August 15, 2019

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

Re: 40 Hague Brownfield Redevelopment Plan

Dear Honorable Council Members:

The enclosed Brownfield Plan for the 40 Hague Redevelopment Project (the “Plan”) (Exhibit A), was submitted by the Detroit Brownfield Redevelopment Authority Board (the “DBRA”) and to the Community Advisory Committee (the “CAC”). The Plan was considered and reviewed by the CAC at its July 10, 2019 meeting and a public hearing was held by the DBRA on July 18, 2019 to solicit public comments. The Committee’s communication to the City Council and the DBRA, dated July 10, 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 July 24, 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
RainCheck Development, LLC is the project developer (the “Developer”) for the Plan which entails the renovation of a two-story, 37,000 square-foot building into 38 residential apartments. Two studios, 32 one-bedroom units, and four two-bedroom units will be offered. Twenty percent of the residential units will be available at 60% of the Area Median Income (AMI). Building amenities will include an interior courtyard and rooftop garden space. In addition, the parcel located to the west of the building will be curated into a private park for residents and a dog park. As for parking, the 40 Hague Development will provide on-site parking south of the building, at 59 East Philadelphia Street, at an already established lot, reconfigured to include a more efficient parking layout.

The total investment is estimated to be $8.05 million. The Developer is requesting $731,906.00 in TIF reimbursement.
There will be 18 temporary construction jobs and 1 FTE job. The 18 temporary construction jobs are expected to be created over an eighteen-month period once construction begins. The 1 FTE job will be related to property management.

Property Subject to the Plan
The eligible property (the "Property") will consist of three (3) parcels roughly bounded by Hague Street to the north, residential properties to the east, Philadelphia Street to the south, and Woodward Avenue to the west, in Detroit’s North End neighborhood.

Basis of Eligibility
The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Property was previously utilized for industrial and commercial purposes; (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 “facility” as defined by Act 381 and/or adjacent and contiguous to a "facility."

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 environmental assessments, Department specific activities related to remediation, demolition, asbestos abatement, infrastructure improvements, site preparation and preparation and implementation of Brownfield Plan and/or 381 Work Plan. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to commence in fall 2019 and be completed within 18 months.

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

<table>
<thead>
<tr>
<th>COSTS TO BE REIMBURSED WITH TIF</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Environmental Assessments</td>
<td>$23,693.00</td>
</tr>
<tr>
<td>2. Department Specific Activities (EGLE)</td>
<td>$114,500.00</td>
</tr>
<tr>
<td>3. Demolition</td>
<td>$298,900.00</td>
</tr>
<tr>
<td>4. Asbestos Abatement</td>
<td>$22,000.00</td>
</tr>
<tr>
<td>5. Infrastructure Improvements</td>
<td>$68,000.00</td>
</tr>
<tr>
<td>6. Site Preparation</td>
<td>$86,350.00</td>
</tr>
<tr>
<td>7. Brownfield Plan &amp; Work Plan Preparation</td>
<td>$20,000.00</td>
</tr>
<tr>
<td>8. Brownfield Plan &amp; Work Plan Implementation</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>9. Contingency (15%)</td>
<td>$88,463.00</td>
</tr>
<tr>
<td><strong>Total Reimbursement to Developer</strong></td>
<td><strong>$731,906.00</strong></td>
</tr>
<tr>
<td>10. Authority Administrative Costs</td>
<td>$189,903.00</td>
</tr>
<tr>
<td>11. State Brownfield Redevelopment Fund</td>
<td>$41,917.00</td>
</tr>
<tr>
<td>12. Local Brownfield Revolving Fund</td>
<td>$294,549.00</td>
</tr>
<tr>
<td><strong>TOTAL Estimated Costs</strong></td>
<td><strong>$1,258,275.00</strong></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 an Obsolete Property Rehabilitation PA 146 Tax Abatement.
DBRA's Request
The DBRA is respectfully requesting the following actions from the City Council:

a.) September 3, 2019
City Council adoption of the Resolution (Exhibit D), setting the 40 Hague Brownfield Redevelopment Plan public hearing, as approved by the Planning and Economic Development Standing Committee Chair and the City of Detroit Clerk, for September 5, 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.) September 5, 2019, 10:05 AM
Discussion with taxing jurisdictions regarding the fiscal impact of the Plan.

c.) September 6, 2019, 10:10 AM
Public Hearing at City Council’s Planning and Economic Development Standing Committee concerning the 40 Hague Brownfield Redevelopment Plan.

