March 14, 2019

Honorable City Council
City of Detroit
1340 Coleman A. Young Municipal Center
Detroit, Michigan 48226

Re: Harmonie Social Club Brownfield Redevelopment Plan

Dear Honorable Council Members:

The enclosed Brownfield Plan for the Harmonie Social Club Redevelopment Project (the "Plan") (Exhibit A), was submitted by the Detroit Brownfield Redevelopment Authority Board (the "DBRA") to the Community Advisory Committee (the "CAC"). The Plan was considered and reviewed by the CAC at its February 27, 2019 meeting and a public hearing was held by the DBRA on March 7, 2019 to solicit public comments. The Committee's communication to the City Council and the DBRA, dated February 27, 2019 (Exhibit B), recommending approval of the Plan, including the minutes of the public hearing held by the DBRA, are enclosed for the City Council's consideration.

On March 13, 2019, the DBRA adopted a resolution (Exhibit C) approving the Plan and authorizing the submission of a copy of its resolution and the Plan to the City Clerk, together with a request that the Detroit City Council call a public hearing concerning the Plan and to take all other actions to approve the Plan in accordance with Act 381.

The Plan is now presented to the City Council for approval. The Detroit City Council will, after publication of the notices, hold a public hearing on the Plan. After the public hearing, the City Council shall determine whether the Plan constitutes a public purpose and, if so, may approve or reject the Plan or approve it with modifications.

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 an existing historic structure to include updated tenant spaces, 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. It is estimated that 34 temporary construction jobs and one FTE job will be created as a result of the project.

The total investment is estimated to be $12.6 million. The Developer is requesting $579,210.00 in TIF reimbursement.
Honorable City Council  
March 14, 2019  

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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, 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.

<table>
<thead>
<tr>
<th>COSTS TO BE REIMBURSED WITH TIF</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Environmental Assessments</td>
<td>$7,600.00</td>
</tr>
<tr>
<td>2. Demolition</td>
<td>$149,000.00</td>
</tr>
<tr>
<td>3. Asbestos Activities</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>4. Infrastructure Improvements</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>5. Site Preparation</td>
<td>$201,313.00</td>
</tr>
<tr>
<td>6. Brownfield Plan &amp; Act 381 Work Plan</td>
<td>$25,000.00</td>
</tr>
<tr>
<td>7. Contingency (15%)</td>
<td>$71,297.00</td>
</tr>
<tr>
<td>*Total Reimbursement to Developer</td>
<td>$579,210.00</td>
</tr>
<tr>
<td>8. Authority Administrative Costs</td>
<td>$24,267.00</td>
</tr>
<tr>
<td>9. State Brownfield Redevelopment Fund</td>
<td>$82,856.00</td>
</tr>
<tr>
<td>10. Local Brownfield Revolving Fund</td>
<td>$55,643.00</td>
</tr>
<tr>
<td>TOTAL Estimated Costs</td>
<td>$741,975.00</td>
</tr>
</tbody>
</table>

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.

DBRA's Request  
The DBRA is respectfully requesting the following actions from the City Council:
March 14, 2019

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a.) March 19, 2019
City Council adoption of the Resolution (Exhibit D), setting the Harmonie Social Club Brownfield Redevelopment Plan public hearing, as approved by the Planning and Economic Development Standing Committee Chair and the City of Detroit Clerk, for April 11, 2019 at 10:10 AM in the Council Chambers, 13th Floor of the Coleman A. Young Municipal Center, located at 2 Woodward Avenue, Detroit, Michigan.

b.) April 11, 2019, 10:05 AM
Discussion with taxing jurisdictions regarding the fiscal impact of the Plan.

c.) April 11, 2019, 10:10 AM
Public Hearing at City Council’s Planning and Economic Development Standing Committee concerning the Harmonie Social Club Brownfield Redevelopment Plan.

d.) April 16, 2019
City Council adoption of the Resolution approving the Harmonie Social Club Brownfield Redevelopment Plan (Exhibit E).

Sincerely,

[Signature]

Jennifer Kanalos
Authorized Agent

C
City Clerk
Marcel Todd
Irvin Corley, Jr.
David Whitaker
Derrick Headd
Marcel Hurt
DeAndree Watson
Kevin Johnson
Malinda Jensen
Matthew Walters
Allen Rawls
Brian Vosburg
Stephanie Washington
CITY OF DETROIT
BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN FOR THE
HARMONIE SOCIAL CLUB
REDEVELOPMENT PROJECT

Prepared by:

311 Grand River, LLC
607 Shelby Street, Suite 400
Detroit, Michigan 48226
Contact Person: Joe Hooker
Phone: (313) 502-5117

PM Environmental, Inc.
4080 West 11 Mile Road
Berkley, Michigan 48072
Contact Person: Jessica DeBone; Phone (616) 328-5297
Contact Person: Elizabeth Masserang; Phone: (248) 414-1441

February 20, 2019
CITY OF DETROIT
BROWNFIELD REDEVELOPMENT AUTHORITY
BROWNFIELD PLAN

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I. INTRODUCTION

In order to promote the revitalization of environmentally distressed and blighted areas within the boundaries of the City of Detroit, Michigan (the “City”), the City has established the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) pursuant to Michigan Public Act 381 of 1996, as amended ("Act 381").

The primary purpose of this Brownfield Plan (“Plan”) is to promote the redevelopment of and private investment in certain “brownfield” properties within the City. Inclusion of property within this Plan will facilitate financing of environmental response and other eligible activities at eligible properties and will also provide tax incentives to eligible taxpayers willing to invest in revitalization of eligible sites, commonly referred to as “brownfields.” By facilitating redevelopment of brownfield properties, this Plan is intended to promote economic growth for the benefit of the residents of the City and all taxing units located within and benefited by the DBRA.

This Plan is intended to apply to the eligible property identified in this Plan and, if tax increment revenues are proposed to be captured from that eligible property, to identify and authorize the eligible activities to be funded by such tax increment revenues.

This Plan is intended to be a living document, which may be modified or amended in accordance with the requirements of Act 381, as necessary to achieve the purposes of Act 381. The identification or designation of a developer or proposed use of the eligible property shall not necessitate an amendment to this Plan, affect the application of this Plan to the eligible property or impair the rights available to the DBRA under this Plan. The applicable sections of Act 381 are noted throughout the Plan for reference purposes.

This Plan describes the project to be completed (see Attachment C) and contains all the information required by Section 13(2) of Act 381.
II. GENERAL PROVISIONS

A. Description of the Eligible Property (Section 13 (2)(h)) and the Project

The property comprising the eligible property consists of one (1) parcel. 311 East Grand River Avenue is a historic resource. The aforementioned parcel and all tangible personal property located thereon will comprise the eligible property and is referred to herein as the “Property.”

Attachment A includes a site map of the Property and Attachment B includes the Property legal description. The Property is located in Detroit’s Central Business District, 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.

Parcel information is outlined below.

<table>
<thead>
<tr>
<th>Address</th>
<th>311 East Grand River Avenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcel ID</td>
<td>01004041-2</td>
</tr>
<tr>
<td>Owner</td>
<td>311 Grand River, LLC</td>
</tr>
<tr>
<td>Legal Description</td>
<td>NE CENTRE 71&amp;70 PLAT OF SEC 9 GOVERNOR &amp; JUDGES PLAN L34 P552 DEEDS, W C R 1/56 124.22 IRREG</td>
</tr>
</tbody>
</table>

311 Grand River, LLC is the project developer (“Developer”) and owner of the Property. The project will renovate the existing historic structure to include updated tenant spaces, including a speakeasy bar and dining room at the basement level and a restaurant and lounge on the main level. The existing restaurant tenant, Colors, will remain on the Property and the Developer will improve their tenant space during construction activities.

The second floor of the building will include office and co-working space, with private rooms for conferences and meetings. The improvements to the third floor will include the restoration of the main assembly space and stage, with a side lounge and bar, the restoration of the mezzanine will be restored and the construction of two bridal suites and additional event storage space. It is currently anticipated that construction will begin in the summer of 2019 and eligible activities will be completed within nine (9) months.

