

**MICHIGAN STRATEGIC FUND BOARD
FINAL MEETING AGENDA
MAY 23, 2017
10:00 am**

Public comment – Please limit public comment to three (3) minutes

Communications

A. Consent Agenda

Proposed Meeting Minutes – April 25, 2017

NanoBio Corporation – Loan Amendment – Christin Armstrong

Orchestra Place – Renaissance Zone Amendment – Marcia Gebarowski

Outfield Partners, LLC – City of Lansing – MCRP Amendment – Julius Edwards

OMH, L.L.C – City of Grand Rapids – MCRP Amendment – Lynda Franke

Welsh Romulus, LLC – Request for MSF Consent to Transfer Ownership Interest – Renaissance Zone –
Christin Armstrong

B. Business Investment

a. Access to Capital

Resthaven – Bond Authorizing – Chris Cook

Haviland – Bond Authorizing – Chris Cook

C. Community Vitality

City of Detroit DDA – Catalyst Development Area Tax Capture Amendment – Mark Morante

MICHIGAN STRATEGIC FUND

RESOLUTION 2017-

**APPROVAL OF MAY 2017 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

WHEREAS, the Michigan Strategic Fund (“MSF”), at its February 2014 board meeting, approved the use of consent agendas at future board meetings pursuant to defined guidelines.

WHEREAS, the MSF, at its February, 2014 board meeting, approved Guidelines for Preparation and Approval of Consent Agendas for the MSF (“Guidelines”).

WHEREAS, pursuant to the recommendation of MSF and MEDC staff, the MSF Board desires to approve the below Consent Agenda items;

NOW, THEREFORE, BE IT RESOLVED, the MSF approves the Consent Agenda items listed below and identified in the final Consent Agenda for this board meeting.

Consent Agenda Items:

Proposed Meeting Minutes – April 25, 2017

NanoBio Corporation – Loan Amendment

Orchestra Place – Renaissance Zone Amendment

Outfield Partners, LLC – City of Lansing – MCRP Amendment

OMH, L.L.C – City of Grand Rapids – MCRP Amendment

Welsh Romulus, LLC – Request for MSF Consent to Transfer Ownership Interest – Renaissance Zone

Ayes:

Nays:

Recused:

Lansing, Michigan
May 23, 2017

**MICHIGAN STRATEGIC FUND
PROPOSED MEETING MINUTES
April 25, 2017**

Members Present

Roger Curtis
Andrew Lockwood (on behalf of Treasurer Khouri)
Larry Koops
Greg Tedder (on behalf of Chairman Arwood)
Jody DePree Vanderwel
Wayne Wood

Members Absent

Paul Anderson
Terri Jo Umlor
Shaun Wilson

Mr. Tedder called the meeting to order at 10:01 am.

Public Comment: Mr. Tedder asked that any attendees wishing to address the Board come forward at this time. No public comment.

Mr. Tedder recognized the following legislative staff in attendance: Ellen Heinitz on behalf of Representative Stephanie Chang who read comments expressing concern about the AK Steel Corporation agenda item; Ray Watts who attended on behalf of Representative Martin Howrylak in opposition to the AK Steel Corporation agenda item; and Adam Skubik who attended on behalf of Senator Phil Pavlov in support of the US Farathane Port Huron LLC agenda item.

Communications: Andrea Robach, Partner Relationship Manager, advised the Board that a letter was received from the Michigan League of Conservation Voters expressing opposition to the proposed transfer of the MEGA tax credit to AK Steel Corporation and encouraging the company to come into compliance with air quality standards. A letter also was received from Representatives Martin Howrylak, Stephanie Chang and Peter Lucido expressing concern about the AK Steel Corporation agenda item and encouraging the Board to delay action until the May meeting.

She also informed the board that they received revised materials at the table to correct clerical errors for the following projects: Challenge Manufacturing, The Dow Chemical Company and AK Steel Corporation. She noted that the Quarterly Report of the Chief Compliance Officer was provided to the Board in the briefing packet.

Wayne Wood joined the meeting at 10:06 am.

A. CONSENT AGENDA

Resolution 2017-048 Approval of Consent Agenda Items

Mr. Tedder asked if there were any questions from the Board regarding the items under the Consent Agenda. There being none, Wayne Wood motioned for the approval of the following:

Proposed Meeting Minutes – March 28, 2017

Ashley Capital LLC – City of Grand Rapids – Brownfield MBT Amendment – **2017-049**

Wagner Place Project – City of Dearborn – Act 381 Work Plan Amendment – **2017-050**

Midtown Lofts LLC – City of Port Huron – MCRP Amendment – **2017-051**

Griswold Capitol Park LLC – City of Detroit – MCRP Amendment – **2017-052**

Lofts on Alabama LLC – City of Grand Rapids – MCRP Amendment – **2017-053**

SVRC Industries, Incorporated – City of Saginaw – MCRP Reauthorization – **2017-054**
Jackson National Life Insurance – MBDP Grant Amendment – **2017-055**
Carthartt, Inc. – MBDP Grant Amendment – **2017-056**
Challenge Manufacturing – MBDP Grant Amendment – **2017-057**

Jody DePree Vanderwel seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

B. BUSINESS INVESTMENT

B1. Business Growth

Resolution 2017-058 Willow Run Arsenal of Democracy Landholdings Limited Partnership and Limited Partnership Amendment – Ypsilanti Township – 21st Century Investment

Eric Shreffler, Director Automotive Programs, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2017-058. Wayne Wood seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

Representative Tim Greimel spoke in support of the USF Delta Tooling, LLC project in Auburn Hills.

Resolution 2017-059 USF Delta Tooling, LLC – City of Auburn Hills – MBDP Grant

Marcia Gebarowski, Senior Business Development Project Manager, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2017-059. Roger Curtis seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

Resolution 2017-060 US Farathane Port Huron, LLC – City of Port Huron – MBDP Grant

Marcia Gebarowski, Senior Business Development Project Manager, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2017-060. Andrew Lockwood seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

Resolutions 2017-061 & 2017-062 The Dow Chemical Company – MEGA Amendment and Renewable Energy Renaissance Zone Revocation

Josh Hundt, Vice President Business Development Projects, provided the Board with information regarding these action items. Following brief discussion, Larry Koops motioned for the approval of Resolution 2017-061. Jody DePree Vanderwel seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.** Larry Koops then motioned for the approval of Resolution 2017-062. Wayne Wood seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

Resolution 2017-063 AK Steel Corporation – City of Dearborn – MEGA Agreement Transfer and Amendment and Brownfield MBT Certificate of Completion Transfer

Josh Hundt, Vice President Business Development Projects, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2017-063. Jody DePree Vanderwel seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

B2. Entrepreneurship

Resolution 2017-064 2017 Business Incubator – Request to Issue RFP

Fred Molnar, Vice President Entrepreneurship and Innovation, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2017-064. Andrew Lockwood seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

B3. Capital Access

Resolution 2017-065 Resthaven – Bond Inducement

Chris Cook, Director Capital Programs, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2017-065. Jody DePree Vanderwel seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

Roger Curtis left the meeting at 11:20 am.

C. Community Vitality

Resolutions 2017-066 & 2017-067 Bridge & Stocking LLC – City of Grand Rapids – MCRP Other Economic Assistance Award and Act 381 Work Plan

Ryan Kilpatrick, Senior Community Assistance Specialist, provided the Board with information regarding these action items. Following brief discussion, Larry Koops motioned for the approval of Resolutions 2017-066 & 2017-067. Wayne Wood seconded the motion. **The motion carried: 5 ayes; 0 nays; 0 recused.**

Resolution 2017-068 Kingsley Condominiums, LLC – City of Ann Arbor/Washtenaw County – Act 381 Work Plan

Stacy Esbrook, Regional Director Community Assistance Team, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2017-068. Andrew Lockwood seconded the motion. **The motion carried: 5 ayes; 0 nays; 0 recused.**

Mr. Tedder adjourned the meeting at 11:31 am.

Michigan Strategic Fund Board Meeting

Comments by State Representative Stephanie Chang (House District 6)

April 25, 2017

Thank you to the Michigan Strategic Fund Board for the opportunity to provide comment.

My concerns with the proposal for AK Steel are two-fold. First, I believe that if we are to give AK Steel Severstal's old tax credits, we need to take the appropriate steps to protect the public health of Michiganders around the facility. We have not taken the necessary steps to do this as a condition of the transfer of these credits. Second, legislation was considered in both chambers last term on this issue, and this legislation was not successful. Moving this issue to a much less public non-legislative arena without the process of committee hearings and a public vote by elected bodies, the way tax policy should be handled, is extremely disappointing.

House District 6 includes part of Southwest Detroit, which borders Dearborn. Southwest Detroit faces some of the worst air pollution in the state and includes the most polluted zip code in the state. There are multiple sources of pollution in and around Southwest Detroit – including the Marathon refinery, DTE's coal plant, Zug Island, the Waste Water Treatment Plant, AK Steel, Great Lakes Steel, and truck traffic to and from the international bridge.

As you may know, AK Steel has received several notices of violation from the MI Department of Environmental Quality since acquiring the Dearborn Works site. AK Steel has had recent violation notices from the MDEQ last October as well as just a few months ago in February.

They also had a violation in November 2015, for failure to ensure continuous monitoring of sulfur dioxide. Sulfur dioxide is the pollutant for which Wayne County and Michigan are out of compliance with the federal National Ambient Air Quality Standards. Our state implementation plan for sulfur dioxide was due to the EPA last April and we submitted our plan one entire year late.

Let me say a few words about what this air pollution means for the health of residents in my district.

Anytime I go door to door in Southwest Detroit, countless residents talk with me about the air pollution – family member after family member and neighbor after neighbor who has suffered from asthma, COPD and various forms of cancer linked to the cumulative impact of the various pollution sources in the region.

Southwest Detroit has one the highest rates of persistent asthma for children covered by Medicaid. Asthma hospitalization rates in Detroit are over three times higher than the rates in Michigan as a whole.

The EPA's website¹ discusses scientific links between short-term exposures to SO₂ – five minutes to 24 hours-- and “an array of adverse respiratory effects including bronchoconstriction and

increased asthma symptoms.” The EPA goes on to say that “particles (formed from SO_x penetrate deeply into sensitive parts of the lungs and can cause or worsen respiratory disease, such as emphysema and bronchitis, and can aggravate existing heart disease, leading to increased hospital admissions and premature death.”

I want to share a quote from Sue Stanley and Jamel Lawera, principals at Salina Elementary and Salina Intermediate Schools. They are the schools that sit in the shadow of the AK Steel plant.

"As educators we understand the impact that growing up in a healthy environment can have on the overall development of child. Good nutrition, healthy habits, and a clean environment all play a vital role in the overall success of a student in the classroom. Salina Elementary and Salina Intermediate are located in an area of the city that is also home to several industrial type facilities that, as a byproduct of their manufacturing process, expel a variety of substances into the air. It is vitally important that measures be in place to safeguard the overall quality of the environment in the neighborhoods surrounding these facilities."

We should not be transferring tax credits to companies that have chosen not to invest the money needed to upgrade pollution control equipment. The primary equipment at this facility was built in the 1960s and desperately needs upgrading. There are specific steps that the company could be taking to improve the air for the surrounding neighborhood by upgrading their equipment, but they have chosen not to pursue them due to cost.

I understand that AK Steel is doing a better job than Severstal did in terms of environmental compliance. I believe that, on top of the progress that has been made, it is our responsibility and opportunity as state government to make sure we continue to improve by requiring compliance with environmental regulations, regular assessments of both pollution control equipment and air monitoring.

Thank you again and I respectfully urge you to oppose this proposal.

¹ <http://www.epa.gov/air/sulfurdioxide/health.html>



MICHIGAN LEGISLATURE

April 25, 2017

Michigan Department of Talent & Economic Development
Michigan Strategic Fund Board
300 N. Washington Sq.
Lansing, MI 48913

Dear Michigan Strategic Fund Board Members,

We would like to take this opportunity to respectfully request that the Board delay making a decision regarding the transfer the Michigan Economic Growth Authority ("MEGA") Tax Credit and the Brownfield Tax Credit to AK Steel, until this proposal can receive adequate comment and input, including additional legal insight.

As you know, the Michigan Strategic Fund Board's decision regarding this matter will set a precedent for other cases that could arise in the future. We remain concerned that this agreement with AK Steel will set a dangerous precedent by allowing a specific company to acquire a tax loophole without going through the legislative process to amend the Tax Code. In light of the precedence that will be established by this agreement, we respectfully request that the Board wait until May 23rd meeting to make a final decision regarding this issue. This new deadline will provide the Board and the department with ample time to discuss the potential implications of this agreement with members of the legislature and other stakeholders.

Thank you for the opportunity to discuss this important issue in further detail. If you have any questions regarding this request or wish to discuss this issue further, please do not hesitate to contact Rep. Howrylak's office at 517-373-1783.

Sincerely,

Martin Howrylak
State Representative
District 41

Stephanie Chang
State Representative
District 6

Peter J. Lucido
State Representative
District 36



Date: April 24th, 2017

To: Members of the Michigan Strategic Fund Board

From: Charlotte Jameson, Government Affairs Director, Michigan League of Conservation Voters

Re: Testimony in Opposition to Transfer of the MEGA Tax Credit to AK Steel

Before members of the Michigan Strategic Fund Board is a proposed agreement with AK Steel that would allow the company to assume \$20,363,905 in phased out MEGA tax credits over the next six years for its Dearborn Works plant. This agreement was negotiated with the Michigan Economic Development Corporation (MEDC) after AK Steel failed to gain legislative approval last session for bill package that would have granted the company an estimated \$55 to \$60 million in phased out MEGA credits. The legislative opposition to the credit transfer was predicated on concerns over both the financial impact of allowing phased out MEGA credits to continue as well as the poor environmental track record of the AK Steel plant in question. AK Steel's facility in Dearborn is chronically in violation of air quality standards to the detriment of the health and wellbeing of the surrounding communities. Michigan League of Conservation Voters (LCV) has consistently maintained that under any agreement, AK Steel should be required to come into compliance or commit to coming into compliance with all air quality and environmental standards as a condition of accessing the transferred credit.

AK Steel's Dearborn Works plant is located in Dearborn's South End, where residents are disproportionately and adversely impacted by harmful air pollution from the surrounding factories and refineries. This area was given a toxicity score by the EPA that was 45 times higher than the state average. Since assuming ownership of the plant in 2014, AK Steel's Dearborn plant remains noncompliant with air quality standards and has continued to receive notices from the Michigan Department of Environmental Quality (DEQ) documenting clear violations of air pollution requirements, including failing to test for emissions of some harmful pollutants and failing to use appropriate pollution control technology. The most recent violation notice was issued this year on February 23rd for fallout from a large brown plume that spilled over from the Dearborn property in December 2016. Additionally, during the third and fourth quarters of 2015, AK Steel reported at least 40 violations of the legal opacity limit during its operations and in 2016 the plant received a total of 33 violations according to the Department of Environmental Quality. It should also be noted that the Dearborn plant is located in an area where Michigan is out of compliance under the Clean Air Act for unhealthy levels of sulfur dioxide.

Legislators and Michigan residents have on several occasions raised concerns over the lack of transparency in how MEDC and the Strategic Fund Board award and administer large tax credits. In the case of AK Steel, the lack of legislative involvement is particularly glaring given that last session there was broad, bipartisan opposition to a bill package that would have effectuated the tax credit transfer through the legislative process. Further, conducting negotiations and ironing out an agreement without meaningful public input runs counter to a key principle of environmental justice- the right [of impacted communities] to participate as equal partners at every level of decision-making." The residents of the South End of Dearborn bear the negative health impacts of the poor air quality that is, in part, fueled by emissions from AK Steel's plant. The community members impacted by AK Steel's operations should be given ample opportunity to weigh in on the tax credit agreement before it is approved.

Furthermore, we would ask that AK Steel commit to air quality upgrades to the Dearborn Works facility as part of the agreement between the company and the State of Michigan. Michigan LCV remains opposed to the granting of tax credits to AK Steel until the following changes are made or agreed to in a binding fashion:

- **Installation of a Wet Electrostatic Precipitator (ESP), in replacement of or in conjunction with the existing ESP.** This is the most needed change to reduce impacts on the health of nearby residents and improve air quality. Currently, the basic oxygen furnace (BOF) at AK Steel's Dearborn Works facility is controlled by an electrostatic precipitator (ESP), that removes particulate matter from the process gases prior to release to the atmosphere. The particulate matter includes hazardous air pollutants (HAP) such as toxic metals, including manganese and lead. However, the current ESP was built in 1964 and is outdated technology that is unable to match the pollution control levels of current technology. The BOF ESP has a Specific Collecting Area (SCA) of 298 ft²/kacfm compared to an SCA of approximately 800 for more recent designs. Furthermore, it was not designed for control of fine particulate matter, which has been recently shown to engender some of the worst health impacts. Severstal did do ESP rehabilitation work from 2012 to 2014, however that work was focused on repairing existing parts not addressing the fundamental flaw that the current ESP was not designed to protect against the smallest and worst particulates.
- **Meet modern pollution control requirements if Blast Furnace B is rebuilt.** Until 2008, the AK Steel facility had two blast furnaces: Blast Furnace B and Blast Furnace C. That year, Blast Furnace B was destroyed in an explosion and has not been reconstructed to date. Rebuilding Blast Furnace B would increase the allowed throughput at the BOF from 2.6 million tons of steel per year to 4.1 million tons per year. This increase in load would further strain the outdated and under-designed BOF ESP. AK Steel might decide to never rebuild blast furnace B. But agreeing to meeting modern pollution control requirements if the company did rebuild the furnace, would represent a tangible and welcome commitment to public health for the community residents who are directly impacted by the plant's operations.

Michigan LCV feels strongly that rewarding a company like AK Steel that continues to violate air quality protections by granting it millions in tax breaks incentivizes continued plant operations that have significantly degraded air quality in the area. Further, negotiating the agreement without legislative, public, and community buy-in and input runs counter to principles of environmental justice and good governance. Michigan LCV will continue to oppose the transfer of tax credits until a more open, public process is undertaken and until AK Steel commits to the needed upgrades to the Dearborn Works plant that will bring it in line with air quality protections.

We look forward to working with you to resolve this issue in a way that will improve the air quality, health, and well being of impacted communities.

Sincerely,
Charlotte Jameson
Government Affairs Director
Michigan League of Conservation Voters



The Michigan League of Conservation Voters joins more than 800 of our members in urging the Michigan Strategic Fund Board to require AK Steel to come into compliance or commit to coming into compliance with all air quality and environmental standards as a condition of accessing any transferred tax credits with the state.

Rewarding a company like AK Steel that continues to violate air quality protections by granting it millions in tax breaks incentivizes continued plant operations that have significantly degraded air quality in the area. Further, negotiating the agreement without legislative, public, and community buy-in and input runs counter to principles of environmental justice and good governance.

On behalf of the undersigned, we urge the Board to support a transparent and open process that fully serves the interest of all Michigan residents by rejecting AK Steel's proposal.

Name	City	State	Zip Code
Matt Hoey	Farmington Hills	MI	48336
Kara Cook	Grand Rapids	MI	49503
Brenda Cook	Lansing	MI	48911
William Jones	Allegan	MI	49010
Joseph Altobelli	Grand Rapids	MI	49504
Danielle Bradke	Grand Rapids	MI	49503
Sandra Balla	Marysville	MI	48040
Karen Hunt	Plymouth	MI	48170
Michael Salgat	Plymouth	MI	48170
Barbara Bratherton	Kalamazoo	MI	49008
Chris Flanagan	Ferndale	MI	48220
Seamus Callaghan	Ann Arbor	MI	48109
Phillip Alward	Fenton	MI	48430
James Cormier	Dexter	MI	48130
Alex Chudzik	Sterling Heights	MI	48314
Marcia Leibson	Southfield	MI	48076
Robin Eichleay	Bloomfield Hills	MI	48302
Sandra Hotton	Shelby Township	MI	48316
Jeff Sander	Ann Arbor	MI	48103
Louis Mastela	Northville	MI	48167
Denise Arthurs	West Bloomfield	MI	48324
Lisa Pineiro	Flat Rock	MI	48134
Carrie Jones	Ypsilanti	MI	48198
Janet Bourgon	Ann Arbor	MI	48108
Raymond Keeling	Milford	MI	48381

Douglas Jacobs	Bay City	MI	48706
Gregory Green	Farmington Hills	MI	48336
Matthew Herrington	Flushing	MI	48433
Elaine Green	Farmington Hills	MI	48336
Michele Green	Farmington Hills	MI	48336
Annie O'Neill	Cedar	MI	49621
Sarah Filer	Ann Arbor	MI	48103
Carolyn Heines	Grand Rapids	MI	49506
Virginia Gaipa	Byron Center	MI	49315
Brandon Sandusky	Ann Arbor	MI	48105
Marion Woods	Flint	MI	48532
Tim Pokela	Marquette	MI	49855
Stacy Leon	Ann Arbor	MI	48105
Rebecca Robinson	Los Angeles	CA	90057
Kaye Collins	Kalamazoo	MI	49008
Bette Swando	Saint Clair Shores	MI	48081
	Grosse Pointe		
Jeffrey J Scolnick	Park	MI	48230
Keith D'Alessandro	Canton	MI	48187
Rebecca Gentner	Kalamazoo	MI	49048
Anne Birkam	Saginaw	MI	48602
Robbi Chisholm	Wyandotte	MI	48192
Tony Roberts	Ida	MI	48140
Diana Marx	Alger	MI	48610
Stacey Donnell	Fenton	MI	48430
Amy Scharmen-Burgdolf	Gregory	MI	48137
Vincent Paviglianiti	Clinton Township	MI	48035
Dr. Russell Wood	Harbor Springs	MI	49740
Vicki Kondelik	Ann Arbor	MI	48104
Kathryn Foyle	Milan	MI	48160
Tiffany Troia	Trenton	MI	48183
David Synwolt	Kalamazoo	MI	49006
Joanna Phillips	Troy	MI	48083
Jacqueline Vines	Grand Rapids	MI	49506
Jan F Walsh	Newaygo	MI	49337
Jane McIntyre	Novi	MI	48375
Alicia Baker	New Hudson	MI	48165
Patricia Sheppard	Covert	MI	49043
Michele Kendzior	Brighton	MI	48114
Jody Detzler	Clinton Township	MI	48036
Carole Pappas	Grand Blanc	MI	48439
Linda Francisco	Oak Park	MI	48237
Anne Wright	Rochester Hills	MI	48307
Erik Peterson	Troy	MI	48084