d.) September 10, 2019
City Council adoption of the Resolution approving the 40 Hague 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
PROPOSED 40 HAGUE REDEVELOPMENT PROJECT

Prepared by:

RainCheck Development, LLC
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Detroit, Michigan 48076
Contact Person: Neal Check
Phone: 248-866-7900
neal@souncheckllc.com

PM Environmental
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Berkley, Michigan 48072
Contact Person: Ginny Dougherty or Jessica Debone
Phone: 248-414-4136 or 616-328-5297
dougherty@pmenv.com or debone@pmenv.com

July 2, 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 three (3) parcels. The parcel identified as 40 Hague Street is considered a “facility” and “functionally obsolete” and the parcels identified as 8524 Woodward Avenue and 59 E Philadelphia Street are adjacent and contiguous to 40 Hague Street. The parcels and all tangible personal property located thereon will comprise the eligible property and is collectively referred to herein as the “Property.”

Attachment A includes a site map of the Property. The Property is located in the North End neighborhood north of North End Detroit and is roughly bounded by Hague Street to the north, residential properties to the east, Philadelphia Street to the south, and Woodward Avenue to the west.

Attachment B provides the individual legal descriptions for the eligible property.

<table>
<thead>
<tr>
<th>Address</th>
<th>Tax ID</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>40 Hague Street</td>
<td>0100266-0</td>
<td>RainCheck Development, LLC</td>
</tr>
<tr>
<td>8524 Woodward Avenue</td>
<td>01004332</td>
<td>RainCheck Development, LLC</td>
</tr>
<tr>
<td>59 E Philadelphia Street</td>
<td>01002605-7</td>
<td>RainCheck Development, LLC</td>
</tr>
</tbody>
</table>

RainCheck Development, LLC is the project developer (“Developer”) and owner of the Property. The project entails renovation of the 2-story building located at 40 Hague Street. The building, at approximately 37,000 square feet, will be converted into 38 residential apartments. Approximately two studios, 32 one-bedroom units, and four two-bedroom layouts will be offered. Building amenities will include an interior courtyard and rooftop garden space. In addition, the parcel located to the west of the building will be curated into a private park for residents and a dog park. As for parking, the 40 Hague Development will provide on-site parking south of the building, at 59 East Philadelphia Street, at an already established lot, reconfigured to include a more efficient parking layout. It is currently anticipated construction will begin in fall of 2019 and eligible activities will be completed in 18 months of commencement, which is the estimated construction period. 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 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 for industrial and commercial purposes; (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 “facility” as defined by Act 381 and in accordance with Part 201 of Act 451; and/or (d) the Property is adjacent and contiguous to a “facility” and the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that eligible property.

On March 14, 2018, PM Environmental completed subsurface investigation activities at the Property that consisted of conducting a geophysical survey investigation, advancing eight soil borings, and the collection of 13 soil samples. The soil samples were submitted to Merit Laboratories, Inc. (Merit) in East Lansing, Michigan for laboratory analysis of volatile organic compounds (VOCs), polynuclear aromatic hydrocarbons (PNAs), polychlorinated biphenyls (PCBs), cadmium, chromium, and lead, or some combination thereof.

A concentration of benzo(a)pyrene was detected in the soil sample collected at SB-7 (1.5-2.5 feet bgs) above the Part 201 Residential Direct Contact (DC) cleanup criteria. Concentrations of various PNAs were detected in the soil samples collected from SB-4 (3.0-4.0 feet bgs), SB-7 (1.5-2.5 feet bgs), and SB-12 (2.0-3.0 feet bgs) above the laboratory MDLs, but below the most restrictive Part 201 Residential cleanup criteria. A location where a hazardous substance is present in excess of the concentrations, which satisfy the requirements of subsection 20120a(1)(a) or (17), is a facility pursuant to Part 201. Section 20120a(1)(a) requirements are the Cleanup Criteria for unrestricted residential usage. Current soil concentrations identified at the Property exceed the Michigan Department of Environment, Great Lakes and Energy (“EGLE”) Part 201 Residential DC cleanup criteria established under section 20120a(1)(a) and (b) of NREPA, as revised by the Michigan Department of Environmental Quality, predecessor to EGLE, on December 30, 2013. Therefore, the subject property is a “facility” in accordance with Part 201 of P.A. 451, as amended.

