



**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, JANUARY 11, 2023
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD STREET, SUITE 2200
3:00 P.M.**



**CITY OF DETROIT DOWNTOWN DEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, JANUARY 11, 2023 AT 3:00 P.M**

The **City of Detroit Downtown Development Authority (DDA) Board of Directors Regular Meeting** will be held on **Wednesday, January 11, 2023, at 3:00 p.m.** in the **offices of the Detroit Economic Growth Corporation, 500 Griswold, Suite 2200, Detroit, MI 48226.**

The DEGC will convene the DDA Board of Directors Meeting in accordance with the recommended guidelines issued by the CDC and Detroit Health Department. The DEGC safety protocols include:

- **Masking**
 - ***Masking is encouraged on-site for all staff and visitors** whether you are vaccinated or not*
 - *If you forget your mask at home, disposable surgical masks will be located at each entry for your use.*
- **Social Distancing**
 - *DEGC protocols will be enforced to limit conference room capacity in accordance with recommended CDC guidelines*

DEGC encourages the public, non-DEGC board presenters and general DEGC staff to participate in all public authority meetings via Zoom.

Join Zoom Meeting

<https://us06web.zoom.us/j/88547678183?pwd=Vm93MnFmaWNOaE5TTDdaRUY3aXBXUT09>

Meeting ID: 885 4767 8183

Passcode: 976446

One tap mobile

+16513728299,,88547678183# US (Minnesota)

+17866351003,,88547678183# US (Miami)

888 788 0099 US Toll-free

877 853 5247 US Toll-free



Public Comment: The DDA respectfully requests that members of the public who wish to speak during the Public Comment section of the meeting, send an email prior to the start of the meeting to jkanalos@degc.org. A list of speakers will be generated and called upon during the meeting in the order the requests were received. In addition, any members of the public who wish to contact members of the Downtown Development Authority to provide input or ask questions on any business that will come before the DDA may send an email to jkanalos@degc.org and such input or questions will be distributed to the DDA Board of Directors.

With advance notice of seven calendar days, the City of Detroit will provide interpreter services at public meetings, including American Sign Language, language translation and reasonable ADA accommodations. Please contact the Civil Rights, Inclusion and Opportunity Department at (313) 224-4950, through the TTY number 711, or email crio@detroitmi.gov to schedule these services.



REGULAR MEETING AGENDA

Downtown Development Authority Board of Directors

Meeting Date/Time: **Wednesday, January 11, 2023, at 3:00**

Join Zoom Meeting

<https://us06web.zoom.us/j/88547678183?pwd=Vm93MnFmaWNOaE5TTDdaRUY3aXBXUT09>

Meeting ID: 885 4767 8183

Passcode: 976446

GENERAL

- | | | |
|------|--|--|
| I. | Call to Order | Nicole Sherard-Freeman
Chair's Representative |
| II. | Roll Call | |
| III. | Approval of December 14, 2022 Minutes
(Resolution) | Nicole Sherard-Freeman |
| IV. | Receipt of Treasurer's Report for November
2022
(Resolution) | Glen Long, Jr. |

PROJECTS

- | | | |
|------|---|--------------|
| I. | Housing, Office, Retail Development and
Absorption Fund—Modification to Loan
Parameters for Affordable Housing Units
(Memo and Resolution) | Nevan Shokar |
| II. | Housing, Office, Retail Development and
Absorption Fund—Request for Affordable
Housing Loan Approvals
(Memo, Resolution, and Exhibit A) | Nevan Shokar |
| III. | EC Ancillary Development Project--
Proposed Infrastructure Support
(Memo, Resolution, and Exhibit A) | Nevan Shokar |



ADMINISTRATION

OTHER MATTERS

PUBLIC COMMENT

ADJOURNMENT



CODE DDA 23-01-02-651

APPROVAL OF MINUTES OF DECEMBER 14, 2022

RESOLVED that the minutes of the Regular meeting of December 14, 2022, 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 Downtown Development Authority.

January 11, 2023



**, DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, DECEMBER 14, 2022 – 2:30 P.M.**

BOARD MEMBERS PRESENT: Austin Black
Richard Hosey
Charles Beckham
David Blaszkiewicz
Ehrlich Crain
Melvin Hollowell
James Jenkins
Steve Ogden

BOARD MEMBERS ABSENT: Marvin Beatty
John Naglick
Donald Rencher
Nicole Sherard-Freeman

OTHERS PRESENT: Dennis Archer, Jr. (Paradise Valley Foundation)
Kenyetta Bridges (DEGC/DDA)
Cora Capler (DEGC/DDA)
Gina Cavaliere (Downtown Detroit Partnership)
Elise Fields (Midtown Detroit, Inc.)
Jared Fleisher (Rocket)
Bob Gregory (Downtown Detroit Partnership)
Gay Hilger (DEGC/DDA)
Lanard Ingram (DEGC/DDA)
Malinda Jensen (DEGC/DDA)
Kevin Johnson (DEGC/DDA)
Paul Kakos (DEGC/DDA)
Jennifer Kanalos (DEGC/DDA)
Eric Larson (Downtown Detroit Partnership)
Lorinda Lindsey (Attorney)
Glen Long, Jr. (DEGC/DDA)
Melanie Markowicz (Greektown Neighborhood Partnership)
Monika McKay-Polly (DEGC/DDA)
Rebecca Navin (DEGC/DDA)
Peter Rhoades (City of Detroit)
Nevan Shokar (DEGC/DDA)



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226
WEDNESDAY, DECEMBER 14, 2022 – 2:30 P.M.**

GENERAL

Call to Order

Vice Chair Blaszkiewicz called the regular meeting of the Downtown Development Authority Board of Directors to order at 2:31 p.m. Roll call was conducted, and a quorum was established.

GENERAL

Approval of Minutes

Mr. Blaszkiewicz asked if there were any additions, deletions, or corrections to the minutes of the November 9, 2022 Regular Board meeting. Hearing none, the Board took the following action:

Mr. Jenkins made a motion approving the November 9, 2022 minutes, as written.
Mr. Ogden seconded the motion. All were in favor with none opposed.
DDA Resolution Code 22-12-02-650 was unanimously approved.

Mr. Blaszkiewicz advised that he was putting on hold the Treasurer's Report and will come back to it when Mr. Long arrives.

PROJECTS

Proposed Fifth Amendment to Development Agreement Between Rosko Development Company LLC and the DDA

Mr. Shokar advised that in September 2010, the DDA and Rosko Development Company LLC, an affiliate of Bedrock Real Estate Services, ("**Rosko**") entered into a First Amended and Restated Development Agreement (as amended from time to time, the "**Development Agreement**") relating to the development of, among other properties, the site of the former Hudson building (the "**Site**"). In December 2017, Rosko's affiliate 1208 Woodward LLC ("Developer") closed on the Site and commenced demolition of the sub-surface parking garage on the Site. In December 2018, construction of the vertical improvements began.



Under the terms of the Development Agreement, Developer has the right to propose and update its development plan for the Site, and the development plan will be “deemed approved” by the DDA Board, so long as it is a mixed-use development containing, among other things, at least 250 residential units (the “**Residential Minimum Requirement**”). Developer’s current development plan for the Site anticipates fewer than 250 residential units. Rather, the project will include at least 200,000 gross square feet of residential use (approximately 110 units) and 300,000 gross square feet of hotel use (approximately 227 hotel rooms). Consequently, Developer is seeking a variance from the Residential Minimum Requirement to allow for this modified use.

In addition, the current timeline for construction completion under the Development Agreement is December 31, 2022. Due to unforeseen construction delays resulting from the Covid 19 pandemic and related economic factors, as well as a modification of Developer’s original development plans, Developer is seeking a 24-month extension to this completion date. A revised December 31, 2024 completion date will also be consistent with Developer’s completion deadline under the Transformational Brownfield Plan for the Site.

A resolution was included for the Board’s consideration.

Mr. Shokar turned the floor over to the developer, Mr. Jared Fleisher, who did a short PowerPoint presentation.

Mr. Blaszkiewicz called for questions.

Mr. Hollowell asked if the 50 percent reduction of residential units is the plan. Mr. Fleisher stated that the original plan in 2017 called for 334 residential units, and for a variety of reasons, including market feedback, the plan now is to include more hotel rooms, which results in a reduction of residential units.

Mr. Hollowell asked Board Member Ogden if this was the plan presented and approved by City Council in terms of the number of residential units that will be available. Mr. Ogden responded in the affirmative. Mr. Hollowell asked if this change was driven by economics. Mr. Ogden advised that it was a question of whether the market could absorb that number of residential units, and the determination was, not at this time. Mr. Ogden stated that they have gone through a lot of iterations of what this project will look like. They started out at somewhere around \$900 million and now they are at \$1.4 billion. They were before City Council in June for tax abatement, and Council got to see what the Board is seeing right now. Mr. Fleisher added that it went before the MEDC in August with the support of the Brownfield Authority, so this project is well known.

Mr. Jenkins stated that he believes this project will be a keystone in the community.



Ms. Navin advised that she wanted to add one point of clarification. What is being sought on the variance here is approval of the square footage amounts of the residential and the hotel space. The number of units may change a bit.

Mr. Hosey asked if the Board should consider adding some variance so that if there is a change, it is already accommodated. Ms. Navin advised that the developer has already confirmed that the amounts in the resolution--200,000 sq. ft. for residential and 300,000 sq. ft. for hotel--should be sufficient as a minimum.