The project description provided herein is a summary of the proposed development at the time of the adoption of the Plan. The actual development may vary from the project description provided herein, without necessitating an amendment to this Plan, so long as such variations are not material and arise as a result of changes in market and/or financing conditions affecting the project and/or are related to the addition or immaterial removal of amenities to the project. All material changes, as determined by DBRA in its sole discretion, to the project description are subject to the approval of the DBRA staff and shall
be consistent with the overall nature of the proposed development, its proposed public purpose, and the purposes of Act 381.

Attachment C provides a description of the project to be completed at the Property (the "Project") and Attachment D includes letters of support for the Project.

**B. Basis of Eligibility (Section 13 (2)(h) and Section 2 (o))**
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.

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.

**C. Summary of Eligible Activities and Description of Costs (Section 13 (2)(a),(b))**
The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Section 2 of Act 381, because they include demolition, asbestos abatement, infrastructure improvements, site preparation activities, and the preparation and implementation of a brownfield plan and 381 work plan.

A summary of the eligible activities and the estimated cost of each eligible activity intended to be paid for with tax increment revenues (as defined in Section 2(ss) of Act 381) from the Property are shown in the table attached hereto as Attachment E. The eligible activities described in Attachment E are not exhaustive. Subject to the approval of DBRA staff in writing, additional eligible activities may be carried out at the Property, without requiring an amendment to this Plan, so long as such eligible activities are permitted by Act 381 and the cost of such eligible activities does not exceed the total costs stated in Attachment E.

Unless otherwise agreed to in writing by the DBRA, all eligible activities shall commence within eighteen (18) months after the date the governing body approves this Plan and be completed within three (3) years after approval of the Michigan Strategic Fund work plan, if applicable, or three (3) years after execution of the Reimbursement Agreement (as that term is defined below). Any long-term monitoring or operation and maintenance activities or obligations that may be required will be performed in compliance with the terms of this Plan and any documents prepared pursuant to this Plan.

The Developer desires to be reimbursed for the costs of eligible activities incurred by it as described below. Some eligible activities may commence prior to the adoption of this Plan and to the extent permitted by Act 381 shall be reimbursable pursuant to the Reimbursement Agreement. 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 pursuant to the terms of a Reimbursement Agreement to be executed by the DBRA and the Developer after approval of this Plan (the "Reimbursement Agreement"), to the extent permitted by Act 381. In the event this Plan contemplates the
capture of tax increment revenue derived from “taxes levied for school operating purposes” (as defined by Section 2(uu) of Act 381 and hereinafter referred to as “School Taxes”), the Developer acknowledges and agrees that DBRA’s obligation to reimburse the Developer for the cost of eligible activities with tax increment revenue derived from Local Taxes, or Specific Taxes that are considered Local Taxes, (as these capitalized terms are defined by Act 381) is contingent upon: (i) the Developer receiving at least the initial applicable work plan approvals by the Michigan Strategic Fund and the Michigan Department of Environmental Quality, as may be required pursuant to Act 381, within 180 days after the date this Plan is approved by the governing body, or such other date as the DBRA may agree to in writing or (ii) the Developer providing the DBRA with evidence, satisfactory to DBRA, that the Developer has the financial means to complete the project without the capture of, and subsequent reimbursement with, the contemplated School Taxes.

The costs listed in Attachment E are estimated costs and may increase or decrease depending on the nature and extent of environmental contamination and other unknown conditions encountered on the Property. 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. No costs of eligible activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of the Reimbursement Agreement and Act 381. The Reimbursement Agreement and this Plan will dictate the total cost of eligible activities subject to payment or reimbursement, provided that the total cost of eligible activities subject to payment or reimbursement under the Reimbursement Agreement shall not exceed the estimated costs set forth in Attachment E. As long as the total costs are not exceeded, line item costs of eligible activities may be adjusted after the date this Plan is approved by the governing body, to the extent the adjustments do not violate the terms of the approved MDEQ or MSF work plan.

D. Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(2)(c)); Beginning Date of Capture of Tax Increment Revenues (Section (13)(2)(f)); Impact of Tax Increment Financing on Taxing Jurisdictions (Section 13(2)(g))

This Plan anticipates the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities under this Plan in accordance with the Reimbursement Agreement. Subject to Section 13(b)(16) of Act 381, a table of estimated tax increment revenues associated with estimated capture and reimbursement are attached to this Plan as Attachment F.

Tax increments are projected to be captured and applied to (i) reimbursement of eligible activity costs and payment of DBRA administrative and operating expenses, (ii) make deposits into the State Brownfield Redevelopment Fund, and (iii) make deposits into the DBRA’s Local Brownfield Revolving Fund, as follows:
Reimbursements  | Admin. Costs  | State Brownfield Fund  | Local Revolving Fund
---|---|---|---
School Operating Tax | $496,466 | - | -
State Education Tax | $82,744 | - | $82,856
County (combined) | - | $4,251 | - | $9,768
County Public Safety | - | $4,029 | - | $9,258
County Parks | - | $1,056 | - | $2,427
RESA Enhancement | - | $50 | - | -
RESA | - | $14,880 | - | $34,190
**TOTALS** | **$579,210** | **$24,267** | **$82,856** | **$55,643**

In addition, the following taxes are projected to be generated but shall not be captured during the life of this Plan:

- City Debt: $99,151
- School Debt and Judgment: $184,138
- Wayne County DIA: $2,833
- Wayne County Zoo: $1,416
- **Total**: $287,539

In no event shall the duration of this Plan exceed thirty-five (35) years following the date of the governing body’s resolution approving this Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (3) and (5) of Section 13 of Act 381 or 30 years. Further, in no event shall the beginning date of the capture of tax increment revenues be later than five (5) years after the date of the governing body’s resolution approving this Plan.

The Developer anticipates approval of an Obsolete Property Rehabilitation Act, PA 146 Tax Abatement (OPRA), which, if approved, would abate 100% of the non-land local taxes on the existing Harmonie Social Club building for up to 12 years. Due to the fact that the property is currently exempt, an estimated frozen/base taxable value has been included as $25,000. In the event the OPRA is approved, the tax abatement will reduce the property tax obligations of the Property for the periods applicable under the abatement certificate, thereby reducing the amount of tax increment revenues available under this Plan.

**E. Plan of Financing (Section 13(2)(d)); Maximum Amount of Indebtedness (Section 13(2)(e))**

The eligible activities are to be financed solely by the Developer. The DBRA will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated from the Property. No advances have been or shall be made by the City or the DBRA for the costs of eligible activities under this Plan.

All reimbursements authorized under this Plan shall be governed by the Reimbursement Agreement. The inclusion of eligible activities and estimates of costs to be reimbursed in this Plan are intended to authorize the DBRA to fund such reimbursements and does not
obligate the DBRA or the City to fund any reimbursement or to enter into the Reimbursement Agreement providing for the reimbursement of any costs for which tax increment revenues may be captured under this Plan, or which are permitted to be reimbursed under this Plan. The amount and source of any tax increment revenues that will be used for purposes authorized by this Plan, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by this Plan, will be provided solely under the Reimbursement Agreement contemplated by this Plan.

Unless otherwise agreed upon by the Developer, the DBRA, and the State of Michigan, the DBRA shall not incur any note or bonded indebtedness to finance the purposes of this Plan.

Reimbursements under the Reimbursement Agreement shall not exceed the cost of Eligible Activities permitted under this Plan.

The Developer acknowledges and agrees that any activities funded by a grant or conditional loan shall be ineligible for reimbursement under this Plan and shall not be included in any reimbursement requests to DBRA by or on behalf of the Developer. However, any loans awarded under or from governmental agencies/sources such as, but not limited to, MDEQ or US EPA that the Developer is required to unconditionally repay shall be eligible for reimbursement under the Plan, subject to the Reimbursement Agreement.

F. Duration of Plan (Section 13(2)(f))
Subject to Section 13b(16) of Act 381, the beginning date of capture of tax increment revenues for each eligible property shall occur in accordance with the Tax Increment Financing (TIF) table described in Exhibit F. In no event, however, shall this Plan extend beyond the maximum term allowed by Section 13(2)(f) of Act 381 for the duration of this Plan.