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 Pre-Approved Activities, Department Specific Activities, Demolition, Asbestos Activities, Infrastructure Improvements, Site Preparation and preparation and implementation of Brownfield Plan and/or 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 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 ("MSF") 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. 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 MSF and the EGLE, as may be required pursuant to Act 381, 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 EGLE 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 to be captured is 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:

<table>
<thead>
<tr>
<th>Reimbursement Costs</th>
<th>Admin. Costs</th>
<th>State Brownfield Fund</th>
<th>Local Revolving Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Operating Tax $192,776</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>State Education Tax $64,259</td>
<td>$0.00</td>
<td>$37,459</td>
<td>$0.00</td>
</tr>
<tr>
<td>City Operating $224,549</td>
<td>$88,137</td>
<td>$0.00</td>
<td>$130,446</td>
</tr>
<tr>
<td>Library $52,116</td>
<td>$20,456</td>
<td>$0.00</td>
<td>$30,276</td>
</tr>
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<td>County (Summer) $63,569</td>
<td>$24,951</td>
<td>$0.00</td>
<td>$36,929</td>
</tr>
<tr>
<td>County (Winter) $11,139</td>
<td>$4,372</td>
<td>$0.00</td>
<td>$6,471</td>
</tr>
<tr>
<td>County Public Safety $10,558</td>
<td>$4,144</td>
<td>$0.00</td>
<td>$6,133</td>
</tr>
<tr>
<td>Wayne County Parks $2,767</td>
<td>$1,086</td>
<td>$0.00</td>
<td>$1,608</td>
</tr>
<tr>
<td>HCMA $2,396</td>
<td>$940</td>
<td>$0.00</td>
<td>$1,392</td>
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<tr>
<td>RESA Enhancement $0</td>
<td>$0</td>
<td>$0.00</td>
<td>$0</td>
</tr>
<tr>
<td>RESA ISD $38,989</td>
<td>$15,303</td>
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<td>$22,650</td>
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<tr>
<td>Wayne County Community College $36,473</td>
<td>$14,316</td>
<td>$0.00</td>
<td>$21,188</td>
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<tr>
<td>TOTALS $669,591</td>
<td>$173,707</td>
<td>$37,549</td>
<td>$257,092</td>
</tr>
</tbody>
</table>

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

City Debt $152,802
School Debt and Judgment $283,776
Wayne County DIA $4,366
Wayne County Zoo $2,183
Total $443,127

The Developer anticipates approval of a tax abatement under the Obsolete Property Rehabilitation Tax Act (OPRA), PA 146 of 2000, as amended, for up to 12 years. If the OPRA is approved, this tax abatement will reduce the property tax obligations of the Property for the period applicable under the approved abatement certificate, thereby
reducing the amount of tax increment revenues available under this Plan. Assumption of this reduction is included in the tax capture projections provided with this Plan.

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.

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.

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))
There are no persons or businesses residing on the Property and no occupied residences will be acquired or cleared, therefore there will be no displacement or relocation of persons or businesses under this Plan.

I. Local Brownfield Revolving Fund ("LBRF") (Section 8; Section 13(2)(m))
The DBRA has established a Local Brownfield Revolving Fund (LBRF). The LBRF will consist of all tax increment revenues authorized to be captured and deposited in the LBRF, 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 $257,092. 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”), and if appropriate, a Phase II ESA, baseline environmental assessment, and due care plan, pursuant to Part 201 of Michigan’s Natural Resources and Environmental Protection Act (MCL 324.20101 et seq.), have 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.
III. ATTACHMENTS
ATTACHMENT A

Site Map
ATTACHMENT B

Legal Descriptions of Eligible Property to which the Plan Applies
Legal Description 40 Hague Street, Detroit, Wayne County, Michigan:
Parcel: 01002660-0
S HAGUE 20 E 150 FT 21 EXC W 50 FT OF S 16 FT HAIGHS L13 P29 PLATS, W C R 1/112
SPLIT/COMBINED ON 03/23/2017 FROM 01002600., 01004332.;

Legal Description 8524 Woodward Avenue, Detroit, Wayne County, Michigan:
Parcel: 01004332
E WOOWARD W 110 FT 20HIAGHS SUB L13 P29 PLATS, W C R 1/112 65 X 110 Split on
03/23/2017 with 01002660. Into 01002660-0;

Legal Description 59 East Philadelphia Street, Detroit, Wayne County, Michigan:
Parcel: 01002605-7
N PHILADELPHIA 5 THRU 7BELA HUBBARDS L21 P7 PLATS, W C R 1/111 150 X 125
ATTACHMENT C

Project Description
Proposed 40 Hague Redevelopment
40 Hague Street, 8524 Woodward Avenue, and 59 E Philadelphia Street

PROJECT DESCRIPTION

Development Team and Company Synopsis

RainCheck Development, LLC (RainCheck) is the project developer ("Developer") and owner of the Property. RainCheck is a southeast Michigan-based property development and management firm that restores, renovates and manages real estate in and around Detroit. The group focuses on single family homes, multi-unit, and commercial buildings in target areas of the city.