Mr. Hollowell asked what amount of the 200,000 square feet of residential is rentable units versus condominiums. Ms. Navin responded that it is 100 percent condominiums.

Subsequent to the discussion, Mr. Blaskiewicz called for a motion.

Mr. Jenkins made a motion to approve the Fifth Amendment to the Development Agreement Between Rosko Development Company LLC and the DDA. Mr. Crain seconded the motion. All were in favor with none opposed. Resolution Code DDA 22-12-112-21 was approved, with Mr. Ogden abstaining.

Request for Support of Downtown Revitalization and Placemaking Projects

Mr. Shokar stated that in early 2022, The Revitalization and Placemaking ("RAP") Program was announced as an incentive program that will deploy \$100 million in American Rescue Plan funding to address the COVID-19 impacts in Michigan communities. This program will provide access to real estate and place-based infrastructure development gap financing through grants of up to \$5 million per project for real estate rehabilitation and development, grants of up to \$1 million per project for public space improvements and grants of up to \$20 million to local or regional partners who develop a coordinated subgrant program. In September of 2022, The Downtown Detroit Partnership ("DDP") was awarded \$13,740,000 of RAP subgrant funding to invest in projects that focus on living and playing downtown as a way to generate new demand for small businesses and new tax revenue for the City.

From the RAP subgrant, \$4,600,900 of funding is allocated to the below placemaking projects, to be undertaken by the DDP, in partnership with the Paradise Valley Conservancy and the Greektown Neighborhood Partnership. DDP anticipates that the improvements will be completed prior to the Spring 2024 NFL Draft, with the exception of the Grand Circus Park improvements which are slated to commence in Fall 2023 and be completed by Summer 2004. DDP has requested contributing support from DDA for the placemaking projects in the allocations indicated below (the "Funding Request").



<u>Project</u>	<u>Total Investment</u>	<u>RAP Award</u>	<u>DDA Request</u>	<u>Description of Improvements</u>
Campus Martius & Cadillac Square	\$2,475,000	\$845,210	\$480,000	Improve infrastructure, create "Winter Lodge", expand ice rink; New food and beverage kiosk and public restroom
Grand Circus	\$2,000,000	\$845,210	\$480,000	Redesigning of Woodward redesign, new public restroom
Capitol Park	\$3,000,000	\$845,210	\$480,000	Improve infrastructure, permanent seating, landscaping
Paradise Valley Park and Plaza	\$1,480,000	\$625,455	\$480,000	Create inviting public space: pavers, landscaping, furnishings, signage, public art
Paradise Valley Alley	\$1,407,000	\$594,605	\$480,000	Concrete pavers, new landscaping, space for food trucks, stage
Randolph Plaza	\$2,683,018	\$845,210	\$475,000	Landscaping, café zone with outdoor seating and dining infrastructure
Total	\$13,045,018	\$4,600,900	\$2,875,000	

DDA staff hereby requests the Board's approval of (i) the Funding Request; (ii) the execution of one or more appropriate funding agreements setting forth funding conditions, including but not limited to sufficient project funding commitments, a construction draw disbursement mechanism, DDA's reasonable approval of the project budgets, and the establishment of an outside project commencement and/or completion date; and (iii) a reallocation of amount of up to \$2,875,000 from other DDA Plan Table 3 line items to the Special Areas Planning, Engineering, Operations and Maintenance program, as authorized by Section 408.1 of the DDA Plan, in order to fund the Funding Request.

A resolution was included for the Board's consideration.

Mr. Shokar advised that the folks from the Downtown Detroit Partnership, the Paradise Valley Conservancy, and the Greektown Neighborhood Partnership were with us to talk about the specific improvements for the dollars.

Mr. Bob Gregory of the Downtown Detroit Partnership reviewed the proposed improvements in Campus Martius Park, Grand Circus Park and Capitol Park. Mr. Dennis Archer, Jr. spoke about the improvements proposed in Paradise Valley. Ms. Melanie Makowicz of the Greektown Neighborhood Partnership also explained the proposed improvements to be made in Greektown with the construction of Randolph Plaza.

Mr. Blaszkiewicz called for questions.



Mr. Crain asked if the DDA will have a role in any of these projects. Mr. Shokar advised that the way that it is written is that it is up to the DDA to draft the appropriate budget, which can be done in different ways. It could be either through the DDP to sort of subgrant back, which is the way that MEDC is writing their agreements, or we could give it directly to the conservancies themselves. That was intentionally left open for us to finalize. Ms. Navin added that in any event, will be reviewing the work and the construction progress against the budget.

Mr. Hollowell stated that it is his understanding that these are Federal funds that you either “use or lose” and there is a timeline. Ms. Navin clarified that she believes that would be the MEDC portion of the grant. The funds from the DDA are tax increment funds.

Mr. Hollowell added that this whole project is essentially a linkage, and he believes it has all been very well thought out, goes to the core of what the DDA is all about, and is the best use of TIF funds, and he supports it fully.

Subsequent to the discussion, Mr. Blaszkiewicz called for a motion.

Mr. Hollowell made a motion to approve the Request for Support of Downtown Revitalization and Placemaking Projects. Mr. Jenkins seconded the motion. All were in favor with none opposed.

Resolution Code DDA 22-12-88-09 was approved, with Mr. Beckham abstaining.

GENERAL

Mr. Blaszkiewicz called on Mr. Long for the Treasurer’s Report.

Receipt of Treasurer’s Reports

Mr. Long reviewed the Treasurer’s Report of Receipts and Disbursements for the month of October 2022 and responded to questions.

Mr. Blaszkiewicz called for a motion.

Mr. Hosey made a motion approving the DDA Treasurer’s Report for the month of October 2022, as presented. Mr. Ogden seconded the motion. All were in favor with none opposed.

DDA Resolution Code 22-12-03-539 was unanimously approved.

ADMINISTRATIVE



Downtown Supplemental Lighting and Safety Program

Ms. Jensen reported that over the years, the Downtown Detroit Partnership (“DDP”) administered a holiday lighting program. This program has been centered around the installation of various holiday lighting throughout the DDA Downtown District. In 2002, the City of Detroit Downtown Development Authority (“DDA”) and DDP entered into a Professional Services and Rental Agreement whereby the DDA agreed to provide \$200,000.00 in annual reimbursements to DDP in support of the holiday lighting program. The Convention Facilities Public Improvements program in the DDA’s Tax Increment Financing Plan and Development Plan for Development Area No. 1 (the “DDA Plan”) includes an allocation for these payments thru FY 22-23. There is currently a total of \$302,411.16 remaining in this DDA Plan Table 3 line item allocation, comprised of the FY 2022-23 allocation, as well as an unexpended balance from a prior year.

As DDP has continued to operate its holiday lighting program, it has recently sought ways to shift the program to operate year-round. In addition to the annual holiday lighting program, DDP now seeks to expand the program to include enhanced lighting in dark spots in pedestrian areas in and around public spaces, all within the DDA Downtown District (the “**Supplemental Lighting Program**”). DDP has submitted a funding request to the DDA, attached hereto as Exhibit A, to support its efforts in providing additional lighting in the Downtown District through this Supplemental Lighting Program, commencing in 2022-23 (in lieu of its 2022-23 holiday lighting allocation).

DDA staff is supportive of DDP’s requests and respectfully requests the DDA Board to approve (i) DDA’s support of DDP’s Supplemental Lighting Program at an amount not to exceed \$200,000 annually from FY 2022-23 through FY 2027-28, for a total commitment of \$1,200,000, to be memorialized in a new funding agreement; and (ii) a reallocation of an amount equal to \$897,588.84 from other DDA Plan Table 3 line items to the Convention Facilities Public Improvements line item, as authorized by Section 408.1 of the DDA Plan, in order to fund the Supplemental Lighting Program.

A resolution was included for the Board’s consideration.

Ms. Jensen advised that a resolution was included for the Board’s consideration and DDP representatives are available to answer questions.

Mr. Blaszkiewicz asked if there were any questions.

Mr. Hollowell stated that it is the “Supplemental Lighting and Safety Program” and asked if there is something else other than the lighting that is the safety? Ms. Jensen responded that it is the increased lighting that will create a safer environment.



With there being no other questions, Mr. Blaskiewicz called for a motion.

Mr. Crain made a motion to approve the Downtown Supplemental Lighting and Safety Program. Mr. Hollowell seconded the motion. All were in favor with none opposed.

Resolution Code DDA 22-12-01-469 was unanimously approved.

OTHER BUSINESS

None.

PUBLIC COMMENT

Mr. Blaszkiewicz called for public comment and stated that they would have two minutes.

Peter Rhodes thanked Mr. Blaszkiewicz and stated the following:

“My name is Peter Rhodes, and I am a Policy Analyst for Council Member Angela Whitfield Calloway, District 2. She asked me to attend the meeting today and take some notes. I was really impressed by you all and thank you all for your efforts and your dedication. While I am here, and I have some time left...so one of the things we are talking about back at the office is affordable housing. So, when it comes to affordable housing, how is it we cannot want folks who are scrubbing pots and pans in the back of the restaurant to be able to afford a place to live within walking distance from where they are working? In downtown Detroit, that’s pretty tough. The DDA brings in about \$60 million a year in revenue, has about \$1 billion in assets and about \$300 million in liabilities. That means you have about \$700 million. I don’t want all \$700 million. But, in the future, when you are meeting, when you are considering, think about affordable housing, how you use some of those funds to supplement affordable housing in downtown Detroit so working folks scrubbing those pots and pans can afford a place to live near where they work.”