Furthermore, this Plan, or any subsequent amendment thereto, may be abolished or terminated in accordance with Section 14(8) of Act 381 in the event of any of the following:

a. The governing body may abolish this Plan (or any subsequent amendment thereto) when it finds that the purposes for which this Plan was established have been accomplished.

b. The governing body may terminate this Plan (or any subsequent amendment thereto) if the project for which eligible activities were identified in this Plan (or any subsequent amendment thereto) fails to occur with respect to the eligible property for at least two (2) years following the date of the governing body resolution approving this Plan (or any subsequent amendment thereto), provided that the governing body first does both of the following: (i) gives 30 days' written notice to the Developer at its last known address by certified mail or other method that documents proof of delivery attempted; and (ii) provides the Developer with an opportunity to be heard at a public meeting.

Notwithstanding anything in this subsection to the contrary, this Plan (or any subsequent amendment thereto) shall not be abolished or terminated until the principal and interest on bonds, if any, issued under Section 17 of Act 381 and all other obligations to which the tax
increment revenues are pledged have been paid or funds sufficient to make the payment have been identified or segregated.

G. Effective Date of Inclusion in Brownfield Plan
The Property will become a part of this Plan on the date this Plan is approved by the governing body.

H. Displacement/Relocation of Individuals on Eligible Property (Section 13(2)(i-l))
No displacement of residents is anticipated as part of this Project. There are no residential occupants on the Property; however, there is currently one (1) business occupant, Colors.

The Developer will work to keep Colors within the existing neighborhood during construction and at a minimum within the downtown area. It is anticipated that Colors will be relocated for approximately six (6) months during construction. During this time, upgrades will be made to the restaurant space and the restaurant will not operate while these upgrades take place. The Developer will work with Colors and the construction schedule to ensure that the duration of their relocation is kept to a minimum. Since the location of their business within the building is isolated within the lower level, it allows Colors to move into the renovated space while other construction activities continue to take place on the rest of the building. Developer shall comply with all applicable relocation requirements under Act 381 and the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, Public Law 91-646.

I. Local Brownfield Revolving Fund (“LBRF”) (Section 8; Section 13(2)(m))
The DBRA has established a Local Brownfield Revolving Fund (LBRF). The LBFR will consist of all tax increment revenues authorized to be captured and deposited in the LSRRF, as specified in Section 13(5) of Act 381, under this Plan and any other plan of the DBRA. It may also include funds appropriated or otherwise made available from public or private sources.

The amount of tax increment revenue authorized for capture and deposit in the LBRF is currently estimated at $55,643. All funds, if any, deposited in the LBRF shall be used in accordance with Section 8 of Act 381.

J. Brownfield Redevelopment Fund (Section 8a; Section 13(2)(m))
The DBRA shall pay to the Department of Treasury at least once annually an amount equal to 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, that are captured under this Plan for up to the first twenty-five (25) years of the duration of capture of tax increment revenues for each eligible property included in this Plan. If the DBRA pays an amount equal to 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, on a parcel of eligible property to the Department of Treasury under Section 13b(14) of Act 381, the percentage of local taxes levied on that parcel and used to reimburse eligible activities for the Project under this Plan shall not exceed the percentage of local taxes levied on that parcel that would have been used to reimburse eligible activities for the Project under this Plan if the 50% of the taxes
levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, on that parcel were not paid to the Department of Treasury under Section 13b(14) of Act 381.

K. Developer’s Obligations, Representations and Warrants
The Developer and its affiliates shall comply with all applicable laws, ordinances, executive orders, or other regulations imposed by the City or any other properly constituted governmental authority with respect to the Property and shall use the Property in accordance with this Plan.

The Developer, at its sole cost and expense, shall be solely responsible for and shall fully comply with all applicable federal, state, and local relocation requirements in implementing this Plan.

The Developer represents and warrants that a Phase I Environmental Site Assessment (“ESA”) has been performed on the Property (“Environmental Documents”). Attached hereto as Attachment G is the City of Detroit’s Department of Buildings, Safety Engineering and Environmental acknowledgement of its receipt of the Phase I ESA, and if appropriate, the Phase II ESA.

The Developer further represents and warrants that the Project does not and will not include a City of Detroit Land Bank Authority, Wayne County Land Bank Authority or State of Michigan Land Bank financing component.

Except as otherwise agreed to by the DBRA, any breach of a representation or warranty contained in this Plan shall render the Plan invalid, subject to the Developer’s reasonable opportunity to cure as described in the Reimbursement Agreement.
ATTACHMENT A

Site Map
ATTACHMENT B

Legal Descriptions of Eligible Property to which the Plan Applies
Legal Description 311 East Grand River Avenue, Detroit, Wayne County, Michigan:

Parcel: 01004041-2

NE CENTRE 71&70 PLAT OF SEC 9 GOVERNOR & JUDGES PLAN L34 P552 DEEDS, W C R 1/56 124.22 IRREG
ATTACHMENT C

Project Description
HARMONIE SOCIAL CLUB
PROJECT DESCRIPTION

Development Team and Company Synopsis

311 Grand River, LLC (Developer) is an affiliate of Basco of Michigan (Basco). Basco, along with its group companies, is a local property development and management firm founded in 2001 by Roger Basmajian. Basco’s focus is on investing and redeveloping properties in established neighborhoods in Southeastern Michigan to transform neglected and underutilized properties into new and creative uses. Basco’s redevelopment work began in the walkable communities of Royal Oak, MI and Ferndale, MI. Between the Royal Oak and Ferndale, Basco has redeveloped approximately 100,000 square feet of retail, mixed use and office space.

Basco’s ultimate goal was to become involved in the redevelopment of Detroit’s beautiful, but neglected, buildings and to slowly bring vibrancy and diversity to Detroit’s communities. In 2013, Basco purchased The First State Bank property at 751 Griswold Street and embarked on its first Detroit project. Since Basco has redeveloped the property at 607 Shelby back to a vibrant office building and is underway with construction at 220 West Congress. To date, Basco has purchased multiple properties in and around Downtown Detroit totaling of approximately 350,000 sq. feet. Each project consists of planned rehabilitations that seek to preserve the historical integrity of the buildings and the culture and aesthetics of the surrounding areas.

The development team has selected MIG Construction as the General Contractor and Hamilton Anderson as the architect who are both Detroit based.

Project Synopsis

The Developer intends to renovate the existing building, which consists of three-stories plus a basement and a mezzanine totaling approximately 39,172 gross square feet. The property is located in Detroit’s Central Business District. The existing building was constructed in 1894 and was occupied by a society club until the late 1970s. The building was then vacant until the early 1990s and has been occupied by an art gallery, offices, and a restaurant. The building is a well-preserved example of Beaux Arts, club architecture, featuring rusticated stone, buff-colored brick, and large pilasters accentuating the classical design for public buildings of the 1890s. The building was designed by Detroiter, Richard E. Raseman who was selected from a competition for the building’s design. From the start, the building shone as a lavish place for social organization and musical gatherings. Currently, the only tenant is the restaurant, Colors.

The proposed redevelopment entails significant renovations to both the interior and exterior of the current building for use as a mixed-use commercial
property. Exterior improvements include façade restoration to ensure longevity of the building’s distinguishing style and historic character, a new roof, improvements to the windows and doors, and upgrades to the electrical and water mains. Additionally, the Developer will invest in improvements to the sidewalks and landscaping as well as improvements to the sidewalks and alley paving at the rear side of the property.

The basement and ground floor will be completely renovated for use of over 16,000 square feet of restaurant, lounge, and speakeasy tenant space. The existing tenant, Colors, will remain and is including in the building improvements to modernize the tenant space. Colors restaurant is operated as a non-profit by the Restaurant Opportunities Center (ROC) that offers a training program, focusing on high earning employment opportunities for women and people of color. The restaurant offers wages well above the set minimum wages and even offers long-term training programs for non-traditional students seeking training after life-altering events.

Colors restaurant is operated as a non-profit by the Restaurant Opportunities Center (ROC) that offers a training program, focusing on high earning employment opportunities for women and people of color. The restaurant offers wages well above the set minimum wages and even offers long-term training programs for non-traditional students seeking training after life-altering events. Colors provides classroom training as well as on the floor experience to help students find the best opportunities in the food and hospitality industry.