Carole Coulter	Ann Arbor	MI	48103
Lori Near	Haslett	MI	48840
Michael Anton	Hastings	MI	49058
Ellen Dreyer	Farmington	MI	48336
Nancy Bunge	East Lansing	MI	48823
Carol McGeehan	Holland	MI	49423
Stephen Batzer	Dewitt	MI	48820
Ken Zimmerman	Ithaca	MI	48847
Judy LaVaute	Ludington	MI	49431
Adrienne Minerick	Houghton	MI	49931
	Commerce		
Mark Johnsen	Township	MI	48390
Daniel Slosberg	Corona	CA	92881
Karen Lee	Bloomfield Hills	MI	48304
Jazmine Harvey	Kincheloe	MI	49788
Vicki Dillenbeck	Grand Rapids	MI	49525
	Grosse Pointe		
Frederick Harms	Farms	MI	48236
Jonathan James	Detroit	MI	48224
John Pemberton	Honor	MI	49640
Lynne Coles	Lincoln Park	MI	48146
Gail Berry	Warren	MI	48092
Evans Pate Jr	Detroit	MI	48221
Beverly Tullar	South Lyon	MI	48178
Andris Bandeniaks	Rockford	MI	49341
Sandra Terry-Morrison	Kalamazoo	MI	49001
Leonard Heether	Trufant	MI	49347
	Commerce		
Alan Thayer	Township	MI	48382
Stephen Hamilton	Ada	MI	49301
Sophia Koufopoulou	East Lansing	MI	48823
Alec Saturley	Grand Rapids	MI	49544
Patricia Litwiller	Kalamazoo	MI	49009
Susan Peters	Dewitt	MI	48820
Lynore Manning	Oscoda	MI	48750
Deborah Parker	Caro	MI	48723
Luanne B. Epstein	Grand Rapids	MI	49512
Rosemary Bayer	Beverly Hills	MI	48025
Abby Keessen	Norton Shores	MI	49441
Thomas Dye	Okemos	MI	48864
ERIC PANITZ	Wyoming	MI	49519
Jessica B	Berkley	MI	48072
Hannah Walters	Grand Rapids	MI	49508
Nancy Faust	Marquette	MI	49855

Joe Arevalo	Holland	MI	49423
Cynthia Brzak	Traverse City	MI	49684
Cindy Rasely	Grand Junction	MI	49056
Ginger Lee Pierce	Holt	MI	48842
Heidi Purcell	Ann Arbor	MI	48105
Jamie Durbal	Dearborn Heights	MI	48125
Lisa Lawitzke	Bellevue	MI	49021
Marion Schultz	Farmington Hills	MI	48336
Melissa Hoving	Portland	OR	97239
Ann Perini	Rochester	MI	48307
Patricia Dzagulones	Ypsilanti	MI	48197
Bonnie J Worden	Charlevoix	MI	49720
Mary L Levy	Ann Arbor	MI	48105
	Grosse Pointe		
Kathryn Larime	Park	MI	48230
Marcine Klemm	Adrian	MI	49221
Bill Scott	Detroit	MI	48201
Robert Hagopian	Novi	MI	48375
Jane Strunck	Royal Oak	MI	48073
Julie Stachecki			
Johanningsmeier	Howell	MI	48843
Liz Kirkwood	Traverse City	MI	49686
Dan Valley	Cadillac	MI	49601
Joseph P Popp	Holland	MI	49423
Gerald Rahn	Traverse City	MI	49684
Jan Johnson	Cadillac	MI	49601
Berta Meserve	Lake Ann	MI	49650
David Falconer	East Lansing	MI	48823
Dorothea Stoep	Houston	TX	77079
Harry Bousamra	Dearborn	MI	48126
Tamara Stockwell	Attica	MI	48412
Barry Lishawa	Traverse City	MI	49685
Mindy Holohan	Grand Rapids	MI	49505
John Mitchell	Van Nuys	CA	91406
Katarina Alajbegovic	Ann Arbor	MI	48105
Francine Bruder	Portage	MI	49024
James Wessel Walker	Ann Arbor	MI	48104
K Sneden	Lowell	MI	49331
Carolyn Molhoek	Kalamazoo	MI	49008
Kellie Mackesy	Chesterfield	MI	48047
Anne Leone	Haddonfield	NJ	8033
Bill Polesnak	Troy	MI	48085
Ferold Torchenot	Columbia	MD	21045
Vivian Abramowitz	Kalamazoo	MI	49001

Victoria Peyser	Newark	DE	19711
Sheila D	Willmar	MN	56201
W. Clark	Lynchburg	VA	24501
Animae Chi	New York	NY	10002
Barbara Vieira	Staten Island	NY	10312
Debbie Dashner	South Haven	MI	49090
Bill Kastler	New Baltimore	MI	48047
Michael Barkey	Grand Rapids	MI	49508
Prisca Foures	De Ruyter	NY	13052
Steven Gapske	Kalamazoo	MI	49009
Patti Wojtowicz	Grand Rapids	MI	49534
Kathy Fiebig	Portage	MI	49024
Marjorie Castanien	Defiance	OH	43512
Dale Patterson	Rockford	MI	49341
Cornelia Dunn	Ann Arbor	MI	48108
Mark Peltan	Clinton Township	MI	48035
Julie Smith	Dexter	MI	48130
Judy Stetten	Adrian	MI	49221
Deborah Sawyer	Bay City	MI	48708
Alanna Woolley	Harper Woods	MI	48225
Lauren Glass	East Lansing	MI	48823
Elizabeth Beaudoin	Manchester	MI	48158
Laura Judge	Holland	MI	49423
Mindy Miner	Rockford	MI	49341
Dan Lorimer	Franklin	MI	48025
Tim Craig	Midland	MI	48642
Rc Dutra	Union City	CA	94587
Stephan Morse	Ann Arbor	MI	48103
Donald Dzagulones	Ypsilanti	MI	48197
Michael Larmee	Livonia	MI	48152
Elaine Hazel	Birmingham	MI	48009
Joyce Digue	Saint Clair Shores	MI	48081
Cindy Oboczky	Iron River	MI	49935
Karen Taylor	Swartz Creek	MI	48473
Nzingha Masani-Manuel	Detroit	MI	48201
Emily MacMartin	Richmond	MI	48062
Cliff Mulder	Grand Rapids	MI	49505
Mr. Paul Czajka	East Tawas	MI	48730
Jimmy Douglas	Auburn Hills	MI	48326
Kathleen Vogt	Saint Charles	MI	48655
Andrea Geamanu	Lake Orion	MI	48359
Ed Pivers	Bath	MI	48808
Mr. Charles Lumpkin	Clinton Township	MI	48035
Barb Wallace	Grand Rapids	MI	49546

Richard Lewis	Westland	MI	48185
Patricia Muchmore	Cheboygan	MI	49721
Ralph Sorensen	Alma	MI	48801
J Angell	Rescue	CA	95672
Robert Locke	Grand Rapids	MI	49546
Rob Parker	Amherst	VA	24521
Mona DAVIS	Grand Ledge	MI	48837
P FS	Ann Arbor	MI	48105
John Brewer	Marietta	OH	45750
Jacob Prud'homme	South Lyon	MI	48178
Paul Kortenhoven	Grand Rapids	MI	49503
Virginia Jones	Kalamazoo	MI	49004
Luise and gordon Knutson	Ypsilanti	MI	48198
John W. Getts	Big Rapids	MI	49307
Ronda Bozek Smith	Mason	MI	48854
Tim Bloomquist	Traverse City	MI	49684
Bill Baker	Ann Arbor	MI	48105
Juanit Payton	Kalamazoo	MI	49009
Elizabeth Wonder	Grand Rapids	MI	49507
Deborah Gardner	Caseville	MI	48725
Marta Swain	Grand Rapids	MI	49506
Lehren Olk-Szost	Leonard	MI	48367
Myk Snevets	Union Pier	MI	49129
Daniel Sawyer	Bay City	MI	48708
Jamie Heeringa	Belding	MI	48809
Brother Thomas Zerafa			
OFMIII	Oak Park	MI	48237
Nancy Chappel	Irons	MI	49644
Virginia Dalinowski	Sterling Heights	MI	48310
Dr. Melissa Howse-Kurtz	Kalamazoo	MI	49006
Michael Kane	Ypsilanti	MI	48198
DR. ERIC PANITZ	Wyoming	MI	49519
Joe Medrano	Jackson	MI	49203
Netha Speet	West Olive	MI	49460
Melissa James	Kalamazoo	MI	49008
Erica Dutton	Ann Arbor	MI	48104
Philip Sh	East Lansing	MI	48823
Cherel Cairns	Waterford	MI	48328
Jackie Godbout	Baltimore	MD	21230
Lauren Moore	Ypsilanti	MI	48197
Nicole Cogar	Clinton	MI	49236
Gary Zundel	Detroit	MI	48207
Rosalie Pelch	Beulah	MI	49617
Susan Ruttenberg	Huntington	MI	48070

Woods

John Zarro	Troy	MI	48083
Daniel PAULSON	Traverse City	MI	49684
Norma Dell	Adrian	MI	49221
Velda Dykehouse	Woodhaven	MI	48183
Dan Blakey	East Lansing	MI	48823
James Conroy	Williamston	MI	48895
Steve Seeger	Dearborn Heights	MI	48125
Sam Winston-brown	Ypsilanti	MI	48197
John Latta	Ann Arbor	MI	48103
Kathleen Rabiteau	Alpena	MI	49707
Michele Green	Bay City	MI	48708
Robin Shuten	Lansing	MI	48912
MerriKay Oleen-Burkey	Kalamazoo	MI	49006
Karen Dukovich	Frankenmuth	MI	48734
Kenneth Bloem	Elk Rapids	MI	49629
Richard Grzeskowiak	Dexter	MI	48130
Kent Newman	Ypsilanti	MI	48197
Nancy Kanistanau	Okemos	MI	48864
James Woodhams	Ann Arbor	MI	48105
Janice Bishop	Ypsilanti	MI	48197
Megan Moore	Haslett	MI	48840
Lisa Isler	Grand Rapids	MI	49546
KRISTINE CLARK	Frankfort	MI	49635
Xenophon Skufis	Onsted	MI	49265
Stephanie Willey	Saline	MI	48176
Claudette Ashley	Waterford	MI	48329
Ronald Zurawski	Menominee	MI	49858
David Sherson	Jackson	MI	49202
John Loveless	Hillsdale	MI	49242
Sherry Opalka	Kalamazoo	MI	49008
Eve Wilson	Ann Arbor	MI	48108
Brianna Gerondale	Ferndale	MI	48220
Richard Booth	Grosse Ile	MI	48138
Carol Eglsaer	Munising	MI	49862
Michele Kowalski	Eaton Rapids	MI	48827
Debbie Arquette	Clarkston	MI	48348
John Poore	Lansing	MI	48906
Cynthia Elliott	Chelsea	MI	48118
Lucille Olson	Lansing	MI	48906
Kathleen Longo	Ann Arbor	MI	48103
Debra Bayley	Walled Lake	MI	48390
Ron Doran	Dearborn	MI	48126
Steven Sy	East Lansing	MI	48823

Kathleen Field	Elk Rapids	MI	49629
Suzanne Dickerson	New York	NY	10012
Sandy McComb	South Haven	MI	49090
Steve Keim	Columbiaville	MI	48421
Peter Reilly	Redford	MI	48240
Matt Brzezinski	Saint Clair Shores	MI	48081
Suzanne Dixon	Douglas	MI	49406
Jayne Hamilton	Bloomfield Hills	MI	48304
William Salmons	Dowagiac	MI	49047
Kathy Kavanagh	Ann Arbor	MI	48104
Joe Scilluffo	Warrenville	IL	60555
Matthew Wagner	Belleville	MI	48111
Bruce Gerlach	Eastpointe	MI	48021
David Ashley	Waterford	MI	48329
Robert Haase	Calumet	MI	49913
William Francis	Houghton	MI	49931
Kimberly Webb	Saint Joseph	MI	49085
Caleb Laieski	Fredericksburg	VA	22406
Marilyn Dopp	South Haven	MI	49090
Donald Garlit	Canton	MI	48187
Susan Corner	Lansing	MI	48917
John Christopher	Paw Paw	MI	49079
Janet Fulgenzi	Saginaw	MI	48603
Linda Blodgett	Lansing	MI	48911
Heath Post	Lansing	MI	48906
Dennis Kranich	Dearborn	MI	48124
Anne B.	Grand Blanc	MI	48439
Cheryl Darnton	Ann Arbor	MI	48103
Patricia Anderson	Marquette	MI	49855
Brendan Monroe	Three Rivers	MI	49093
Dianne Minicucci	Lake Ann	MI	49650
Nancy Gilleo	Dewitt	MI	48820
Kathryn Hildebrant	Northville	MI	48167
Julia O'Connor	Williamston	MI	48895
Evelyn Millstein	Royal Oak	MI	48073
Sandra Bostian	Comstock Park	MI	49321
Jennifer Gordon	Ann Arbor	MI	48105
Jeanne Mackay	Marysville	MI	48040
Madria Everson	Southfield	MI	48076
Kay Musser	Ann Arbor	MI	48103
Emmanuel Falaras	Grand Blanc	MI	48439
Elizabeth Hart	Carpentersville	IL	60110
Bonnie German	Rochester Hills	MI	48309
Richard Ternes	Ionia	MI	48846

Jeff Kronick	Lake Orion	MI	48361
Pawiter Parhar	Grand Rapids	MI	49512
Ellen Hopkins	Ann Arbor	MI	48105
Mike O'Donnell	Ann Arbor	MI	48104
Jose De Arteaga	Washington	DC	20020
Susan Welsh	Lake Ann	MI	49650
Carol Bechtold	Palo Alto	CA	94306
Lori Pelto	Southfield	MI	48076
RICHARD Wares	Marquette	MI	49855
Marty Albert	Battle Creek	MI	49017
Sue Nearing	Vassar	MI	48768
Debra Brown	Kalamazoo	MI	49004
Katie Collins	Monroe	MI	48161
Cynthia Engeland	Evart	MI	49631
Elektra Petrucci	Ferndale	MI	48220
Sarah Sercombe	Royal Oak	MI	48073
Caroline Binder	Mc Connellsburg	PA	17233
Timothy Chapp	Minneapolis	MN	55413
	Croton On		
Eli Pepper	Hudson	NY	10520
Sara Bonnette	Bay City	MI	48708
Mark Caruso	Manitou Beach	MI	49253
Ilene Kazak	Brighton	MI	48116
Barbara Toshalis	Kalamazoo	MI	49006
Kathleen Johnston-Calati	Lansing	MI	48933
Mark Messing	Traverse City	MI	49684
June Picard	Bay City	MI	48706
Shelly Winney	Grand Rapids	MI	49505
Cynthia Edwards	Ann Arbor	MI	48103
Jeffrey DeYoung	Grand Rapids	MI	49534
Lori Mulvey	Comstock Park	MI	49321
Derek Gendvil	Las Vegas	NV	89117
Ralph Jones	Ypsilanti	MI	48197
Jeffrey Fast	Dryden	MI	48428
Karen Welch	Temperance	MI	48182
Peter Wong	Berrien Springs	MI	49103
Donna Hart	Monroe	MI	48162
Catherine Tierney	Saint Louis	MO	63108
Rachelle Visca	Shelby Township	MI	48316
John Fritz	Ann Arbor	MI	48103
John Lorand	Mount Pleasant	MI	48858
Rosemary Dressler	Grand Rapids	MI	49512
Randall Kling	Saint Clair	MI	48079
David Veenstra	Watervliet	MI	49098

Carol Berard	Howell	MI	48855
John McGarry	Ada	MI	49301
Hugh Anderson	Lincoln	MI	48742
Donna Meeth	Portage	MI	49002
Barton Grimm	Beverly Hills	MI	48025
William Freese	Alpena	MI	49707
Marie Barbara P Mitchell	Ann Arbor	MI	48105
Norman Andresen	Ypsilanti	MI	48197
Linda Neumann	Toivola	MI	49965
Bernard Alper	West Bloomfield	MI	48322
Margo Lesser	Birmingham	MI	48009
Robert Wilkins	Berrien Springs	MI	49103
Carla L	Draper	UT	84020
Karlene Trump	Detroit	MI	48224
Kristen Pakulak	Grand Rapids	MI	49503
Karen LaBarge	Holland	MI	49423
Michele Wells	Plainwell	MI	49080
Pamela Clutts	Jackson	GA	30233
Randolph Payne	Milford	MI	48381
Marsha Wheaton	Traverse City	MI	49685
Nichole Pangburn	Canton	MI	48188
E. Magid	Maplewood	NJ	7040
Cynthia Stern	Traverse City	MI	49696
Ivan LaHaie	Grass Lake	MI	49240
Barbara Baker	Bloomfield Hills	MI	48301
Monica Hill	Pinckney	MI	48169
David Elack	Overgaard	AZ	85933
Katie Johnstone	Saint Clair Shores	MI	48080
Linda McGill	Alpena	MI	49707
Beth Godleski	Grand Rapids	MI	49505
Jim Toczynski	Manistee	MI	49660
Dawn Benjamin	Lowell	MI	49331
PEGGE ADAMS	Davison	MI	48423
Kathleen Brown	Pinckney	MI	48169
Clifford Neumann	Redford	MI	48240
Robert Anderson	Rapid City	MI	49676
Daniel Cavanaugh	Belleville	MI	48111
Carolina Gomez-Jones	Saint Joseph	MI	49085
Patricia Austin	South Branch	MI	48761
Susan Sorg	Grand Rapids	MI	49534
Joyce Coe	Hastings	MI	49058
Larry Rolfe	Sunfield	MI	48890
Margaret Wolfe	Ann Arbor	MI	48104
Francine Melotti	Oxford	MI	48371

Haven Knight	Rochester	MI	48306
SALLY LUNN	Ypsilanti	MI	48198
Dianne Bragg	Detroit	MI	48214
Jeffery Morgenthaler	Lowell	MI	49331
Mary Splan	Spruce	MI	48762
Barb Ford	Wales	MI	48027
Ben Pinti	Ann Arbor	MI	48105
Richard Lawrence	Whitmore Lake	MI	48189
Jill Armstrong	Byron Center	MI	49315
Emma Myles	Detroit	MI	48207
Maureen Sheahan	Southfield	MI	48033
Donna Carter	Troy	MI	48085
David Hopkins	Battle Creek	MI	49015
Susan Szott	Saginaw	MI	48638
Carl Michel	Ann Arbor	MI	48104
Gavin Bornholtz	Grand Blanc	MI	48439
James McIntosh	Ann Arbor	MI	48105
Elizabeth J Haran	Clarkston	MI	48348
Julie Skelton	Belleville	MI	48111
Dawn Edgley	Traverse City	MI	49685
Pamela Nordhof	Hamilton	MI	49419
Karen Schmitt	Marquette	MI	49855
Thor Sorensen	Grand Rapids	MI	49506
Don Thompson	Cambridge	MA	2139
Terry Link	Laingsburg	MI	48848
Tia Pearson	Wahiawa	HI	96786
Joan Luft	Grandville	MI	49418
Nancy Lightbody	Livonia	MI	48154
Greg Brown	Columbus	OH	43215
Frederic Peiss	Oak Park	MI	48237
Cynthia Lenzmeier	Vail	CO	81657
Tara Conaway	Byron Center	MI	49315
Brenda Albanese	Sparta	MI	49345
Donald Angell	Battle Creek	MI	49014
Lorraine Barker	Lincoln Park	MI	48146
Brandon Winkler	Northville	MI	48168
Dana Dowell	Galien	MI	49113
Kirsten Strom	Grand Rapids	MI	49503
Rowene Beals	Holland	MI	49423
Jackie Critser	Wilsonville	OR	97070
Susan Carlson	Hudsonville	MI	49426
Bruce Dassel	Kalamazoo	MI	49009
Devon Volz	Kalamazoo	MI	49006
Rob Englund	Auburn	MI	48611

Kerry Berry	Bay City	MI	48706
Sara Hale	Lansdowne	PA	19050
Susan Beecher	Chelsea	MI	48118
C T	Laingsburg	MI	48848
Ann Marie Teli	Chesterfield	MI	48051
Janyce Benkovsky	Troy	MI	48085
Denise Akom	Shelby Township	MI	48315
Sheila Wentzel	Washington	MI	48094
John Ochs	Charlevoix	MI	49720
Stephanie Measzros	Kalamazoo	MI	49006
Mike DePlanche	Pontiac	MI	48340
David Westerfield	Maple City	MI	49664
Pamela Sutherland	Caro	MI	48723
Frank Depifanio	Clinton Township	MI	48038
Fritz Seegers	Kalamazoo	MI	49007
	Huntington		
Michael Sklar	Woods	MI	48070
Martha Hill	Ann Arbor	MI	48103
Richard Tipton	Hubbardston	MI	48845
Grace Strong	Ironwood	MI	49938
Nelson Stockdill	Ypsilanti	MI	48198
Freya Harris	Atlanta	GA	30342
Anne Pavlic	Northville	MI	48167
Lynne Brimecombe	Ann Arbor	MI	48103
Sondra Loucks Wilson	Grand Rapids	MI	49523
Mary Alice Naour	Adrian	MI	49221
Henry Velick	Ann Arbor	MI	48103
Adeline Emmons	Kalamazoo	MI	49006
Diane Sevald	Caledonia	MI	49316
Elizabeth Bishop	Ann Arbor	MI	48104
	Grosse Pointe		
Robert Robson	Woods	MI	48236
Lynn and Kim Allen	Ypsilanti	MI	48197
Paul Kerman	Hazel Park	MI	48030
Kathryn Connaughton	Saint Louis	MI	48880
Mary Riker	Manistee	MI	49660
Jennie DeBeausset	Grosse Ile	MI	48138
Carol Harris	Rapid River	MI	49878
Maxine Carron	Chesterfield	MI	48047
Michael Wildner	Traverse City	MI	49696
JoEllen Rudolph	Petoskey	MI	49770
Julie Ozias	Waterford	MI	48329
Janet Anderson	Oak Park	MI	48237
Judy Pelton	Petoskey	MI	49770