Mr. Hollowell thanked Mr. Rhodes and asked him to send back to the Councilwoman the Board’s appreciation of him being here and for expressing concerns about affordable housing. She is exactly right.

ADJOURNMENT

With there being no further business to be brought before the Board, on a motion by Mr. Ogden, seconded by Mr. Hollowell, Mr. Blaszkiewicz adjourned the meeting at 3:18 p.m.



CODE DDA 22-12-02-650

APPROVAL OF MINUTES OF NOVEMBER 9, 2022

RESOLVED that the minutes of the Regular meeting of November 9, 2022 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 Downtown Development Authority.

December 14, 2022



CODE DDA 22-12-03-539

RECEIPT OF TREASURER'S REPORT FOR OCTOBER 2022

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending October 31, 2022, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

December 14, 2022



CODE DDA 22-12-112-21

QUICKEN LOANS DEVELOPMENTS: RESOLUTION AUTHORIZING FIFTH AMENDMENT TO DEVELOPMENT AGREEMENT BETWEEN ROSKO DEVELOPMENT COMPANY LLC AND THE DDA

WHEREAS, in September, 2010, the DDA and Rosko Development Company LLC, an affiliate of Bedrock Real Estate Services, (“**Rosko**”) entered into a First Amended and Restated Development Agreement (as amended from time to time, the “**Development Agreement**”) relating to the development of, among other properties, the site of the former Hudson building (the “**Site**”); and

WHEREAS, in December, 2017, Rosko’s affiliate 1208 Woodward LLC (“**Developer**”) closed on the Site and commenced demolition of the sub-surface parking garage on the Site and in December, 2018 Developer commenced construction of the vertical improvements on the Site; and

WHEREAS, Section 5.03(i) of the Development Agreement provides that Developer’s development plan for the Site will be “deemed approved” if it includes, among other things, at least 250 residential units (the “**Residential Minimum Requirement**”); and

WHEREAS, in response to market demands, in lieu of 250 residential units, Developer’s current development plan includes at least 200,000 gross square feet of residential use and 300,000 gross square feet of hotel use and Developer is seeking a variance from the Residential Minimum Requirement to allow for such modified use (the “**Variance Request**”); and

WHEREAS, Developer has also requested an extension of the construction completion date set forth in the Development Agreement from December 31, 2022 to December 31, 2024, which date is consistent with the construction schedule in the Transformational Brownfield Plan for the Site (the “**Extension Request**”); and

WHEREAS, the DDA Board of Directors has determined that it is in the best interests of the DDA and the project to approve the Variance Request and the Extension Request.

NOW, THEREFORE, BE IT RESOLVED, that the DDA Board of Directors hereby approves the Variance Request and the Extension Request.

BE IT FURTHER RESOLVED that any two Officers, any two of the Authorized Agents of the DDA, or any one of its Officers and any one of its Authorized Agents, shall hereafter have the authority to negotiate and execute an amendment to the Development Agreement upon terms not inconsistent with the terms described herein and the 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 DDA.



BE IT FINALLY RESOLVED that all of the acts and transactions of any Officer or Authorized Agent of the DDA, in the name and on behalf of the DDA, 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.

December 14, 2022



CODE DDA 22-12-88-09

REQUEST FOR SUPPORT OF DOWNTOWN REVITALIZATION AND PLACEMAKING PROJECTS

WHEREAS, the Downtown Detroit Partnership (“DDP”) was awarded \$13,740,000 of RAP subgrant funding to invest in projects that focus on living and playing downtown as a way to generate new demand for small businesses and new tax revenue for the City, of which \$4,600,900 of funding is allocated to the placemaking projects within DDA’s Development Area No. 1, to be undertaken by the DDP, in partnership with the Paradise Valley Conservancy and the Greektown Neighborhood Partnership: and

WHEREAS, DDP has requested contributing support from DDA in the amount of \$2,875,000 for the placemaking projects in the allocations indicated below (the “**Funding Request**”):

<u>Project</u>	<u>Total Investment</u>	<u>RAP Award</u>	<u>DDA Request</u>	<u>Description of Improvements</u>
Campus Martius & Cadillac Square	\$2,475,000	\$845,210	\$480,000	Improve infrastructure, create “Winter Lodge”, expand ice rink; New food and beverage kiosk and public restroom
Grand Circus	\$2,000,000	\$845,210	\$480,000	Redesigning of Woodward redesign, new public restroom
Capitol Park	\$3,000,000	\$845,210	\$480,000	Improve infrastructure, permanent seating, landscaping
Paradise Valley Park and Plaza	\$1,480,000	\$625,455	\$480,000	Create inviting public space: pavers, landscaping, furnishings, signage, public art
Paradise Valley Alley	\$1,407,000	\$594,605	\$480,000	Concrete pavers, new landscaping, space for food trucks, stage
Randolph Plaza	\$2,683,018	\$845,210	\$475,000	Landscaping, café zone with outdoor seating and dining infrastructure
Total	\$13,045,018	\$4,600,900	\$2,875,000	

; and

WHEREAS, the DDA Board of Directors has determined that it is in the best interests of the DDA and to approve the Funding Request on the terms and conditions set forth herein.



NOW, THEREFORE, BE IT RESOLVED, that the DDA Board of Directors hereby approves (i) the Funding Request; (ii) the execution of one or more appropriate funding agreements setting forth funding conditions, including but not limited to sufficient project funding commitments, a construction draw disbursement mechanism, DDA's reasonable approval of the project budgets, and the establishment of an outside project commencement and/or completion date; and (iii) a reallocation of amount of up to \$2,875,000 from other DDA Plan Table 3 line items to the Special Areas Planning, Engineering, Operations and Maintenance program, as authorized by Section 408.1 of the DDA Plan, in order to fund the Funding Request.

BE IT FURTHER RESOLVED that any two Officers, any two of the Authorized Agents of the DDA, or any one of its Officers and any one of its Authorized Agents, shall hereafter have the authority to negotiate and execute on or more funding agreements upon terms not inconsistent with the terms described herein and the 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 DDA.

BE IT FINALLY RESOLVED that all of the acts and transactions of any Officer or Authorized Agent of the DDA, in the name and on behalf of the DDA, 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.

December 14, 2022



CODE DDA 22-12-01-469

ADMINISTRATION: DOWNTOWN SUPPLEMENTAL LIGHTING AND SAFETY PROGRAM

WHEREAS, in 2002, the City of Detroit Downtown Development Authority (“DDA”) and the Downtown Detroit Partnership (“DDP”) entered into a Professional Services and Rental Agreement whereby the DDA agreed to provide \$200,000.00 annually to DDP in support of DDP’s holiday lighting program; and

WHEREAS, the Convention Facilities Public Improvements program in the DDA’s Tax Increment Financing Plan and Development Plan for Development Area No. 1 (the “DDA Plan”) includes an allocation for these payments thru FY 22-23, for which there is currently a total of \$302,411.16 remaining in this DDA Plan Table 3 line item allocation, comprised of the FY 2022-23 allocation, as well as an unexpended balance from a prior year; and

WHEREAS, in addition to the annual holiday lighting program, DDP now seeks to expand the program to include enhanced lighting in dark spots in pedestrian areas in and around public spaces, all within the DDA Downtown District (the “Supplemental Lighting Program”); and

WHEREAS, DDP’s requests that DDA support the Supplemental Lighting Program at an amount not to exceed \$200,000 annually, commencing in 2022-23 (in lieu of its 2022-23 holiday lighting allocation); and

WHEREAS, DDA staff recommends DDA Board approval of (i) DDA’s support of DDP’s Supplemental Lighting Program at an amount not to exceed \$200,000 annually from FY 2022-23 through FY 2027-28, for a total commitment of \$1,200,000, to be memorialized in a new funding agreement; and (ii) a reallocation of an amount equal to \$897,588.84 from other DDA Plan Table 3 line items to the Convention Facilities Public Improvements line item, as authorized by Section 408.1 of the DDA Plan, in order to fund the Supplemental Lighting Program; and

WHEREAS, having reviewed the request, the DDA Board of Directors has determined that it is in the best interests of the DDA and the goals and purposes of the DDA Plan to approve the aforementioned request.

NOW THEREFORE, BE IT RESOLVED that the DDA Board of Directors hereby approves (i) DDA’s support of DDP’s Supplemental Lighting Program at an amount not to exceed \$200,000 annually from FY 2022-23 through FY 2027-28, for a total



commitment of \$1,200,000, to be memorialized in a new funding agreement; and (ii) a reallocation of an amount equal to \$897,588.84 from other DDA Plan Table 3 line items to the Convention Facilities Public Improvements line item, as authorized by Section 408.1 of the DDA Plan, in order to fund the Supplemental Lighting Program.

BE IT FURTHER RESOLVED, that the DDA Board of Directors hereby authorizes any two of its Officers, any one Officer and any one designated Authorized Agent, or any two Authorized Agents to execute a funding agreement and any and all documents necessary or appropriate, or take any and all actions necessary or appropriate, to implement the provisions and intent of this resolution on behalf of the DDA.

BE IT FINALLY RESOLVED, that all of the acts and transactions of any Officer or Authorized Agent of the DDA, in the name and on behalf of the DDA, 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.

