



Detroit Brownfield Redevelopment Authority
500 Griswold Street • Suite 2200
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**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, FEBRUARY 27, 2019
4:00 PM**

BOARD MEMBERS PRESENT:

Juan Gonzalez
Pamela McClain
John George
Matthew Walters
Maggie DeSantis
Ray Scott

BOARD MEMBERS ABSENT:

Stephanie Washington
Donele Wilkins
Sonya Mays

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Kenyetta Bridges (DEGC)
Malinda Jensen (DEGC)
Orza Robertson (DEGC)
Rebecca Navin (DEGC)
Paul Kako (DEGC)
Ngozi Nwaesei (Lewis & Munday)
Ryan Higuchi (ECT, Inc.)
Amanda Abukhader (FleishmanHillard)
Kevin Johnson (Motor City Blight Busters)
Graten Little (Basco)
Joe Hooker (Basco)



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**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, FEBRUARY 27, 2019
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD SUITE 2200 DETROIT, MI – 4:00 PM**

CALL TO ORDER

Chair Matthew Walters called the meeting to order at 4:05 PM.

GENERAL

Approval of Minutes:

Mr. Walters called for a motion approving the minutes of February 13, 2019 as presented. The Board took the following action:

On a motion by Ms. DeSantis, seconded by Ms. McClain, DBRA Resolution Code 19-02-02-249 was unanimously approved.

Treasurer's Report

Mr. Long presented the January 2019 Treasurer's report.

Mr. Walters called for a motion approving the January 2019 Treasurer's Report as presented. The Board took the following action:

On a motion by Mr. George, seconded by Ms. McClain, DBRA Resolution Code 19-02-03-184 was unanimously approved.

PROJECTS

Land Assembly Project: Authorization to Enter into MOU with Fiat Chrysler and City of Detroit

Ms. Bridges presented the Land Assembly Project: Authorization to Enter into MOU with Fiat Chrysler and City of Detroit 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 from the City for the Land Assembly Project.

Fiat Chrysler Automobiles ("FCA") recently announced that it intends to do the following in the city of Detroit (the "Project"):

- Construct a new assembly plant at the site of its current Mack Engine Plant located at Mack and St. Jean, with an estimated investment of \$1.6 billion and creation of approximately 3,850 net new full-time jobs; and
- Invest approximately \$900 million at its Jefferson North Assembly Plant, located at Jefferson and St. Jean, creating approximately 1,100 net new full-time jobs.

In order to move forward with the Project, FCA needs approximately 200 acres of market-ready land to support its operations at the 2 facilities for Project-related activities such as employee parking, trailer marshalling, and finished vehicle storage.

As part of the Land Assembly Project, DBRA authorized agents have executed a Memorandum of Understanding among the City, DBRA, and FCA, attached hereto as Exhibit A, (the "MOU") pursuant to which, subject to DBRA Board approval, the DBRA and the City would have a 60-day period to accomplish certain milestones towards obtaining a binding commitment from FCA to undertake the Project.

Specifically, the MOU contemplates that each of the following would occur prior to April 27, 2019:

- a. Execute binding agreements to deliver title to sufficient acreage adjacent to or in close proximity to the Project site to meet FCA's expansion needs.
- b. Complete appropriate environmental reviews and develop any necessary remediation plans to deliver the properties in appropriate environmental condition for FCA's manufacturing and related purposes.
- c. Negotiate a binding development agreement with FCA for the Project.
- d. Identify funding sources sufficient to meet DBRA's land acquisition and site preparation obligations for the Project
- e. Complete the process for a PA 198 tax abatement agreement (expected to be worth approximately \$12 million to FCA over 12 years).
- f. Initiate any necessary rezoning and right of way vacation petitions.
- g. Engage in the City's Community Benefits process and reach final recommendations as required by the ordinance.

In addition to the above, the DBRA will work with the City to remove the berm located along St. Jean between Mack and East Warren prior to mid-May.

In the event that the above-milestones are met within the required timeframes, it is anticipated that the resulting final agreements would then be presented to the DBRA Board of Directors and Detroit City Council for approval. In the event that final agreements are not reached, FCA and DBRA will split the cost of the berm removal.

DBRA staff seeks the Board's approval of the MOU and the DBRA's actions required to be undertaken thereunder, as well as actions reasonably required to conduct due diligence on and clear title to any sites identified for the Project.

Mr. Walters stated that the DBRA Board can anticipate a large number of agenda items in the next sixty days related to the Land Assembly Project.