RainCheck is growing a rich portfolio of properties in various parts of Greater Detroit, such as Midtown and New Center. RainCheck seeks to identify and acquire properties that have potential to be restored in order to enrich the community.

RainCheck is led by the Birmingham-based founder, Neal Check. Before starting RainCheck, Mr. Check spent 25 years working in the low voltage industry. From there, Check took a natural step into the smart-home technology industry, opening the company SoundCheck, Inc. Check then combined his extensive tech-based knowledge with a passion for developing construction projects. Thus, TechHome Building Co., LLC, was formed. Recent RainCheck projects have been focused on Detroit. One such development includes a high-tech townhome development on 4th Street in Midtown. Another project involves renovating the historic Sander's Confectionary located at 6532 Woodward Avenue in New Center.

The development team has selected the Monahan Company as the General Contractor and Detroit-based Christian Hurtienne Architects as the architect.

Project Synopsis

The Developer intends to complete an adaptive reuse of the Property which is composed of three adjoining parcels, which are currently occupied by two parking lots and a vacant two-story building. Located in Detroit's North End Neighborhood, northwest of downtown, the building was previously occupied by the nonprofit World Hope, Inc. RainCheck bought the property from World Hope, who had occupied the building since 2014. Other previous occupants include printing and engraving companies, automotive sales and services businesses, professional offices, and training schools.

40 Hague Street, where the building is located, was originally developed with three residential dwellings prior to 1910. The current building totals approximately 37,000 square feet and was constructed between 1915 and 1926 when the residential buildings
were demolished. 8524 Woodward Avenue was developed prior to 1910 with two residential dwellings. The dwellings were both demolished by 1957. The current parking lot totals approximately 0.16 acres and was constructed by 1961. 59 East Philadelphia Street was also developed prior to 1910 with three residential dwellings, which were demolished between 1962 and 1963. The current parking lot totals approximately 0.86 acres and was constructed between 1967 and 1972.

The project includes renovating the building located at 40 Hague Street. Once the rehabilitation is completed, the two-story building will offer 38 loft style apartments in the North End Neighborhood. Living space totals approximately 26,900 square feet. Two studios, 32 one-bedroom units, and four two-bedroom layouts will be made available. Twenty percent of the residential units (8 in total) will be reserved as affordable units at 60% Area Median Income (AMI), which will consist of five (5) one bedroom units and three (3) two bedroom units.

Greenspace will be incorporated throughout the development; a landscaped interior courtyard will feature eating areas and a rooftop garden offers a unique place for residents to relax and entertain. Further greenspace will be created by converting the western parking lot (8524 Woodward Avenue) into a fenced private park for residential use.

Additionally, improvements will be made to the eastern parking lot (59 East Philadelphia Street) to serve as designated residential parking.

The 40 Hague Redevelopment project will reclaim the 1920s era building and render it fully functional once again. The renovation will maintain and restore the building's original stone masonry and large exterior windows to withhold historical accuracy.
Upon completion, this project will bring an underutilized property back to productive use, addressing the growing demand for residential space within the North End and will further catalyze economic development in the area.

**Project Investment Estimates**

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<td><strong>Total Capital Costs</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 will also apply for a Public Act 146 Obsolete Property Rehabilitation Act (OPRA) Tax Abatement for the project.

**Cost/Benefit Analysis**

Detroit’s North End Neighborhood was once an important hub of automobile production in the early 20th century, housing more than 50,000 workers. Additionally, several popular Motown musicians including Aretha Franklin and Diana Ross called the neighborhood home. The North End is just beginning its renaissance of infill housing projects to revitalize a vibrant neighborhood. The proposed 40 Hague Redevelopment project is part of the neighborhood’s transitional area between the commercial nature of Woodward Avenue and the residential neighborhood branching east. The 40 Hague Redevelopment works to transform an underutilized Property into a contemporary residential apartment building. Investment such as the RainCheck will help create an integrated and vibrant North End for all Detroiters.