December 14, 2022



Exhibit A

Funding Request



December 5, 2022

Detroit Economic Growth Corporation
Mr. Kevin D. Johnson, President and CEO
500 Griswold St., Suite 2200
Detroit, MI 48226

Re: Downtown Supplemental Lighting and Safety Program

Dear Mr. Johnson,

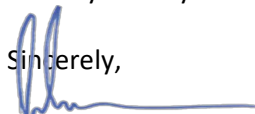
As you are aware, the Downtown Detroit Partnership (DDP) continues to strengthen and support downtown Detroit through many strategic initiatives and programs. The DDP respectfully requests continued support from the Downtown Development Authority (DDA) in the amount of \$1,200,000 over five years for our Downtown Supplemental Lighting and Safety program.

With support from the DDA, the Downtown Supplemental Lighting and Safety program will continue to provide procurement and installation of annual holiday lighting as well as enhanced lighting in dark spots along pedestrian areas in and around public spaces, all within the DDA Downtown District.

As a lead organization in the downtown district, we have recognized the importance to create well-lit pedestrian public spaces that support connectivity in our urban core for our residents, visitors and employees. In addition, our annual holiday lighting illuminates the downtown along major streets and gateways into the district, encourage the community to celebrate and experience our exciting downtown during the winter season. To ensure our collective efforts in creating a vibrant, urban core remain a priority, DDP operates this program year-round.

The impact of this program goes beyond lighting enhancements along our corridors and pedestrian gateways. Having a strategic and coordinated approach, supports the past, current and future investments within the downtown core, by providing a welcoming space for businesses, residents and visitors.

Thank you for your consideration of this request.

Sincerely,

Eric B. Larson
CEO

1000 Woodward
Suite 380
Detroit, MI 48236

Tel: 313.566.8250
Fax: 313.567.3474
downtowndetroit.org



CODE DDA 23-01-03-540

RECEIPT OF TREASURER'S REPORT FOR NOVEMBER 2022

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending November 30, 2022, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

January 11, 2023

DOWNTOWN DEVELOPMENT AUTHORITY
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
November 30, 2022

Beginning Cash Balance November 1, 2022	\$136,325,488
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Adjustment for Interest Income & Voided Checks*	128
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Adjusted Cash Balance November 1, 2022	\$136,325,616
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CASH RECEIPTS:

Earnings on Investments	\$317,032
Parking Fees & Lease Payments	258,653
One Mil Receipt	<u>8,063</u>

TOTAL RECEIPTS	<u>\$583,748</u>
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TOTAL RECEIPTS AND CASH BALANCE	\$136,909,364
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LESS:

Disbursements	<u>\$1,056,195</u>
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TOTAL CASH - November 30, 2022	<u><u>\$135,853,169</u></u>
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RECAP:

Cash in Bank	\$4,890,341
Investments	66,033,463
General Bond Accounts	6,955,434
Catalyst Bond Accounts	<u>57,973,931</u>

TOTAL CASH AND EQUIVALENTS	<u><u>\$135,853,169</u></u>
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*Voided check from prior period.

**DOWNTOWN DEVELOPMENT AUTHORITY
CASH DISBURSEMENTS REGISTER
November 30, 2022**

Check No.	Check Date	Vendor Name	Project	Amount
<u>Development #1</u>				
7642	02-Nov-22	Board of Water Commissioners	Land Assemblage	\$256.13
7643	02-Nov-22	Board of Water Commissioners	Land Assemblage	64.10
7644	02-Nov-22	Board of Water Commissioners	Land Assemblage	256.14
7645	02-Nov-22	Board of Water Commissioners	Land Assemblage	35.61
7646	02-Nov-22	Premier Group Associates	Land Assemblage	1,083.84
ACH	17-Nov-22	First American Title 150 Bagley	H/O/R	765,382.28
7647	30-Nov-22	Board of Water Commissioners	Land Assemblage	256.39
7648	30-Nov-22	Board of Water Commissioners	Land Assemblage	67.00
7649	30-Nov-22	Board of Water Commissioners	Land Assemblage	128.19
7650	30-Nov-22	Board of Water Commissioners	Land Assemblage	53.99
Sub Total - Development #1				\$767,583.67
<u>General Account</u>				
5693	09-Nov-22	Dykema Gossett PLLC	Legal	\$7,030.00
5694	09-Nov-22	Dykema Gossett PLLC	Legal	575.50
5695	16-Nov-22	Kotz Sangster	Legal	99.00
5696	22-Nov-22	George Johnson & Company	Audit	3,750.00
5697	22-Nov-22	Long Ins. Services	Insurance	24,053.58
5698	22-Nov-22	Long Ins. Services	Insurance	9,797.00
5699	22-Nov-22	Long Ins. Services	Insurance	8,093.75
Sub Total - General				\$53,398.83
<u>Bond Accounts</u>				
	30-Nov-22	No Activity		\$0.00
Sub Total - Bond Accounts				\$0.00
<u>Development #2</u>				
	30-Nov-22	No Activity		\$0.00
Sub Total - Development #2				\$0.00
<u>Repair Fund</u>				
	30-Nov-22	No Activity		\$0.00
Sub Total - Repair Fund				\$0.00
<u>Parking & Operations</u>				
1096	2-Nov-22	Detroit Economic Growth Corporation	Admin	\$158,333.00
6133	9-Nov-22	Park Rite	Book Cadillac Garage	76,259.41
ACH	15-Nov-22	Park Rite	Book Cadillac Garage	619.73
Sub Total -Parking & Operations				\$235,212.14
Total Disbursements				<u>\$1,056,194.64</u>

D.D.A.
CASH BASIS INCOME STATEMENT
11/01/22 THROUGH 11/30/22

	CURRENT MONTH	CURRENT FISCAL YEAR-TO-DATE	PRIOR FISCAL YEAR-TO-DATE	CURRENT YEAR BUDGET-TO-DATE	UNREALIZED BUDGET
RECEIPTS:					
Development Fund No. 1	405,692	1,525,355	629,403	620,833	904,522
General Fund	167,082	1,352,628	1,470,213	1,100,000	252,628
Development Fund No. 2	8,481	28,368	168	1,250	27,118
Escrow/Construction Accounts	2,493	7,957	57	1,255	6,702
TOTAL RECEIPTS	583,748	2,914,308	2,099,841	1,723,338	1,190,970
DISBURSEMENTS:					
Development Fund No. 1	844,463	21,437,363	22,282,652	21,504,695	67,332
General Fund	211,732	778,066	720,086	1,269,167	491,101
Development Fund No. 2	0	275,000	0	275,000	0
Escrow/Construction Accounts	0	0	0	0	0
TOTAL DISBURSEMENTS	1,056,195	22,490,429	23,002,738	23,048,862	558,433
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(472,447)	(19,576,121)	(20,902,897)	(21,325,524)	1,749,403

**D.D.A.
RECEIPTS
11/01/22 THROUGH 11/30/22**

	CURRENT MONTH	CURRENT FISCAL YEAR-TO-DATE	PRIOR FISCAL YEAR-TO-DATE	CURRENT YEAR BUDGET-TO-DATE	UNREALIZED BUDGET	FULL YEAR BUDGET
DEVELOPMENT FUND NO. 1						
Tax Increment Receipts	0	0	0	0	0	21,200,000
Hudson Business Enterprises	0	0	4,470	0	0	0
1212/1145 Griswold	0	0	50,000	0	0	100,000
Catalyst Development Tax Receipts	0	0	0	0	0	21,630,000
Reimbursements	0	0	21,000	8,333	(8,333)	20,000
Parking 150 Michigan Garage	117,078	553,091	514,313	562,500	(9,409)	1,350,000
Stadium Repair Fund	0	0	0	0	0	710,000
Interest Income	288,614	972,264	39,620	50,000	922,264	120,000
TOTAL DEVELOPMENT FUND NO. 1	405,692	1,525,355	629,403	620,833	904,522	45,130,000
GENERAL FUND						
One Mil-City of Detroit	8,063	644,499	574,871	437,500	206,999	1,050,000
Interest/Other Income	17,444	55,470	35,627	16,667	38,803	40,000
TSF From Development Fund	0	250,000	500,000	312,500	(62,500)	750,000
Lease Receipts	122,275	308,189	309,895	312,500	(4,311)	750,000
Parking Operations	19,300	94,470	49,820	20,833	73,637	50,000
TOTAL GENERAL FUND	167,082	1,352,628	1,470,213	1,100,000	252,628	2,640,000
DEVELOPMENT FUND NO. 2						
City Tax Payment	0	0	0	0	0	0
Interest Income	8,481	28,368	168	1,250	27,118	3,000
TOTAL DEVELOPMENT NO. 2	8,481	28,368	168	1,250	27,118	3,000
ESCROW/CONSTRUCTION						
Construction Account						
Interest Income	2,490	7,950	52	1,250	6,700	3,000
Leland/Ramada Inn Deposit Acct.						
Interest Income	3	7	5	5	2	12
TOTAL ESCROW/CONSTRUCTION	2,493	7,957	57	1,255	6,702	3,012
TOTAL RECEIPTS	583,748	2,914,308	2,099,841	1,723,338	1,190,970	47,776,012

