASSIGNMENTS OF THE REIMBURSEMENT AGREEMENT

WHEREAS, on June 22, 2016, the City of Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution recommending approval of the Brownfield Plan (the "Plan") for the Third and Grand Brownfield Project (the "Project") by the Detroit City Council; and

WHEREAS, on July 19, 2016, the Detroit City Council approved the Plan; and

WHEREAS, on August 26, 2016 the Reimbursement Agreement was made and entered into by and between Third and Grand LLC and the DBRA; and

WHEREAS, a Security Agreement and Collateral Assignment (the "Assignment") has been drafted between Third and Grand LLC and Fifth Third Bank (the "Lender") and approved as to form by DBRA legal counsel, Lewis & Munday, a Professional Corporation; and

WHEREAS, per the Assignments, the Lender is granting Third and Grand LLC may exercise all rights as the owner or holder of the construction loan as long as there exists no event of default; and

WHEREAS, the Assignments need to be executed by Third and Grand LLC and the Lender with acknowledgement and approval by DBRA; and

WHEREAS, the DBRA Board of Directors desire to approve the substantial form of the Assignment and authorize its execution and delivery on behalf of the DBRA.

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

1. The Assignments of the Reimbursement Agreement (the "Assignments"), in substantially the form attached to this Resolution as Exhibit A, are hereby approved, with such necessary or desirable modifications, additions, deletions or revisions as are approved by DBRA legal counsel and the Officers or Designated Agents of the DBRA executing the Assignments.
2. Any two (2) Officers or Designated Authorized Agents or any one (1) Officer and one (1) Designated Authorized Agent of the DBRA is hereby authorized and directed to execute and deliver the Assignments.
3. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be 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.

November 9, 2016



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CODE DBRA 16-11-01-177

APPROVAL OF COALITION BETWEEN THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY, THE DETROIT/WAYNE COUNTY PORT AUTHORITY, AND WAYNE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY AND SUPPORT OF EPA BROWNFIELD ASSESSMENT GRANT APPLICATION

WHEREAS, the 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, the Wayne County Brownfield Redevelopment Authority (the “WCBRA”) 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 Wayne County; and

WHEREAS, the Detroit/Wayne County Port Authority (the “DWCPA”) was created pursuant to Act 234 of the Public Acts of Michigan of 1925 (“Port Districts Act”) and established as a governmental entity in 1978 under the Act 639 of 1978 MCLA 120.101 *et. seq.* (“Michigan Hertel-Law-T. Stopczynski Port Authority Act”) for the purpose of improving and enhancing port facilities in Wayne County and Detroit, including the remediation of contamination; and

WHEREAS, the U.S. Environmental Protection Agency (the “EPA”) has opened an application period for new applications for the Brownfield Assessment grant program with a submission date of December 20, 2016; and

WHEREAS, the WCBRA and DWCPA have significant success and experience applying for, receiving and managing EPA grants; and

WHEREAS, the WCBRA and DWCPA desire to form a coalition with the DBRA to apply for an EPA Brownfields Assessment grant in order to increase the total available funds for brownfield assessment and expand the capacity of the region’s brownfield entities; and

WHEREAS, the DBRA finds that the EPA Brownfields Assessment grant program aligns with and enhances the purposes and goals of the DBRA; and

WHEREAS, the Board of Directors of DBRA has determined that proposed grant application is consistent with the powers of the DBRA, its statutory purpose, and its submission is supported by the Brownfield Redevelopment Financing Act (Act 381 of the Public Acts of Michigan of 1996, as amended).

NOW THEREFORE BE IT RESOLVED, that Board of Directors of the City of Detroit Brownfield Redevelopment Authority does hereby approve the creation of a coalition with the Wayne County Brownfield Redevelopment Authority and Detroit/Wayne County Port Authority for the purpose of the coalition applying for a U.S. Environmental Protection Agency Brownfields Assessment grant application with a December 20, 2016 published submission deadline.

BE IT FURTHER RESOLVED that the Board of Directors of the City of Detroit Brownfield Redevelopment Authority does hereby support DBRA's joint submission of a six hundred thousand dollars (\$600,000.00) U.S. Environmental Protection Agency Brownfields Assessment grant application as a coalition with the Wayne County Brownfield Redevelopment Authority and Detroit/Wayne County Port Authority.

November 9, 2016