The proposed Development will bring needed investment to a vacant area of Detroit’s North End Neighborhood. The Development will increase residential density in an area that is characterized by vacancy and has the perception of being unsafe. Activation of this property will spur further growth and infill development, and act as a catalyst for future redevelopment of numerous vacant and blighted properties along the Woodward Avenue corridor and the surrounding neighborhoods and provide spinoff consumer spending.

On a short-term basis, approximately 18 construction jobs will be needed each day during the estimated 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) job) directly by the developer. The Monahan Company is well-versed and has an inventory of Detroit-based subcontractors that they intend to utilize during redevelopment activities. The Monahan team will present at a skilled trades task force meeting should additional sub-contractors be needed.
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 Detroiters. This is estimated at approximately $1,080 more than what is currently collected on an annual basis if those employed are Detroit residents. This estimate is based on an average annual salary estimate of $45,000 for the developer created FTE job. In addition, it is anticipated the City of Detroit will collect approximately 2.4% income tax per resident unit per year, resulting in approximately $61,284 in tax revenue based approximately 82 residents and the metropolitan area per capita income of $31,140.

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

Supportive Letters
June 28, 2019

Ms. Jennifer Kanalos  
Authorized Agent  
Detroit Brownfield Redevelopment Authority  
500 Griswold, Suite 2200  
Detroit, Michigan 48226  

RE: 40 Hague Brownfield Redevelopment Plan  

Dear Ms. Kanalos,

The Detroit Brownfield Redevelopment Authority (DBRA) has asked that the Planning and Development Department to review and comment on the 40 Hague Brownfield Redevelopment Plan (the “Plan”).

RainCheck Development, LLC is the project developer (“Developer”). The property in the Plan is located on three parcels in the North End neighborhood of Detroit and is roughly bounded by Hague Street to the north, residential properties to the east, Philadelphia Street to the south, and Woodward Avenue to the west.

The Plan consists of the renovation of the 2-story building located at 40 Hague Street. The building, at approximately 37,000 square feet, will be converted into 38 residential apartments. Two studios, 32 one-bedroom units, and four two-bedroom layouts will be offered. Building amenities will include an interior courtyard and rooftop garden space. In addition, the parcel located to the west of the building will be curated into a private park for residents and a dog park. As for parking, the 40 Hague Development will provide on-site parking south of the building, at 59 East Philadelphia Street, at an already established lot, reconfigured to include a more efficient parking layout.

The development will renovate and fully reactivate a significant building in the North End neighborhood of Detroit. Total investment is estimated at $8.05 million.

The review for this brownfield plan is complete and all comments have been forwarded to the developer. No adverse comments were received. The Planning and Development Department recommends approval of the brownfield plan as submitted.

Sincerely,

Maurice Cox  
Director  
Planning and Development Department

C: B. Vosburg  
C. Capler
TO: The City of Detroit City Planning Commission, and Detroit Brownfield Redevelopment Authority

FROM: Rev. Jim Holley, Ph.D.

DATE: July 23, 2019

Mr. Neal Check of RainCheck Development LLC, met with me and my staff today to discuss his redevelopment plans for 40 Hague Street, 59 Philadelphia Street, and 8524 Woodward Avenue.

The (38) units loft apartment plans bring important new opportunities for housing in the North End, including affordable housing. In addition, this will restore a beautiful Albert Khan building in the city, bring revenue to local businesses, and improve the appearance of the building and surrounding landscapes.

On behalf of the Historic Little Rock Baptist Church, I would like to express my full support for RainCheck Development, and the proposed renovation; and ask that you consider approving his Brownfield and OPRA requests.

As a neighboring business/property owner, we appreciate the inclusion of the community in the planning processes, and are excited to see the economic and community benefits of this renovation.

Respectfully,

Rev. Jim Holley, Ph.D.
Senior Pastor

Rev. Dr. Jim Holley
Senior Pastor

““The Will of God will never lead you where the grace of God cannot keep you.””