A partnership with Zingerman’s Delicatessen, a Michigan based company, will also help Colors expand their presence and marketability in the City upon reopening within the 311 Grand River location. Currently, 150 people are trained annually by Colors to begin careers. The agreement with Zingerman’s Del will provide capacity for an additional 50 trainees per year. Overall the improvements and new partnership will allow for better branding opportunities, upgraded facilities, improved management skills and an increased ability to teach/mentor those entering the training program. The activation of the rest of the property will also supply Colors with a more secured and expanded customer base. Colors has executed a letter of intent to lease and remain on the property.

The second floor entails the rehabilitation of the vacant office space into a restored open co-working space with conference rooms and other partitions for private meetings and events totaling approximately 8,200 gross square feet. The co-working space will maintain the social club atmosphere while maintaining and restoring the historic features of the space, including the columns that dot the area.
The third floor and mezzanine level will include the restoration of the existing assembly space for event use, inclusive of an additional approximately 8,200 square feet. The property will also include space for two bridal suites. The build out includes restoration of the assembly ceiling, the wood floors, columns and arches, and the stage at the front of the space. The goal is to restore the building and its connections to Paradise Valley as an arts and entertainment center for downtown Detroit.

Rehabilitation work for each floor will consist of abatement activities and selective demolition to maintain the building’s significant historic features. This also includes restoration work for ornamental metals, millwork, and other prominent features. New plumbing, HVAC, and electrical systems will be installed to ensure the rehabilitation meets the demands of modern tenants. This work also includes upgrading of restroom facilities for handicap access. Modern fire protection systems and elevators will also be included in the project.

**Project Investment Estimates**

<table>
<thead>
<tr>
<th>Capital Cost</th>
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<td>Acquisition Cost</td>
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<td>Soft Costs</td>
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<td><strong>Total Capital Costs</strong></td>
<td><strong>$12,620,000</strong></td>
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**Additional Financing Incentives Associated with the Redevelopment**

Substantial investment is necessary to rehabilitate the existing building. In efforts to grow this project into a viable, long-term redevelopment, the Developer is pursuing an Obsolete Property Rehabilitation Act (OPRA) Tax Abatement and Historic Tax Credits.

**Cost/Benefit Analysis**

The proposed development will create a sense of place, encourage increased spending and create new jobs in the heart of Detroit. This redevelopment is also part of a larger effort involving the Detroit Downtown Development Authority to bring vibrancy to the Paradise Valley Cultural and Entertainment District in downtown. The district has been created to honor the legacy of the African-American businesses that thrived here until urban renewal programs displaced neighborhood life. The development will breathe new life into a historic building and will provide additional culinary culture, commercial work space, and recreational and entertainment amenities to increase foot traffic.
between the Madison Street and Broadway Street corridors at all times of day. The project will generate new income tax for Detroit as a result of the creation of private investment. Local businesses in the area will benefit from the creation of new jobs and foot traffic into the area and an increase in spinoff consumer spending.

On a short-term basis, approximately 34 construction jobs will be needed each day during the estimated nine-month construction period. On a long-term basis the proposed redevelopment associated with the project will create approximately 2 part-time jobs (1 full-time equivalent (FTE)) directly by the developer. Colors is expected to retain 14 full-time jobs, while increasing capacity for career training from 150 students annually to up to 200 students with their new partnership with Zingerman’s Deli. It is estimated that future tenants will create an additional 122.5 (FTE) jobs. The development team will present at a skilled trades task force meeting and utilized the Michigan Minority Contractors Association to solicit bidders and garner opportunities to employ Detroit residents. If the D2D program is available within the necessary timeframes, the developer will utilize this as an additional procurement source. This has proven successful on Basco’s recent developments of 220 West Congress, 607 Shelby and 751 Griswold.

The increase in tenant-based jobs within the building will increase City collected income tax at a 1.2% rate for non-residents and 2.4% rate for Detroiter. This is estimated at approximately $77,805 more than what is currently collected on an annual basis if 50% of those employed are Detroit residents. This estimate is based on an average annual salary estimate of $35,000 for the developer created FTE job and the estimated 122.5 tenant employees that are anticipated.

Following the expiration of the 12-year OPRA abatement, the building will deliver a significant increase in tax revenue. Over time, successful redevelopment will have a significant impact on Detroit’s CBD.
ATTACHMENT D

Supportive Letters
February 19, 2019

Mr. Graten Little, Jr.
BASCO
607 Shelby, Suite 600.
Detroit, Michigan 48226

Dear Mr. Little:

On behalf of Restaurant Opportunities Centers United, it is with extreme pleasure that I offer this letter in support of BASCO’s proposed "Harmonie Social Club" Project located at 311 East Grand River Avenue in Detroit’s historic Paradise Valley. Colors Detroit Restaurant, our social enterprise, has been housed at this location since late 2011. During our tenure we have provided restaurant/hospitality training and job placement services to more than 350 Detroit area residents seeking to gain entry level positions or advance their careers in this industry. Additionally, we have supported over 100 restaurant owners/food entrepreneurs through our operations courses, incubation services, training support, and employment services.

We are very excited about the proposed use of this building as well as our own business expansion plans. We will be partnering with Zingermans to enhance Colors’ business operations and training programs and to retail their quality products. We propose a seven-day upscale casual dining restaurant and have signed a Letter of Intent with BASCO to remain tenants in our current space. This project has the potential to be financially lucrative for investors as well as provide community benefits for hundreds of Detroit residents. It is therefore our sincere hope that this project merits positive consideration for abatements and other incentives that will ultimately benefit Detroit area residents.

Sincerely,

[Signature]
Dr. Alicia Renee Farns
National Director of Human Resources
January 30, 2019

To Honorable City Council, City of Detroit,

On behalf of Music Hall Center, I, Vince Paul, would like to express our full support for BASCO of Michigan’s (BASCO) proposed projects located at 1322-1332 Broadway and 311 East Grand River. We believe that both projects would be great contributions to the emerging entertainment cultural & historic district known as Paradise Valley. We are confident that BASCO, who is headquartered in Detroit and a seasoned developer of historical buildings, will be successful with these adaptive re-use projects.

The Music Hall welcomes the energy and activity that Paradise Valley needs. As a provider of programming and entertainment to this community, we believe the proposed uses will compliment what already exists. The developments are mixed-use, hospitality, retail, and residential. Even though the projects are independent of each other, both projects will contribute to the density and walkability of the neighborhood. As a result, there will be other economic benefits to the neighborhood and the City as a whole.

As a Paradise Valley business and stakeholder, we are pleased to see the direction of these projects. I look forward to these projects contributing to the continued growth of the Paradise Valley community and greater Detroit.

Respectfully,

Vince Paul
President & Artistic Director
Music Hall Center for the Performing Arts

350 Madison Avenue, Detroit, Michigan 48226  Tel: (313) 887-8500  Fax: (313) 887-8502
www.musichall.org
February 1, 2019

Dear Members of the Detroit City Council:

On behalf of Hamilton Anderson Associates (HAA), I would like to express my full support for Basco of Michigan's (BASCO) proposed projects located at 1322-1332 Broadway and 311 East Grand River. I believe that both projects will be great contributions to the Paradise Valley Cultural & Entertainment District (PVCED), and that BASCO, a Detroit headquartered entity, will be successful with the adaptive re-use of the existing buildings.

As current tenants of the district, HAA welcomes the proposed energy and activity to the area, and are confident the developments will compliment what already exists, as well as what is to come. The proposed programming calls for mixed-use, hospitality, retail and residential, all elements that are needed to further revitalize the district. Independently, both projects will contribute to the density and walkability of the neighborhood, and as a result, there will be other economic benefits to the neighborhood and the city as a whole.

As a longstanding PVCED business owner and stakeholder, I am pleased to see the direction of these projects, and look forward to the development contributing to the continued growth of the PVCED community and greater Detroit.

Respectfully,

Rainey Hamilton, Jr., FAIA, NOMA
Principal
January 30, 2019

To Honorable City Council, City of Detroit,

On behalf of Michigan Opera Theatre, I, Patricia Walker, would like to express our support for BASCO of Michigan’s (BASCO) proposed projects located at 1322-1332 Broadway and 311 East Grand River. We believe that both projects would be great contributions to the emerging entertainment cultural & historic district known as Paradise Valley.