**D.D.A.
DISBURSEMENTS
11/01/22 THROUGH 11/30/22**

	CURRENT MONTH	CURRENT FISCAL YEAR-TO-DATE	PRIOR FISCAL YEAR-TO-DATE	CURRENT YEAR BUDGET-TO-DATE	UNREALIZED BUDGET	FULL YEAR BUDGET
DEVELOPMENT FUND NO. 1						
Debt Service on 96/98/18B Bonds	0	7,950,612	8,752,737	7,950,612	0	16,604,336
Trustee Fees - Bonds	0	0	17,500	0	0	20,000
Land Assemblage Expenses	2,202	28,356	722,909	25,000	(3,356)	12,490,000
SBLT Loans	0	0	0	0	0	2,340,000
Housing/Office/Retail	765,382	1,450,760	0	1,450,000	(760)	23,240,000
Christmas Lighting	0	0	0	0	0	300,000
Special Areas Maintenance	0	21,025	23,733	25,000	3,975	4,480,000
Demolition	0	550	100	0	(550)	1,010,000
LCA Repairs & Maint	0	0	0	0	0	300,000
Reimbursable Costs	0	0	63	8,333	8,333	20,000
Paradise Valley	0	0	0	0	0	1,380,000
M1 Rail	0	0	900,000	0	0	900,000
Book Cadillac Garage Operations	76,879	275,810	231,283	250,000	(25,810)	600,000
I-375 Study	0	0	0	0	0	50,000
Lower Woodward Streetscapes	0	2,000	653,662	25,000	23,000	2,760,000
Ally Financial	0	0	0	0	0	990,000
Quicken Loans	0	0	0	0	0	6,000,000
Debt Service on Catalyst Bonds	0	11,458,250	10,480,625	11,458,250	0	20,330,000
Transfer to General Fund	0	250,000	500,000	312,500	62,500	750,000
Transfer to Comerica Park Maint Fund	0	0	0	0	0	420,000
1145 Griswold DIF	0	0	0	0	0	100,000
Comerica Park Repairs & Maint	0	0	40	0	0	1,200,000
TOTAL DEVELOPMENT FUND NO. 1	844,463	21,437,363	22,282,652	21,504,695	67,332	96,284,336
GENERAL FUND						
Legal	7,704	62,206	40,365	83,333	21,127	200,000
Administration	158,333	633,332	633,332	791,667	158,335	1,900,000
Auditing/Consulting	3,750	37,500	37,500	40,000	2,500	40,000
Advertising/Marketing	0	0	0	6,250	6,250	15,000
Insurance	41,945	41,945	0	135,417	93,472	325,000
Computer Support	0	0	0	4,167	4,167	10,000
Special Projects/Contingency	0	3,083	8,889	208,333	205,250	500,000
TOTAL GENERAL FUND	211,732	778,066	720,086	1,269,167	491,101	2,990,000
DEVELOPMENT FUND NO. 2						
Tax Increment	0	0	0	0	0	0
Transfer to EDC	0	275,000	0	275,000	0	1,800,000
TOTAL DEVELOPMENT NO. 2	0	275,000	0	275,000	0	1,800,000
ESCROW/CONSTRUCTION						
Bank Service Fees	0	0	0	0	0	0
Road Construction	0	0	0	0	0	0
TOTAL ESCROW/CONSTRUCTION	0	0	0	0	0	0
TOTAL DISBURSEMENTS	1,056,195	22,490,429	23,002,738	23,048,862	558,433	101,074,336



**TO: BOARD OF DIRECTORS
DOWNTOWN DEVELOPMENT AUTHORITY**

FROM: NEVAN SHOKAR

DATE: JANUARY 10, 2023

**RE: HOUSING, OFFICE, RETAIL DEVELOPMENT AND ABSORPTION FUND –
MODIFICATION TO LOAN PARAMETERS FOR AFFORDABLE HOUSING
UNITS**

On November 9, 2022, the DDA Board approved certain program parameters in connection with housing loans made under the DDA's Housing, Office, Retail Development and Absorption Fund, where the housing developer makes a commitment that at least 20% of the residential rental units will be reserved for households making 70% of AMI or less (the "**Affordable Housing Program Parameters**").

The Affordable Housing Program Parameters include a provision that if affordable units are occupied by individuals who have been residents of the City of Detroit for at least 5 years prior to occupancy, then a portion of the loan may be eligible for forgiveness, upon terms to be approved by DDA Board of Directors.

Following further discussion of the Affordable Housing Program Parameters with the City's Housing and Revitalization Department ("**HRD**"), HRD expressed concern that housing insecure individuals could find it difficult to demonstrate city of residency for 5 years prior their tenancy in the housing project, which could have the unintended consequence of excluding individuals that the program seeks to assist.

As such, DDA staff seeks approval for a modification to the relevant provision in the Affordable Housing Program Parameters as follows:

*If affordable units are occupied by individuals who have been residents of the City of Detroit for at least **3** years prior to occupancy, then a portion of the loan may be eligible for forgiveness, upon terms to be approved by DDA Board of Directors.*

The DDA Finance Committee has recommended the approval of the modification to the Affordable Housing Program Parameters as outlined herein and DDA staff now seeks such approval from the DDA Board of Directors.

A resolution is attached for the Board's consideration.



CODE DDA 23-01-93-37

HOUSING, OFFICE, RETAIL DEVELOPMENT AND ABSORPTION FUND – MODIFICATION TO LOAN PARAMETERS FOR AFFORDABLE HOUSING UNITS

WHEREAS, the City of Detroit Downtown Development Authority’s (“DDA”) Development and Tax Increment Finance Plan for Development Area No. 1 (the “DDA Plan”) established a Housing, Office, Retail Development and Absorption Fund (the “Program”) pursuant to which the DDA may make loans to support housing, office, and retail projects in the Development Area; and

WHEREAS, the DDA Plan provides, among other things, that the DDA shall adjust the procedures and parameters of the Program to be consistent with market demand; and

WHEREAS, on November 9, 2022, the DDA Board approved certain program parameters in connection with housing loans made under the Program, where the housing developer makes a commitment that at least 20% of the residential rental units will be reserved for households making 70% of AMI or less (the “Affordable Housing Program Parameters”); and

WHEREAS, the Affordable Housing Program Parameters include a provision that if affordable units are occupied by individuals who have been residents of the City of Detroit for at least 5 years prior to occupancy, then a portion of the loan may be eligible for forgiveness, upon terms to be approved by DDA Board of Directors; and

WHEREAS, following further review and discussion of the Affordable Housing Program Parameters with the City’s Housing and Revitalization Department (“HRD”) and in order to avoid unintended consequence of excluding individuals that the program seeks to assist, DDA staff seeks to modify a provision in the Affordable Housing Program Parameters as follows:

If affordable units are occupied by individuals who have been residents of the City of Detroit for at least 3 years prior to occupancy, then a portion of the loan may be eligible for forgiveness, upon terms to be approved by DDA Board of Directors.

; and

WHEREAS, the DDA Finance Committee has reviewed the proposed modification to the Affordable Housing Program Parameters and recommends its approval to the DDA Board; and

WHEREAS, the DDA Board has determined that the proposed modification to the Affordable Housing Program Parameters as described above is consistent with the goals of the Program, the DDA Plan and DDA’s statutory purposes and otherwise in the best interests of the DDA.

NOW THEREFORE BE IT RESOLVED that DDA Board hereby approves the modification to the Affordable Housing Program Parameters as described herein.



BE IT FURTHER RESOLVED that the DDA Board hereby authorizes any two of its Officers, or any two of its Authorized Agents, or one Officer and any one Authorized Agent to take such actions and execute such documents necessary or appropriate to implement the provisions and intent of this resolution.

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

January 11, 2023



**TO: BOARD OF DIRECTORS
DOWNTOWN DEVELOPMENT AUTHORITY**

FROM: NEVAN SHOKAR

DATE: JANUARY 10, 2023

**RE: HOUSING, OFFICE, RETAIL DEVELOPMENT AND ABSORPTION FUND –
REQUEST FOR AFFORDABLE HOUSING LOAN APPROVALS**

In November 2022, the Board approved new loan parameters under the DDA’s Housing, Office, Retail Development and Absorption Fund (the “**Program**”) in response to market demand in the DDA’s Development Area for affordable housing units reserved for households with incomes 70% or less than the Area Median Income for the Detroit-Warren-Livonia Metropolitan Statistical Area (“**AMI**”) as well as occupancy of such affordable housing units by existing Detroit residents.

Specifically, the below parameters were approved (the “**Affordable Housing Program Parameters**”):

Affordable Housing (where at least 20% of the residential rental units will be reserved for households making 70% of AMI or less)

<u>Affordability Target</u>	<u>Loan Amount</u>
50% AMI	40% of Hard Construction Cost
60% AMI	30% of Hard Construction Costs
70% AMI	20% of Hard Construction Costs
80% AMI	<i>No loan available under Affordable Housing Program Parameters</i>

Terms:

- (1) Project must include at least 10 affordable units
- (2) Interest rate not-to-exceed 2%. The terms and conditions of each loan will vary and will be determined based on the development project economics and market conditions at the time of underwriting and closing.
- (3) If affordable units are occupied by individuals who have been residents of the City of Detroit for at least 3 years prior to occupancy, then a portion of the loan may be eligible for forgiveness, upon terms to be approved by DDA Board of Directors.¹
- (4) Maximum Loan Amount = \$200k/affordable unit

¹ The Board has been asked to approve a change in the Affordable Housing Program Parameters that would reduce this requirement from 5 years to 3 years.

Olympia Development of Michigan LLC (“**Olympia**”) and The Related Companies LP (“**Related**”) recently announced 10 mixed-use development projects within the DDA Development Area, adding an estimated 1,200,000 gross square feet of office space and 695 new residential rental units across the 10 projects.

As part of the residential offerings, ODM and Related, through the joint development entity Related Olympia Predevelopment Company, LLC (“**Developer**”) have committed to reserving at least 20% of the residential rental units for households making 50% of AMI or less in the each of the below projects (each, a “**Project**” and collectively, the “**Projects**”).