Alisha Avila-Davis	Grand Rapids	MI	49503
Lori Jones	Allen Park	MI	48101
Janice Tannehill	Fife Lake	MI	49633
Dennis Kleinsmith	Lathrup Village	MI	48076
Luci Klinkhamer	Northville	MI	48167
Don Munski	Norton Shores	MI	49441
Timothy Prosser	Ann Arbor	MI	48108
Judy Hill	Shelby Township	MI	48315
Mark Swanson	Ann Arbor	MI	48105
Clara Bakker	Holland	MI	49423
Kenneth Mauk	Grand Rapids	MI	49525
Julie Glenn	Whitmore Lake	MI	48189
Diana Munch	Southfield	MI	48033
Darcy Bergh	Saint Paul	MN	55115
James Williams	Branch	MI	49402
Dennis Glotzhober	Bloomfield Hills	MI	48304
Dave Palmer	Plymouth	MI	48170
Ruth Briggs	Trenton	MI	48183
G Salata	Canton	MI	48187
Sherry Knoppers	Sparta	MI	49345
Timothy Hanser	Detroit	MI	48205
Ruth Fichter	Oak Park	MI	48237
Brooks Barnes	Ann Arbor	MI	48104
Rob Jenkin	Walled Lake	MI	48390
Georgiann Young	Saint Joseph	MI	49085
Barbara Spring	Grand Haven	MI	49417
Beatrice Simmonds	Bronx	NY	10462
Mary Germain	Nazareth	MI	49074
Jonathan Peter	Binghamton	NY	13905
John Moore	Royal Oak	MI	48067
Allen Korth	Newberry	MI	49868
Larry Gephart	Rockford	MI	49341
Jan Ealy	Traverse City	MI	49686
Lee Winslow	Mason	MI	48854
Carol Sperry	Milan	MI	48160
Katherine Bryan	Shelby Township	MI	48316
Stuart Smith	Detroit	MI	48207
	Grosse Pointe		
Timothy Schacht	Park	MI	48230
Carol Sears	Grand Rapids	MI	49546
L.D. Hieber	Chelsea	MI	48118
Eric Stordahl	Marquette	MI	49855
Robert Gordon	Ann Arbor	MI	48104
Larry Bright	Ypsilanti	MI	48197

Kathleen Bolio	Royal Oak	MI	48067
Mary McGregor	Bridgeport	MI	48722
Clark Crowe	Detroit	MI	48206
Kendra Smith	Belleville	MI	48111
Richard Kelley	Traverse City	MI	49684
Ronald Bush	Comstock Park	MI	49321
Robert Soderstrom	Grand Blanc	MI	48439
Leslie Miller	Grand Rapids	MI	49503
Nicholas Lenchner	Santa Rosa	CA	95403
Linda Prostko	Caledonia	MI	49316
Maria Miller	Grand Rapids	MI	49505
Gail Walter	Kalamazoo	MI	49001
Virginia Mendez	Hollywood	FL	33020
Marian Volkman	Ann Arbor	MI	48105
Angela Meoak	Alpena	MI	49707
Linda Bolam	Northville	MI	48167
Monique Musialowski	Chesterfield	MI	48047
Mignon Alworden	Kalamazoo	MI	49048
Doris Rytlewski	Saginaw	MI	48603
Jean Gramlich	Fenton	MI	48430
Judy Corak	Eau Claire	MI	49111
John Renfrew	Marquette	MI	49855
Terri DeFilippo	Cedar	MI	49621
Diane Good	Bellaire	MI	49615
Lindsay Conklin	Howell	MI	48843
Darryl Apps	Okemos	MI	48864
Susan Stuart	Battle Creek	MI	49014
Mark Thompson	Southgate	MI	48195
Diane Callard	Swartz Creek	MI	48473
Javier Robles	Livonia	MI	48152
Georgia Griffin	Chesterfield	MI	48051
Yolanda Mitts	Scotts	MI	49088
Nellie Bunker	Coopersville	MI	49404
Kurt Miron	Marquette	MI	49855
Matt Hanes	Clinton Township	MI	48035
Ronnie Kinney	Dearborn Heights	MI	48125
Marcella Warner	Farmington Hills	MI	48336
John Comella	Philadelphia	PA	19103
Jasmyn Bailey	Detroit	MI	48238
Harvey Reed	Detroit	MI	48216
Terry Austin	South Branch	MI	48761
Barbara Byers	Ann Arbor	MI	48103
Denise Brennan	Auburn Hills	MI	48326
Kristyn MacPhail	Littleton	CO	80123

Margaret Goodman	Glen Mills	PA	19342
Tod Babick	Grand Rapids	MI	49506
Linda Zech	Hastings	MI	49058
Catherine Ward	Ann Arbor	MI	48103
Amanda Janes	Pinckney	MI	48169
Elizabeth Seltzer	Media	PA	19063
Mary White	Ann Arbor	MI	48104
Dianne Karsh	De Tour Village	MI	49725
Lisa Hammermeister	Granada Hills	CA	91344
	Harrison		
Christine Ritchie	Township	MI	48045
Mary Tanoury	Grosse Pointe	MI	48230
Kyle Peterson	Sterling Heights	MI	48313
Susan Welsford	Norton Shores	MI	49441
Debbie Hoatlin-Dunn	Lathrup Village	MI	48076
Wolfgang Kunze	Berrien Springs	MI	49103
David Blanding	Lowell	MI	49331
Nancy Behring	Manistee	MI	49660
Ted Bolander	Flushing	MI	48433
Carol Kolbe	Whitehall	MI	49461
Linda Baker	Madison Heights	MI	48071
Greg Collins	Coopersville	MI	49404
Jodi Holden	Ypsilanti	MI	48197
Michelle Ash	Lake City	MI	49651
Mary Hoadley	West Bloomfield	MI	48322
Peter Rogan	Royal Oak	MI	48073
Holly Chisholm	Oxford	MI	48371
Lenny Segel	Farmington	MI	48331
Patricia Murray	Ann Arbor	MI	48104
Robert Short	Dowagiac	MI	49047
Loree STINSON	East Palestine	OH	44413
Adam Williams	Ann Arbor	MI	48108
Gregory Malueg	Beloit	WI	53511
Gary Tolliver	Portage	MI	49024
Mark Szof	Macomb	MI	48042
Judi Ames	Macomb	MI	48044
Donna Parmelee	Ypsilanti	MI	48197
Doris Applebaum	Oak Park	MI	48237
Maria DellaCorte	East Lansing	MI	48823
Daniel Coyne	Kalamazoo	MI	49001
Becky Sullivan	Saginaw	MI	48609
Dale Carpenter	Royal Oak	MI	48073
Terri McKinnon	Jackson	MI	49201
Andrea Zinn	Brooklyn	NY	11210

Richard Han	Ann Arbor	MI	48103
Melissa Sklar	Ann Arbor	MI	48108
Joshua Reed	Lansing	MI	48912
Kathy Menezes	Hersey	MI	49639
Emily Bovee	Rochester Hills	MI	48309
Liana Heath	Cassopolis	MI	49031
Lynn Arnold	Ada	MI	49301
Scott Matash	Macomb	MI	48044
Janice Postma	Grand Rapids	MI	49506
Carol Atkins	Lansing	MI	48917
Nancy Weatherwax	Albion	MI	49224
Roberta Byrd	Osseo	MI	49266
Patricia Woolcott	Harbor Springs	MI	49740
Jeanne Blum	Saginaw	MI	48607
Andrea Blocker	Fenton	MI	48430
Craig Yoas	Grand Haven	MI	49417
Kenneth Wright	Roscommon	MI	48653
Kate Wright	Ann Arbor	MI	48104
Don Bollinger	Alanson	MI	49706
David Potter	Roscommon	MI	48653
Melissa Powers	Grand Rapids	MI	49534
Annette Briggs	Three Rivers	MI	49093
Dan Ingall	Lake Odessa	MI	48849
Jack Preiss	East Lansing	MI	48823
Melanie Jaramillo	Okemos	MI	48864
Jeffrey Rauch	Ann Arbor	MI	48104
Jourdan Reis	Dimondale	MI	48821
Andrea Rendziperis	Saline	MI	48176
Joe Reilly	Ann Arbor	MI	48105
Sylvia Brown	Grass Lake	MI	49240
Dolores Reynolds	Grand Junction	MI	49056
Karen Redden	Dearborn Heights	MI	48127
Pam Rexus	Saugatuck	MI	49453
Nathan Rice	Ypsilanti	MI	48197
Katie Rhodes	Grand Rapids	MI	49525
K Rivard	Warren	MI	48091
Jackie Byars	Ann Arbor	MI	48104
Eric Carlson	Kalamazoo	MI	49001
Mary Rogers	Frankfort	MI	49635
Carla Champagne	Big Bay	MI	49808
Brian Kainulainen	Scottville	MI	49454
Erin Cassady	Westland	MI	48185
Henry Kanar	Ann Arbor	MI	48105
Mary Kaminski	Hancock	MI	49930

Lenore Chapple	Muskegon	MI	49445
Ron Chelland	Norton Shores	MI	49444
Judy Clark	Muskegon	MI	49445
Tony Charnawskas	Westland	MI	48185
Diane Cheklich	Detroit	MI	48201
Josh Keyes	Ann Arbor	MI	48103
Kay Clifford	Ann Arbor	MI	48103
Judith Satterthwaite	Rochester Hills	MI	48306
Lynne Schrupp	Troy	MI	48098
Marie Kopin	Mount Pleasant	MI	48858
Roland Schaedig	Ann Arbor	MI	48104
Stephanie Schubel	Pellston	MI	49769
Mary Crawford	East Lansing	MI	48823
Carol Costello	Grosse Ile	MI	48138
Darcy Krause	Rockford	MI	49341
Brian Scull	Coopersville	MI	49404
John Krohn	Lansing	MI	48912
Sharon Cupp	Three Rivers	MI	49093
Richard Krueger	Warren	MI	48092
Elizabeth Shelton	Wayne	MI	48184
Karen Land	Ann Arbor	MI	48105
Paul Czajka	East Tawas	MI	48730
Al Daniel	Durham	NC	27707
Martha Dahlinger	Portage	MI	49024
James Laughren	Highland	MI	48357
Eric Lemke	Zeeland	MI	49464
Margaret Slawson	Traverse City	MI	49686
John Lent	Lansing	MI	48910
Leonard Lewis	Jackson	MI	49201
Luana Lefvasseur	Bay City	MI	48706
Elaine Silk	West Bloomfield	MI	48323
John Loken	Ann Arbor	MI	48103
Sara Bassett	Manchester	MI	48158
Sharon Dimer	Okemos	MI	48864
Naomi Sofilic	Washington	MI	48095
Keith Soucy	Ann Arbor	MI	48103
Toby Dolinka	Grand Rapids	MI	49506
Barbara Loe	Grant	MI	49327
Linda Luke	Belleville	MI	48111
Carol Doty	Belding	MI	48809
Peter Steketee	Grand Rapids	MI	49546
Phyllis Stanbury	Grand Blanc	MI	48439
Elizabeth Eddy	Grand Rapids	MI	49546
Robert Stegmier	Rockford	MI	49341

Jill Marcusse	Grand Rapids	MI	49525
Robert Matuszak	Rochester Hills	MI	48309
Laura Farwell	Marquette	MI	49855
Lee Engstrom	Grand Rapids	MI	49506
Kathryn Stuart	Farmington Hills	MI	48336
Damian Farrell	Ann Arbor	MI	48103
Pamela Esser	Bloomfield Hills	MI	48302
Daniel Ferrier	Detroit	MI	48207
Evelyn Foreman	Detroit	MI	48221
Barbara Fishback	Grandville	MI	49418
Nancy Finnell	Fowlerville	MI	48836
Lynn Fisher	Bellaire	MI	49615
Gregory Fort	Detroit	MI	48205
Willie Thornton	Redford	MI	48240
Barbara Thibeault	East Lansing	MI	48823
Pat Tessler	Ann Arbor	MI	48103
Susanne Hamilton	Troy	MI	48083
Philip Melcher	Birmingham	MI	48009
Amanda Meier	Ann Arbor	MI	48103
Tim Redmond	Dexter	MI	48130
Minnie Bluhm	Kewadin	MI	49648
Kelly Anderson	Ann Arbor	MI	48103
Sara Culver	Skandia	MI	49885
Richard Smith	Melvindale	MI	48122
Elizabeth Bohland	Monroe	MI	48162
Maxxcell Higdon	Lake Orion	MI	48360
Tracey Kuffel	Dexter	MI	48130
Larry Wiertella	Dexter	MI	48130
Brianna Onken	Holland	MI	49424
Anne Withers	East Tawas	MI	48730
Jamie Moore	Keego Harbor	MI	48320
Charlotte Drayer	De Soto	KS	66018
Carol Hayford	Bloomfield Hills	MI	48302
Steven Kuzma	Saline	MI	48176
Hollin Hayward	Grand Rapids	MI	49504
Susan Smith	Portage	MI	49024
Katherine Ellison	Cement City	MI	49233
Mike Carafelli	Brownstown Twp	MI	48183
Alex Parks	Grand Rapids	MI	49534
Steven DeLongchamp	Waterford	MI	48327
Elaine Brazin	Ann Arbor	MI	48103
Shannon Daniels	Marquette	MI	49855
Michael Henn	Kalamazoo	MI	49006
Jocelin Newhouse	Rogers City	MI	49779

Alice Cormier	Wakefield	MI	49968
Inie Bijkerk	Grand Rapids	MI	49512
Eileen Juric	Raleigh	NC	27605
Roxanne Evans	Beulah	MI	49617
Kathie E Takush	Reading	PA	19602
Rashida Tlaib	Detroit	MI	48216
Rodger Pollesch	Hartland	MI	48353
Gary Boyers	Hamtramck	MI	48212
Gordon Jones	Grand Rapids	MI	49506
Mike Seiler	Rochester	MI	48307
Sharon Kamarainen	Gladstone	MI	49837
Mark Smith	Grand Haven	MI	49417
Lynn Bennett	Marquette	MI	49855
Darlene Lovernick	Taylor	MI	48180
Gatha Pierucki	Burr Oak	MI	49030
Katherine Mouzourakis	Westland	MI	48185
Sandra Maar	Gwinn	MI	49841
ANTON-SCOTT GOUSTIN	Harper Woods	MI	48225
Marlene Sonderfan	West Olive	MI	49460
Kathleen Cramer	Grand Rapids	MI	49546
Linda Szurley	Norton Shores	MI	49441
Erin Zerio	Novi	MI	48374
Shelley Cole	Roseville	MI	48066
Robin Van Rooyen	Grand Rapids	MI	49505
Jackie Walker	Bloomfield Hills	MI	48302
Carol Jourden	Romulus	MI	48174
Stephen Hamilton	Pentwater	MI	49449
Brady Boyce	Lansing	MI	48906
Chantelle Hosner	Burt	MI	48417
Steve Turner	Battle Creek	MI	49017
Jeffrey j Payne	Orion	MI	48359
Kevin Theeck	Rockwood	MI	48173
Karen Radermacher	Saint Clair	MI	48079
Rachel Penny	Jenison	MI	49428
Rebecca Blazek	Portage	MI	49024
Shireen Mehrpay	Bloomfield Hills	MI	48304
Katharine Anderson	Maple City	MI	49664
Diane Carr	Ann Arbor	MI	48108
Babs Bunnie	Bad Axe	MI	48413
Linda Fausey	Lansing	MI	48933
Harold Milam	Jerome	MI	49249
Ed Vieira	Staten Island	NY	10312
Natasha Salgado	Pasadena	MD	21122
Susan Starr	Pinckney	MI	48169

John Loventhal	Lexington	KY	40502
Michael D. Anderson	Mason	MI	48854
Liliana Belkin	Brooklyn	NY	11216
	Huntington		
Ron Katz	Woods	MI	48070
Peggy S. Collins	Southfield	MI	48075
Mindy Fortgang	Merrick	NY	11566
James and Dr. Diana Wright	South Haven	MI	49090
Frank Gonzales Jr.	Plymouth	MI	48170
Sherry and Tom Miller	Coloma	MI	49038
Nancy V Walker	Saint Ignace	MI	49781
Michael Gullo	Midland	MI	48640
Richard Davis	Bay City	MI	48706
Bob Johns	Saint Johns	MI	48879
Katharine Anne Douglass	East Lansing	MI	48823
Stephen C Brown	Pinckney	MI	48169
Lucas Johnston	Saint Joseph	MI	49085
C. James Ringwald	Houghton Lake	MI	48629
Kristo C	Stuart	FL	34997
Gabriel LePage	Grand Rapids	MI	49503
Mary V. Ensroth	Bloomfield Hills	MI	48304
Rama K Paruchuri	Ann Arbor	MI	48108
David And Candice Malivuk	Holland	MI	49424
Kathleen Berish	Manistee	MI	49660
Briana Purcell	Dearborn Heights	MI	48127
K. M.	Berlin	MI	48002
Ann C. McGill	Brunswick	OH	44212
TERRY HUFF	Laurium	MI	49913
Robert McNamee	Port Hope	MI	48468
H.K. Peters, Jr., PT	West Grove	PA	19390
Catherine Rowe-Lonczynski	Washington	MI	48095
Jerome Francisco	Oak Park	MI	48237
Tandy Sturgeon	Ludington	MI	49431
Derek Peterson	Howell	MI	48843
Stephanie Overla	Dexter	MI	48130
Logan DeRoos	Holland	MI	49424
Mike Duffy	Hazel Park	MI	48030
Alger Newberry III	Fenton	MI	48430
Dennis Feichtinger	Trenton	MI	48183
	Sault Sainte Marie		
Bryce Smith	Marie	MI	49783
Jedire Juncaj	Birmingham	MI	48009

Thomas M. Gwaltney Ph.D.	Ypsilanti	MI	48197
	Huntington		
John P Davis	Woods	MI	48070
Kathleen Davis	Marquette	MI	49855
Judith Begin	Chesterfield	MI	48047
Jeff Dooley	Royal Oak	MI	48067
Jack Ridl	Douglas	MI	49406
Nancy Pichiotino	Harbor Springs	MI	49740
Kirk and deb Lobring	Royal Oak	MI	48073
Ken Heritier	Saginaw	MI	48607
Tiffany Brown	Kalamazoo	MI	49048
JIM HEAD	Oak Park	MI	48237
Steven Lee	Empire	MI	49630
Christine Prince	Dexter	MI	48130
Pat Trahan	Bay City	MI	48706
David Hall	Holland	MI	49423
Robert Tinker	Saline	MI	48176
Douglas McDonald	Ann Arbor	MI	48103
Ben Cachola	Union City	CA	94587
Cheryl St.George-Calleri	Derby	NY	14047
Martha and Eric Vermeulen	Grandville	MI	49418
Oscar Revilla	Cliffside	NC	28024
Beverly Hamilton	Battle Creek	MI	49037



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

January 12, 2017

Ms. Andrea Robach
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Dear Ms. Robach,

I hereby designate Andrew Lockwood to represent me at Michigan Strategic Fund Meeting I am unable to attend.

Sincerely,

A handwritten signature in black ink, appearing to be "N.A. Khouri", with a long horizontal stroke extending to the right.

N.A. Khouri
State Treasurer

Cc: Andrew Lockwood

January 17, 2017

Mr. Mark Morante, Fund Manager
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Dear Mr. Morante,

I hereby designate Gregory Tedder to represent me at the Michigan Strategic Fund Board meetings that I am unable to attend.

Sincerely,



Steve Arwood
MSF Board President & Chairman

MEMORANDUM

Date: May 23, 2017

To: MSF Board

From: Christin Armstrong, Associate General Counsel & V.P., Compliance and Contract Services

Subject: NanoBio Corporation Loan Restructure Request

Request

NanoBio Corporation (“NanoBio” or the “Company”) has requested an amendment to its 21st Century Jobs Fund Business Plan Competition Loan according to the following terms: 1) extend the grace period for twelve months, with full principal and interest payments beginning on June 1, 2018 and continuing in equal monthly installments for the following twenty-three months and 2) increase the interest rate from 3.5% to 4%, with all other terms and conditions of the loan remaining in full force and effect, including the right of the Michigan Strategic Fund (“MSF”) to convert the loan into equity upon the occurrence of a conversion event, as defined in the Loan Agreement (the “Request”).

Background

NanoBio received a loan of up to \$2,377,526 from the Strategic Economic Investment and Commercialization (“SEIC”) Board¹ and the MSF on May 15, 2007. NanoBio is a research-stage biotechnology company focused on developing and commercializing products for the prevention and treatment of infectious diseases. The Company is a spinout from the Center for Biologic Nanotechnology at the University of Michigan.

The original award was a straight loan with an interest rate of 3%, a six year grace period and a four year payment schedule (the “NanoBio Loan”). The MSF was also granted, and maintains, a security interest on the Company’s tangible personal property, excluding inventory. The NanoBio Loan was amended on October 15, 2013 as follows: 1) conversion of 50% of the then outstanding indebtedness (\$2,743,174.32) into 3,356,796 shares of the Company’s Series C Preferred Stock; 2) the addition of conversion terms that would allow the MSF to elect to convert the remaining indebtedness into equity upon the occurrence of a conversion event, including the closing of a financing round of at least \$1,000,000 or the Company’s filing of an initial public offering; and 3) extended the grace period of the remaining indebtedness to June 1, 2015. The NanoBio Loan was again amended on December 1, 2015 as follows: 1) extension of the grace period to June 1, 2016 and 2) increase the interest rate from 3% to 3.25%. The NanoBio Loan was again amended on July 6, 2016 to 1) extend the grace period to June 1, 2017 and 2) increase the interest rate from 3.25% to 3.5%. The loan balance as of April 30, 2017 is \$ \$1,565,457.06.

¹ The SEIC Board was abolished by Executive Order 2010-04. All powers, duties, functions, and obligations of the SEIC Board were transferred to the MSF.

Last year the Company reported significant successes, including a signed license agreement with Merck for two vaccines and winning a grant from the National Institutes of Health (“NIH”) to support several of its projects. In April 2017, the Company reported that Merck had terminated the license agreement for reasons unrelated to the Company’s technology. Termination of that license agreement is a significant setback for NanoBio, putting additional pressure on an already limited cash flow and eliminating the validation that comes with having a recognized global pharmaceutical partner. It also stalled ongoing discussions it was having with potential new investors. The Company’s existing investors have provided a convertible bridge financing round to provide NanoBio with the runway it needs to secure new investors for a larger equity financing. With the bridge financing, cash on hand and ongoing contracts with NIH, the Company has approximately six months’ worth of funding available. Despite this setback with Merck, the Company’s technology is continuing to show promising results in its animal testing, and anticipates human studies in the near future. Based on these factors, the Company has requested a one-year extension of its grace period under the NanoBio Loan to allow the Company to continue its animal testing and seek additional funding from new investors.