The Michigan Opera Theatre welcomes the energy and activity that these Paradise Valley developments would bring. As a provider of theatre and entertainment to this community, we believe the proposed uses will compliment what already exists. The developments are mixed-use, hospitality, retail, and residential. We believe that both projects will contribute to the density and walkability of the neighborhood, and will provide economic benefits to the neighborhood and the City as a whole.

As a Paradise Valley business and stakeholder, we are pleased to see the direction of these projects. I look forward to these projects contributing to the continued growth of the neighborhood, the community and greater Detroit.

Respectfully,

Patricia K. Walker  
Chief Administrative Officer  
Michigan Opera Theatre
January 30, 2019

To Honorable City Council, City of Detroit,

On behalf of Real Times Media & the Michigan Chronicle, I, Hiram Jackson, would like to express our full support for Basco of Michigan’s (BASCO) proposed projects located at 1322-1332 Broadway and 311 East Grand River. We believe that both projects would be great contributions to the emerging entertainment cultural & historic district known as Paradise Valley. We are confident that BASCO, who is headquartered in Detroit and a seasoned developer of historical buildings, will be successful with these adaptive re-use projects.

The Michigan Chronicle welcomes the energy and activity that Paradise Valley needs. As a provider of news worthy journalism to this community, we believe the proposed uses will compliment what already exists. The developments are mixed-use, hospitality, retail, and residential. Even though the projects are independent of each other, both projects will contribute to the density and walkability of the neighborhood. As a result, there will be other economic benefits to the neighborhood and the City as a whole.

As a Paradise Valley business and stakeholder, we are pleased to see the direction of these projects. I look forward to these projects contributing to the continued growth of the Paradise Valley community and greater Detroit.

Respectfully,

[Signature]

Hiram Jackson
Publisher & CEO
Real Times Media
January 30, 2019

To Honorable City Council, City of Detroit,

On behalf of La Casa Cigars & Lounge, I, Maria Petrenko, would like to express our full support for Basco of Michigan’s (BASCO) proposed projects located at 1322-1332 Broadway and 311 East Grand River. We believe that both projects would be great contributions to the emerging entertainment cultural & historic district known as Paradise Valley. We are confident that BASCO, who is headquartered in Detroit and a seasoned developer of historical buildings, will be successful with these adaptive re-use projects.

The La Casa Cigars & Lounge Theatre welcomes the energy and activity that Paradise Valley needs. As a provider of entertainment and spirits to this community, we believe the proposed uses will compliment what already exists. The developments are mixed-use, hospitality, retail, and residential. Even though the projects are independent of each other, both projects will contribute to the density and walkability of the neighborhood. As a result, there will be other economic benefits to the neighborhood and the City as a whole.

As a Paradise Valley business and stakeholder, we are pleased to see the direction of these projects. I look forward to these projects contributing to the continued growth of the Paradise Valley community and greater Detroit.

Respectfully,

Maria Petrenko

Title

La Casa Cigars & Lounge
ATTACHMENT E

Estimated Cost of Eligible Activities Table
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<td><strong>Asbestos Activities Sub-Total</strong></td>
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<td>Curbs/Gutters/Sidewalk Improvements</td>
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<td>Brownfield Plan Preparation</td>
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<td><strong>Eligible Activities Sub-Total</strong></td>
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<td>15% Contingency*</td>
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<td>TIF Capture for Local Brownfield Revolving Fund</td>
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<td>Administrative Fee</td>
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<td>State Brownfield Fund</td>
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ATTACHMENT F

TIF Tables
## Tax Increment Revenue Capture Estimates

311 Grand River, Detroit, MI
Basco of Michigan

### Estimated Taxable Value (TV)/Interest Rate

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<thead>
<tr>
<th>Plan Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
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<td>2022</td>
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<td>Estimated OPTA Base Taxable Value</td>
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<td>OPTA Incremental Difference (New TV - Base TV)</td>
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### School Capture

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<th>Millage Rate (Through 2021)</th>
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### Local Capture

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<th>Millage Rate</th>
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<td>Collections</td>
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<td>Courts</td>
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<td>ESA Enhancement</td>
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<td>Wayne County IS (RESA)</td>
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<td>Wayne County Library</td>
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<td>Local Brownfield Capturable Total</td>
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### Non-Capturable Millages

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<td>City Debt</td>
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<td>Wayne County DIA</td>
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<td>Wayne County Tax</td>
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### Total Capturable Millages

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Page 1 of 2 2/21/2019
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<th>Estimated Taxable Value (TV) Increase Rate:</th>
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<tr>
<td>Base Taxable Value</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
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<tr>
<td>Estimated OPRA Base Taxable Value</td>
<td>25,000 $</td>
<td>25,000 $</td>
<td>25,000 $</td>
<td>25,000 $</td>
<td>25,000 $</td>
<td>25,000 $</td>
<td>25,000 $</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated New TV</td>
<td>2,187,271 $</td>
<td>2,209,244 $</td>
<td>2,321,937 $</td>
<td>2,253,952 $</td>
<td>2,276,187 $</td>
<td>2,298,948 $</td>
<td>2,321,938 $</td>
<td>$ 2,345,197 $</td>
<td>$ 2,368,609</td>
<td></td>
</tr>
<tr>
<td>Incremental Difference (New TV - Base TV)</td>
<td>2,187,271 $</td>
<td>2,209,244 $</td>
<td>2,321,937 $</td>
<td>2,253,952 $</td>
<td>2,276,187 $</td>
<td>2,298,948 $</td>
<td>2,321,938 $</td>
<td>$ 2,345,197 $</td>
<td>$ 2,368,609</td>
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<tr>
<td>OPRA Incremental Difference (New TV - Base TV)</td>
<td>2,187,271 $</td>
<td>2,209,244 $</td>
<td>2,321,937 $</td>
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<td>2,276,187 $</td>
<td>2,298,948 $</td>
<td>2,321,938 $</td>
<td>$ 2,345,197 $</td>
<td>$ 2,368,609</td>
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### School Capture

<table>
<thead>
<tr>
<th>Millage Rate</th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td><strong>State Education Tax (DET)</strong></td>
<td>6.0000</td>
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</tr>
<tr>
<td><strong>School Operating Tax</strong></td>
<td>18.0000</td>
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</tr>
<tr>
<td><strong>School Total</strong></td>
<td>24.0000</td>
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</table>

### Local Capture

<table>
<thead>
<tr>
<th>Millage Rate</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City Operating</strong></td>
<td>1.0000</td>
<td>1.0000</td>
</tr>
<tr>
<td><strong>School Operating</strong></td>
<td>0.4097</td>
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<tr>
<td><strong>State Education</strong></td>
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<tr>
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<td>2.6097</td>
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<tr>
<td><strong>Wayne County Public Safety</strong></td>
<td>0.9981</td>
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<tr>
<td><strong>Wayne County Park</strong></td>
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<tr>
<td><strong>MCO</strong></td>
<td>0.2145</td>
<td>0.2145</td>
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<tr>
<td><strong>RESA Enhancement</strong></td>
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<tr>
<td><strong>Wayne County HQ (RESA)</strong></td>
<td>3.4643</td>
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<tr>
<td><strong>Wayne County Community College</strong></td>
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<tr>
<td><strong>Local Brownfield Capturability</strong></td>
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### Non-Capturable Millages

<table>
<thead>
<tr>
<th>Millage Rate</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City Debt</strong></td>
<td>7.0000</td>
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<tr>
<td><strong>School Debt</strong></td>
<td>13.0000</td>
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<tr>
<td><strong>Wayne County DPA</strong></td>
<td>0.2000</td>
<td>0.2000</td>
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<tr>
<td><strong>Wayne County Gas</strong></td>
<td>0.1800</td>
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<tr>
<td><strong>Total Non-Capturable Taxes</strong></td>
<td>28.3000</td>
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<td><strong>Total Capturable Millages</strong></td>
<td>$ 52,638</td>
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Notes:
- Estimated Taxable Value (TV) Increase Rate:
- Estimated OPRA Base Taxable Value:
- Estimated New TV:
- Incremental Difference (New TV - Base TV):
- OPRA Incremental Difference (New TV - Base TV):
- School Capture:
- Local Capture:
- Non-Capturable Millages:

Page 2 of 2
2/1/2019
### Tax Increment Revenue Reimbursement Estimates

311 Grand River, Detroit, MI

<table>
<thead>
<tr>
<th>Developer Max Revenue Reimbursement</th>
<th>Total Proportionality</th>
<th>School &amp; Local</th>
<th>Local-Only</th>
<th>Total</th>
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<tbody>
<tr>
<td>State</td>
<td>18.00%</td>
<td>$750,100</td>
<td>-</td>
<td>$750,100</td>
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<tr>
<td>Local</td>
<td>0.00%</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MODQ</strong></td>
<td>1.50%</td>
<td>$7,600</td>
<td>-</td>
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<tr>
<td><strong>MSP</strong></td>
<td>98.50%</td>
<td>$773,810</td>
<td>-</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>State Incremental Revenue</td>
<td>$48,000</td>
<td>$48,480</td>
<td>$48,960</td>
<td>$49,454</td>
<td>$49,949</td>
<td>$50,444</td>
<td>$50,953</td>
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<td>State Brownfield Revolving Fund (50% of SIR)</td>
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<td>$4,060</td>
<td>$4,120</td>
<td>$4,182</td>
<td>$4,244</td>
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<td>$4,497</td>
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<tr>
<td>State TIR Available for Reimbursement</td>
<td>$43,000</td>
<td>$42,420</td>
<td>$42,844</td>
<td>$43,273</td>
<td>$43,703</td>
<td>$44,123</td>
<td>$44,543</td>
<td>$45,030</td>
<td>$45,510</td>
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<tr>
<td>Total Local Incremental Revenue</td>
<td>$191</td>
<td>$193</td>
<td>$195</td>
<td>$197</td>
<td>$199</td>
<td>$202</td>
<td>$204</td>
<td>$206</td>
<td>$208</td>
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<tr>
<td>BPA Administrative Fee ($1.50 of max $100,000)</td>
<td>$7,229</td>
<td>$7,293</td>
<td>$7,353</td>
<td>$7,413</td>
<td>$7,473</td>
<td>$7,534</td>
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<td>Total BPA Administrative Fee Annual Total</td>
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<td>$7,420</td>
<td>$7,420</td>
<td>$7,420</td>
<td>$7,420</td>
<td>$7,420</td>
<td>$7,420</td>
<td>$7,420</td>
</tr>
<tr>
<td>Deferred Administrative Fee Outstanding Balance</td>
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<td>$7,420</td>
<td>$7,420</td>
<td>$7,420</td>
<td>$7,420</td>
<td>$7,420</td>
<td>$7,420</td>
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<tr>
<td>Local TIR Available for Reimbursement</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total State &amp; Local TIR Available</strong></td>
<td>$42,000</td>
<td>$42,420</td>
<td>$42,844</td>
<td>$43,273</td>
<td>$43,703</td>
<td>$44,123</td>
<td>$44,543</td>
<td>$45,030</td>
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#### DEVELOPER

<table>
<thead>
<tr>
<th>Developer</th>
<th>Beginning Balance</th>
<th>CPRA Abatement</th>
<th>DEVELOPER Reimbursement Balance</th>
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<tr>
<td>MODQ</td>
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<td>$571,200</td>
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<tr>
<td>MSP</td>
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<td>$537,210</td>
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<tr>
<td>Total</td>
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<table>
<thead>
<tr>
<th>MSC Non-Environmental Costs</th>
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<tr>
<td>State Tax Reimbursement</td>
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<td>Local Tax Reimbursement</td>
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<td><strong>Total</strong></td>
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#### LOCAL BROWNFIELD REVOLVING FUND

<table>
<thead>
<tr>
<th>LBFF Deposits</th>
<th>State Tax Capture</th>
<th>Local Tax Capture</th>
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<tbody>
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<td>$ -</td>
<td>$ -</td>
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</tbody>
</table>

*Up to five years of capture for LBFF Deposits after eligible activities are reimbursed. May be taken from DEQ & Local TIR only.*
### Tax Increment Revenue Reimbursement Estimates

311 Grand River, Detroit, MI

#### Estimated Capture

<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Administrative Fees</td>
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<td></td>
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<tr>
<td>Local Brownfield Revolving Fund</td>
<td>$55,643</td>
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<td></td>
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</table>

#### Executive Summary

<table>
<thead>
<tr>
<th>Year</th>
<th>Total State Incremental Revenue</th>
<th>State Brownfield Revolving Fund (50% of TIF)</th>
<th>State TRF Available for Reimbursement</th>
<th>Total Local Incremental Revenue</th>
<th>BBA Administrative Fee (15%) or max $100,000</th>
<th>Deferred Administrative Fee Annual Total</th>
<th>Deferred Administrative Fee Outstanding Balance</th>
<th>Local TRF Available for Reimbursement</th>
<th>Total State &amp; Local TRF Available</th>
<th>Developer Reimbursement Balance</th>
<th>MIS Non-Environmental Costs</th>
<th>State Tax Reimbursement</th>
<th>Local Tax Reimbursement</th>
<th>MISD Reimbursement Balance</th>
<th>Total MISD Reimbursement Balance</th>
<th>MDEQ Environmental Costs</th>
<th>State Tax Reimbursement</th>
<th>Local Tax Reimbursement</th>
<th>Total MDEQ Reimbursement Balance</th>
<th>Total Annual/Developer Reimbursement</th>
<th>LOCAL BROWNFIELD REVOLVING FUND</th>
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<tr>
<td>2012</td>
<td>$52,497</td>
<td>$51,022</td>
<td>$53,552</td>
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<td>$12,896</td>
<td>$12,896</td>
<td>$10,008</td>
<td>$46,994</td>
<td>$113,797</td>
<td>$45,512</td>
<td>$45,783</td>
<td>$45,242</td>
<td>$45,167</td>
<td>$102,167</td>
<td>$608</td>
<td>$305</td>
<td>$605</td>
<td>$1,924</td>
<td>$46,994</td>
<td>$579,210</td>
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<tr>
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<td>$6,694</td>
<td>$6,764</td>
<td>$7,896</td>
<td>$7,896</td>
<td>$7,896</td>
<td>$8,006</td>
<td>$46,978</td>
<td>$113,797</td>
<td>$45,512</td>
<td>$45,783</td>
<td>$45,242</td>
<td>$45,167</td>
<td>$102,167</td>
<td>$305</td>
<td>$608</td>
<td>$605</td>
<td>$1,924</td>
<td>$46,994</td>
<td>$579,210</td>
</tr>
<tr>
<td>2014</td>
<td>$45,395</td>
<td>$46,394</td>
<td>$46,858</td>
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<td>$113,797</td>
<td>$45,512</td>
<td>$45,783</td>
<td>$45,242</td>
<td>$45,167</td>
<td>$102,167</td>
<td>$608</td>
<td>$305</td>
<td>$605</td>
<td>$1,924</td>
<td>$46,994</td>
<td>$579,210</td>
</tr>
<tr>
<td>2015</td>
<td>$543</td>
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<td>$141</td>
<td>$141</td>
<td>$46,984</td>
<td>$113,797</td>
<td>$45,512</td>
<td>$45,783</td>
<td>$45,242</td>
<td>$45,167</td>
<td>$102,167</td>
<td>$608</td>
<td>$305</td>
<td>$605</td>
<td>$1,924</td>
<td>$46,994</td>
<td>$579,210</td>
</tr>
<tr>
<td>2016</td>
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<td>$45,783</td>
<td>$45,242</td>
<td>$45,167</td>
<td>$102,167</td>
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<td>$608</td>
<td>$605</td>
<td>$1,924</td>
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<td>$579,210</td>
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<tr>
<td>2017</td>
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<td>$45,512</td>
<td>$45,783</td>
<td>$45,242</td>
<td>$45,167</td>
<td>$102,167</td>
<td>$305</td>
<td>$608</td>
<td>$605</td>
<td>$1,924</td>
<td>$46,994</td>
<td>$579,210</td>
</tr>
<tr>
<td>2018</td>
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<td>$10,008</td>
<td>$10,008</td>
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<td>$113,797</td>
<td>$45,512</td>
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<td>$608</td>
<td>$605</td>
<td>$1,924</td>
<td>$46,994</td>
<td>$579,210</td>
</tr>
</tbody>
</table>