- **2250 Woodward** – New construction of a 20-story multi-family housing tower, with first floor retail, facing the Fox Theatre, expected to include 287 residential units, of which 20% (58 units) would be affordable at 50% AMI or below. Construction is expected to commence in fall of 2024, with a 2-year construction period.
- **2205 Cass** – New construction of 18 story multi-family housing tower with first floor retail, located across from the planned University of Michigan Detroit Center for Innovation, expected to include 261 residential units, of which 20% (54 units) would be affordable at 50% AMI or below. Construction is expected to commence in spring of 2024, with a 2 ½ year construction period.
- **408 Temple** – Historic rehabilitation of former American / Fort Wayne Hotel located in the Cass Park district, with first floor retail, expected to include 131 residential units, of which 20% (27 units) would be affordable at 50% AMI or below. Construction is expected to commence in fall of 2026, with a 2-year construction period.

Developer has requested the DDA support of the Projects through a loan to each Project under the Affordable Housing Program Parameters. Proposed terms of the loans are set forth in **Exhibit A**.

DDA staff is supportive of each of the loans which subsidize the high cost of constructing new residential units in the CBD that are reserved for very low-income households. For reference, an individual making 50% of the AMI earns approximately \$31,350 annually. The rents in these units would be discounted from an average monthly market rent of \$2,400 to \$840. This discounted rent is only made possible by the DDA’s financial support of the residential projects. The deeply affordable rental rates being offered here create a sizeable gap in the proforma when considered in conjunction with the steep rise of construction costs over recent years.

The DDA Finance Committee has reviewed the terms of the Project loans described on **Exhibit A** and has recommended its approval of the proposed terms and the reallocation of necessary amounts from other DDA Plan Table 3 line items to the Program as necessary to fund the Project loans, as authorized by Section 408.1 of the DDA Plan, to the DDA Board of Directors.

A resolution is attached for the Board’s consideration.



CODE DDA 23-02-93-38

HOUSING, OFFICE, RETAIL DEVELOPMENT AND ABSORPTION FUND – REQUEST FOR AFFORDABLE HOUSING LOAN APPROVALS

WHEREAS, In November 2022, the Board approved new loan parameters under the DDA's Housing, Office, Retail Development and Absorption Fund (the "**Program**") in response to market demand in the DDA's Development Area for affordable housing units reserved for households with incomes 70% or less than the Area Median Income for the Detroit-Warren-Livonia Metropolitan Statistical Area ("**AMI**") as well as occupancy of such affordable housing units by existing Detroit residents; and

WHEREAS, Olympia Development of Michigan LLC ("**Olympia**") and The Related Companies LP ("**Related**") recently announced 10 mixed-use development projects within the DDA Development Area and as part of the residential offerings for these projects, ODM and Related, through the joint development entity Related Olympia Predevelopment Company, LLC ("**Developer**") have committed to reserving at least 20% of the residential rental units for households making 50% of AMI or less in the each of the below projects (each, a "**Project**" and collectively, the "**Projects**");

- **2250 Woodward** – New construction of a 20-story multi-family housing tower, with first floor retail, facing the Fox Theatre, expected to include 287 residential units, of which 20% (58 units) would be affordable at 50% AMI or below. Construction is expected to commence in fall of 2024, with a 2-year construction period.
- **2205 Cass** – New construction of 18 story multi-family housing tower with first floor retail, located across from the planned University of Michigan Detroit Center for Innovation, expected to include 261 residential units, of which 20% (54 units) would be affordable at 50% AMI or below. Construction is expected to commence in spring of 2024, with a 2 ½ year construction period.
- **408 Temple** – Historic rehabilitation of former American / Fort Wayne Hotel located in the Cass Park district, with first floor retail, expected to include 131 residential units, of which 20% (27 units) would be affordable at 50% AMI or below. Construction is expected to commence in fall of 2026, with a 2-year construction period.

; and

WHEREAS, Developer has requested the DDA support of the Projects through a loan to each Project under the Affordable Housing Program Parameters in accordance with the proposed terms of the loans are set forth in **Exhibit A**; and

WHEREAS, the DDA Finance Committee has reviewed the terms of the Project loans and recommends their approval to the DDA Board, subject to certain conditions relating to project commencement, completion and reporting being included in the final terms; and

WHEREAS, the DDA Board has determined that providing the Project loans to Developer in accordance with the terms contained on **Exhibit A** is consistent with the goals of the Program, the DDA Plan and DDA's statutory purposes and otherwise in the best interests of the DDA.

NOW THEREFORE BE IT RESOLVED that DDA Board hereby approves (i) each of the Project loans upon the terms set forth in **Exhibit A** and (ii) the reallocation of amounts from other DDA Plan Table 3 line items to the Program as necessary to fund the Project loans, as authorized by Section 408.1 of the DDA Plan.

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 DDA's Authorized Agents, shall hereafter have the authority to negotiate and execute loan documents for each Project loan consistent with **Exhibit A**, together with such other terms and conditions that are determined by such Authorized Agents and/or Officers to be customary or appropriate and not inconsistent with this resolution, and to negotiate and execute all other documents, contracts, or papers, and take all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the DDA.

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

January 11, 2023

EXHIBIT A

Proposed Loan Terms

Borrower	Project Location	Maximum Loan Amount
SPE Affiliate of Related Olympia Predevelopment Company, LLC	2250 Woodward Ave, Detroit MI 48201	\$10,900,000 based upon 40% of the hard construction costs in order to complete 58 affordable units within the greater 287 total unit development
SPE Affiliate of Related Olympia Predevelopment Company, LLC	2505 Cass, Detroit MI 48201	\$8,804,000 based upon 40% of the hard construction costs in order to complete 54 affordable units within the greater 261 total unit development
SPE Affiliate of Related Olympia Predevelopment Company, LLC	408 Temple St, Detroit MI 48201	\$4,061,000 based upon 40% of the hard construction costs in order to complete 27 affordable units within the greater 131 total unit development.

Loan Amounts:

Above loan amounts represent maximum loan commitments. Final loan amounts to be determined based upon final unit and affordable unit count and final construction budget, per DDA Board approved loan parameters.

Interest Rate:

1.0% per annum

Fee:

0.5% at closing

Term:

408 months (34 years)

Repayment:

Interest accrues and is deferred for 48 months following closing. Deferred interest shall be capitalized and added to the principal loan balance at the beginning of the 49th month following closing (such amended principal balance being the “**Amended Principal Amount**”). Monthly interest only payments commencing on the first business day of the 50th month following closing and continuing until loan maturity. Commencing on the first business day of the month immediately following the 3rd anniversary of closing, Borrower shall submit an annual rent roll verification for the affordable units, including number of affordable units occupied by Existing Detroiters. For every year in which at

least 50% of the affordable units are occupied by Existing Detroiters, 1/30th of the original principal loan amount (or, from and after the 49th month, the Amended Principal Amount) will be forgiven. Remaining principal balance and accrued but unpaid interest, if any, is due at maturity. Loan is due upon sale of Borrower's interest in the Project, unless DDA reasonably approves an assignment and assumption of the loan to Borrower's proposed assignee.

"Existing Detroiters" is defined as an individual who has been a resident of the City of Detroit for the three (3) consecutive years prior to their occupancy in the Project.

Security:

Subordinated Lien position on all business assets, Assignment of Leases and Rents, Subordinated Leasehold Mortgage on the property. DDA's security interest will be subordinated to that of the senior lender and/or MSHDA.

Affordability Requirements:

At least 20% of the residential units must be reserved for households making 50% AMI or less for the term of the Loan; affordable unit mix subject to approval by DDA staff.

Guaranty

A joint and several corporate Guaranty of payment by each of Olympia Development of Michigan, LLC and The Related Companies LP, or a by respective affiliate thereof approved by the DDA.

Eligible Uses:

All Project costs, including hard construction costs (including demolition), equipment and fixtures.

Disbursement:

Owner equity contributions are first, followed by the DDA loan on a construction draw basis.

Commencement and Completion

Projects must be commenced (as evidenced by the closing of the applicable DDA and senior loans) within 5 years following the approval by the Michigan Strategic Fund ("MSF") of the Developer's proposed Transformational Brownfield Plan ("TBP"). Funding authority granted by the Board of Directors for any project not so commenced shall be automatically null and void without further authorization of the Board of Directors.

Projects must be completed (as evidenced by a temporary certificate of occupancy issued by BSEED) by the later of 48 months following the applicable loan closing and the maturity or conversion (as applicable) of the senior construction loan.

Other Conditions:

Satisfactory review and acceptance of standard due diligence items. Binding commitments for all project loans, including executed loan documents. Borrower will provide itemized schedule and use of funds. Execution of mutually acceptable loan documents by Borrower and Guarantors. DDA may assign the right to receive loan fee to DEGC. The closing of each loan shall be subject to the aforementioned conditions and each loan shall be independent of the other loans and not subject to cross-default. From the date of Board Approval through loan closing, Developer shall provide DDA a semi-annual written update of status of each of the projects. Following loan closing through completion, Developer shall provide DDA a quarterly written update of status of each of the projects.

Additional Funding Conditions:

Funding authority granted by the Board of Directors under the above terms shall be automatically null and void without further authorization of the Board of Directors unless each of the following occurs:

- MSF must approve TBP on or prior to December 31, 2023; and
- Commencement of construction under the TPB (of at least one Project) must commence within 2 years following MSF's approval of the TBP.