Recommendation

MEDC Staff recommends approval of the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2017-**

NANOBIO CORPORATION – LOAN RESTRUCTURE

WHEREAS, Public Acts 215 and 225 of 2005 established the 21st Century Jobs Trust Fund initiative;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services for the Michigan Strategic Fund (“MSF”) for 21st Century Jobs Fund programs;

WHEREAS, the Strategic Economic Investment and Commercialization (“SEIC”) Board, the MSF and NanoBio Corporation (“NanoBio” or “Company”), entered into a 21st Century Business Plan Competition Loan Agreement, dated May 15, 2007, whereby the SEIC Board and MSF agreed to loan up to \$2,377,526 to NanoBio under the terms and conditions set forth in the Convertible Loan Agreement, Security Agreement and Promissory Note (the “Note”), each dated January 18, 2007 (the Loan Agreement, Security Agreement, and Note, collectively, “Loan Documents”);

WHEREAS, pursuant to Executive Order 2010-04, the SEIC Board was abolished and all powers, duties, and functions of the SEIC Board were transferred to the MSF;

WHEREAS, the Loan Documents were amended by Amendment One to the Loan Agreement on October 15, 2013, by Amendment Two to the Loan Agreement on December 1, 2015, and by Amendment Three to the Loan Agreement on July 6, 2016;

WHEREAS, NanoBio has requested that the MSF amend the Loan Documents to effectuate an extension to the grace period and new payment schedule, with terms and conditions that shall include:

- (a) increasing the interest rate under the Note from 3.5% to 4%;
- (b) extending the grace period ending date under the Note from June 1, 2017 to June 1, 2018; and
- (c) requiring Note payments in equal installments of principal and interest to begin on June 1, 2018 and continuing for the following twenty-three (23) months.

(the aforementioned, collectively “Loan Amendment Request”);

WHEREAS, the MEDC recommends that the MSF Board approve the Loan Amendment Request; and

WHEREAS, the MSF wishes to approve the Loan Amendment Request.

NOW, THEREFORE, BE IT RESOLVED, the MSF approves the Loan Amendment Request and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to take all necessary action to effectuate the Loan Amendment Request in accordance with the terms and conditions of this resolution.

Ayes:

Nays:

Recused:

Lansing, Michigan
May 23, 2017

MEMORANDUM

Date: May 23, 2017

To: Michigan Strategic Fund (“MSF”) Board Members

From: Marcia Gebarowski, Senior Business Development Project Manager

Subject: *Orchestra Place Renewal Partnership (“Company” or “Applicant”)
Transfer of Renaissance Zone benefits Request*

Request

Orchestra Place Renewal Partnership requests to transfer renaissance zone benefits under the Midtown Hospital Campus Subzone for Orchestra Place Hall located at 100 Parsons St., Detroit.

Background

On April 28, 2010 the Michigan Strategic Fund approved a New Subzone in the Wayne County Renaissance Zone for 15 years that supported the acquisition of Detroit Medical Center (DMC) by Vanguard Health Systems. The project within the proposed Renaissance Zone consisted of a minimum of \$400 Million in capital projects in addition to ongoing capital and equipment expenditures. The facilities directly impacted include capital projects and renovations to Children’s Hospital; Detroit Receiving; Harper University Hospital; Hutzel Women’s Hospital; Cardiovascular Institute; Rehabilitation Institute; and rebuilding the Mack Parking Deck.

Orchestra Place Hall is a building occupied by DMC office operations, among other tenants. The building is located in the subzone and is owned by Orchestra Place Renewal Partnership, part of the Detroit Symphony Orchestra non-profit organization. Orchestra Place Renewal Partnership intends to sell the building to 3663 Woodward Owner, LLC. The sale will provide capital funds for the non-profit organization to use towards their operating costs and their community mission. The building will continue to be occupied by the existing tenants including the DMC, there will be no changes in the occupancy. 3663 Woodward Owner, LLC will be required to enter into a separate agreement with the MSF in order for the building to remain in the renaissance zone where benefits of the subzone are passed on to the DMC.

Recommendation

MEDC Staff recommends the following (collectively, “Recommendation”):

1. MSF Board approves the Application and consents to the transfer of Subzone benefits to 3663 Woodward Owner, LLC upon its acquisition of the Property from the Company, provided:
 - a. The sale of the Property from the Company to 3663 Woodward Owner, LLC closes prior to June 30, 2017;
 - b. By July 1, 2017, 3663 Woodward Owner, LLC executes an assignment and assumption agreement similar to the provisions the Company agreed to in its consent to the Development Agreement, except 3663 Woodward Owner, LLC shall be subject to the provisions of Section 6 of the Development Agreement.
2. MSF Board authorizes the Fund Manager to negotiate the final terms and conditions of and to execute the development agreement and any other related documents necessary.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2017-**

**AMENDMENT TO MIDTOWN HOSPITAL CAMPUS SUBZONE RENAISSANCE ZONE
Orchestra Place Renewal Partnership**

WHEREAS, Section 4(4) of the Michigan Renaissance Zone Act, 1996 PA 376, as amended (the “Act”), authorizes the Michigan Strategic Fund (“MSF”) to designate qualified additional distinct geographic areas if the additional distinct geographic area will increase capital investment or job creation, referred to as subzones;

WHEREAS, on April 28, 2010, via MSF Resolution 2010-067, the MSF Board designated the Midtown Hospital Campus Subzone (the “Subzone”) to support VHS of Michigan, Inc.’s (“VHS”) acquisition of the Detroit Medical Center (the “DMC”) and subsequently, a development agreement governing the Subzone was entered in to between DMC, VHS, the MSF (the “Development Agreement”)

WHEREAS, other real property owners located in the Subzone consented to and assumed most of the provisions in the Development Agreement, including the Orchestra Place Renewal Partnership (the “Company”), which owns real property in the Subzone at 3663 Woodward Avenue, Detroit, Michigan that is primarily leased to DMC (the “Property”), by signing a consent agreement (the “Consent”);

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services for the renaissance zone program;

WHEREAS, the Company wishes to sell the Property to 3663 Woodward Owner, LLC;

WHEREAS, the MEDC received an application from the Company requesting the MSF’s approval for benefits of the Subzone to transfer to 3663 Woodward Owner, LLC once the Property has been acquired by 3663 Woodward Owner, LLC, as required by the terms of the Development Agreement (the “Application”); and

WHEREAS, the MEDC recommends that the MSF Board approve the Application and consent to the transfer of Subzone benefits to 3663 Woodward Owner, LLC upon its acquisition of the Property from the Company, provided:

1. The sale of the Property from the Company to 3663 Woodward Owner, LLC closes prior to June 30, 2017; and
2. By June 30, 2017, 3663 Woodward Owner, LLC executes an assignment and assumption agreement to the provisions the Company agreed to in the Consent to the Development Agreement, and additionally, the repayment provisions of Section 6 of the Development Agreement.

NOW, THEREFORE, BE IT RESOLVED, MSF Board approves the Application and consents to the transfer of Subzone benefits to 3663 Woodward Owner, LLC upon its acquisition of the Property from the Company, provided:

1. The sale of the Property from the Company to 3663 Woodward Owner, LLC closes prior to June 30, 2017; and

2. By June 30, 2017, 3663 Woodward Owner, LLC executes an assignment and assumption agreement to the provisions the Company agreed to in the Consent to the Development Agreement, and additionally, the repayment provisions of Section 6 of the Development Agreement.

BE IT FURTHER RESOLVED, that the MSF Board authorizes the Fund Manager to negotiate the final terms and conditions of and to execute the development agreement and any other related documents necessary to effectuate the terms of this Resolution on behalf of the MSF.

Ayes:

Nays:

Recused:

Lansing, Michigan
May 23, 2017

MEMORANDUM

Date: May 23, 2017

To: Michigan Strategic Fund Board

From: Julius L. Edwards, Manager, Underwriting and Incentive Structuring

Subject: Outfield Partners, LLC and Related Entities
Michigan Community Revitalization Program
Request for Approval of Other Economic Assistance Equity Investment and Grant Agreement Amendments

Request

Outfield Partners, LLC and Related Entities (“Company”) are requesting approval of amendments to their Michigan Community Revitalization Program Grant and Other Economic Assistance - Equity Investment Agreements (“Agreements”) and other related ancillary agreements. The amendment request, dated March 2, 2017, includes the following requests: 1) extension of the “Project Completion” Milestones in the Agreements from December 31, 2016 to December 31, 2017. Construction of the project has been completed and the development is fully occupied. The extension will allow time to verify costs related to work completed by the City of Lansing. The City has yet to fully bill the project for all of the work it completed as part of the development; 2) amend the definition of “Total Development Cost” within the Agreements to include “Developer Fees” that have been permanently deferred. This change will better align the Agreements with the intent of the approved incentive structure. As part of the original approval it was anticipated that certain “Developer Fees” would be permanently deferred and included as part of the Managing Member’s equity investment contribution in determining the returns to the Managing Member, this change will align the agreements with this intended structure; and 3) approval to allow for deferral of the April 30, 2017 cash flow distribution due to the MSF as part of the Agreements. The project is in the process of converting the project financing from construction to permanent amortizing debt. As part of the conversion the project will incur cash expenses, by deferring the MSF’s distribution it will help ensure the project has adequate cash on hand to cover costs associated with the financing conversion. It is anticipated that the debt conversion will be completed by December 31, 2017.

Background

The Michigan Strategic Fund Board approved a \$2,455,000 Other Economic Assistance – Equity Investment Award for the Company for the purpose of constructing a four-story residential development behind the existing outfield wall at Thomas Cooley Law School Stadium in the City of Lansing.

An amendment to the original approval was approved on July 28, 2015 to split the original \$2,455,000 MCRP Award into a \$1,455,000 Other Economic Assistance – Equity Investment and a \$1,000,000 Performance-Based Grant Award. The change was requested to help facilitate closing of the project while maintaining the original approved anticipated economics for both the MSF and the private investors.

Construction of the project was completed in 2016 and project is fully leased and performing better than originally projected. The company is current with reporting requirements but is not in compliance with the requirements staff is currently requesting to amend. None of the above requested amendments are being requested to address any operational or financial deficiencies of the project, but rather to ensure the project remains in compliance with the agreements.

Recommendation

The MEDC staff recommends approval of the proposed amendments to the MCRP Grant and Other Economic Assistance – Equity Investment Agreements and other related ancillary agreements to allow additional time for the project to meet its Project Completion Milestones, help facilitate the conversion of project debt, and make an administrative changes as requested by the development team’s Amendment Request dated March 2, 2017.

**MICHIGAN STRATEGIC FUND
RESOLUTION 2017 -**

**APPROVAL OF THE SECOND AMENDMENT TO THE MICHIGAN COMMUNITY
REVITALIZATION PROGRAM AWARDS TO
OUTFIELD PARTNERS, LLC AND RELATED ENTITIES
(OUTFIELD PROJECT)**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq., to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF for the MCRP;

WHEREAS, on December 21, 2011, by Resolution 2011-185, the MSF (i) created the MCRP, (ii) adopted the guidelines for the MCRP, as later amended (“Guidelines”);

WHEREAS, pursuant to SFCR 2090-1, the MSF approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the MCRP (“Transaction Documents”);

WHEREAS, the Guidelines require that MCRP awards over \$1 million must be approved by the MSF Board;

WHEREAS, by Resolution 2014-230 on December 16, 2014 the MSF Board awarded MCRP Other Economic Assistance to Outfield Partners, LLC or other entities formed or to be formed in furtherance of the Outfield Project (“Applicant” or “Co-Applicants”) of up to \$2,455,000 (“Award”);

WHEREAS, by Resolution 2015-089 on July 28, 2015 the MSF Board approved an amendment request to split the MCRP Award into a \$1,000,000 Grant and a \$1,455,000 Other Economic Assistance – Equity Investment Award;

WHEREAS, the MEDC is recommending that the MSF approve the following the amendment recommendations: 1) extension of the “Project Completion” Milestones in the Transaction Documents from December 31, 2016 to December 31, 2017; 2) amend the definition of “Total Development Cost” within the Transaction Documents to include “Developer Fees” that have been permanently deferred; and 3) approval to allow for deferral of the April 30, 2017 cash flow distribution due to the MSF as part of the Transaction Documents.

NOW THEREFORE, BE IT RESOLVED, the MSF Board approves the MCRP Amendment Recommendation.

ADOPTED

Ayes:

Nays:

Recused:

Lansing, Michigan
May 23, 2017

MEMORANDUM

Date: May 23, 2017

To: Michigan Strategic Fund Board

From: Lynda Franke, Underwriting and Incentive Structuring Specialist

Subject: OMH, LLC
Michigan Community Revitalization Program
Request for Approval of an Amendment to Extend Draw Loan Maturity Date in
Other Economic Assistance Loan Participation and Servicing Agreement

Request

OMH, LLC (“Company”) and Old National Bank (“Lender”) are requesting an amendment to the original terms of the MSF Board approval to allow an extension of the Draw Loan Maturity Date from March 9, 2017 to August 1, 2017 in the Michigan Community Revitalization Program (MCRP) Loan Participation and Servicing Agreement (“Agreement”) and any related ancillary agreements. The extension request may ultimately extend the original incentive term past the original approval. The commencement of principal and interest repayments to the MSF will not be impacted as a result of this request.

Background

The Michigan Strategic Fund Board approved a \$5,400,000 Other Economic Assistance-Loan Participation on September 22, 2015 to the Company for the purpose of renovation of a ninety-two year old building into approximately 9,682 square feet of first floor retail space with approximately 77 residential market rate apartments on the upper floors.

Construction is essentially complete, at about 97%, and the Company is current with reporting requirements. The reason for the request is to allow time for the full disbursement of the construction loan proceeds, as there are a couple of invoices that are still outstanding and are expected to be submitted for payment processing.

Recommendation

The MEDC staff recommends the MSF approve an amendment to the participation agreement to allow Old National Bank to extend the Draw Loan Maturity Date, which will postpone the Conversion Date, and delay the start of principal and interest repayments to Old National Bank. Also, the MEDC staff recommends the MSF authorize the MSF Fund manager to effectuate the final agreement to accommodate this request. The commencement of principal and interest repayments to the MSF will not be impacted as a result of this request.

MICHIGAN STRATEGIC FUND

RESOLUTION 2017 -

**APPROVAL OF A REQUEST TO AMEND A MICHIGAN COMMUNITY
REVITALIZATION PROGRAM OTHER ECONOMIC ASSISTANCE AWARD FOR
OMH, L.L.C.**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq., to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF for the MCRP;

WHEREAS, on December 21, 2011, by Resolution 2011-185, the MSF (i) created the MCRP, (ii) adopted the guidelines for the MCRP, as later amended (“Guidelines”);

WHEREAS, pursuant to SFCR 125.2090-1, the MSF approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the MCRP, (“Transaction Documents”);

WHEREAS, the Guidelines require that MCRP awards over \$1 million must be approved by the MSF Board;

WHEREAS, by Resolution 2015-143 on September 22, 2015 the MSF Board awarded a MCRP Other Economic Assistance Performance Based Loan Participation Award to OMH LLC, in furtherance of the Project of up to \$5,400,000 (“Award”);

WHEREAS, the MEDC is recommending that the MSF approve an amendment request to allow Old National Bank to extend the Draw Loan Maturity Date from March 9, 2017 to August 1, 2017. This action will delay the Conversion Date. The commencement of principal and interest repayments to the MSF, however, will not change as a result of this extension.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the MCRP Amendment Recommendation;

Ayes:

Nays:

Recused:

Lansing, Michigan
May 23, 2017

MEMORANDUM

Date: May 23, 2017

To: MSF Board

From: Christin Armstrong, Associate General Counsel and V.P., Compliance and Contract Services

Subject: Request for MSF Consent to Transfer Ownership Interest – Renaissance Zone

Request

Welsh Romulus, LLC, Welsh Romulus Development, LLC, BPE Exchange, LLC and BPW Exchange, LLC (collectively, the “Property Owner”) have requested that the Michigan Strategic Fund (“MSF”) consent to the sale of the Property Owner’s interest in property that is subject to a Renaissance Zone, as required under Section 15 of the Development Agreement (the “Request”).

Background

On May 26, 2010, the MSF Board authorized a Renaissance Zone for A123 Systems, Inc. (“A123”) in the City of Romulus for the facilities used in the manufacturing and assembly process of advanced battery systems. Property Owner owns the property and maintains a lease with A123. As a condition of the Renaissance Zone designation, the MSF required the Property Owner to execute the Development Agreement with the MSF and A123. Section 15 of the Development Agreement provides that “the sale or transfer of the Owner’s interest in the Property or any portion thereof, during the Term hereof, shall require the prior consent of the MSF, which consent shall not be unreasonably conditioned, withheld or delayed.”

Property Owner notified MEDC Staff that it intends to sell all of its assets to DRA Fund IX LLC pursuant to an Agreement of Purchase and Sale dated March 10, 2017. The Purchaser is a New York based investment advisor specializing in real estate investment and management services for institutional and private investors. Property Owner is requesting the MSF consent to the sale so that it may proceed with the transaction with DRA Fund IX LLC. The Request is unrelated to the announcement by A123 Systems, Inc. that it intends to relocate its world headquarters from Wayne County to Oakland County.

Recommendation

MEDC Staff recommends approval of the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2017-**

**WELSH ROMULUS, LLC, WELSH ROMULUS DEVELOPMENT, LLC, BPE
EXCHANGE, LLC AND BPW EXCHANGE, LLC– REQUEST FOR MSF CONSENT**

WHEREAS, Section 8a(2) of the Michigan Renaissance Zone Act (the “Act”), 1996 PA 376, as amended, authorizes the Michigan Strategic Fund (“MSF”) to designate Renaissance Zones in one or more cities, villages or townships if approved by the local unit of government in which the Renaissance Zone is located;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services for the Michigan Strategic Fund (“MSF”) for the Renaissance Zone program;

WHEREAS, on May 26, 2010, the MSF approved a Renaissance Zone for A123 Systems, Inc. (“A123”) for approximately 75.26 acres of property leased by A123 from Welsh Romulus, LLC, Welsh Romulus Development, LLC, BPE Exchange, LLC and BPW Exchange, LLC (collectively, the “Property Owner”) in the City of Romulus, Wayne County (the “A123 Renaissance Zone Designation”);

WHEREAS, as a condition to the A123 Renaissance Zone Designation, the Property Owner signed the Development Agreement with A123 and the MSF;

WHEREAS, Section 15 of the Development Agreement provides that the sale or transfer of Property Owner’s interest in the property or any portion thereof shall require the prior consent of the MSF;

WHEREAS, Property Owner wishes to sell all of the property to DRA Advisors LLC and requests the consent of the MSF prior to the occurrence of such sale (the “Request”);

WHEREAS, the MEDC recommends that the MSF Board approve the Request; and

WHEREAS, the MSF wishes to approve the Request.

NOW, THEREFORE, BE IT RESOLVED, the MSF approves the Request; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to take all necessary action to effectuate the Request in accordance with the terms and conditions of this resolution.

Ayes:

Nays:

Recused:

Lansing, Michigan
May 23, 2017

MEMORANDUM

Date: May 23, 2017

TO: Michigan Strategic Fund Board

From: Christopher Cook, Director of Capital Access

Subject: *Private Activity Bond – Authorizing
Resthaven – Non-Profit
Not to Exceed \$3,000,000 – New*

Request:

Resthaven is requesting private activity bond financing for the following: refinance the Resthaven Maple Woods Cottages project, a 24-bed assisted living project which will be licensed as a home for the aged to be located at 740 College Avenue, Holland, Ottawa County.

Background:

Resthaven is a Michigan non-profit corporation, incorporated on May 7, 1945 to provide a home for the aged. Resthaven was incorporated in the City of Holland and County of Ottawa. Resthaven currently consists of: Resthaven Care Center, a 145-bed skilled Nursing Facility, located at 280 W 40th St., Holland, MI; Maple Woods, a 101-bed Assisted Living Facility licensed as a Home for the Aged, located at 49 E 32nd St., Holland, MI; and The Warm Friend, 62 independent senior apartments, located at 5 E 8th St., Holland, MI. Resthaven currently has a total of 343 employees. Resthaven represents a continuum of care providing services and housing for the elderly, currently serving over 300 residents. Resthaven is governed by a local volunteer Board of Trustees.

Please note, since the time of application for bond financing, Resthaven Home Care, a Medicare-certified home health agency, located at 948 Washington Ave., Holland, MI, was purchased by Atrio Home Health, a joint venture of Resthaven, Holland Home and Clark Retirement Community. That sale occurred on April 1, 2017.

Description of Project:

The project consists of the acquisition of land, construction of an approximately 18,755 square foot building consisting of two twelve bed households, connected with a central kitchen, dining room, exercise room and hair salon. Each room will have a private bathroom with shower. At the completion of the project, it is estimated that staffing will increase by 16 full-time equivalents of resident caregivers, dietary services staff and nursing.

Plans of Finance:

Macatawa Bank will directly purchase the bonds which will be utilized to refinance the Macatawa Bank construction loan and reimburse Resthaven for costs incurred in the construction of the project. Costs include the construction loan and payments made by Resthaven to CL Construction for the Maple Woods Cottages.

If the project size remains at \$3,000,000, the MSF issuance fee will be \$7,500.00.

Recommendation:

Based upon a determination by Warner Norcross & Judd and the State of Michigan Attorney General's office that this transaction complies with state and federal law requirements for tax-exempt financing, staff recommends the adoption of a Bond Authorizing Resolution in an amount not to exceed \$3,000,000.

RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE MICHIGAN
STRATEGIC FUND LIMITED OBLIGATION REVENUE BOND, SERIES 2017
(RESTHAVEN PROJECT)
(THE “BONDS”)

Resolution 2017-__

A. The Michigan Strategic Fund (the “Fund”) is authorized by 1984 PA 270, as amended (the “Act”), to issue bonds for the purpose of making loans to pay the costs of a project (as defined in the Act).

B. Resthaven, a Michigan nonprofit corporation (the “Obligor”), has requested a loan from the Fund to assist the Obligor in: (1) refinancing the costs of constructing, installing, equipping, and furnishing an approximately 19,000 square foot standalone assisted living facility, licensed as a home for the aged, located in the City of Holland, Ottawa County, Michigan to house 24 private resident rooms and required support services, including assistance with activities of daily living, 24 hour on-site or on-call supervision by resident care staff, and licensed nursing services (the “Project”); and (2) paying all or a portion of the costs of issuing such bonds. The Project is owned and operated by the Obligor to support its purposes as a nonprofit provider of a continuum of care and housing for the elderly.