Ms. DeSantis stated that as a resident of the east side of the City of Detroit and the founder and former executive director of a community development corporation that serves the community to be impacted by the project, she is aware of what is at stake and of what could happen to the community and opportunities that the community may be able to take advantage of, so she is not ready to move forward with the project without more information. Ms. DeSantis stated that in her experience private companies don't always fulfill the promises that they make and the DBRA Board needs to be able to ask hard questions in order to have answers for the community.

Ms. McClain asked if certain DBRA Board members as mayoral appointees are to appear conflicted when making decisions for the project. Mr. Walters stated that it has never been an issue with prior projects and although the magnitude of this project is much larger and the involvement of the DBRA is greater, the DBRA Board is being asked to review items in the same manner, and that his prior statement regarding the number of items that the DBRA Board can anticipate reviewing was just for their information and awareness.

Ms. DeSantis asked if the DBRA and the City of Detroit does not meet the sixty-day timeline set forth in the MOU, to what extent will the DBRA be made whole, and why is the DBRA assembling land on behalf of a private corporation, and that she needs more clarity on the proposed uses of the land. Ms. Navin stated that within the sixty-day period the DBRA is being asked to have certain properties under contract and to negotiate purchase agreements which will come to the DBRA Board for review and approval, and that it is anticipated that there will be a sixty-day due diligence period negotiated in such purchase agreements and in the event that the project does not move forward, any deposits made for properties pursuant to the purchase agreements shall be refundable, if applicable. Ms. DeSantis asked if that language is included in the MOU. Ms. Navin stated that such language would be negotiated in the purchase agreements which will come to the DBRA Board for review. Ms. Navin added that some of the risk on the part of the City of Detroit and the DBRA in acquiring the property should the project not move forward, has been mitigated by FCA's commitment to split the cost of the berm removal. Ms. Navin added that funds have been transferred to the DBRA from the City of Detroit for this project and that the funds of the DBRA are not affected.

Ms. DeSantis asked why it is necessary to remove the berms. Ms. Bridges stated that in order to have the required acreage assembled for the project and based on the need for employee parking in close proximity to the expanded operations, the berms will need to be removed to satisfy those requirements. Ms. Navin added that due to the restrictive timelines for the project and that the need for displaced employee parking is immediate, the removal of the berms is necessary and must occur before the end of the sixty-day timeframe set forth in the MOU, and due to these circumstances FCA has agreed to split the cost of removing the berms should the project not move forward.

Ms. DeSantis asked what will replace the berm as a buffer between the facility and the neighborhood. Ms. Bridges stated that other installations are being explored that will mitigate sound as well as serve as an attractive element for the community. Mr. Robertson added that a sound study is underway and that a possible option is to build a sound barrier wall to replace the berm.

Mr. Walters stated that the Mayor and Council Member Spivey will be holding discussions within the community regarding the project to share information and receive concerns from the community regarding the project.

Ms. DeSantis asked what the footprint is of the 200 acres of land that will be assembled for the project. Pointing to an aerial photo projected on the screen, Ms. Bridges stated that the acreage extends south of Jefferson but not extending to the Detroit River, Connor St. to the east, north of Warren at the former Federal -Mogul site, and St. Jean to the west, and the expansion of the footprint of the facility will take place north of the former Mack Engine Plant. Mr. Walters added that there are no residential parcels to be included in the project, and that the acreage being assembled is commercial and industrial. Ms. Bridges added that there is a shopping center to the north on Connor St. and the shopping center is not being pursued, but the vacant parking lots south of the shopping center are being pursued for potential purchase.

Ms. DeSantis asked for clarification on what the proposed uses are for the land that is being assembled for the project. Ms. Bridges stated that the land uses are expansion of the facility, employee parking, vehicle storage for truck and trailer distribution, and trailer marshalling areas for transport of the finished vehicles.

Ms. DeSantis asked if the land is already zoned for industrial use. Mr. Walters stated that most of the property is currently zoned for its end use, however there will be some rezoning that will need to be completed for a few parcels in order to use the land for the end industrial use.

Ms. McClain asked if the DBRA and the City of Detroit will be able to accomplish the requests in the MOU in the sixty-day timeline. Mr. Walters stated that the timeline is very aggressive and there are many tasks that will need to be completed, but the DBRA and the City of Detroit will make its best efforts to complete the tasks within the timeframe.