9000 Woodward Avenue • Detroit, Michigan 48202 • Telephone (313) 872-2900 • Fax (313) 972-1115

email: RevJimHolley7@yahoo.com
June 17th, 2019

To Whom it May Concern,

On behalf of The Barbat Organization who owns and manages two mixed use buildings on Woodward, 6505 Woodward Ave. and 6080 Woodward Ave., in the New Center area, -please accept this letter of support for the proposed 40 Hague Loft Conversion located in the North end of downtown Detroit. This project seems to be a major improvement to the neighborhood and certainly should spur additional development in the area. I know Neal Check and his other business ventures; he will certainly do a first-class development and be an asset to the neighborhood. For these reasons, myself and my organization are in full support of the proposed project.

Sincerely,

Duane Barbat
President – The Barbat Organization
June 17, 2019

City of Detroit
City Planning Commission
2 Woodward Avenue, Suite #202
Detroit, MI 48226

RE: 40 Hague Street Re-development and support of OPRA Tax Abatement

To Whom It May Concern:

On behalf of AK Developers LLC and Lutz Real Estate Investments LLC, I would like to express my full support for Raincheck Development, LLC's re-development of 8524 Woodward Avenue, 40 Hague Street and 59 East Philadelphia Street in Detroit's North End Neighborhood. I fully support the plan to convert the current building at 40 Hague Street, a beautiful, historic building back to its original glory and converting its use into 38 residential apartments.

As a neighboring business owner, the prospect of this building coming back to life is exciting both for personal and professional reasons. The new 38 apartment units will bring additional residents, energy, and consumer dollars to an area that will benefit from the increased foot traffic. In addition, the restoration of the greenspace including a landscaped courtyard and a rooftop garden brings aesthetic vibrancy and energy to the neighborhood.

The reactivation of this development will build upon other revitalization efforts taking place in Detroit’s North End Neighborhood and will continue to push the City of Detroit forward.

It is for the reasons above that AK Developers and Lutz Real Estate Investments LLC supports this project and the OPRA 12-year real property tax abatement required to make this redevelopment a reality. Should you have any questions, please feel free to contact me at 248-432-3200.

Sincerely,

[Signature]

Adam M. Lutz
Co-Manager of AK Developers LLC
Managing Member of Lutz Real Estate Investments LLC
ATTACHMENT E

Estimated Cost of Eligible Activities Table
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<td><strong>Eligible Activities Sub-Total</strong></td>
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*15% Contingency excludes preparation of Brownfield Plan/381 Work Plan and Pre-Approved Activities.
ATTACHMENT F

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### School Districts

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<th>OPERA Allocation</th>
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<td>Library</td>
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<td>Wayne County Operating (summer)</td>
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<td>Wayne County Operating (winter)</td>
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<td>Wayne County Parke</td>
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<td>WMNA</td>
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### Non-Capturable Millages

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<td>School Debt</td>
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<td>Wayne County Dues</td>
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<tr>
<td>Wayne County Parke</td>
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Total Non-Capturable Taxes: $20,0000.00

Total Capturable Millages: 63.3277

Total Tax Increment Revenue (TIR) Available for Capture: $51,459.00

Page 1 of 2
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**School Captures**

- **Estimated Rate TV:** $2,452,722
- **Incremental Difference (New TV - Base TV):** $1,454,522

**Local Captures**

- **City Operating:** $1,098,200
- **Library:** $4,830
- **Wayne County Operating (Summer):** $5,042
- **Wayne County Operating (Winter):** $1,481
- **Wayne County Parks:** $0.125
- **NEMA Enforcement:** $0.000
- **Wayne County Commission:** $3,564
- **Wayne County Community College:** $1,240

**Non-Capturable Mileage**

- **City Debt:** $2,000
- **School Debt:** $12,000
- **Wayne County Debt:** $6,000
- **Wayne County Zoning:** $2,000

**Total Non-Capturable Taxes:** $20,000

**Total Capable Mentors:** 63,023
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<th>Developer</th>
<th>Total</th>
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<th>Local-Only Taxes</th>
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<td>36.74%</td>
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<td>$268,907</td>
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<tr>
<td>Local</td>
<td>63.26%</td>
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<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td>$170,888</td>
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<tr>
<td>MFRG</td>
<td>76.72%</td>
<td>$161,538</td>
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<tr>
<th>Estimated Capture</th>
<th>Years of Plan: 26</th>
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</thead>
<tbody>
<tr>
<td>Administrative Fees</td>
<td>$189,903</td>
</tr>
<tr>
<td>State Revolving Fund</td>
<td>$41,917</td>
</tr>
<tr>
<td>LBFR</td>
<td>$294,549</td>
</tr>
</tbody>
</table>