C. The Obligor has requested the Fund to issue the Bonds in a principal amount of not to exceed \$3,000,000 pursuant to this resolution (the “Resolution”) and a bond purchase and loan agreement (the “BPLA”), among the Obligor, the Fund and Macatawa Bank, a Michigan Banking Corporation, as the lender (the “Bank”) dated as of June 22, 2017, relating to the Bonds to obtain funds which will be loaned to the Obligor pursuant to the BPLA, to pay costs of the Project.

D. The Bonds will be issued as fully registered bonds in the denomination of \$100,000 and integral multiples of \$5,000 in excess thereof.

F. The Bonds will be purchased by the Bank pursuant to the BPLA.

NOW, THEREFORE, Be It Resolved by the Board of the Fund:

SECTION 1. Issuance of Bonds; Limited Obligation. For the purpose of making the loan requested by the Obligor, the issuance of the Bonds is authorized.

The terms of the Bonds shall be substantially in the form contained in the BPLA, with the changes permitted or required by action of the Fund and the BPLA. The Bonds shall bear the manual or facsimile signature of a member of the Fund’s Board of Directors (a “Member”) or of a person authorized by Board Resolution to sign Bond documents on behalf of the Fund (an “Authorized Officer”), and the

official seal of the Fund (or a facsimile of the seal) shall be impressed or imprinted on the Bonds.

The Bonds and the interest and any premium on the Bonds are not a debt or obligation of the State of Michigan or a general obligation of the Fund within the meaning of any constitutional or statutory limitation and do not constitute a charge against the credit or taxing powers of the State of Michigan or the general funds or assets of the Fund (including funds relating to other Fund loans or activities), but shall be limited obligations of the Fund payable solely from the revenues derived from the BPLA.

SECTION 2. Approval, Execution and Delivery of Documents. The form of the following document, on file with the staff of the Fund and on which has been endorsed by the staff of the Fund the date of adoption of this Resolution, is approved:

a. Bond Purchase and Loan Agreement

Any Member and Authorized Officer are authorized to execute and deliver the Bond Purchase and Loan Agreement and any Member or Authorized Officer is authorized to execute and deliver the document identified in this Section in substantially the form approved, with any changes as are considered necessary or desired by him or her, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 3. Completion of Document Terms. Any Member may approve the initial interest rate applicable to the Bonds, which shall not be more than 6% per annum, and the principal amount of the Bonds, which shall not be greater than \$3,000,000. Approval of those terms shall be evidenced by the Member's execution of the BPLA.

SECTION 4. Sale and Delivery of the Bonds. A Member or an Authorized Officer shall execute, seal, and deliver the Bonds upon receipt of the following documents and payment of the purchase price for the Bonds:

- a. an opinion of bond counsel to the Fund acceptable to the Fund and the Attorney General of the State of Michigan (the "Attorney General"),
- b. an opinion of counsel to the Obligor and necessary certificates and representations of the Obligor acceptable to the Fund, the Attorney General, and bond counsel, and
- c. an approving opinion of the Attorney General.

Upon receipt, the proceeds of the Bonds shall be paid over to the Obligor to be credited in accordance with the BPLA.

SECTION 5. Authorization of Filings, Submissions and Other Documents.

Any Member or Authorized Officer, as well as counsel to the Fund, is authorized to apply for or submit, execute, and deliver the other certificates, documents, opinions, and papers to any party or governmental agency as may be required by the BPLA, or as may be necessary to effectuate the valid issuance, sale and delivery of the Bonds as tax-exempt bonds and otherwise as contemplated by those documents.

SECTION 6. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption. If the Bonds are not delivered to their original purchaser on or before June 30, 2017, the authority granted by this Resolution shall lapse.

Adopted.

Ayes:

Nays:

May 23, 2017 Meeting
Lansing, Michigan

MEMORANDUM

Date: May 23, 2017

To: Michigan Strategic Fund Board

From: Christopher Cook, Director of Capital Access

Subject: *Private Activity Bond – Bond Authorizing
Haviland Products Company, Haviland Consumer Products, Inc., Haviland
Enterprises, Inc. and Enterprise Real Estate, Inc. - Manufacturing
Not to Exceed \$6,770,000 – Refunding (the “Refunding Bonds”)*

Request:

Haviland Enterprises, Inc., the “Obligor” is requesting private activity bond financing for the purpose of refunding in full (i) Variable Rate Demand Limited Obligation Revenue Bonds, Series 2007 (Haviland Products Company Project), dated September 26, 2007, issued by the Michigan Strategic Fund (“MSF”) in the original principal amount of \$5,000,000 (the “2007 Bonds”) and (ii) Variable Rate Demand Limited Obligation Industrial Development Revenue Bonds, Series 2000 (Haviland Products Company Project), dated May 4, 2000, issued by the City of Grand Rapids, Michigan (the “City of Grand Rapids”) under Act 62 of 1963 (the Industrial Revenue Bond Act) in the original principal amount of \$2,300,000 (the “2000 Bonds”, and together with the 2007 Bonds, the “Prior Bonds”). The Prior Bonds were issued for the benefit of Haviland Products Company, Haviland Consumer Products, Inc. and Enterprise Real Estate, Inc., all related companies to the Obligor.

Background:

Haviland Enterprises, Inc. (“HEI”) was incorporated in the State of Michigan in 1976. However, its predecessor organization began in 1934 and has been in operation since that time. HEI includes an administrative parent corporation, two operating subsidiaries and a real estate management subsidiary. HEI consists of various administrative and support functions of senior management, accounting and finance, inventory control, credit and collection, information technology and human resources performed for the benefit of the two operating subsidiaries. Haviland Products Company is a manufacturer and distributor of industrial chemicals. Haviland Consumer Products, Inc. manufactures, packages and sells swimming pool and spa chemicals and manufactures and sells extruded, spiral-wound plastic hose. At the present time HEI currently employs 250 individuals.

The 2007 Bonds financed (1) the acquisition and renovation of approximately 100,000 square feet of an existing 700,000 square foot facility located at 2168 Avastar Parkway NW, City of Walker, Kent County;

and (2) the acquisition and installation of machinery, equipment, furniture and fixtures and certain building renovations to be located at four locations: (a) 2168 Avastar Parkway NW, Walker, Kent County; (b) 421 Ann Street NW, Grand Rapids, Kent County; (c) 521 Ann Street NW, Grand Rapids, Kent County; and (d) 525 Ann Street NW, Grand Rapids, Kent County.

The 2000 Bonds financed the construction of an approximately 28,500 square foot manufacturing facility, located at 525 Ann Street, N.W., Grand Rapids, Kent County, Michigan.

Plan of Finance:

The Obligor is interested in refunding the Prior Bonds with a refunding bond to be issued by the MSF that would be a direct purchase by Comerica Bank. The refunding is being undertaken primarily for the purpose of reducing the Obligor's costs, including eliminating the need for the direct-pay letters of credit, remarketing agent and trustee fees. The Refunding Bonds will be issued at a variable interest rate and will mature on or about June 1, 2024 and are currently expected to be amortized monthly over a period of seven years. The refunding is estimated to result in an overall cost savings to the Obligor of over \$100,000.

Recommendation:

Based upon a determination by Miller Canfield and the State of Michigan Attorney General's office that the refunding complies with state and federal law requirements for tax-exempt financing, the staff recommends the adoption of a Bond Authorizing Resolution in the amount of not to exceed \$6,770,000. Additionally, the MSF's issuance fee for this issue will be \$8,462.50 (1/8th of 1% of the \$6,770,000 principal amount).

RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE MICHIGAN
STRATEGIC FUND LIMITED OBLIGATION REFUNDING REVENUE BOND
(HAVILAND ENTERPRISES, INC. PROJECT), SERIES 2017 (THE "BOND")

Resolution 2017-

Background

A. The Michigan Strategic Fund (the "Fund") is authorized by 1984 PA 270, as amended (the "Act"), to issue bonds for the purpose of making loans to pay the costs of a project (as defined in the Act).

B. Haviland Enterprises, Inc., a Michigan corporation (the "Obligor"), has requested a loan from the Fund to currently refund all of the outstanding (i) Variable Rate Demand Limited Obligation Industrial Development Revenue Bonds, Series 2000 (Haviland Products Company Project) dated May 4, 2000, issued by the City of Grand Rapids, Michigan, in the original principal amount of \$2,300,000 (the "2000 Bonds") and (ii) Variable Rate Demand Limited Obligation Revenue Bonds, Series 2007 (Haviland Products Company Project) dated September 26, 2007, issued by the Fund in the original principal amount of \$5,000,000 (the "2007 Bonds"), (the 2000 Bonds and 2007 Bonds are collectively the "Prior Bonds").

C. The Obligor has requested the Fund to issue the Bond in principal amount of \$6,770,000 pursuant to this resolution (the "Resolution") and a bond purchase agreement relating to the Bond, between the Fund and Comerica Bank, a Texas banking association, as the purchaser (the "Bank"), and acknowledged by the Obligor, dated as of June 1, 2017 (the "Bond Purchase Agreement"), to obtain funds which will be loaned to the Obligor pursuant to a loan agreement dated as of June 1, 2017, among the Fund, the Bank and the Obligor (the "Loan Agreement"), to pay costs of refunding the Prior Bonds.

D. The Bond will be purchased by the Bank, a sophisticated investor, pursuant to the Bond Purchase Agreement, with bond denominations of not less than \$100,000.

NOW, THEREFORE, Be It Resolved by the Board of the Fund:

SECTION 1. Issuance of Bond; Limited Obligation. For the purpose of making the loan requested by the Obligor, the issuance of the Bond is authorized.

The terms of the Bond shall be substantially in the form contained in the Loan Agreement, with the changes permitted or required by action of the Fund or the Loan Agreement. The Bond shall bear the manual or facsimile signature of a member of the Fund's Board of Directors (a "Member") or of a person authorized by Board Resolution to sign Bond documents on behalf of the Fund (an "Authorized Officer"), and the official seal of the Fund (or a facsimile of the seal) shall be impressed or imprinted on the Bond.

The Bond and the interest and any premium on the Bond are not a debt or obligation of the State of Michigan or a general obligation of the Fund within the meaning of any constitutional or statutory limitation and do not constitute a charge against the credit or taxing powers of the State of Michigan or the general funds or assets of the Fund (including funds relating to other Fund loans or activities), but shall be a limited obligation of the Fund payable solely from the revenues derived from the Loan Agreement.

SECTION 2. Approval, Execution, and Delivery of Documents. The forms of the following documents, on file with the staff of the Fund and on which has been endorsed by the staff of the Fund the date of adoption of this Resolution, are approved:

- a. Loan Agreement
- b. Bond Purchase Agreement

Any Member and Authorized Officer are authorized to execute and deliver the Loan Agreement and the Bond Purchase Agreement and any Member or Authorized Officer is authorized to execute and deliver the remaining documents identified in this Section, in substantially the forms approved, with any changes as are considered necessary or desired by him or her, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 3. Completion of Document Terms. Any Member may approve the initial interest rate applicable to the Bond, which initial interest rate shall not be more than 5% per annum, and the principal amount of the Bond, which shall not be greater than \$6,770,000. Approval of those terms shall be evidenced by the Member's execution of the Bond Purchase Agreement.

SECTION 4. Sale and Delivery of the Bond. A Member or an Authorized Officer shall execute, seal, and deliver the Bond upon receipt of the following documents and payment of the purchase price for the Bond:

a. an opinion of bond counsel to the Fund acceptable to the Fund and the Attorney General of the State of Michigan (the “Attorney General”),

b. an opinion of counsel to the Obligor and necessary certificates and representations of the Obligor acceptable to the Fund, the Attorney General, and bond counsel,

c. an approving opinion of the Attorney General; and

d. an investment letter in form and substance acceptable to the Attorney General from the Bank.

Upon receipt, the proceeds of the Bond shall be paid over to the trustees for the Prior Bonds to be credited in accordance with the Loan Agreement.

SECTION 5. Authorization of Filings, Submissions and Other Documents. Any Member or Authorized Officer, as well as counsel to the Fund, is authorized to apply for or submit, execute, and deliver the other certificates, documents, opinions, and papers to any party or governmental agency as may be required by the Loan Agreement, or the Bond Purchase Agreement, or as may be necessary to effectuate the valid issuance, sale, and delivery of the Bond as a tax-exempt bond and otherwise as contemplated by those documents. Any Member or Authorized Officer is authorized to execute one or more swap identification certificates for purposes of identifying an interest rate swap agreement relating to all or a portion of the Bond as a qualified hedge.

SECTION 6. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption. If the Bond is not delivered to the Bank on or before July 31, 2017, the authority granted by this Resolution shall lapse.

SECTION 7. Election Under Internal Revenue Code. The Fund elects, in accordance with Sections 1.103-10(b)(2)(vi) and 1.103-10(c)(2) of the Income Tax Regulations, to have the provisions of the \$10,000,000 limit of Section 144(a)(4) of the Internal Revenue Code of 1986, as amended, apply to the Bond.

Adopted.

Ayes:

Nays:

May 23, 2017 Meeting
Lansing, Michigan

MEMORANDUM

DATE: May 23, 2017

TO: MSF Board Members

FROM: Mark Morante, MSF Fund Manager

RE: Request for Michigan Strategic Fund Approval of City of Detroit Downtown Development Authority Catalyst Development Project Plan 2017 Amendments

Request

The City of Detroit Downtown Development Authority (the DDA) is requesting that the Michigan Strategic Fund approve proposed amendments to the DDA's Restated Tax Increment Financing Plan and Development Plan for Development Area No. 1. to assist with relocating the Detroit Pistons to the event center. The proposed 2017 Plan Amendments relating to revisions to the Catalyst Development Project Plan, are attached in redlined form as Exhibit A.

Background

The DDA Act states that "amendments made to an approved development plan to incorporate a catalyst development project plan shall be submitted by the [DDA] to the Michigan Strategic Fund for approval or rejection of that part of the plan relating to the catalyst development project."

The MSF first approved the incorporation of a catalyst development project into the DDA's Plan on July 24, 2013. Pursuant to the 2013 Plan Amendments, in December 2014, the MSF issued \$250 million in tax-exempt bonds. Proceeds of the 2014A MSF Bonds were loaned to the DDA for purposes of supporting the construction of a new arena (now named Little Caesars Arena) as the home-game venue for the Detroit Red Wings National Hockey League team, and as an all-purpose events center. The 2014A MSF Bonds were secured by a \$250 million tax increment revenue bond issued by the DDA to the MSF pursuant to the DDA Act, pledging both tax increment revenues and restricted in use for a catalyst development project and other tax increment revenues captured by the DDA. Completion of the Events Center is scheduled for September 2017.

Amendment Request Detail

Pursuant to a memorandum of agreement entered into by the DDA with the organization for the Detroit Pistons National Basketball Association team, the Pistons have committed to relocate their home arena from the Palace of Auburn Hills to the Events Center, and the DDA has agreed, subject to certain terms, conditions and approvals, to finance the cost of \$34.5 million of additional construction stage improvements for the Events Center and related costs to accommodate the Pistons relocation and operations in the Events Center. Under the DDA's proposed 2017 Plan Amendments, the DDA will issue additional tax-exempt tax increment revenue bonds in an amount not to exceed \$36 million in 2017 to fund or reimburse the costs of the 2017 DDA Project, also secured by Catalyst

Project Revenues and the DDA’s other tax increment revenues, on a basis subordinate to the 2014A DDA Bond (and related 2014A MSF bonds).

It is further anticipated that the DDA will issue additional tax-exempt tax increment revenue bonds prior to January 1, 2019 to refund (i.e., refinance) all of the outstanding indebtedness represented by the 2014A DDA Bond (and related 2014A MSF Bonds) and the 2017 DDA Bonds, secured by both Catalyst Project Revenues and certain of the DDA’s other tax increment revenues (such refinancing thereof being referred to as the “**EC Tax Increment Revenue Bonds**”). Taking into account such bond issuances, the maximum bonded indebtedness of the DDA represented by EC Tax Increment Revenue Bonds will be no higher than \$310 million.

Pursuant to the 2017 Plan Amendments, the duration of the Plan will be extended by approximately six years, through the DDA’s 2050-2051 fiscal year, or such later time as is sufficient to meet its statutory and contractual obligations with respect to its bonded indebtedness, including all EC Tax Increment Revenue Bonds and to fund the DDA’s other contractual obligations payable from tax increment revenues, including catalyst project revenues.

The DDA must obtain the MSF’s approval of the 2017 Plan Amendments relating to revisions to the Catalyst Development Project Plan. The 2017 Plan Amendments are essential to undertaking the 2017 DDA Project, to the financing of the 2017 DDA Project, and to the ultimate issuance of the EC Tax Increment Revenue Bonds.

Revised Public and Private Investment:

At the time when the first plan was approved and the project financed, the MSF sold \$250 in tax exempt revenue bonds and Olympia Development of Michigan (ODM) provided \$200 million for a total of \$450 million. Those original estimates of the cost were exceeded with ODM providing all of the additional financing needed to complete the event center less the needed enhancement needed for the Detroit Pistons relocation. To assist the MSF Board’s evaluation of this request, below is updated information with respect to public and private commitments and expenditures to date.

Events Center:

Private Financing	\$538,800,000
Public Financing	\$324,100,000
Existing Catalyst Project Revenues	\$34,750,000
Series 2014A MSF/ DDA Bonds	\$250,000,000
Proceeds from Series 2017 DDA Bonds	\$34,500,000
Estimated net closing costs and debt service for 2017 and 2018 bond issuances	\$4,850,000
Events Center Total	\$862,900,000

The 2013 Plan Amendments also contemplated the development of ancillary capital projects to be developed surrounding the Events Center within five years and financed by private investment of at least \$200 million, to be supported by \$62 million of Catalyst Project Revenues after the payment of all EC Tax Increment Revenue Bonds. Subject to approval of the 2017 Plan Amendments, the amount of tax increment revenue support will be increased to \$74 million from Catalyst Project Revenues. This increase was expected at the time the MSF and the Master Development Agreement was entered into.

Recommendation

2017 Plan Amendments were approved by the DDA Board on April 19, 2017, and they are scheduled for public hearing by the City of Detroit City Council on May 25, 2017, with final approval expected in late June 2017.

Staff recommends adoption of the attached resolution approving the Detroit DDA's request contingent upon the City Council's approval.

RESOLUTION APPROVING AMENDMENTS TO THE CITY OF DETROIT
DOWNTOWN DEVELOPMENT AUTHORITY RESTATED TAX INCREMENT
FINANCING PLAN AND DEVELOPMENT PLAN FOR DEVELOPMENT AREA NO. 1

Resolution 2017-

Background

A. The Michigan Strategic Fund (the “*Fund*”) is authorized by 1984 PA 270, as amended (the “*Act*”), to issue bonds for the purpose of making loans to pay the costs of a project (as defined in the Act).

B. Pursuant to Act No. 197, Michigan Public Acts of 1975, as amended (“*Act 197*”), the City of Detroit Downtown Development Authority (the “*Detroit DDA*”) has undertaken the development and rehabilitation of a certain deteriorating area within the City of Detroit (the “*City*”) and within the Detroit DDA’s development area known as Development Area No. 1, in accordance with the Detroit DDA’s Restated Tax Increment Financing Plan and Development Plan (as amended, the “*Plan*”).

C. Act 197 states that “amendments made to an approved development plan to incorporate a catalyst development project plan shall be submitted by the [Detroit DDA] to the Michigan Strategic Fund for approval or rejection of that part of the plan relating to the catalyst development project.” MCL 125.1669(3)

D. On July 24, 2013 in its Resolution 2013-107, the MSF first approved the Detroit DDA’s incorporation of a catalyst development project into the Plan, pursuant to Act 197.

E. On December 11, 2014, the MSF issued its tax-exempt bonds (the “*2014A MSF Bonds*”), the proceeds of which were loaned to the Detroit DDA in exchange for its tax increment revenue bond (the “*2014A DDA Bond*”), secured by both tax increment revenues described in MCL 125.1651(cc)(vi) and restricted in use for a catalyst development project (“*Catalyst Project Revenues*”) and other tax increment revenues captured by the DDA under Act 197.

F. The Detroit DDA is using such loaned proceeds for the purposes of supporting the construction of a new arena (now named Little Caesars Arena) as the home-game venue for the Detroit Red Wings National Hockey League team, and as an all-purpose events center (the “*Events Center*”).

G. In November 2017 the Detroit DDA entered into a memorandum of agreement pursuant to which the Detroit Pistons National Basketball Association team (the “*Pistons*”) will also use the Events Center as its venue for home games, and the Detroit DDA has agreed, subject to certain terms, conditions and approvals, to finance \$34.5 million of additional construction stage improvements for the Events Center and related costs to accommodate the Pistons relocation to and operations in the Events Center (the “*2017 DDA Project*”).

H. The Detroit DDA proposes to issue additional tax-exempt tax increment revenue bonds in an amount not to exceed \$36 million in 2017 to fund or reimburse the costs of the 2017 DDA Project (the “*2017 DDA Bonds*”), also secured by Catalyst Project Revenues and the DDA’s other tax increment revenues, on a basis subordinate to the 2014A MSF Bonds and (and related 2014A DDA Bond).

I. It is further proposed that the Detroit DDA will issue (possibly to the MSF, subject to its later approval) additional tax-exempt tax increment revenue bonds prior to January 1, 2019 to refund all of the outstanding indebtedness represented by the 2014A DDA Bond (and related 2014A MSF Bonds) and the 2017 DDA Bonds, secured by both Catalyst Project Revenues and the DDA’s other tax increment revenues (such refinancing thereof being referred to as the “*EC Tax Increment Revenue Bonds*”), resulting in maximum bonded indebtedness of the Detroit DDA represented by EC Tax Increment Revenue Bonds of no more than \$310 million.

J. The duration of the Plan is further proposed to be extended by approximately six years (through the Detroit DDA’s 2050-2051 fiscal year) or such later time as is sufficient to meet its statutory and contractual obligations with respect to its bonded indebtedness, including all EC Tax Increment Revenue Bonds and to repay the Detroit DDA’s other contractual obligations related to the catalyst development project and payable from tax increment revenues, including Catalyst Project Revenues.

K. To undertake and finance the 2017 DDA Project, to provide for the anticipated issuance of the EC Tax Increment Revenue Bonds, to provide security for the EC Tax Increment Revenue Bonds, and to provide a sufficient period of time to satisfy the Detroit DDA’s statutory and contractual obligations secured by the tax increment revenues, the Detroit DDA must amend the Plan, which amendments relating to the catalyst development project (the “*Plan Amendments*”) are attached to this Resolution as Exhibit A.