Mr. Walters called for a motion approving the Land Assembly Project: Authorization to Enter into MOU with Fiat Chrysler and City of Detroit as presented. The Board took the following action:

On a motion by Ms. McClain, seconded by Mr. Gonzalez, DBRA Resolution Code 19-02-262-08 was approved. Ms. DeSantis abstained.

Mr. George asked what the anticipated percentage of Detroit residents that will be able to take advantage of the possible job opportunities will be. Ms. Bridges stated that at the current Jefferson North Assembly Plant approximately 80% of the employees are Detroit residents and a similar number is expected at the new facility, and that FCA is working closely with Detroit Employment Solutions Corporation.

Land Assembly Project: Authorization to Enter into Construction Management Agreement with the Mannik & Smith Group, Inc.

Mr. Robertson presented the Land Assembly Project: Authorization to Enter into Construction Management Agreement with the Mannik & Smith Group, Inc. 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, which funds were expected to be reimbursed by the City.

In connection with the Land Assembly Project, the DBRA has solicited proposals and qualifications from select contractors to manage under contract with DBRA construction activities related to the Land Assembly Project. The scope of work will include managing current and any potential future construction contracts that the DBRA will enter into for the Land Assembly Project. The mobilization and CM fees represent full compensation for the cost of all wages, labor taxes & fringe benefits, overhead & profit, insurance, personal protection equipment, transportation, communication (cell phones, internet and printing) materials, and equipment incurred by the CM while performing the specified Scope of Services.

Two (2) firms responded to the RFP/Q:

	PEA, Inc (Troy, MI.)	Mannik & Smith Group (Detroit, MI.)
Total Proposed Fee	\$4,154,000	\$2,061,077.00
One time Fee	\$ 350,480	\$ 60,000.00
Project Alternative (1) Fee	\$ 830,000	\$ 214,028.00
Project Alternative (2) Fee		\$ 505,958.00
TOTAL PROPOSED FIXED FEE	\$5,334,480.00	\$2,841,063.00

From these bids, DBRA staff has selected The Mannik & Smith Group, Inc. (the “Contractor”) as the lowest, most responsive bidder. The DBRA staff would like to enter into a contract with The Mannik & Smith Group, Inc. for the not to exceed amount of Two Million Eight Hundred Forty-One Thousand Sixty-Three and 00/100 (\$2,841,063.00), as set forth on Exhibit A hereto.

DBRA staff is also recommending that an owner’s contingency of approximately twenty percent (20%) of the contract value or \$568,212.00 be established to be dispersed upon the authorization of any two Officers, or any one of the Officers and any of the Authorized Agents of the DBRA.

A resolution approving and authorizing the DBRA to enter into a contract with The Mannik & Smith Group, Inc., for the above described services and authorized amount, to be paid from the \$10 million in funds from the City, was attached for the DBRA Board’s review and consideration.

Ms. DeSantis stated that she has previously asked for more information on the companies that respond to requests for proposals. Ms. Navin stated that there were only two companies that responded to the request for proposals and the information is provided in the memorandum to the DBRA Board. Mr. Robertson added that six companies attended the pre-bid meeting. From that meeting the PEA and Mannick & Smith bids were received. The PEA bid is a partnership of two companies that attended the pre-bid meeting. Similarly the Mannick & Smith bid is also a partnership of two companies that attended the pre-bid meeting.

Mr. Walters called for a motion approving the Land Assembly Project: Authorization to Enter into Construction Management Agreement with the Mannik & Smith Group, Inc.as presented. The Board took the following action:

On a motion by Mr. George, seconded by Mr. Gonzalez, DBRA Resolution Code 19-02-262-09 was approved. Ms. DeSantis abstained.

Land Assembly Project: Engagement of Firm for Light Pole Removal

Mr. Robertson presented the Land Assembly Project: Engagement of Firm for Light Pole Removal 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 18-11-262-02) 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, which funds were expected to be reimbursed by the City.

In connection with the Land Assembly Project, the DBRA has received a proposal from the Public Light Authority to remove and relocate street light poles. DBRA staff will contract with The Energy Group, Inc., 8837 Lyndon Street, Detroit, MI 48238 (the “Contractor”), a PLA selected contractor, to the perform work.

The Contractor will be performing the following scope: perform pole, control boxes and fixture removal. Remove wire from light pole to manhole in street. Re-assign light control boxes for lights remaining in place. Material and Labor = \$53,500 + 25% contingency. The total board authorized amount for this contract will be \$66,875.00.

A resolution approving and authorizing the DBRA to enter into a contract with The Energy Group, for the above described services and authorized amount, to be paid from the \$10 million in funds from the City, was attached for the DBRA Board’s review and consideration.