#### Notes

- **Developer Reimbursement:**
  - Developer Reimbursement Balance: $139,797
  - Total MISD Reimbursement Balance: $102,167
  - Total MDEQ Reimbursement Balance: $305
  - Total Annual/Developer Reimbursement: $46,994

- **Local Brownfield Revolving Fund:**
  - MISD Costs: $45,395
  - State Tax Capture: $608
  - Local Tax Capture: $1,924

- **Notes:**
  - Up to five years of capture for LBFR Deposits

- **Source:**
  - 2/21/2019
ATTACHMENT G

BSE&E Acknowledgement and Other Environmental Documents
Attachment B

TO: THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY

FROM: DETROIT, BUILDINGS, SAFETY ENGINEERING, AND ENVIRONMENTAL DEPARTMENT

PROJECT: HARMONIE SOCIAL CLUB/311 GRAND RIVER, LLC

DATE: February 22, 2019

The undersigned, from the City of Detroit, Buildings, Safety Engineering, and Environmental Department acknowledges the receipt of the environmental documents listed below, which have been submitted by 311 Grand River LLC, as developer, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment Authority (DBRA), for the Harmonie Social Club Development Project.

- Phase I Environmental Site Assessment, pursuant to USEPA’s. All Appropriate Inquiry using American Society of Testing Materials (ASTM) Standard E 1527-13

- Phase II Environmental Site Assessment, pursuant to ASTM Standard 1903 (if appropriate)

- Baseline Environmental Assessment, pursuant to Part 201 of Michigan’s Natural Resources and Environmental Protection Act, MCL 324.20101 et seq. (if appropriate).

- Due Care Plan, pursuant to Part 201 of Michigan’s Natural Resources and Environmental Protection Act, MCL 324.20101 et seq. (if appropriate).

Based upon its review of the above environmental documents and the representations of the developer, the City of Detroit, Buildings, Safety Engineering, and Environmental Department agrees with the environmental consultant that there are no Recognized Environmental Concerns associated with the site and no further investigation of the site is warranted. The property would qualify only as a blighted property or as functionally obsolete. The Buildings, Safety Engineering and Environmental Department has determined that the documents received for this project satisfy the DBRA Guidelines.

City of Detroit, Buildings, Safety Engineering, and Environmental Department

By: [Signature]

Its: General Manager
ATTACHMENT H

Incentive Information Chart
INCENTIVE INFORMATION CHART: Harmonie Social Club

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Incentive Type</th>
<th>Investment Amount</th>
<th>District</th>
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<td>Commercial</td>
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<td>Rehabilitation Tax</td>
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<td></td>
<td>Abatement</td>
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</table>

Jobs Available

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<th>Post Construction</th>
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<tbody>
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<td>Professional</td>
<td>Professional</td>
</tr>
<tr>
<td>Non-Professional</td>
<td>Non-Professional</td>
</tr>
<tr>
<td>Skilled Labor</td>
<td>Skilled Labor</td>
</tr>
<tr>
<td>Non-Skilled Labor</td>
<td>Non-Skilled Labor</td>
</tr>
<tr>
<td>4</td>
<td>1*</td>
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<td>13</td>
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<td>13</td>
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</tr>
<tr>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*it is estimated that approximately 122.5 new permanent full time equivalent (FTE) jobs will be created by the tenants

1. What is the plan for hiring Detroiters?

The development team will present at a skilled trades task force meeting and utilized the Michigan Minority Contractors Association to solicit bidders and garner opportunities to employ Detroit residents. This has proven successful on Basco’s recent developments of 220 W Congress, 607 Shelby and 751 Griswold.

311 Grand River, LLC has a policy of non-discrimination in its hiring practices, as is required by prevailing non-discrimination laws. As long as we remain in compliance with these policies and laws, we encourage local, Detroit-based workers, both permanent and temporary. The same requirement is communicated to our contractors. The Developer, and its affiliate Basco, have a proven track-record of utilizing Detroit-based contractors and workers on past developments. Basco has utilized roughly 65% Detroit-based contractors on its two most recent redevelopment projects.
2. Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc.

Available construction jobs include plaster restoration, demolition, concrete, masonry, and steel work, architectural woodwork, roofing, window glass and glazing, painting, flooring, plumbing and HVAC and electrical.

The Developer anticipates the creation of one full time equivalent permanent job related to property management.

3. Will this development cause any relocation that will create new Detroit residents?

The project is anticipated to encourage Detroit residents to work and thus likely live within the City through the new tenant created jobs as well as the additional trainees that will go through the Color’s training program.

4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs?

Yes. Developer has engaged with local, Detroit-based businesses, including Hamilton Anderson Associates, Real Times Media & the Michigan Chronicle, Michigan Opera Theater, and the Music Hall that have roots in the area and other businesses making similar investment in the area.

5. When is construction slated to begin?

Construction is slated to commence in Summer of 2019

6. What is the expected completion date of construction?

Approximately nine months following project commencement.
City of Detroit

Brownfield Redevelopment Authority

Community Advisory Committee

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

February 27, 2019

The Honorable City Council
City of Detroit
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1340
Detroit, Michigan 48226

City of Detroit Brownfield Redevelopment Authority
Board of Directors
500 Griswold Street, Suite 2200
Detroit, Michigan 48226

Re: Recommendation for Approval of the Harmonie Social Club Brownfield Redevelopment Plan

Honorable Members of the Detroit City Council and the City of Detroit Brownfield Redevelopment Authority Board of Directors:

In accordance with the resolution of the Detroit City Council creating the City of Detroit Brownfield Redevelopment Authority (the "Authority"), the Community Advisory Committee, at its meeting of February 27, 2019, adopted a resolution approving the proposed Brownfield Plan for the Harmonie Social Club Redevelopment and recommending adoption of this Brownfield Plan by the Authority and City Council.

Please accept this letter of recommendation for approval from the Community Advisory Committee on the Brownfield Plan for the Harmonie Social Club Redevelopment.

Very truly yours,

By: [Signature]
Allen Rawls, Chairperson
Community Advisory Committee to the City of Detroit Brownfield Redevelopment Authority
MINUTES OF THE
DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
PUBLIC HEARING FOR THE
HARMONIE SOCIAL CLUB
BROWNFIELD REDEVELOPMENT PLAN

Thursday, March 7, 2019
DEGC Offices
500 Griswold, Suite 2200
Detroit, MI 48226
5:45 PM

In attendance were:
   Jennifer Kanalos (DEGC/DBRA)
   Brian Vosburg (DEGC/DBRA)
   Graten Little (BASCO)
   Joe Hooker (BASCO)

Mr. Vosburg called the public hearing to order at 5:45 PM.

No members of the general public were in attendance. There were no comments received in favor of or in opposition to the plan.

Mr. Vosburg closed the public hearing at 6:00 PM.
HARMONIE SOCIAL CLUB BROWNFIELD REDEVELOPMENT PLAN

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the DBRA has determined that the adoption of the Brownfield Plan for the Harmonie Social Club Redevelopment Project is in keeping with the purposes of Act 381 and recommends submittal of the Plan to City Council for approval.

2. The Board of Directors of the DBRA has determined that the Plan constitutes a "Qualifying Downtown Brownfield Project" under that certain Interlocal Agreement by and between the DBRA and the City of Detroit Downtown Development Authority.

3. The Board of Directors of the DBRA approves the Plan substantially in the form attached hereto and on file with the Secretary of the DBRA.
4. Any Authorized Agent of the DBRA is authorized and directed to submit a certified copy of this Resolution and the Plan to the City Clerk, together with a request that the City Council call a public hearing concerning the Plan and to take all other actions required to approve the Plan in accordance with Act 381.

5. 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.

6. 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.