| Total State Incremental Revenue | $31,459 | $31,908 | $32,361 | $32,824 | $33,749 | $34,220 | $34,697 | $35,178 | $35,664 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| State Brownfield Revolving Fund (50% of SET) | $3,932 | $3,999 | $4,045 | $4,102 | $4,150 | $4,219 | $4,278 | $4,347 | $4,417 | $4,486 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| State TIR Available for Reimbursement | $27,527 | $27,900 | $28,316 | $28,717 | $29,121 | $29,530 | $29,943 | $30,360 | $30,781 | $31,206 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Total Local Incremental Revenue | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| DBA Administrative Fee (15% of total TIF) | $4,719 | $4,786 | $4,854 | $4,923 | $4,992 | $5,062 | $5,133 | $5,204 | $5,277 | $5,350 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Developer paid amount to reimburse DBA admin fees | $1,573 | $1,595 | $1,618 | $1,641 | $1,664 | $1,687 | $1,711 | $1,735 | $1,759 | $1,783 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Deferred DBA Admin Fees** | $3,146 | $3,191 | $3,236 | $3,282 | $3,328 | $3,375 | $3,422 | $3,470 | $3,518 | $3,566 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Payback of Deferred DBA Admin Fees | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Local TIF Available for Reimbursement | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Total State & Local TIR Available | $27,527 | $27,900 | $28,316 | $28,717 | $29,121 | $29,530 | $29,943 | $30,360 | $30,781 | $31,206 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

<table>
<thead>
<tr>
<th>DEVELOPER</th>
<th>Beginning Balance</th>
<th>OPRRA abatement</th>
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<tbody>
<tr>
<td>DEVELOPER Reimbursement Balance</td>
<td>$731,908</td>
<td>$704,278</td>
</tr>
<tr>
<td>MSF Non-Environmental Costs</td>
<td>$561,538</td>
<td></td>
</tr>
<tr>
<td>State Tax Reimbursement</td>
<td>$23,339</td>
<td>$21,421</td>
</tr>
<tr>
<td>Local Tax Reimbursement</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>MDEQ Environmental Costs</td>
<td>$170,368</td>
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</tr>
<tr>
<td>State Tax Reimbursement</td>
<td>$6,468</td>
<td>$6,499</td>
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<tr>
<td>Local Tax Reimbursement</td>
<td>$ -</td>
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</tr>
<tr>
<td>Total MDEQ Reimbursement Balance</td>
<td>$263,960</td>
<td>$258,898</td>
</tr>
<tr>
<td>Total Annual Developer Reimbursement</td>
<td>$27,527</td>
<td>$27,900</td>
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<table>
<thead>
<tr>
<th>LOCAL BROWNFIELD REVOLVING FUNC</th>
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<tbody>
<tr>
<td>LBRF Deposits**</td>
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<tr>
<td>Local Tax Capture</td>
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<tr>
<td>Total LBRF Capture</td>
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* Up to five years of capture for LBRF Deposits after eligible activities are reimbursed. May be taken from MDEQ & Local TIR only.
### Table 3: Tax Increment Revenue Capture Estimates

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<td>$335,316</td>
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<tr>
<td>State Brownfield Revolving Fund (50% of SET)</td>
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<td>State TIF Available for Reimbursement</td>
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<td>Total Local Incremental Revenue</td>
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<td>$530,684</td>
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<tr>
<td>BRA Administrative Fee (15% of total TIF)</td>
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<td>Developer paid amount to reimburse DBRA adv</td>
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<td>Deferred DBRA Admin Fees**</td>
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<td>Payback of deferred DBRA Admin Fees</td>
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<td>Local TIF Available for Reimbursement</td>
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<td>Total State &amp; Local TIF Available</td>
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<td>$1,050,967</td>
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</tbody>
</table>

** DEVELOPER 

| DEVELOPER Reimbursement Balance | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $206,313 |

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** MICE Non-Environmental Costs 

| MICE Non-Environmental Costs | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $55,231 |
| State Tax Reimbursement | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $266,231 |
| Local Tax Reimbursement | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $266,231 |
| Total MICE Reimbursement Balance | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $55,231 |

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** MDEQ Environmental Costs 

| MDEQ Environmental Costs | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $62,594 |
| State Tax Reimbursement | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $62,594 |
| Local Tax Reimbursement | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $62,594 |
| Total MDEQ Reimbursement Balance | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $62,594 |