Mr. George asked for clarification that the Detroit Public Lighting Authority does not have the capacity to remove light poles. Mr. Robertson stated that that was correct, and that the Public Lighting Authority contracts out such work.

Mr. Walters called for a motion approving the Land Assembly Project: Engagement of Firm for Light Pole Removal as presented. The Board took the following action:

On a motion by Ms. McClain, seconded by Mr. George, DBRA Resolution Code 19-02-262-10 was approved. Ms. DeSantis abstained.

Broadway Lofts: Brownfield Redevelopment Plan

Mr. Vosburg presented the Broadway Lofts Brownfield Redevelopment Plan to the DBRA Board.

Project Introduction

Broadway Detroit Properties, LLC, a subsidiary of Basco of Michigan, Inc. is the project developer (the “Developer”) for the Plan which entails the conversion of three parcels into a single multistory building, featuring two retail spaces on the ground level and residential apartments above. Apartment accommodations will include studio, 1-bedroom and 2-bedroom layouts. In addition, the Plan will feature alleyway improvements to serve as a community gathering space.

The total investment is estimated to be \$11.9 million. The Developer is requesting \$1,127,450.00 in TIF reimbursement.

There will be 34 temporary construction jobs and 1 FTE job. The 34 temporary construction jobs are expected to be created over a 2-year period once construction begins. The 1 FTE jobs will be

created directly by the Developer. It is estimated that future tenants will create an additional 97.5 FTE jobs.

Property Subject to the Plan

The eligible property (the "Property") consists of three (3) parcels located at 1320, 1322 and 1332 Broadway on the eastern side of Detroit's Central Business District in the Paradise Valley neighborhood, on the east side of Detroit, bounded by an alley to the north, the property line of 1314 Broadway to the East, Broadway Street to the south, and the property line of 1344 Broadway 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 and 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 a historic resource as defined by Act 381.

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 pre-approved activities, demolition, asbestos activities, infrastructure improvements, site preparation and preparation and implementation of Brownfield Plan and/or 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 are estimated to commence in the summer of 2019 and will be completed within 10 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. Environmental Assessments	\$6,500.00
2. Demolition	\$300,000.00
3. Lead and Asbestos Activities	\$10,000.00
4. Infrastructure Improvements	\$365,000.00
5. Site Preparation	\$278,000.00
6. Brownfield Plan & Act 381 Work Plan	\$25,000.00
7. Contingency (15%)	\$142,950.00
Total Reimbursement to Developer	\$1,127,450.00
8. Authority Administrative Costs	\$145,765.00
9. State Brownfield Redevelopment Fund	\$165,572.00
10. Local Brownfield Revolving Fund	\$82,701.00
TOTAL Estimated Costs	\$1,521,488.00

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 Obsolete Property Rehabilitation Act (OPRA) Tax Abatement.

Attached for the DBRA Board's review and approval was a resolution authorizing the Broadway Lofts 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. DeSantis asked about the anticipated future tenants and the creation of jobs. Mr. Hooker stated that the developer anticipates that the two first floor tenants will be restaurants and that there is one tenant that has signed a letter of intent.

Mr. Walters called for a motion for the referral of the Broadway Lofts Brownfield Redevelopment Plan and its submittal to the DBRA-CAC as presented. The Board took the following action:

On a motion by Mr. George, seconded by Ms. McClain, DBRA Resolution Code 19-02-266-01 was approved.

Harmonie Social Club: Brownfield Redevelopment Plan

Mr. Vosburg presented the Harmonie Social Club Brownfield Redevelopment Plan to the DBRA Board.

Project Introduction

311 Grand River, LLC, an affiliate of Basco of Michigan, Inc., is the project developer (the "Developer") for the Plan which entails the renovation of the existing historic structure to include updated tenant spaces, including a speakeasy bar and dining room at the basement level and a bright restaurant and lounge on the main level. The existing restaurant tenant, Colors, will remain and will be assisted by the developer to improve their tenant space during construction activities. The second level will include office and co-working space, with private rooms for conferences and meetings. The third level will restore the main assembly space and stage, with a side lounge and bar, while the mezzanine will be restored, the property will also include two bridal suites and additional event storage space.

The total investment is estimated to be \$12.6 million. The Developer is requesting \$579,210.00 in TIF reimbursement.