L. On April 19, 2017, the Plan Amendments were approved by the Detroit DDA’s Board of Directors and are scheduled for public hearing by the City of Detroit City Council (the “*City Council*”) on May 25, 2017, with final approval expected in late June, 2017.

M. Pursuant to Act 197, the Detroit DDA requests the MSF Board’s approval of the Plan Amendments.

N. The MSF Fund Manager and staff of the Michigan Economic Development Corporation (the “*MEDC*”) have reviewed the Plan Amendments and additional supporting information they deem necessary.

O. The Fund Manager and MEDC recommend that the MSF Board approve the Plan Amendments, subject to the approval of the City Council.

NOW, THEREFORE, Be It Resolved by the Board of the MSF:

SECTION 1. Approval of the Plan Amendments. Pursuant to Section 19(3) of Act 197, the Plan Amendments attached as Exhibit A are approved, subject to the approval of the City Council.

SECTION 2. Approval of Documents and Other Actions. The Fund Manager is authorized to execute any document and take such other actions as are necessary to evidence the approval provided in Section 1.

SECTION 3. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall be effective immediately.

Ayes:

Nays:

Recused:

May 23, 2017 Meeting
Lansing, Michigan

EXHIBIT A

REDLINED VERSION OF THE PLAN AMENDMENTS

the development area at the time the ordinance establishing the tax increment financing plan is approved, shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted.

Captured Assessed Value. The phrase "captured assessed value" (contained in Section 1 of the Act) (Cpt AV) means the amount in any one year by which the current assessed value of the project area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision (x), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

303.1.3 Explanation Of Tax Increment Financing Concept

The basis of tax increment financing is that increases in property values in an area produce increases in property tax increment. Such increase and potential increases in property taxes are used to motivate investment and development in the area by providing financial assistance to stimulate investment opportunities for developers with reasonable risks and returns consistent with risks and returns of similar opportunities in suburban areas.

Tax increment can accrue from increases in property values that are due to:

- a. New construction of developments occurring after the date establishing the "initial assessed value".
- b. Construction activity through rehabilitation, remodeling, alterations, or additions occurring after the date establishing the "initial assessed value".
- c. Increases in property values which occur for any other reason, including as a by product of increased economic activity.

Tax increment is generated when the current assessed valuation each succeeding year is higher than the initial assessed valuation. If there is no increase in assessed valuation in the Development Area as a whole, there is no tax increment. If there is in any year a decrease in the current assessed valuation, there will be no tax increment for that year. Tax increment will be granted only in years when the current assessed valuation gain exceeds the initial assessed valuation. Tax increment is collected from all local taxing jurisdictions, not merely from the City. Each year, the municipal and county treasuries transmit to the Authority the tax increment generated within the designated development area.

The Authority will use such increments to carry out the approved development plan for that area as stated in the Tax Increment Financing Plan for the Development Area. The Act requires that surplus funds revert to the appropriate taxing bodies. If bonds or other obligations have been issued or the tax increment flow has been otherwise pledged, then the tax increments each year are paid to the appropriate entity for use in retiring the bonds or other obligations.

303.2 Definition of Uses to Which Increment Can Be Applied

Section 15(2) of the Act specifies the manner in which tax increment can be expended. It states as follows:

"The Authority shall expend the tax increment revenues received for the development program only pursuant to the tax increment financing plan. Surplus funds shall revert proportionately to the respective taxing bodies. These revenues shall not be used to circumvent existing property tax limitations. The governing body of the municipality may abolish the tax increment financing plan when it finds that the purposes for which it was established are accomplished.

However, the tax increment financing plan shall not be abolished until the principal of, and interest on, bonds issued pursuant to Section 16 have been paid or funds sufficient to make the payment have been segregated."

Section 15(2), as above quoted, must be read together with Section 7 of the Act which relates to the powers of the Authority. In general, the Authority is empowered, among other things, to plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multi-family dwelling unit that may be necessary or appropriate to the economic growth of the downtown district. Therefore, the purposes for which tax increment can be spent flow from the tax increment financing plan and the power of the Authority as exercised to achieve the objectives of the Act. From and after July 1, 2010, tax increment revenues described in MCL 125.1651(cc)(vi) may be used for certain costs associated with a Catalyst Development Project as further described therein.

The tax increment funds may also be used to pay costs of carrying out the plan, including, but not limited to, relocation costs, demolition costs, cost of public improvements, bond closing costs and bond trustee service fees. Pursuant to these authorized uses, as of the 2013 Plan amendment, the Authority had allocated \$1034,950,000 million in tax increment funds to support ~~fiscal year 1990-1991 through 2012-2013~~ operating costs, specifically, to be used for DDA operation and administration costs related to implementation of Tax Increment Financing Plan and Development Plan projects for Development Area No. 1, and \$6.72 million was dedicated to bond closing costs and bond trustee service fees. For fiscal year 2013-2014, in each case through 2044-2045. For fiscal years 2045-2046 through 2050-2051, the Authority allocated \$24 Plan allocates an additional \$4,500,000,000 in tax increment funds to support for operating costs, ~~including but not limited to operation and administrative~~ \$740,000 for closing costs related to and trustee fees for bonds other than the implementation of the Plan. EC Tax Increment Revenue Bonds.

303.3 Provision for the Captured Assessed Value, Particularly the Portion ~~Intended to~~ Intended to be Used by the Authority

It is the intention of the Authority to use the entire captured assessed (now taxable) value in the Development Area for the number of years necessary to complete the development projects outlined in the Development Plan. The Authority intends to use all Catalyst Project Revenues for the duration of the Plan for the Catalyst Development Project.

The tax increment revenues received for the duration of the Tax Increment Financing Plan may be used for these purposes but will only be expended when it is reasonably clear that their expenditure will result in a project which will serve the purposes of the Plan.

Public costs are estimated to be at least ~~\$2.09~~18 billion for the duration of the Plan, at least ~~\$1.66~~75 billion of which will be funded using tax increment revenues. Since it was anticipated that the major portion of the development costs would be expended during the first thirty ~~five (35)~~eight (38) years of the Development Plan, annual tax increment revenues totaling approximately ~~\$586.61~~659.5 million for the same period would be inadequate to meet expenditures on a year-by-year basis. Consequently, Authority funded costs will be financed through funds made available by, among other things, a \$32 million HUD Section 108 loan obtained by the City of Detroit and through the sale of tax increment bonds in the amount of ~~\$219.34~~520.42 million pursuant to the Act.

After completion of most of the development activities in the first thirty (30) years of the program, tax increment revenues would be utilized primarily to retire bonds repay funds borrowed by the City under Section 108 and to pay such other obligations that the Authority has incurred in furtherance of the Plan.

Any deficit accumulation resulting from collection of less projected tax increment revenue than expected may be accommodated either through earnings on the investment account or refinancing and restructuring of the Section 108 loans and other obligations. If annual tax increment revenues exceed projections, it may eventually be possible to re-evaluate the scope of the Development Plan and/or the repayment schedule for outstanding bonds or other debt.

The tax increments available to the Authority under the Downtown Development Authority Act occurred after adoption of the initial Development Plan by the City Council in February of 1978. After adoption of the Plan, taxes levied for all taxing jurisdictions encompassing the Development Area have and will continue to be paid over the years to the respective taxing agencies on the basis of the assessed value of all property within the Development Area as shown on the last equalized assessment role at the time of adoption of the Plan. The taxes on any increase in total assessed value will be paid to the Authority and will be used to finance the Development Plan and to pay the principal and interest on any obligations incurred by the Authority during implementation of the Development Plan.

Under the Act, the Authority is required to expend tax increment revenues received for the development program only in accordance with the Tax Increment Financing Plan. Any surplus funds revert proportionately to their respective taxing bodies if the Tax Increment Financing Plan does not put such funds or revenues to use. In no event will the Authority allow revenues available from the tax increment procedures to circumvent existing property tax limitations of the taxing jurisdictions that have an interest in the Plan.

Sufficient flexibility is needed however to permit the use of such funds to accomplish the overall goals and objectives of the Development Plan.

303.4 Statement of the Estimated Impact of Tax Increment Financing on the Assessed Values of all Taxing Jurisdictions in Which the Detroit Downtown Development Area No. 1 is Located

Property values in the downtown area have previously been declining in past years. The causes of such property value deterioration and decline continue to persist due to a variety of reasons, including, but not limited to, the following: office vacancies as a result of relocations to the suburbs; lessening of economic activity in key sectors of the statewide and regional economy increased labor ~~and~~ energy costs assessed against fixed leases; and decline in retail sales activity as a result of new suburban regional shopping centers being opened. As a result of these developments and despite the construction of the Renaissance Center Development, Joe Louis Arena, Windsor Tunnel Plaza, [Detroit City Apartments \(formerly Trolley Plaza\)](#) and [Renaissance City Apartments \(formerly the Millender Center\)](#) and other development projects, present projections indicate that the declining trend may continue for other properties in downtown. This long term trend will result in the City of Detroit, Wayne County and Detroit School Board continuing to lose annual tax millage revenue each year.

The Authority proposes to strengthen the retail core and to arrest the causes of declining property values by establishing a tax increment financing plan and by using revenues generated in the area affected by the plan to promote redevelopment in that area. It is estimated that an amount in excess of \$1.66 billion of tax increment revenue would be directed to development purposes by the Authority for the duration of the Development Plan. These developments in the long run will greatly benefit all the taxing jurisdictions concerned. It is anticipated that the completion of the proposed developments will yield new sources of employment and revenue and will encourage property valuation increases in the surrounding areas and eliminate the causes of deterioration and decline. Upon the completion of the tax increment plan, all remaining captured property taxes will revert proportionately back to the appropriate taxing jurisdictions. It is estimated that an amount in excess of \$3.83 billion in new private construction will be built. Thus, it is projected that assessments could eventually increase.

New housing in the downtown area will mean substantial numbers of new residents in Detroit subject to the resident income tax. New employment opportunities for people working in these developments will mean added tax income for the city and added employment opportunities for Detroit residents.

The proposed retail core developments and the new downtown hotels are expected to generate large numbers of jobs, increased local income and excise tax revenues and new state sales tax revenues annually.

303.5 Discussions With the County and the School Boards

Before this tax increment financing plan as amended can be submitted for public hearing, the City Council must provide a reasonable opportunity ~~to meet with the members of the County Board of Commissioners and to members of the Boards of the Detroit Public School District, the Wayne County Intermediate School District, and Wayne County Community College for the taxing jurisdictions levying taxes subject to capture to meet with City Council.~~

It is the responsibility of the Authority to fully inform members of the ~~County Board of Commissioners and members of the School Board~~ taxing jurisdictions levying taxes subject to capture of the fiscal and economic implications of the proposed development area. The ~~members~~ representatives of the ~~County Board of Commissioners and of the School Board~~ taxing jurisdictions may present their recommendations with respect to the tax increment financing plan at the public hearing scheduled by the City Council for the plan.

The Authority may enter into agreements to share a portion of the captured assessed value of the district with the ~~County Board of Commissioners, the School Boards and other~~ taxing jurisdictions ~~located within~~ and the governing body of a municipality in which the development area is located.

In July of 1978, the Authority entered into an agreement with the Wayne County Board of Commissioners to share a portion of the captured assessed value of the district. That agreement calls for the exclusion from the tax increment of:

- (1) the one mill special assessment imposed to finance Wayne County governmental operations,
- (2) the one-half mill tax imposed to finance the construction of the new Wayne County Jail, and
- (3) the proceeds from future special millages approved for Wayne County governmental operations after the date of said agreement.

303.6 Duration of the Tax Increment Financing Program Proposed for the Detroit Downtown Development Area No. 1

It is expected that the final tax increment financing program and the capture of tax increment within the present Development Area will have a duration of approximately ~~65~~ 71 years from the date of its adoption, being a duration through fiscal year 2050-2051, in order to provide sufficient time for the Authority to meet its statutory and/or contractual obligations with respect to bonded indebtedness and its contractual obligations payable from tax increment or other revenues authorized pursuant to the Act and the Plan. While year 2051 is the projected Plan expiration date, the expiration of the Plan shall occur at the later of (i) the payment of the principal of, and interest on, all bonds issued pursuant to Section 16 of the Act, or the segregation of funds sufficient to make such payments, pursuant to Section 15 of the Act, specifically MCL 125.1665(2), or (ii) when the purposes for which this Plan was established are accomplished,

including the payment of any then outstanding Obligations or Other Protected Obligations, each as defined in Section 1 of the Act, specifically MCL 125.1651(t) and (w), respectively.

The duration proposed for the tax increment financing program includes a reasonable time to obtain developer commitments for the projects envisioned, to acquire the property necessary for the projects, and to complete a detailed and final financing package using tax increment revenues, bonds or other debt instruments used in financing capital structure for a public purpose of the city, and state and federal grants and loans in a financing scheme to make certain that the developments materialize. The proposed duration of the tax increment financing program is also flexible enough to allow for preparation and submission of the details of financing such projects as soon as the information is available and ready to be presented for City Council review.

304 STATE AND FEDERAL FUNDS

Certain State and Federal loans, loan guarantees and grants will be sought for carrying out this Tax Increment Financing Plan including the Development Plan. These are listed in Section 408.2. All efforts will be made to utilize such financing.

305 BOND ISSUES AND OTHER BORROWINGS

305.1 General

305.1.1 Tax Anticipation Notes

Section 12(2) of the Act permits the Authority to request of the City authorization to borrow money and issue tax anticipation notes in anticipation of collection of the ad valorem tax authorized under that Section and pursuant to the provisions of the Revised Municipal Finance Act, being Act No. 34 of the Public Acts of 2001, as amended (MCLA Sections 141.2101 to 141.2821) (“Act 34 of 2001”). The projected revenues and expenditures for actual construction do not anticipate the issuance of general obligation tax anticipation notes that would be retired with proceeds from the one mill levy.

305.1.2 Revenue Bonds

Revenue bonds, payable from the revenues generated by self-supporting projects, have been employed by public agencies for a wide variety of projects with a "public purpose." The Act contains authorization for the Authority to issue revenue bonds for its development activities. That authorization is contained in Section 13 of the Act, which states as follows:

"The Authority may borrow money and issue its negotiable revenue bonds therefore pursuant to Act No. 94 of the Public Acts of 1933, as amended, being Sections 141.101 to 141.139 of the Michigan Compiled Laws. Revenue bonds issued by the Authority shall not, except as herein provided, be deemed a debt of the municipality or the state. The municipality, by majority vote of the members of its governing body, may pledge its full faith and credit to support the Authority's revenue bond."

The sale of revenue bonds may be possible when a fairly certain source of revenue can be identified, such as parking fees or lease revenues from either public or private sources. Sale of revenue bonds could serve to reduce dependence upon tax increment financing, general obligation bonds and other public sources, which could then be used for other purposes.

305.2 Explanation of the Procedure for Issuance of General Obligation Bonds and Tax Increment Bonds

Pursuant to the Act, the City or the Authority may issue tax increment bonds or general obligation bonds.

The City through the City Council, by resolution, may authorize the issuance and sale of general obligation bonds, subject to the limitations set forth in Section 16(1) of the Act. Section 16(1) allows the Authority to finance a development program under the Tax Increment Financing Plan. Pursuant to Section 16(1), the City is required to pledge its full faith and credit to the bonds within constitutional, statutory and charter limitations if not approved by the voters and without limitation if approved by voters. Additionally, the bonds are subject to the provisions of Act 34 of 2001 and shall mature in not more than thirty (30) years.

The Authority is required under Section 16(1) to submit to the City an estimate of the anticipated tax increment revenue to be available for payment of principal and interest on the bonds. The estimate of anticipated tax increment revenue must be approved by a resolution of the City Council authorizing the bonds and becomes conclusive upon approval by the Department of Treasury of the issuance of the bonds under Act 34 of 2001.

The Authority may also issue tax increment bonds under Section 16(2) of the Act. Tax Increment bonds under Section 16(2) are issued by the Authority (instead of the City) and pledge solely the tax increments of the project for which the bonds are issued and any other revenues, which the Authority shall specifically pledge in the resolution authorizing the bonds. Section 16(2) also requires that neither the City nor the Authority shall pledge their full faith and credit for bonds issued under Section 16(2). It further requires that the bonds mature in not more than 30 years, with certain exceptions, and allows the Authority to issue bonds in a sum sufficient to pay interest on the bonds until full development of the tax increments from the project. The Authority may also issue bonds in an amount, which would provide a reasonable reserve for the payment of principal, and interest on the bonds. Section 16(2) provides that the resolution authorizing the bonds shall create a statutory lien on the increments and other revenues pledged by the resolution, which lien shall be a first lien subject only to liens previously created. The Section also provides for the issuance of additional bonds on a parity basis with bonds previously issued by the Authority under such section.

305.3 The Amount of Bonded Indebtedness to be Incurred for the Development Area

The development program of this Tax Increment Financing Plan may either be financed through the authorization, issuance and sale of general obligation bonds by resolution of the City Council or tax increment bonds by resolution of the Authority.

There are a number of activities in the Development Plan that could benefit from the use of tax increment bonds or general obligation bonds. Land acquisition and public improvement costs may be substantially defrayed through the issuance of tax increment bonds or general obligation bonds. A number of components of the Development Plan, including skywalks, and public improvements connected to projects described in the Development Plan, do not provide attractive projects for financing with revenue bonds. This is due in part to the fact that many of these activities are neither self-liquidating nor self-supporting. Nevertheless, these components of the Development Plan are essential to provide an integrated approach to eliminating property value deterioration and preventing the continued causes of property value deterioration in the Detroit Downtown District. Therefore, it is attractive to finance many of these public improvements through the issuance and sale of tax increment bonds under either Section 16(1) or 16(2) of the Act.

In the event that tax increment bonds are issued under Section 16(2), the Authority is simply required to pledge solely the tax increments of the development area in which the project for which the bonds are issued is located and any other revenues which the Authority has specifically identified in the resolution. The amount of bonds that may be issued on the basis of Section 16(2) is not limited to any percentage of increment that is produced by the project. Under Section 16(2) the Authority may issue any amount of bonds that can be supported by the tax increment and other revenues that have been pledged for the bonds under the resolution. The Authority may include, from time to time, the issuance of tax increment bonds under Section 16(2) of the Act in the financing plan for projects authorized to be included in the Tax Increment Financing Plan.

Without taking into account any funds pledged in connection with ~~the~~ Catalyst Development Project, the maximum amount of bonded indebtedness to be incurred by the Authority under the Plan payable from tax increment revenues is approximately \$250.0 million.—~~The~~¹. Such bonded indebtedness shall be tax increment bonds and shall be utilized by the Authority to: (1) refund tax increment bonds issued by the City or the DDA; (2) make the necessary deposit to the debt service reserve fund for said bonds; (3) pay the costs for issuance of the bonds; and (4) make the following project allocations: (a) \$40.0 million for the Tiger Stadium Project; (b) \$26.8 million to the Land Assemblage Program; (c) \$15.0 million to the East Riverfront Improvements Project; (d) \$2.0 million to the Riverfront Promenade Project; (e) \$1.8 million to the Paradise Valley Cultural and Entertainment District (formerly Harmonie Park) Development for public site improvements; (f) \$21.0 million to build the 150 Michigan Avenue Garage; and (g) the balance of approximately \$34.3 million will be used to partially fund the DDA's contribution to the Campus Martius Redevelopment Project. The City of Detroit has issued \$15.0 million in limited tax general obligations bonds to partially finance the Tiger/Lions Stadium Complex. Such bonds will be repaid in the first instance by DDA tax increment revenues, in accordance with Section 16(1) of the DDA Act. ~~In the event that the Authority issues the EC Revenue Bonds, the maximum bonded indebtedness will increase by the amount of such bond issue, anticipated to be \$450 million, and such bond funds shall be used to finance the construction and development of the Events Center.~~

In addition, 2012 amendments to the Act permit the Authority to pledge available tax increment revenues of the Authority as security for any bonds issued to develop and construct a Catalyst Development Project. ~~Under the Plan, the Authority will pledge tax increment revenues in the approximate amount of \$623.48 million for purposes of securing bonds issued to finance the construction and development of Catalyst Development Project. In December, 2014, the Michigan Strategic Fund (“MSF”) issued \$250,000,000.00 in tax exempt bonds (the “2014A Bonds”) and \$200,000,000.00 in taxable bonds (the “2014B Bonds”). Proceeds of the 2014A Bonds and the 2014B Bonds were loaned to the Authority for purposes of supporting the construction of the Events Center. The 2014A Bonds were secured by a \$250,000,000 tax increment revenue bond issued to the MSF by the Authority pursuant to Section 16(2) of the Act (the “Series 2014A DDA Bond”). The 2014B Bonds were secured by a \$200,000,000 concession revenue bond issued to the MSF by the Authority pursuant to Section 13 of the Act (the “Series 2014B DDA Bond”).~~

It is anticipated that the Authority will issue additional tax-exempt tax increment revenue bonds in an amount not to exceed \$36,000,000 in 2017 pursuant to Section 16(2) of the Act (the “Series 2017 DDA Bonds”) to generate an additional \$34.5 Million in proceeds to support additional costs of the construction of the Events Center in connection with the commitment of the Detroit Pistons to relocate the Pistons home arena from the Palace of Auburn Hills to the Events Center. It is further anticipated that the Authority will issue additional tax exempt tax increment bonds prior to January 1, 2019 to refund the indebtedness represented by the Series 2014A DDA Bond and the Series 2017 DDA Bonds (the Series 2014A DDA Bond, the Series 2017 DDA Bonds, and any bonds issued to refund and/or refinance the Series 2017 DDA Bonds and/or the 2014A DDA Bond shall hereinafter be collectively referred to as the “EC Tax Increment Revenue Bonds”). Following such bond issuances, the maximum bonded indebtedness of the Authority represented by EC Tax Increment Revenue Bonds will be no higher than \$310 million².

[Remainder of page intentionally left blank.]

¹ As of July 1, 2016, the outstanding principal amount of such indebtedness is approximately \$52.0 million.

² The maximum EC Tax Increment Revenue Bond indebtedness of \$310 million is comprised of amounts anticipated to be necessary prior to January 1, 2019 to (1) refund the Series 2014A DDA Bond and the Series 2017 DDA Bonds; (2) make any necessary deposits to the debt service reserve and capitalized interest funds for said bonds; (3) pay the costs for issuance of the bonds; and (4) fund other lawful purposes under the Act and the Plan; provided, however, that such maximum does not include original issuance premiums.