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** Total Annual Developer Reimbursement 

| Total Annual Developer Reimbursement | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $791,906 |

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** LOCAL BROWNFIELD REVENUE FUNDS 

| LOCAL BROWNFIELD REVENUE FUNDS | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $294,549 |
| State Tax Capture | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $53,418 |
| Local Tax Capture | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $59,808 |
| Total Local Tax Capture | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $59,808 |
| Total LBIF Ctte | $     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | $294,549 |

---

* Up to five years of capture for LBIF Deposits
ATTACHMENT G

BSE&E Acknowledgement and Other Environmental Documents
July 2, 2019

Jennifer Kanalos
Detroit Brownfield Redevelopment Authority (DBRA)
500 Griswold, Suite 2200
Detroit, Michigan 48226

RE: DBRA Document Review and Invoice Notice

Attached please find Exhibit B, approving the environmental documents submitted to the Buildings, Safety Engineering, and Environmental Department for review on the 40 Hague Project located at 40 Hague, 59 E. Philadelphia, and 8524 Woodward for RainCheck Realty LLC.

The review of a Phase I Environmental Site Assessment (ESA), Phase II ESA, Baseline Environmental Assessment and Documentation of Due Care Compliance was completed on July 1, 2019 and Invoice #5683022 in the amount of $1,500.00 for these services was submitted to your office for payment. Please remit a check payable to the Treasurer, City of Detroit by the due date to complete this activity.

If you have any questions, please contact my office at (313) 471-5115.

Sincerely,

[Signature]
Paul T. Max
General Manager

PTM

Enclosure

cc: Brian Vosburg
Attachment B

TO: THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY

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

PROJECT: 40 Hague Street Project, RainCheck Realty LLC

DATE: July 2, 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 PM Environmental on behalf of RainCheck Realty, LLC, as developer, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment Authority (DBRA), for the 40 Hague Street Project.

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

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

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

4. 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 the site is a facility and 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
1. What is the plan for hiring Detroiter's?

The Monahan Company, as the project's general contractor, is well-versed and has an inventory of Detroit-based subcontractors that they intend to utilize during redevelopment activities. The Monahan team will present at a skilled trades task force meeting and utilize the D2D program, if available, should any additional sub-contractors be needed.

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 are anticipated to include site supervision, demolition, asbestos abatement, concrete, masonry, carpentry, framing, roofing, window glass and glazing, framing, painting, flooring, tiling plumbing and HVAC and electrical.

The Developer anticipates the creation of one full time equivalent permanent job related to property management and maintenance.
3. Will this development cause any relocation that will create new Detroit residents?

The development will not cause any relocation and is anticipated to create an estimated 38 new residential units to the City of Detroit.

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

Members of the Development team are in process of reaching out to members of the North End community and neighboring property owners regarding the anticipated improvements and garnering meaningful feedback.

5. When is construction slated to begin?

Construction is slated to commence fall of 2019.

6. What is the expected completion date of construction?

Approximately 18 months following project commencement.
July 10, 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 40 Hague 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 July 10, 2019, adopted a resolution approving the proposed Brownfield Plan for the 40 Hague 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 40 Hague Redevelopment.

Very truly yours,

By: [Signature]
Allen Rawls, Chairperson
Community Advisory Committee to the City of Detroit
Brownfield Redevelopment Authority
CODE DBRA 19-07-271-02

40 HAGUE 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 40 Hague 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 40 Hague 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 approves the Plan substantially in the form attached hereto and on file with the Secretary of the DBRA.

3. 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.

4. 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.
5. 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.

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

July 24, 2019
RESOLUTION CALLING A PUBLIC HEARING REGARDING
APPROVAL OF THE BROWNFIELD PLAN OF THE
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
FOR THE 40 HAGUE 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 40 Hague 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 5th day of September,
   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 40 HAGUE 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 40 Hague Redevelopment Project (the "Plan"); and

WHEREAS, the Authority submitted the Plan to the Community Advisory Committee for consideration on July 10, 2019, per the provisions of the resolution establishing the Authority, and a public hearing was conducted by the Authority on July 18, 2019 to solicit comments on the proposed Plan; and

WHEREAS, the Community Advisory Committee recommended approval of the Plan on July 10, 2019; and

WHEREAS, the Authority approved the Plan on July 24, 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 September 5, 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 “facility” 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 Depositary. 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 Brownfield 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 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

Aytes:  

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