There will be 34 temporary construction jobs and 1 FTE job. The 34 temporary construction jobs are expected to be created over a 2-year period once construction begins. The 1 FTE jobs will be created directly by the Developer. It is estimated that future tenants will create an additional 122.5 FTE jobs.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcel located at 311 East Grand River on the eastern side of Detroit's Central Business District in the Paradise Valley neighborhood, just two blocks east of Grand Circus Park, bounded by Centre Street to the south, the property line to the west, the alley between John R Street and Grand River Avenue to the north, and Grand River Avenue to the east.

Basis of Eligibility

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Property was previously utilized or is currently 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 determined to be a historic resource as defined by Act 381, as amended.

The property was listed as a Michigan Historic Site in 1975 and was individually listed in the National Register of Historic Places in 1980. In addition, the property is listed in Detroit’s local Madison-Harmonie Historic District.

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 pre-approved activities, demolition and asbestos abatement, infrastructure improvements, site preparation, development/preparation and implementation of brownfield plan and/or 381 work plan, and a 15% contingency. 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 in summer of 2019 and be completed within 9 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. Environmental Assessments	\$7,600.00
2. Demolition	\$149,000.00
3. Asbestos Activities	\$50,000.00
4. Infrastructure Improvements	\$75,000.00
5. Site Preparation	\$201,313.00
6. Brownfield Plan & Act 381 Work Plan	\$25,000.00
7. Contingency (15%)	\$71,297.00
*Total Reimbursement to Developer	\$579,210.00
8. Authority Administrative Costs	\$24,267.00
9. State Brownfield Redevelopment Fund	\$82,856.00
10. Local Brownfield Revolving Fund	\$55,643.00
TOTAL Estimated Costs	\$741,975.00

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 Obsolete Property Rehabilitation Act (OPRA) Tax Abatement and Historic Tax Credits.

Attached for the DBRA Board's review and approval was a resolution authorizing the Harmonie Social Club 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. George asked if the developer is purchasing or leasing the building from the Downtown Development Authority. Mr. Vosburg stated that the developer is purchasing the building from the Downtown Development Authority.

Ms. DeSantis asked about the proposed uses and revenue streams expected from the project. Mr. Hooker stated that Colors will remain as a tenant in the first floor of the building, a potential second restaurant on the first floor, the coworking space on the second floor, and then the event space on the third floor of the building.

Ms. DeSantis asked if the developer will also manage the property once the project is completed. Mr. Hooker stated that the developer is discussing a number of arrangements with potential tenants. Basco is prepared to self-manage the building similar to the way many of the buildings it currently owns are, but depending on the eventual tenant mix it may also enter into an agreement with a tenant that would manage operations for the entire building.

Ms. DeSantis asked what the percentage of owners' equity is for the project. Mr. Hooker stated that there is approximately 20% owners' equity in the project.

Mr. Graten stated that there is current interest in the property from hospitality companies.

Mr. Walters called for a motion for the referral of the Broadway Lofts Brownfield Redevelopment Plan and its submittal to the DBRA-CAC as presented. The Board took the following action:

On a motion by Ms. DeSantis, seconded by Ms. McClain, DBRA Resolution Code 19-02-267-01 was approved.

OTHER

Ms. Kanalos stated that the DBRA has purchased tablets for use by the DBRA Board and has selected a software provider and platform for use by the DBRA and DBRA Board as well and that the changes are anticipated to take place during the next month. A brief training will be held at a future board meeting for board members.

PUBLIC COMMENT

None.

ADJOURNMENT

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

On a motion by Ms. McClain, seconded by Mr. George the meeting was unanimously adjourned at 4:54 PM.



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CODE DBRA 19-02-02-249

APPROVAL OF MINUTES FEBRUARY 13, 2019

RESOLVED, that the minutes of the regular meeting of February 13, 2019 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.

February 27, 2019



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DBRA 19-02-03-184

ACCEPTANCE OF TREASURER'S REPORT FOR JANUARY 2019

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period January 1 through January 31, 2019, as presented at this meeting is hereby in all respects accepted as actions of the Detroit Brownfield Redevelopment Authority.