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

March 13, 2019
RESOLUTION CALLING A PUBLIC HEARING REGARDING
APPROVAL OF THE BROWNFIELD PLAN OF THE
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
FOR THE HARMONIE SOCIAL CLUB REDEVELOPMENT

The following preamble and resolution were offered by Member
_________________ and supported by Member ________________:

WHEREAS, the City of Detroit, County of Wayne, Michigan (the “City”) is
authorized by the provisions of Act 381, Public Acts of Michigan, 1996 (“Act 381”), to
create a brownfield redevelopment authority; and

WHEREAS, pursuant to Act 381, the City Council of the City duly established the
City of Detroit Brownfield Redevelopment Authority (the “Authority”): and

WHEREAS, in accordance with the provisions of Act 381, the Authority has
prepared a Brownfield Plan for the Harmonie Social Club Redevelopment (the “Plan”) and
submitted the Plan to the Community Advisory Committee for review and comment; and

WHEREAS, after receipt of the recommendation of the Community Advisory
Committee to approve the, the Authority has approved the Plan and forwarded it to City
Council with a request for its approval; and

WHEREAS, prior to approval of the Plan, the City Council is required to hold a
public hearing in connection with consideration of the Plan pursuant to Act 381.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby acknowledges receipt of the Plan from the
   Authority.

2. A public hearing is hereby called on Thursday, the 11th day of April, 2019 at
   10:10 AM, prevailing Eastern Time, in the Council Chambers, 13th Floor of the Coleman
   A. Young Municipal Center in the City to consider adoption by the City Council of a
   resolution approving the Plan.
3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

4. The City Clerk is requested to submit three (3) certified copies of this resolution to the DBRA, 500 Griswold Street, Suite 2200, Detroit, MI 48226.

AYES: Members

NAYS: Members

RESOLUTION DEclared ADOPTED.

WAIVER OF RECONSIDERATION

Janice Winfrey, City Clerk
City of Detroit
County of Wayne, Michigan
RESOLUTION APPROVING BROWNFIELD PLAN
OF THE CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
FOR THE HARMONIE SOCIAL CLUB REDEVELOPMENT PROJECT

City of Detroit
County of Wayne, Michigan

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

WHEREAS, under Act 381 the Authority is authorized to develop and propose for adoption by City Council a brownfield plan for one (1) or more parcels of eligible property; and

WHEREAS, pursuant to the resolution establishing the Authority and the bylaws of the Authority, the Authority has submitted a proposed brownfield plan for the Harmonie Social Club Redevelopment Project (the “Plan”); and

WHEREAS, the Authority submitted the Plan to the Community Advisory Committee for consideration on February 27, 2019, per the provisions of the resolution establishing the Authority, and a public hearing was conducted by the Authority on March 7, 2019 to solicit comments on the proposed Plan; and

WHEREAS, the Community Advisory Committee recommended approval of the Plan on February 27, 2019; and

WHEREAS, the Authority determined that the Plan constitutes a “Qualifying Downtown Brownfield Project” under that certain Interlocal Agreement by and between the Authority and the City of Detroit Downtown Development Authority, approved the Plan on March 13, 2019 and forwarded it to the City Council with a request for its approval of the Plan; and

WHEREAS, the required notice of the public hearing on the Plan was given in accordance with Section 13 of Act 381; and

WHEREAS, the City Council held a public hearing on the proposed Plan on April 11, 2019.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. Definitions. Where used in this Resolution the terms set forth below shall have the following meaning unless the context clearly requires otherwise:

   “Eligible Activities” or “eligible activity” shall have the meaning described in Act 381.
"Eligible Property" means the property designated in the Plan as the Eligible Property, as described in Act 381.

"Plan" means the Plan prepared by the Authority, as transmitted to the City Council by the Authority for approval, copies of which Plan are on file in the office of the City Clerk.

"Taxing Jurisdiction" shall mean each unit of government levying an ad valorem property tax on the Eligible Property.

2. Public Purpose. The City Council hereby determines that the Plan constitutes a public purpose.

3. Best Interest of the Public. The City Council hereby determines that it is in the best interests of the public to promote the revitalization of environmentally distressed areas in the City to proceed with the Plan.

4. Review Considerations. As required by Act 381, the City Council has in reviewing the Plan taken into account the following considerations:

   (a) Portions of the property designated in the Plan meets the definition of Eligible Property, as described in Act 381, including consideration of the criteria of "blighted" as defined in Act 381;

   (b) The Plan meets the requirements set forth in section 13 of Act 381.

   (c) The proposed method of financing the costs of eligible activities is feasible and the Authority has the ability to arrange the financing.

   (d) The costs of eligible activities proposed are reasonable and necessary to carry out the purposes of Act 381.

   (e) The amount of captured taxable value estimated to result from adoption of the Plan is reasonable.

5. Approval and Adoption of Plan. The Plan as submitted by the Authority is hereby approved and adopted. A copy of the Plan and all amendments thereto shall be maintained on file in the City Clerk’s office.

6. Preparation of Base Year Assessment Roll for the Eligible Property.

   (a) Within 60 days of the adoption of this Resolution, the City Assessor shall prepare the initial Base Year Assessment Roll for the Eligible Property in the Plan. The initial Base Year Assessment Roll shall list each Taxing Jurisdiction levying taxes on the Eligible Property on the effective date of this Resolution and the amount of tax revenue derived by each Taxing Jurisdiction from ad valorem taxes on the Eligible Property, excluding millage specifically levied for the payment of principal and interest of obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit.

   (b) The City Assessor shall transmit copies of the initial Base Year Assessment Roll to the City Treasurer, County Treasurer, Authority and each Taxing Jurisdiction which will have Tax Increment Revenues captured by the Authority, together with a notice that the Base
Year Assessment Roll has been prepared in accordance with this Resolution and the Plan approved by this Resolution.

7. **Preparation of Annual Base Year Assessment Roll.** Each year within 15 days following the final equalization of the Eligible Property, the City Assessor shall prepare an updated Base Year Assessment Roll. The updated Base Year Assessment Roll shall show the information required in the initial Base Year Assessment Roll and, in addition, the Tax Increment Revenues for each Eligible Property for that year. Copies of the annual Base Year Assessment Roll shall be transmitted by the Assessor to the same persons as the initial Base Year Assessment Roll, together with a notice that it has been prepared in accordance with the Plan.

8. **Establishment of Project Fund; Approval of Depository.** The Authority shall establish a separate fund for the Eligible Property subject to this Plan, which shall be kept in a depository bank account or accounts in a bank or banks approved by the Treasurer of the City. All moneys received by the Authority pursuant to the Plan shall be deposited in the Project Fund for the Eligible Property. All moneys in the Project Fund and earnings thereon shall be used only in accordance with the Plan and Act 381.

9. **Use of Moneys in the Project Fund.** The moneys credited to the Project Fund and on hand therein from time to time shall be used annually to first make those payments authorized by and in accordance with the Plan and any development agreement governing such payments and then to the Local Site Remediation Revolving Fund, as authorized by Act 381:

10. **Return of Surplus Funds to Taxing Jurisdictions.** The Authority shall return all surplus funds not deposited in the Local Brownfield Revolving Fund proportionately to the Taxing Jurisdictions.

11. **Payment of Tax Increment Revenues to Authority.** The municipal and the county treasurers shall, as ad valorem and specific local taxes are collected on the Eligible Property, pay the Tax Increment Revenues to the Authority for deposit in the Project Fund. The payments shall be made not more than 30 days after the Tax Increment Revenues are collected.

12. **Disclaimer.** By adoption of this Resolution and approval of the Plan, the City assumes no obligation or liability to the owner, developer, lessee or lessor of the Eligible Property for any loss or damage that may result to such persons from the adoption of this Resolution and Plan. The City makes no guarantees or representations as to the determinations of the appropriate state officials regarding the ability of the Authority to capture tax increment revenues from the State and local school district taxes for the Plan.

13. **Repealer.** All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

14. The City Clerk is requested to submit four (4) certified copies of this Resolution to the DBRA, 500 Griswold Street, Suite 2200, Detroit, MI 48226
AYES: Members

NAYS: Members

RESOLUTION DECLARED ADOPTED.

Janice Winfrey, City Clerk
City of Detroit
County of Wayne, Michigan

WAIVER OF RECONSIDERATION IS REQUESTED
I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Detroit, County of Wayne, State of Michigan, at a regular meeting held on ____________, 2019, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

__________________________
Janice Winfrey, City Clerk
City of Detroit
County of Wayne, Michigan