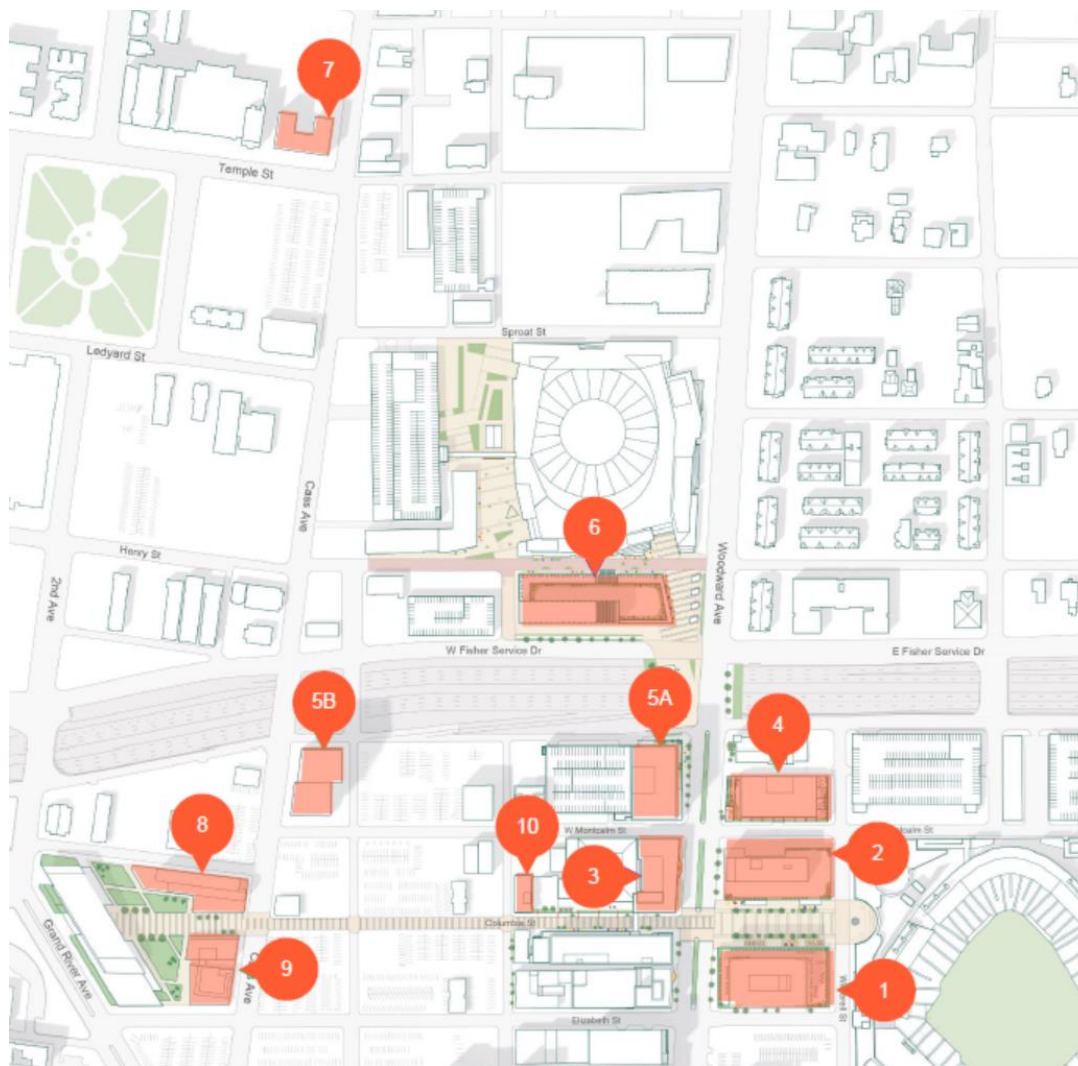
DDA Meeting

Housing, Office, Retail Development and Absorption Fund – Request for Affordable Housing Loan Approval

Nevan Shokar, Associate Director

January 11, 2023

Location Map



2: 2250 Woodward



\$10.9M Loan Request

\$216M Total Cost

7: 408 Temple



\$4.0M Loan Request

\$69M Total Cost

8: DCI Residential



\$8.8M Loan Request

\$150M Total Cost

Purpose:

- To encourage long-term deeper affordable housing downtown
20% of all residential units will be at 50% AMI
(139 units created at an average monthly rent of \$840)

Terms:

- 1.0% Interest (pays current after 49 months)
- 34 Year Term
 - Forgivable if 50% occupied by Existing Detroiters

Timeline:

- MSF must approve TBP by December 31, 2023
- Must begin construction on one TBP project within **TWO** years
- All affordable projects must commence within **FIVE** years
- Completion is required within 48 months of loan closing



DDA Meeting

EC Ancillary Development Project – Proposed Infrastructure Support

Nevan Shokar, Associate Director

January 11, 2023

	Project Number	Road Improvements	Utilities	Security	Public Spaces	Totals	Proportional Share
Superblock	1, 2, 4	\$ 4,663,156	\$ 2,509,237	\$ 422,554	\$ 5,000,000	\$12,594,947	40%
Fox Town	3, 5a*	\$ 1,437,096	\$ 718,902	\$ 155,735	-	\$2,311,733	7%
Columbia Park	5b*	\$ 1,936,366	\$ 332,000	\$ 180,783	-	\$2,449,149	8%
LCA Hotel	6	\$ 1,555,782	\$ 496,000	\$ 270,086	-	\$2,321,868	7%
The American	7	\$ 631,255	\$ 140,000	\$ 65,344	-	\$836,598	3%
M-Block	8, 9	\$ 5,315,432	\$ 1,319,606	\$ 412,752	\$ 3,500,000	\$10,547,790	33%
Detroit Life	10	\$ 378,429	\$ 58,000	\$ 26,137	-	\$462,566	1%
		\$15,917,516	\$5,573,744	\$1,533,391	\$8,500,000	\$31,524,651*	100%

Purpose:

- DDA to invest in public infrastructure to support transformational development

Terms:

- Maximum Reimbursement Amount: \$25 million
 - Subject to: cost verification, reimbursement schedule subject to available funds

Timeline:

- MSF must approve TBP by December 31, 2023
- Must begin construction on one TBP project within **TWO** years
- All infrastructure projects must commence within **FIVE** years

*After five years, infrastructure reimbursement is reduced proportionately



**TO: BOARD OF DIRECTORS
DOWNTOWN DEVELOPMENT AUTHORITY**

FROM: NEVAN SHOKAR

DATE: JANUARY 10, 2023

**RE: EC ANCILLARY DEVELOPMENT PROJECT – PROPOSED
INFRASTRUCTURE SUPPORT**

As the Board will recall, in 2013, as part of the City of Detroit Downtown Development Authority (the “**DDA**”) Restated City of Detroit Downtown Development Authority Tax Increment Financing and Development Plan for Development Area No. 1 (the “**DDA Plan**”), the DDA established the EC Ancillary Development Project. The purpose of the EC Ancillary Development Project is to encourage the development, redevelopment, rehabilitation and repurposing of existing buildings and vacant lands located within the Catalyst Development Area, outside of the Events Center (aka Little Caesars Arena).

Olympia Development of Michigan LLC (“**Olympia**”) and The Related Companies LP (“**Related**”) recently announced 10 mixed-use development projects within the DDA Catalyst Development Area, adding an estimated 1,200,000 gross square feet of office space, 140,000 gross square feet of new retail, 460 new hotel keys, and 700 new residential units across the 10 projects (each, a “**Project**”). The Projects, which will be undertaken by affiliates of Olympia and Related’s joint development entity Related Olympia Predevelopment Company, LLC, include approximately \$29 million in public infrastructure improvements, including but not limited to right of way improvements, public utility installation, and development of public spaces (the “**Public Infrastructure Improvements**”).

In furtherance of the EC Ancillary Development Project, and in order to assist with the financial viability of the Projects, DDA staff recommends DDA support of the Public Infrastructure Improvements in an amount not to exceed \$25 million, payable on a reimbursement basis and in accordance with the terms and conditions set forth in **Exhibit A** attached hereto (the “**Proposed Funding Terms**”).

Accordingly, DDA staff hereby requests the approval of (i) the funding request; (ii) the execution of a reimbursement agreement setting forth the funding conditions described in the Proposed Funding Terms; and (iii) a reallocation of necessary amounts from other DDA Plan Table 3 line items to the EC Ancillary Development Project, as authorized by Section 408.1 of the DDA Plan, in order to fund the funding request. The DDA Finance Committee has reviewed such requests and recommends their approval to the DDA Board of Directors.

A resolution is attached for the Board’s consideration.