404 LOCATION, CHARACTER AND EXTENT OF THE CATEGORIES OF PROPOSED PUBLIC AND PRIVATE LAND USES¹

Proposed land uses are the same as the existing land uses and those permitted by existing zoning throughout most of the geographic area contained in the Development Area. Proposed changes in public land uses are described below.

404.1 Proposed Public Land Uses in Development Area No. 1

404.1.1 Location, Extent and Character of Proposed Streets

The locations of streets that may be altered, insofar as they are now known, are shown on the Location of Streets that May be Altered Map attached as Exhibit to Section 404.1.1. Other streets may be proposed for alteration at a later time when plans for each project have been more fully detailed.

Retail Commercial Core Area: Major changes in street and utility layouts are anticipated to permit consolidation of parcels necessary to provide for future development of the downtown retail commercial core area. Streets that may be affected lie between Woodward and Randolph, Grand River and Cadillac Square, among others. There may be a need to close and vacate certain streets to accommodate such development. In particular, parts of Farmer, Library, Monroe, Gratiot, and Campus Martius Streets along with alleys in the Kern Block, behind the Monroe buildings, and an alley through the Crowley block may be vacated. A realignment of the Woodward Avenue right-of-way at the convergence of Cadillac Square, Campus Martius, Fort Street, Monroe Street, and Michigan Avenue required alterations to a portion of the Woodward Avenue right-of-way to accommodate structural elements, entrance features, and pedestrian or transit related features for existing or new structures. In addition, several new pedestrian easements are anticipated for the RiverWalk project, and short access to newly developed structure(s) and parking facilities may be dedicated for public use.

East Lafayette Avenue between Randolph and Brush shall retain its present south right-of-way line through at least the year 1990; and it is currently anticipated that the right-of-way width will remain 50 feet until at least 1990.

Convention Facilities Area: The construction of the Congress/First Street hotel may necessitate some modification to streets to accommodate the flow of traffic at entrances.

A ramp leading from the Lodge Freeway into the project area was provided to improve access to the Riverfront West development site. Pedestrian bridges will connect the project with the People Mover and downtown areas east of the Lodge Freeway. A public bicycle path along the Third, Jefferson and Eight Street sides of the Riverfront properties will connect to riverfront portions of the path east and west of the development.

The north-south alley through the 500 Woodward block was vacated pursuant to the Larned-Bates urban renewal plan to permit implementation of the One Detroit Center project. The anticipated pedestrian bridges built across Congress and Larned as part of an eventual development of an enclosed walkway from [Renaissance City Apartments \(formerly the Millender Center\)](#) to Cadillac Center were never constructed.

The East Riverfront Improvements project calls for modification of existing street patterns including, but are not limited to, the relocation of Atwater and Schweitzer Streets, the construction of a paved surface along the river's edge, the construction of a new boulevard street extending south from the I-375 termination

¹ All public and private land uses proposed by this Tax Increment Financing and Development Plan, as amended.

to the Detroit River, and the widening of other streets as may be necessary to provide for the efficient operation of the roadways immediately adjacent to the General Motors global headquarters.

Greektown Area: The design and development of the Blue Cross/Blue Shield expansion necessitates the closing of Fort Street between Beaubien and St. Antoine and St. Antoine between Fort and East Lafayette. The development may also require some modification of East Lafayette to accommodate the flow of traffic at the entrance of the Blue Cross/Blue Shield facilities.

Grand Circus North Development Area: In order to accommodate the proposed public open spaces and pedestrian ways, Columbia Street was closed to traffic between Park and John R, vacated and converted to an underground easement for any existing utilities to remain. Pursuant to the planned public recreation project, the alley south of Columbia between Witherell and John R was vacated. The alley north of Columbia between Witherell and John R was vacated adjacent to the YWCA and a new alley outlet north of Montcalm was provided.

The Theater District Project Master Construction Plan calls for the closing of Columbia Street between Witherell and Park, its vacation and conversion to an underground easement for any existing utilities to remain. Additionally, the Plan requires that all alleys lying within the bounds of the Fisher Freeway, Witherell, Elizabeth and Park likewise be vacated and converted to an easement to allow the project site to be reconfigured for parking.

In order to accommodate the development of the Tigers/Lions Stadia, the Project Area was subject to many alternations. Major infrastructure improvements may include a new entrance and/or exit ramps to the surrounding freeways, and improvements to the service drives. The Stadia development plan may call for the vacation, dedication and/or conversion to easement of certain streets and alleys as reflected in the map entitled Location of Streets that May be Altered -Exhibit to Section 404.1.1. Other improvements include traffic management and directional signage upgrades throughout the project area.

Paradise Valley/Madison Avenue Area: The extension of Centre Street was completed, and Randolph Street was closed to all traffic between Centre Street on the north and Gratiot Avenue on the south. The extended Centre Street has become the new Randolph alignment.

Lower Woodward Improvement Area: To accommodate the revitalization in the Lower Woodward Neighborhood (which will include streetscape redesigns, the development of additional residential units, the attraction of small businesses and investment, the development of attractive and safe public areas, and an overall improved image), Washington Boulevard, Woodward Avenue, Broadway Street, and the entrance to Cobo Hall will be primarily impacted. Additional proposed streetscape and infrastructure improvements will affect Clifford and John R from Bagley to Broadway, Grand River from the Fisher Freeway to Broadway, State from Washington to Griswold, Farmer from John R to Gratiot, Library from Grand River to Gratiot, Griswold from Clifford to Michigan Avenue, Michigan Avenue from Woodward to First Street, and Shelby from State to Michigan Avenue.

~~**The EC Project Area:** It is anticipated that the construction of the Events Center will require the vacation or relocation of Park to the western boundary of the EC Project Area and the vacation of Sibley between Woodward and the western boundary of the EC Project Area and the vacation of those alleys within the EC Project Area. In order to accommodate traffic flow around the Events Center, Clifford from Sibley to Sprout may also be vacated and/or other changes to existing streets and traffic patterns may be necessary. In particular, the Temple Street, Grand River Avenue and Lodge Freeway intersection may require modification. The current configuration limits the turning movements inhibiting the access to and from the EC Project Area. Temple Street should be widened to accommodate the complete streets configuration that has been implemented on Temple Street west of Cass Avenue in its two way conversion project.~~**The EC Project Area:** All streets and alleys lying within the EC Project Area have been, or are expected to be

vacated, including Henry Street between Woodward and Clifford Street and Sproat Street between Woodward and Clifford, and portions of Clifford. In addition, other changes to existing streets and traffic patterns may be necessary. Additional streetscape and infrastructure improvements may also impact other streets and alleys in the EC Project Area. Finally, due to combination of the current poor condition of many of the roadways throughout the EC Project Area and required utility upgrades, many of the impacted rights-of-way will require reconstruction.

To enhance pedestrian and non-motorized vehicle access to the 2013 Expansion Area and in and around the EC Project Area, the Plan contemplates possible improvements including the construction of an elevated pedestrian bridge over the Fisher Freeway, and/or the construction of an additional vehicle and pedestrian bridge over the Fisher Freeway, and/or the widening of the Woodward Avenue bridge over the Fisher Freeway, and/or other general streetscape improvements such as widened sidewalks, the introduction of landscaping, pedestrian and road level street lighting, street furniture, on-street parking, bike lanes, traffic calming measures, barrier free sidewalk ramps and wide, well-marked and controlled pedestrian crossings.

[Remainder of page intentionally left blank.]

404.6 Conformance of Development Plan with City Master Plan¹

The Master Plan of Policies, City of Detroit is for use by public officials and citizens in proposing, and the Detroit City Council in evaluating and implementing, specific public or private action projects. Particularly, it is used in relating specific action projects to each other and to the needs of Detroit's people and environment.

The proposed Development Plan is consistent with the Master Plan of Policies, City of Detroit. The land use designations on the "Future Land Use" map for Development Area No. 1 are "Special Commercial-Residential" and "Special Residential-Commercial" west of Park Avenue.

405 PUBLIC ACQUISITION OF PROPERTY

All existing City-owned vacant land and buildings within the Development Area, including urban renewal parcels in interim use awaiting redevelopment and public rights-of-way after these are officially vacated, may be converted or transferred to the Authority if needed for development purposes. Development rights above and sub-structure rights below planned public parking structures may also be conveyed to the Authority.

405.1 Acquisition of Property From Private Persons and Entities

405.1.1 General

The locations of proposed acquisition are shown on the Location of Proposed Acquisition Map attached hereto as Exhibit A to Section 405.1.1.

The DDA requested the City of Detroit Community & Economic Development Department to acquire the parcels necessary for the Cadillac Center project. CEDD then proceeded to have appraisals made and began negotiations with the land owners. The DDA now finds it necessary to acquire additional parcels between Randolph, Brush, East Fort and Monroe and will request CEDD to follow the same procedure. Should negotiations on any parcel fail to result in acquisition consistent with fair market appraisals, the City shall utilize its power of eminent domain to fulfill the requirements of the Development Plan.

The following properties were acquired for use in the **Cadillac Center Project** by the City.

- Lot 2
West Randolph
Governor & Judges Sec. #1 Liber 34 Page 550
- Lot 3
West Pingree Sq.
Governor & Judges Sec. #1 34 Page 550
- W. 50' Lot' E. 10' Lot 38, W. 20' Lot 37
North Cadillac Square
Governor & Judges Sec. #1 Liber 34 Page 550
- Lot 76
South Farmer
Governor & Judges Sec. #1 Liber 34 Page 550

¹ The present Master Plan of Policies, City of Detroit, was adopted by City Council ~~on August 5, 1992~~ in 2009.

- Lot 13; Lots 12-8
Randolph
Brush Farm Subdivision Liber 7 Page 224
Lots A-F
East Randolph
Brush Farm Subdivision (Sub. of W. Part of Blk 7)
as recorded in Liber 5 Page 14
- Lot 11
East Randolph
Brush Farm Subdivision Liber 7 Page 224
Also included are Monroe Street and parts of Farmer and Gratiot Avenue
- South Monroe, Lots 4, 5, 6, 14, 15, 16
West Part of Block 7, Brush Farms Subdivision,
as recorded in Liber 5, Page 14
- North Fort, Lots 14-16; B6,
Brush Farms Subdivision by J. Mullett (also Pg. 224)(CR)
as recorded in Liber 7, Page 224.
- South Lafayette, Lots 4-6; B6
Brush Farms Subdivision by J. Mullett (also Pg. 225),
as recorded in Liber 7, Page 224.

Parcels acquired for development of the **Congress/First Street Hotel Project** are described as follows:

Lots 1 through 14, Block 7, Map of Western Addition to the City of Detroit, Wayne County, Michigan (as surveyed into lots by John Mullett) as recorded in Liber 7, Page 164 W.C.R., and vacated east-west alley adjacent to above lots.

The following parcels were acquired for the purpose of constructing a parking facility adjacent to the proposed **Downtown Hotel**.

- Lots 109 and 110
Beaubien Farm Liber 6 Pages 475-8
Wayne County Records
- Lots 7, 8, 9 also W. St. Antoine Street Lots 7, 8, 9
Antoine Beaubien Farm Liber 27 Pages 197-9
Wayne County Records

The Authority requested that the Community & Economic Development Department, through its powers of eminent domain, acquire privately owned property for the purpose of transfer to the Authority for use in the approved Downtown Hotel Project to fulfill the requirements of the Development Plan.

The parcels to be acquired, in whole or in part, for the purpose of entry modifications and streetscape improvements in the **Harmonie Park/ (currently the Paradise Valley Cultural and Entertainment District)/Madison Avenue Area** are described as follows:

- Lots 114-118
North Gratiot
Houghtons Subdivision Liber 7 Page 174
(City Records)
- Lots 110 and 113 Houghton's Subdivision
as recorded in Liber 7, Page 174,
City Records.

The DDA will request that the Community & Economic Development Department acquire the parcels necessary for the proposed expansion of Centre Street. Should negotiations on any parcel fail to result in acquisition consistent with fair market appraisals, the City shall utilize its power of eminent domain to fulfill the requirements of the Development Plan.

The following parcels comprise the proposed acquisitions for purposes of the **Theater District Project**.

- 50' x 80' paved parking lot, part of larger parking lot. 4,000 sq. ft.

Lots 158 and 159, Plat of Williams Park Lots 1, 2, 3, and 4 as recorded in Liber 1, Page 39 of Plat, Wayne County Records.
- 50' x 100' improved brick three (3) story building housing the Southern Christian Leadership Conference.

Lots 141 and 142, Plat of Williams Park Lots 1, 2, 3 and 4 as recorded in Liber 1, page 39 of Plat, Wayne County Records.
- 21' x 60' improved brick, small restaurant.

N 21' of Lot 88, Plat of Williams Park Lots 1, 2, 3 and 4 as recorded in Liber 1, Page 39 of Plat, Wayne County Records.
- Parcels within the block bounded by Park Avenue, 1-75, Woodward Avenue and Montcalm Street, more fully described as Land in the City of Detroit, Wayne County, Michigan, described as being all or part of Lots 39, Lots 40 through 48 and Lots 51 through 56, also the reversionary interests in the public alleys adjoining said Lots, all of Lothrop's Subdivision of Park Lot 83 and part of Lot 82, as recorded in Liber 39 of Plats, Page 430, Wayne County Records.

Also Lots 1, 2 and 3 of the "Plat of Albert Crane's Subdivision of Lots 49 and 50 of Lothrop's Subdivision of Park Lot 83 and part of Park Lot 82" recorded in Liber 1, Page 38 of Plats, Wayne County Records.
- Parcels within the block bounded by Park Avenue, Montcalm Street, Woodward Avenue, and Columbia Street, more fully described as Land in the City of Detroit, Wayne County, Michigan described as being Lots 1 through 6, the easterly 22 feet of Lot 7, Lots 8 through 10, also the vacated public alleys adjoining said Lots 1 through 6 and the easterly 22 feet of Lot 7, also the reversionary interests in the public alleys adjoining said Lots 7 through 10, all in the "Lothrop's Subdivision of Park Lot 83 and part of Park Lot 82, as recorded September 9, 1850" in Liber 39 Page 430 of Deeds, Wayne County Records. Also Lots 9, 10 and 43 through 50, which include the vacated public alley adjoining Lots 10, 43 through 46 and part of 47, also the reversionary interests in the public alley adjoining Lots 48 through 50 and part of Lots 47, all of the "Plat of Park Lots 84, 85 and 86 as subdivided May 7, 1835" recorded in Liber 7, Page 27 of Deeds, Wayne County Records.

- That portion of the block bounded by Park and Woodward Avenue, Columbia Street and the alley north of Elizabeth Street, described more fully as Land in the City of Detroit, Wayne County, Michigan described as being Lots 7, 8 and Lots 35 through 42 of the "Plat of Park Lots 84, 85 and 86 as subdivided May 6, 1835" recorded in Liber 7, Page 27 of Deeds, Wayne County Records.
- 100' x 100' improved brick 17 story vacant building and vacant land 100' x 125' including the parking and outside patio areas commonly known as the Wolverine Building. Lots 72-80 Plat of Williams Park Lots 1, 2, 3 and 4 as recorded in Liber 1, page 39 of Plats, Wayne County Records.

The majority of these properties were owned by Charles Forbes and sold by Forbes to the Authority. However, where necessary, the DDA requested that the Community & Economic Development Department acquire the parcels required for the proposed Theater District project. Where necessary, the City utilized its power of eminent domain to fulfill the requirements of the Development Plan.

All properties in the **Tiger/Lions Stadia** proposed Project Area as set forth in Exhibit B to Section 405.1.1, Stadia Project Area map east of Woodward not owned by the Authority, the City, the Detroit Tigers, Inc., and the Detroit Lions, Inc., may be acquired. All properties that are not acquirable via market transactions will be obtained by the Detroit/Wayne County Stadium Authority through eminent domain.

The entire parcel comprising the **One Detroit Center** project site, a portion of which was purchased by the Authority for purposes of both above and below-grade construction, is described as follows: Land in the City of Detroit, County of Wayne, Michigan, described as: All of Lots 58 through 62, 86, 87, 95 through 99 and Part of Lots 41 through 44, 84, 85, 88, 89, 90 and 91, part of Section 1, all of the 20 ft. vacated alley contiguous to and lying south of said part of Lots 41 through 44 and north of all or part of said Lots 85 through 88, then to be vacated 20 ft. alley contiguous to the east line of said Lots 58 through 62 and the west line of Lots 95 through 99 and to be vacated Bates Street lying between Congress Street, 60 ft. wide and Larned Street 60 ft. wide, of Section 1, Governor and Judges Plan, as recorded in Liber 34 of Deeds, Wayne County Records, and more particularly described as: Beginning at the intersection of the east line of Woodward Ave., 190 ft. wide with the north line of Larned Street, 60 ft. wide at the southwest corner of said Lot 62; then along said line of Woodward, N. 30 12'29"W. 260.25 ft.; then along south line of said Congress Street, N.59 52'01"E. 663.77 ft.; then along the west line of Randolph Street 120 ft. wide, S.30 10'04"E. 260.30 ft.; then along said line of Larned Street, S. 59 52'16"W. 663.59 ft. to the point of beginning.

A portion of the Book-Cadillac Hotel site was acquired and an abandoned building demolished with **Demolition Project** funds for the purpose of constructing a parking facility as part of the **Lower Woodward Improvement Agenda**. The Book-Cadillac is located at 220 Michigan Avenue, and generally bound by Michigan Avenue, Washington Boulevard, State Street, and Shelby Street.

Prior to commencement of construction of the Events Center, the following parcels have been or will be transferred to the Authority (or other owner of the Events Center as contemplated by Section 406.2.2) by **ODMOEEC**, and/or its affiliates:

Street Address	Tax Parcel Id
2530 Park	Ward 02 Item 001926
2500 Park	Ward 02 Item 000581
34 Henry	Ward 02 Item 000587
42 Henry	Ward 02 Item 000586
28 Henry	Ward 02 Item 000588
2501 Woodward	Ward 02 Item 001850
59 Sibley	Ward 02 Item 000592

2540 Park	Ward 02 Item 000594.001
52 Henry	Ward 02 Item 000585.001
66 Sibley	Ward 02 Item 000609-14
31 Sproat	Ward 02 Item 000626
2734 Park	Ward 02 Item 001930
2728 Park	Ward 02 Item 001929
48 Sproat	Ward 02 Item 000640-3
33 Temple	Ward 02 Item 000644-5
2776 Park	Ward 02 Item 001931
63 Temple	Ward 02 Item 000646
84 W. Fisher	Ward 02 Item 000539
76. W. Fisher	Ward 02 Item 000540
68 W. Fisher	Ward 02 Item 000541
60 W. Fisher	Ward 02 Item 000542
48 W. Fisher	Ward 02 Item 000544
42 W. Fisher	Ward 02 Item 000545
41 Henry	Ward 02 Item 000546
47 Henry	Ward 02 Item 000547
59 Henry	Ward 02 Item 000548.001
67 Henry	Ward 02 Item 000548.002L
71 Henry	Ward 02 Item 000549
2457 Woodward	Ward 02 Item 001853-6
2465 Woodward	Ward 02 Item 001852
150 W. Fisher	Ward 02 Item 000535
138 W. Fisher	Ward 02 Item 000536
132 W. Fisher	Ward 02 Item 000537
128 W. Fisher	Ward 02 Item 000538
2453 Park	Ward 02 Item 001977-9
127 Henry	Ward 02 Item 000552.001
131 Henry	Ward 02 Item 000552-3
143 Henry	Ward 02 Item 000554
136 Henry	Ward 02 Item 000577
124 Henry	Ward 02 Item 000578
2571 Park	Ward 02 Item 001975
141 Sibley	Ward 02 Item 000597-8
2601/2605 Park	Ward 02 Item 001974
2607/2611 Park	Ward 02 Item 0001973
2617/2621 Park	Ward 02 Item 01971-2
2643 Park (Partial)	Ward 02 Item 00633-8
124 Sibley	Ward 02 Item 00608
140 Sibley	Ward 02 Item 00607
110 Sproat <u>2600 Clifford</u>	Ward 02 Item 001969- <u>70000604</u>
2727 Park <u>2500 Clifford</u>	Ward 02 Item 001968 <u>000572</u>
2733 Park <u>165 Sibley</u>	Ward 02 Item 001964- <u>6000601-1</u>
2753 Park <u>148 Sibley</u>	Ward 02 Item 001963 <u>000606</u>
2763 Park	Ward 02 Item 001961-2

131 Temple	Ward 02 Item 000647
145 Temple	Ward 02 Item 000648
124 Sproat	Ward 02 Item 000639

If necessary, the City will utilize its powers of eminent domain to fulfill the requirements of the Plan.

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405.1.2 Eminent Domain

Section 10 of the Act authorized the City of Detroit to transfer to the Authority private property taken pursuant to its power of eminent domain as granted in Act No. 149 of the Public Acts of 1911, as amended. The City may take private property under the statute for the purpose of transfer to the Authority for use in an approved development plan. The City may take private property for this purpose on the terms and conditions it deems appropriate, and the taking, transfer and use shall be considered necessary for public purposes and for the benefit of the public.

405.1.3 Properties Not to be Acquired

The Development Plan for the Development Area anticipates that most privately owned properties will not be acquired by the Authority or other public agencies.

One of the primary purposes of the Development Plan is to provide private persons and entities with incentives to invest in the Development Area. The greatest initial investment probably will be by development of new housing and the retail commercial core.

However, the Development Area and the Downtown District will be revitalized ultimately by those owners and tenants in the area who have confidence to invest in each of their properties. Such investment will stop the deterioration of the physical, economic and social conditions of the downtown area.

Only by the participation of all parties, owners, tenants and outside developers, will the goals and purposes of the Development Plan and the Tax Increment Financing Plan be accomplished.

A more complete description of owner and tenant participation is set forth in Section 407.2.

406 PUBLIC DISPOSITION OF PROPERTY

406.1 General

The Authority may convey property to public agencies or private entities for development in accordance with the Development Plan. Land will be conveyed to private entities by negotiation and/or by open competitive conditions.

406.2 Disposition to Public Agencies

406.2.1 Description of any Portions of the Development Area No. 1 which the Authority Desires to Sell, Donate, Exchange or Lease to the City and the Proposed Terms

There are no specific portions of the Development Area, which have been identified to be sold, donated, exchanged or leased to the City. However, if any such parcels are identified, the Authority will establish the terms of conveyance at the appropriate time. Property conveyed to the City in the Riverfront West area for public right-of-way was conveyed by the developer rather than by the Authority.