February 27, 2019



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CODE DBRA 19-02-262-08

LAND ASSEMBLY PROJECT: AUTHORIZATION TO ENTER INTO MOU WITH FIAT CHRYSLER AND CITY OF DETROIT

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 accepted a total of \$10 Million in funds from the City for the Land Assembly Project; and

WHEREAS, on February 26, 2019, Fiat Chrysler Automobiles (“FCA”) announced that it intends to do the following in the city of Detroit (the “Project”):

- Construct a new assembly plant at the site of its current Mack Engine Plant located at Mack and St. Jean, with an estimated investment of \$1.6 billion and creation of approximately 3,850 net new full-time jobs; and
- Invest approximately \$900 million at its Jefferson North Assembly Plant, located at Jefferson and St. Jean, creating approximately 1,100 net new full-time jobs; and

WHEREAS, in order to move forward with the Project, FCA needs approximately 200 acres of market-ready land to support its operations at the 2 facilities for Project-related activities such as employee parking, trailer marshalling, and finished vehicle storage; and

WHEREAS, as part of the Land Assembly Project, DBRA authorized agents have executed a Memorandum of Understanding among the City, DBRA, and FCA, attached hereto as **Exhibit A**, (the “MOU”) pursuant to which, subject to DBRA Board approval, the DBRA and the City would have a 60-day period to accomplish certain milestones towards obtaining a binding commitment from FCA to undertake the Project; and

WHEREAS, DBRA staff seeks the Board’s approval of the MOU and the DBRA’s actions required to be undertaken thereunder, as well as actions reasonably required to conduct due diligence on and clear title to any sites identified for the Project; and

WHEREAS, the Project is consistent with the DBRA’s purposes of promoting the revitalization and reuse of certain properties and is otherwise consistent with its powers and purposes.

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors hereby approves the MOU and the DBRA’s actions required to be undertaken thereunder, as well as

actions reasonably required to conduct due diligence on and clear title to any sites identified for the Project.

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.

February 27, 2018

EXHIBIT A
MEMORANDUM OF UNDERSTANDING

See attached.



Detroit Brownfield Redevelopment Authority
500 Griswold Street • Suite 2200
Detroit, Michigan 48226
Phone: 313 963-2940
Fax: 313 963-8839

CODE DBRA 19-02-262-09

LAND ASSEMBLY PROJECT: AUTHORIZATION TO ENTER INTO CONSTRUCTION MANAGEMENT SERVICES AGREEMENT WITH THE MANNIK & SMITH GROUP, INC.

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 accepted a total of \$10 Million in funds from the City for the Land Assembly Project, which funds were expected to be reimbursed by the City; and

WHEREAS, DBRA staff solicited quotes from select contractors to perform construction management services (the "Services") for the Land Assembly Project and have selected The Mannik & Smith Group, Inc. (the "Contractor") as the lowest, most responsive bidder; and

WHEREAS, pursuant to its statutorily authorized powers, the DBRA has the power to accept funding, expend DBRA funds, engage professionals, and take the other steps contemplated by this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors hereby authorizes the engagement of the Contractor to provide the Services for the fees calculated in the amount described in **Exhibit A**.

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.

February 27, 2019

Exhibit A

SCOPE OF SERVICES AND AUTHORIZED AMOUNT – The Mannik & Smith Group, Inc.

The Mannik & Smith Group (Detroit, MI.)

Total Proposed Fee	\$2,061,077.00
One time Fee	\$ 60,000.00
Project Alternative (1) Fee	\$ 214,028.00
Project Alternative (2) Fee	\$ 505,958.00
TOTAL PROPOSED FIXED FEE	\$2,841,063.00



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CODE DBRA 19-02-262-10

LAND ASSEMBLY PROJECT: ENGAGEMENT OF FIRM FOR SOIL REMOVAL

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 accepted a total of \$10 Million in funds from the City for the Land Assembly Project, which funds were expected to be reimbursed by the City; and

WHEREAS, DBRA staff will contract with The Energy Group, Inc., 8837 Lyndon Street, Detroit, MI 48238 (the “Contractor”) a PLA’s selected contractor, to perform pole, control boxes and fixture removal. Remove wire from light pole to manhole in street. Re-assign light control boxes for lights remaining in place, activities for the Land Assembly project; and

WHEREAS, pursuant to its statutorily authorized powers, the DBRA has the power to accept funding, expend DBRA funds, engage professionals, and take the other steps contemplated by this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors hereby authorizes the engagement of the Contractor to provide the Scope of Services at the amount Material and Labor = \$53,500 + 25% contingency. The total board authorized amount for this contract will be \$66,875.00.

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.

February 27, 2019



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CODE DBRA 19-02-266-01

BROADWAY LOFTS DEVELOPMENT 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 **Broadway Lofts Development 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.

February 27, 2019



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CODE DBRA 19-02-267-01

HARMONIE SOCIAL CLUB 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 **Harmonie Social Club 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.

February 27, 2019