CODE DDA 23-01-123-73

EC ANCILLARY DEVELOPMENT PROJECT – PROPOSED INFRASTRUCTURE SUPPORT

WHEREAS, in 2013, as part of the City of Detroit Downtown Development Authority (the “**DDA**”) Restated City of Detroit Downtown Development Authority Tax Increment Financing and Development Plan for Development Area No. 1 (the “**DDA Plan**”), the DDA established the EC Ancillary Development Project which seeks to encourage the development, redevelopment, rehabilitation and repurposing of existing buildings and vacant lands located within the Catalyst Development Area, outside of the Events Center (aka Little Caesars Arena); and

WHEREAS, Olympia Development of Michigan LLC (“**Olympia**”) and The Related Companies LP (“**Related**”) recently announced 10 mixed-use development projects (each a “**Project**” and collectively, the “**Projects**”) within the DDA Development Area which will include approximately \$29 million in public infrastructure improvements, including but not limited to right of way improvements, public utility installation, and development of public spaces (the “**Public Infrastructure Improvements**”); and

WHEREAS in furtherance of the EC Ancillary Development Project, and in order to assist with the financial viability of the Projects, DDA staff recommends DDA support of the Public Infrastructure Improvements in an amount not to exceed \$25 million, payable on a reimbursement basis and in accordance with the terms and conditions set forth in **Exhibit A** attached hereto (the “**Proposed Funding Terms**”); and

WHEREAS, in addition to the approval of the Proposed Funding Terms, DDA staff also seeks approval of the execution of a reimbursement agreement setting forth the funding conditions described in the Proposed Funding Terms and a reallocation of necessary amounts from other DDA Plan Table 3 line items to the EC Ancillary Development Project, as authorized by Section 408.1 of the DDA Plan, in order to fund the funding request;

WHEREAS, the DDA Finance Committee has reviewed the Proposed Funding Terms and recommends their approval to the DDA Board; and

WHEREAS, the DDA Board has determined that providing financial assistance for Public Infrastructure Improvements is consistent with the goals of the DDA Plan, the EC Ancillary Development Project, the DDA’s statutory purposes and otherwise in the best interests of the DDA.

NOW THEREFORE BE IT RESOLVED that DDA Board hereby approves (i) the Proposed Funding Terms set forth in **Exhibit A**; (ii) the execution of a reimbursement agreement setting forth the funding conditions described in the Proposed Funding Terms; and (iii) a reallocation of necessary amounts from other DDA Plan Table 3 line items to the EC Ancillary Development Project, as authorized by Section 408.1 of the DDA Plan, in order to fund the funding request..



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 DDA's Authorized Agents, shall hereafter have the authority to negotiate and execute the reimbursement agreement together with such other terms and conditions that are determined by such Authorized Agents and/or Officers to be customary or appropriate and not inconsistent with this resolution, and to negotiate and execute all other documents, contracts, or papers, and take all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the DDA.

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

January 11, 2023



EXHIBIT A

PROPOSED FUNDING TERMS

Infrastructure Reimbursement Agreement

Parties:	City of Detroit Downtown Development Authority (“ DDA ”) and Related Olympia Predevelopment Company LLC (“ Developer ”).
Purpose:	Provide for the reimbursement from DDA’s general tax increment revenues of certain eligible infrastructure costs incurred by Developer (or its affiliate acting as the developer or a specific project) in connection with Developer’s 10 planned developments located within the DDA’s Catalyst Development Area within the DDA Plan, as described on <u>Attachment A</u> hereto (each, a “ Project ” and collectively, the “ Projects ”).
Maximum Reimbursement:	\$25,000,000.00
Eligible Costs:	Design, engineering, permitting, equipment, material, construction costs, and actual interest costs (not to exceed 5%) relating to the public infrastructure improvements described on the attached <u>Attachment B</u> .
Non-Eligible Costs:	Costs of structured or surface parking; land acquisition costs; costs for which Developer has received or will receive reimbursement, grant funds, or similar funds from any other public or private third-party source, including but not limited to reimbursement under a brownfield plan.
Reimbursement Conditions:	<p>Closing of construction financing for the Project with which the relevant infrastructure is associated. For infrastructure associated with more than one Project, closing of construction financing for one of the associated Projects; and</p> <p>Cost verification for Eligible Costs, with substantiating documentation from Developer’s engineer or architect</p>



of record, including but not limited to contractor invoices and pay applications, proof of payment, and lien waivers; and

CRIO certification for Executive Order compliance.

**Anticipated Reimbursement
Schedule:**

7/1/2025-6/30/2026: \$3,000,000
7/1/2026-6/30/2027: \$3,000,000
7/1/2027-6/30/2028: \$5,000,000
7/1/2028-6/30/2029: \$5,000,000
7/1/2029-6/30/2030: \$5,000,000
7/1/2030-6/30/2031: \$4,000,000

DDA anticipates reimbursement payments to be made on the above schedule; provided, however, DDA shall have the right to defer all or part of any payments due (i) to the extent that the sum of the payment due and prior payments exceeds to the amount of Eligible Costs for which the Reimbursement Conditions have been satisfied or (ii) in the event that, in any year or years in which a payment hereunder is due, DDA does not receive general tax increment revenues in an amount sufficient to make the payment in accordance with the above payment schedule after payment by the DDA of (i) all bonded indebtedness, incurred before or after the date of this Agreement, and (ii) all contractual obligations made prior to the date of the reimbursement agreement, in which event DDA shall have the right to delay the scheduled payment to the extent of such insufficiency.

Other Conditions

Closing of the construction financing for each Project (or, for infrastructure with more than one associated Project, closing of the construction financing for one of the associated Projects) must occur within 5 years following the approval by the Michigan Strategic Fund (“MSF”) of the Developer’s proposed Transformational Brownfield Plan (“TBP”).

For any Project for which construction financing closing does not occur by such deadline, (i) such Project shall



not be eligible for reimbursement of associated infrastructure and (ii) the Maximum Reimbursement shall be reduced by the Proportionate Share associated with the Project, as set forth in **Attachment B**.

From the date of Board Approval, Developer shall provide DDA a semi-annual written update of status of each of the Projects. Following construction financing of a Project through completion, Developer shall provide DDA a quarterly written update of status of such Project(s).

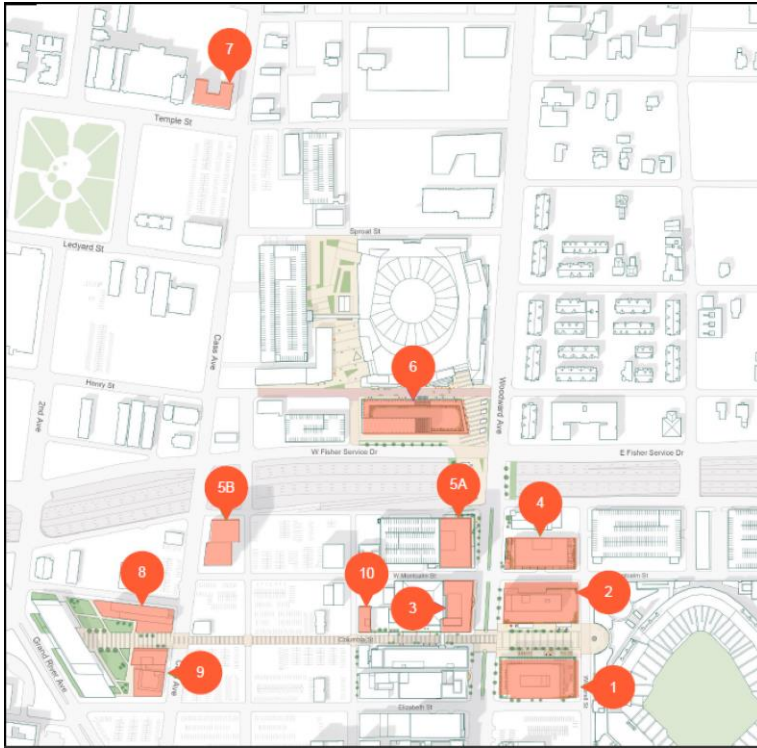
Additional Funding Conditions:

Funding authority granted by the Board of Directors under the above terms shall be automatically null and void without further authorization of the Board of Directors unless each of the following occurs:

- MSF must approve the TBP on or prior to December 31, 2023; and
- Commencement of construction under the TPB (of at least one Project) must commence within 2 years following MSFs approval of the TBP.

Attachment A

Projects



			PROGRAM						
			Investment \$/M	Mixed Income Residential Units	Mixed Income Residential Gross SF	Office Gross SF	Retail Gross SF	Hotel Keys	Hotel Gross SF
	TOTAL	Dev Begin Date	\$1,532	695	519,073	1,253,397	146,477	467	386,802
1	2200 Woodward – Office	Jun, 2023	340	-	-	492,900	28,000	-	-
2	2250 Woodward – Residential	Oct, 2024	216	287	294,439	-	26,992	-	-
3	2211 Woodward – Fox Hotel	Apr, 2026	121	-	-	-	13,322	177	194,028
4	2300 Woodward – Mixed-Use	Apr, 2025	84	-	-	131,100	18,400	-	-
5 A/B	2305 Woodward / 2300 Cass – A/B Flexible Site – Office	Oct, 2026	279	-	-	545,950	10,050	-	-
6	2455 Woodward – Little Caesars Arena Hotel	Apr, 2024	191	-	-	-	21,900	290	252,900
7	408 Temple – The American Residential	Oct, 2026	69	131	152,325	-	5,310	-	-
8	2505 Cass – DCI Residential	Apr, 2024	150	261	247,300	-	8,750	-	-
9	2115 Cass – DCI Business Incubator	Apr, 2025	60	-	-	83,447	10,753	-	-
10	2210 Park – Detroit Life Residential	Apr, 2024	24	16	41,308	-	3,000	-	-

Attachment B
Infrastructure Improvements

	Project Number	Road Improvements	Utilities	Security	Public Spaces	Totals	Proportional Share
Superblock	1, 2, 4	\$ 4,663,156	\$ 2,509,237	\$ 422,554	\$ 5,000,000	\$12,594,947	40%
Fox Town	3, 5a*	\$ 1,437,096	\$ 718,902	\$ 155,735	-	\$2,311,733	7%
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		\$15,917,516	\$5,573,744	\$1,533,391	\$8,500,000	\$31,524,651*	

*Developer will elect to proceed with either Project 5a or Project 5b, with total public infrastructure costs estimated at \$29 million following such election.