406.2.2 Other Public Agencies

In addition, the transfer of the DDA's ownership rights in the new Tiger Stadium to the Detroit/Wayne County Stadium Authority for \$40,000,000, the provisions of the two memorandums of understanding between the DDA, Detroit Tigers, Inc., Detroit Lions, Inc., and Wayne County (collectively the "MOUs"),

in relevant part, essentially provided for the conveyance of all City-owned properties within the Tiger/Lions Stadia Project Area east of Woodward to the Stadium Authority for nominal consideration for purposes of project implementation. In accordance with this Plan and in furtherance of project implementation and the public purpose it serves, the City-owned properties were transferred by the City to the DDA and then by the DDA to the Stadium Authority for a nominal cash amount and other valuable consideration. The City-owned parcels in the Project Area east of Woodward include, but are not limited to, the following:

- Part of lots 7 and 8 described as beginning at a point in north line of Columbia Street being also in east line of Brush Street; thence north 26 degrees west 102 feet; thence north 60 degrees 17 minutes east 84.82 feet; thence south 26 degrees east 15.06 feet; thence south 12 degrees west 73.81 feet; thence south 26 degrees east 7 feet; thence south 64 degrees west 9.65 feet; thence south 26 degrees east 8.70 feet; thence south 64 degrees west 8.55 feet; thence south 26 degrees east 17.22 feet; thence south 60 degrees 17 minutes west 21.04 feet to point of beginning, Houghtons Section of Brush Farm, as recorded in Liber 7, Page 174, Wayne County Records.
- East 80.79 feet on north line and east 68.93 feet on south line of lot 8, Brush Farm of park lots 5 and part of Brush Farm east, according to the recorded Plat thereof, as recorded in Liber 45 of Deeds, Page 121, Wayne County Records.
- South 26 feet from beginning south 22 feet rear of lot 1, north 27.51 feet front beginning 30.58 feet rear of lot 2, also private alley adjacent in rear, except west 8.05 feet thereof, subdivision of lot 13, as recorded in Liber 1, Page 144 of Plats, Wayne County Records.
- Lots 56 through 58 inclusive, west 10 feet of lot 102, lots 98 through 101 inclusive, lots 137 through 140 inclusive, west 10 feet of lot 136, and vacated east west alley adjacent lots 56 through 58 inclusive, and west 10 feet 98, 101, 102 and vacated East Columbia Street adjacent lots 98 through 101 inclusive, west 10 feet of lot 102; lots 104 through 137 inclusive, west 10 feet of lot 136, Plat of Williams Park lots 1, 2, 3 and 4, according to the recorded Plat thereof, as recorded in Liber 1 of Plats, Page 39, Wayne County Records.
- The east 110 feet of the south 45.22 feet of that part of lot 12 lying south of Montcalm Street (50 feet wide) and the west of Brush Street (50 feet wide) of the Plat of Brush subdivision of park lot 5 and part of Brush Farm east of and adjoining park lots 5 and 4, as recorded in Liber 45 of Plats, Page 121, Wayne County Records.

Also, all of lot 7 of Rathbone's subdivision of lot 12 of subdivision of park lot 5 and part of the Brush Farm, as recorded in Liber 1, Page 171 of Plats on August 23, 1866, Wayne County Records.
- Lot 115, Williams Park lots 1, 2, 3 and 4, according to the recorded Plat thereof, as recorded in Liber 1 of Plats, Page 39, Wayne County Records.

Lots 9 and 10, Houghtons Section of Brush Farms, according to the recorded Plat thereof, as recorded in Liber 7, of Plats, Page 174, Wayne County Records.
- And lots 116 through 118, inclusive, Plat of Williams Park of lots 1, 2, 3 and 4, according to the recorded Plat thereof, as recorded in Liber 1 of Plats Page 39, Wayne County Records.
- Lot 11, Houghton's Section of Brush Farm, according to the recorded Plat thereof, as recorded in Liber 7 of Plats, Page 174, Wayne County Records.
- Lot 14, Houghton's Section of Brush Farm, according to the recorded Plat thereof, as recorded in Liber 7 of Plats, Page 174, Wayne County Records.

- Lots 12 and 13, Houghton's Section of Brush Farm, according to the recorded Plat thereof, as recorded in Liber 7 of Plats, Page 174, Wayne County Records.
- Lots 20, 21 and 22, Houghton's Section of Brush Farm subdivision, according to the recorded Plat thereof, as recorded in Liber 7 of Plats, Page 174, Wayne County Records.
- Lots 29 and 30, Houghton's Section of Brush Farm subdivision, according to the recorded Plat thereof, as recorded in Liber 7 of Deeds, Page 174, Wayne County Records.
- Lots 36, 37 and 38, Houghton's Section of Brush Farm, according to the recorded Plat thereof, as recorded in Liber 7 of Deeds, Page 174, Wayne County Records.
- The East 27.13 feet of lot 5 and all of lot 6, Houghton's Section of Brush Farm, according to the recorded Plat thereof, as recorded in Liber 7 of Deeds, Page 174, Wayne County Records.

In connection with the Events Center, the following properties owned by the City or The Economic Development Corporation of City of Detroit (the "EDC") located within the boundaries of the EC Project Area have been or will be conveyed to the Authority (or other owner of the Events Center as contemplated below) to accommodate the construction of the Events Center:

48 Henry	Ward 02 Item 000585.002L	EDC
2515 Woodward	Ward 02 Item 001849	EDC
2521 Woodward	Ward 02 Item 001848	EDC
2529 Woodward	Ward 02 Item 001847	EDC
2533 Woodward	Ward 02 Item 001846	EDC
2539 Woodward	Ward 02 Item 001845	EDC
21 Sibley	Ward 02 Item 000589	EDC
29 Sibley	Ward 02 Item 000590	EDC
43 Sibley	Ward 02 Item 000591	EDC
73 Sibley	Ward 02 Item 000593	EDC
2550 Park	Ward 02 Item 000594.002L	EDC
76 Henry	Ward 02 Item 000582-4	EDC
44 Sibley	Ward 02 Item 000615	City of Detroit
40 Sibley	Ward 02 Item 000616	City of Detroit
34 Sibley	Ward 02 Item 000617	City of Detroit
2603 Woodward	Ward 02 Item 001844	City of Detroit
2631 Woodward	Ward 02 Item 001843	City of Detroit
2645 Woodward	Ward 02 Item 001842	City of Detroit
25 Sproat	Ward 02 Item 000625	City of Detroit
51 Sproat	Ward 02 Item 000627-9	City of Detroit
61 Sproat	Ward 02 Item 000630	City of Detroit
67 Sproat	Ward 02 Item 000631-2	City of Detroit
2743 Woodward	Ward 02 Item 001838-9	City of Detroit
2771 Woodward	Ward 02 Item 001835-7	City of Detroit
2720 Park	Ward 02 Item 001928	City of Detroit
84 Sproat	Ward 02 Item 001927	City of Detroit
2715 Woodward	Ward 02 Item 001840-1	City of Detroit
54 W. Fisher	Ward 02 Item 000543	EDC
83 Henry	Ward 02 Item 000550-1	EDC

2473 Woodward	Ward 02 Item 001851	EDC
128 Henry	Ward 02 Item 000575	City of Detroit
122 Henry	Ward 02 Item 000576	City of Detroit
106 Henry	Ward 02 Item 000579-80	City of Detroit
2531 Park	Ward 02 Item 001976	City of Detroit
129 Sibley	Ward 02 Item 000595	City of Detroit
135 Sibley	Ward 02 Item 000596	City of Detroit
2723 Park	Ward 02 Item 001967	City of Detroit

~~In addition, in the event that Wayne County provides a funding commitment for the Events Center Project or the Board of Directors of the Authority otherwise determines that another ownership structure of the Events Center is in the best interests of the implementation of the Events Center Project, subject to the approval of the Board of Directors of the Authority, the Authority may transfer its ownership interest in all or a portion of the Events Center to the Detroit/Wayne County Stadium Authority, other building authority formed under Act 31 of 1948, or other public entity, as determined by the Board of Directors of the Authority.~~

~~For purposes of potential future use in connection with the EC Ancillary Development Project, the following City owned and EDC owned properties located in the Catalyst Development Project Area, outside of the EC Project Area, will be conveyed to the Authority:~~

140 Henry	Ward 02 Item 000573	City of Detroit
134 Henry	Ward 02 Item 000574	City of Detroit
140 Henry	Ward 02 Item 000573	City of Detroit
155 Sibley	Ward 02 Item 000599	City of Detroit
154 Sibley	Ward 02 Item 000605	City of Detroit
202 Sibley	Ward 02 Item 000603	City of Detroit

~~For purposes of potential future use in connection with the EC Ancillary Development Project, the following City-owned and EDC-owned properties located in the Catalyst Development Area, outside of the EC Project Area, have been or may be conveyed to the Authority:~~

643 Temple	Ward 04 Item 000564	City of Detroit
2770 Third	Ward 04 Item 003374	City of Detroit
28 Temple	Ward 02 Item 000660	City of Detroit.
2929 Woodward	Ward 02 Item 001832	EDC
2901 Woodward	Ward 02 Item 001834	EDC
2929 Woodward	Ward 02 Item 001833	EDC
2913/2915 Third	Ward 04 Item 003597-8	City of Detroit
2923 Third	Ward 04 Item 003596	City of Detroit
2931 Third	Ward 04 Item 003595	City of Detroit
2939 Third	Ward 04 Item 003594	City of Detroit
2951/2953 Third	Ward 04 Item 003592	City of Detroit
2961 Third	Ward 04 Item 003591	City of Detroit
2969 Third	Ward 04 Item 003590	City of Detroit
2981 Third	Ward 04 Item 003589	City of Detroit
3008 Fourth	Ward 04 Item 003715-20	City of Detroit
3000 Fourth	Ward 04 Item 003714	City of Detroit
2940 Fourth	Ward 04 Item 003713	City of Detroit

2934 Fourth	Ward 04 Item 003712	City of Detroit
2928 Fourth	Ward 04 Item 003711	City of Detroit
2922 Fourth	Ward 04 Item 003710	City of Detroit
2916 Fourth	Ward 04 Item 003709	City of Detroit
2841 Fourth	Ward 04 Item 004050	City of Detroit
2837 Fourth	Ward 04 Item 004051	City of Detroit
2831 Fourth	Ward 04 Item 004052	City of Detroit
2825 Fourth	Ward 04 Item 004053	City of Detroit
2811 Fourth	Ward 04 Item 004055	City of Detroit
2727 Fourth	Ward 04 Item 004058	City of Detroit
2719 Fourth	Ward 04 Item 004059	City of Detroit
2713 Fourth	Ward 04 Item 004060	City of Detroit
2709 Fourth	Ward 04 Item 004061	City of Detroit
200 W. Montcalm	Ward 02 Item 000465	City of Detroit

In addition, as other City-owned or EDC-owned properties located in the Catalyst Development ~~Project~~ Area, outside of the EC Project Area, are identified for potential use in connection with the EC Ancillary Development Project, upon the approval of the Board of Directors of the Authority, the Board of Directors of the EDC and/or City Council, as applicable, such properties will be conveyed to the Authority.

406.2.3 Hudson's Condominium Unit No. 1 was transferred to the Detroit Building Authority

406.3 Disposition of Property Rights to Private Persons and Entities

406.3.1 Land or Development Rights

406.3.1.1 General

When property rights including air rights above structures are to be conveyed or leased to private entities for private development it may be by negotiation, by open competitive conditions or by any other means permitted by law. Since property for such a purpose may be acquired by the Authority, and/or the City, the conveyances from one or more of those entities to private developers will follow any law and procedures which are applicable. In general, developers, will be selected by the Authority based on their past accomplishments and present capabilities. Prices for property rights will be established on the basis of fair value for uses permitted giving recognition to the public purposes to be accomplished. Architectural review by the Authority may be exercised to assure that the uses proposed are consistent with the public goals and purposes desired.

406.3.1.2 Procedures

(a) Negotiated Sale or Lease

When property rights are to be sold or leased by negotiation, the Authority and the developer may enter into an exclusive negotiating agreement for a time certain while they seek to enter into a sale and development agreement, a joint development agreement, or other agreements appropriate for the transaction. Such agreements would be subject to approval by the Authority Board and subject to all legal requirements.

(b) Open Competitive Sale or Lease

When property rights are sold or leased under open competitive conditions, the following procedures would generally be used:

407.11 Catalyst Development Project

The Events Center Project and the EC Ancillary Development Project, described below in Sections 407.11.1 and 407.11.2, constitute the “Catalyst Development Project” under the Plan and as authorized pursuant to the Act. The Catalyst Development Project is located in the area depicted in Exhibit A to Section 407.11 (the “Catalyst Development Area”), the legal description for which is as follows:

Beginning at the north right of way line of the Fisher Freeway North Service Drive and the east right-of-way line of Woodward Avenue; then north along Woodward Avenue to a point on the north right-of-way line of Charlotte Street and its extension thereof; then west along Charlotte to the west right-of-way line of Fourth; then south along Fourth to the north right-of-way line of Temple; then west along Temple to the west right-of-way line of Grand River; then southeast along the west right-of-way line of Grand River to the south right-of way line of Middle; then easterly along Middle to the west right-of-way line of Clifford; then easterly to the east right-of-way line of Washington Boulevard; then north along Washington Boulevard to the north right-of-way line of Park; then northwesterly along Park to the south right-of-way line of Adams; then east along Adams to the west right-of-way line of Witherell; then southwesterly to the west right-of-way of Madison extended; then southeasterly along Madison to the east right-of-way of John R; then north along John R to the north right-of-way of Adams; then west along Adams to the east right-of-way line of Witherell; then north along Witherell to the south right-of-way line of Montcalm; then east along Montcalm to the east right-of-way line of John R; then north along John R extended to the north line of the Fisher Freeway North Service Drive; then west along the Fisher Freeway North Service Drive to the point of beginning.

407.11.1 Events Center Project

Project Description

The proposed “Events Center Project” is a sports/entertainment complex that is part of an initiative conceived to expand the traditional downtown business district into the area north of the Fisher Freeway and west of Woodward Avenue and to effectively connect downtown Detroit to Detroit’s Midtown area. Its objective is to transform the 2013 Expansion Area from its currently largely blighted state into a vibrant year-round business, residential and entertainment district that will enhance the viability of the Authority’s past and present economic development efforts throughout the Development Area, and in particular in the adjacent Grand Circus North Development Area. The initiative will also stimulate private and public development efforts in Detroit’s Midtown area.

A primary component of the project will be the development of a multi-purpose sports and entertainment center, including an attached parking deck (collectively, the “Events Center”) that will include a state of the art professional hockey arena which will become the new home of the Detroit Red Wings organization. In addition to serving as a venue for National Hockey League (“NHL”) events, the Events Center will be able to host a wide variety of entertainment events, including but not limited to concerts, other sports and entertainment events and similar events. In November, 2016, the Detroit Pistons organization announced plans to relocate to the Events Center as its National Basketball Association (“NBA”) home arena starting in the Fall 2017 NBA season.

~~It is currently anticipated that the Authority will own the Events Center and that the Authority will enter into a concession management agreement (the “EC CMA”) with Olympia Development of Michigan, LLC or an affiliate thereof (“ODM”), pursuant to the terms of which ODM will assume the management and operation of Events Center. In the event that Wayne County provides a funding commitment for the construction of the Events Center, subject to the approval of the Board of Directors of the Authority, the Authority may transfer its ownership interest in all or a part of the Events Center to the Detroit/Wayne County Stadium Authority or other building authority formed under Act 31 of 1948, or other public entity,~~

~~as determined by the Authority. Under such an alternative ownership structure, the EC CMA structure would also be modified, subject to the approval of the Board of Directors of the Authority. By way of example, such building authority may lease the Events Center (or such portion in which it has an ownership interest) to Wayne County and Wayne County, in turn, would sublease the Events Center (or such portion thereof) to the Authority and the Authority, in turn, would enter into the EC CMA as contemplated above.~~

The Authority owns the Events Center and has entered into a concession management agreement (the "EC CMA") with Olympia Entertainment Events Center, LLC ("OEEC"), pursuant to the terms of which OEEC is responsible for the management and operation of Events Center.

The City and the EDC ~~will convey~~conveyed to the Authority their respective properties located within the EC Project Area and described in Section 406.2.2 of the Plan for a nominal cash amount and other valuable consideration for the purposes of project implementation. Likewise, ~~OEDMOEEC~~ (or its affiliates) ~~will convey~~conveyed to the Authority those properties owned by it within the EC Project Area and described in Section 405.1.1 for a nominal cash amount and other valuable consideration for the purposes of project implementation.

Developer

~~It is anticipated that the~~The Authority will own the Events Center and co-develop the Events Center with ~~OEDMOEEC~~ or an affiliate thereof. Construction will be coordinated between the Authority, ~~OEDMOEEC~~ and/or its affiliates, including but not limited to the Detroit Red Wings organization, and, if and as necessary, the City. ~~In the event that the Detroit/Wayne County Stadium Authority or other building authority formed under Act 31 of 1948 owns the Events Center or a portion thereof as contemplated above, such building authority would also be involved in the development and coordination of construction of the Events Center.~~

Location, Extent and Character of Proposed Improvements

The Events Center will generally be located west of Woodward Avenue and east of ~~existing and vacated alleys west of Park Street's existing location~~Cass Avenue, commencing at ~~the service drive for the I-75 Fisher Freeway~~vacated Henry Street and continuing north to ~~Temple~~vacated Sproat Street, as shown in the map attached hereto as Exhibit B to Section 407.11 (the "EC Project Area"), covering approximately ~~23.2~~12.87 acres of generally vacant and underutilized land.

The EC Project Area may be amended from time to time by means of a resolution adopted by the Board of Directors of the Authority. ~~In the event that the Events Center is owned by the Detroit/Wayne County Stadium Authority or other building authority or public entity as contemplated above, at the time of any such amendment, a resolution approving such amendment would also be required of the Board of Directors of such authority.~~

The Events Center will feature a NHL regulation ice rink and practice rink, NBA regulation basketball court, and all fixtures, equipment and amenities customarily found in a first class professional sports and entertainment complex. The Events Center is planned generally as an approximately 650,000 square foot NHL and NBA caliber arena with approximately ~~1820,000~~1,200 seats, ~~including approximately 1,200 premium seats. Plans include construction of.~~ The Events Center will include an attached car parking deck located within the EC Project Area, estimated to accommodate ~~5001,100~~ parking spaces. The ground floors of the buildings located within the EC Project Area, including of the attached parking garage, will feature approximately ~~1040,000~~ square feet of retail space featuring a team store, restaurants and other retail. Such retail will be open to the public during appropriate days and hours, including when the Events Center is not being used for events. It is estimated that modifications to the Events Center in order to meet NBA requirements and otherwise accommodate the Detroit Pistons will cost at least \$34,500,000.00.

Project implementation will impact a majority of structures within the EC Project Area and may require demolition of certain structures to accommodate construction of the Events Center. The existing street grid and block layout of the EC Project Area may be altered in order to facilitate access to the new uses and to facilitate vehicular and pedestrian circulation throughout the area. It is anticipated that major streets leading into the area will receive streetscape, curb and sidewalk improvements. Further detail on possible changes to the current streets and rights of way to accommodate the Events Center is set forth in Section 404.1.1.

Events Center Estimated Cost ——— ~~\$450~~\$862,900,000,000¹

Source of Funds

Source of Funds²

Private:	\$188,412,775 ³	<u>\$538,800,000</u>
Public:	\$261,587,225	<u>\$324,100,000</u> ⁴

The costs of constructing the Events Center will be paid from ~~money deposited into a fund to be established by the Michigan Strategic Fund (“MSF”) (the “Events Center Fund”), the following sources,~~ which funds ~~will be~~ controlled by a bond trustee and disbursed ~~to ODM (or its affiliate)~~ as construction progresses in accordance with the EC CMA. ~~The sources: (i) proceeds of the 2014A Bonds; (ii) proceeds of the Events Center Fund will include: (i) 2014B Bonds; (iii) proceeds of the Series 2017 DDA Bonds, if any; and (iv) funds in the amount of \$34,750,000 that the Authority has obtained as a result of property tax capture, continues to hold held as of December, 2014, and is was authorized by MCL 125.1651 or by the State of Michigan to contribute to the Events Center Fund, currently estimated at \$31 million⁵; and (ii) proceeds from one or more series of revenue bonds (the “EC Project (“Existing Catalyst Revenues”)).⁷ In addition, any costs of the Events Center in excess of the above-referenced sources will be paid by OEEC or its affiliate pursuant to the terms of the EC CMA.~~

~~The EC Tax Increment Revenue Bonds²) to will be issued secured by the MSF and/or the Authority. Funds from other public or private sources for application to pay costs of infrastructure in or around the EC Project Area and funds committed by Wayne County (if any) may also be deposited in the Events Center Fund, to the extent available.~~

¹ ~~The Events Center includes the arena, a parking garage and adjacent buildings and improvements with restaurant, retail and concessionaire office space.~~

² ~~Amounts indicated represent the present values as of July, 2013 of sources of private and public funding over the term of the EC Revenue Bonds, discounted at a rate of approximately 5.91%.~~

³ ~~Amount includes land acquisition and other project related costs by ODM for privately owned parcels included in the EC Project Area.~~

⁴ ~~Amount includes \$250,000,000 par value of Series 2014A DDA Bond, proceeds of \$34,500,000 from Series 2017 DDA Bonds, \$34,750,000 in Existing Catalyst Revenues, and \$4,850,000 in estimated net closing costs and debt services reserves for Series 2017 DDA Bonds and refunding of Series 2014A DDA Bond and Series 2017 DDA Bonds anticipated prior to January 1, 2019.~~

⁵ ~~Such funds are comprised of Catalyst Project Revenues held by the Authority prior to the date of the 2013 Plan amendment and attributable to periods from and after July 1, 2010, deemed to be attributable to such periods or otherwise authorized by the Michigan Department of Treasury.~~

⁶ ~~It is possible that \$25 million rather than \$31 million may be available from existing tax capture for such use. In the event that the amount of available funds is so reduced, additional private funding from ODM in the amount of such reduction will be added to the project.~~

⁷ ~~Such funds are comprised of Catalyst Project Revenues held by the Authority prior to the date of the issuance of the 2014A Bonds and attributable to periods from and after July 1, 2010, deemed to be attributable to such periods, or otherwise authorized by the Michigan Department of Treasury.~~

~~It is anticipated that the EC Revenue Bonds will be repaid over a period not to exceed 30 years from the following sources:~~

~~An irrevocable~~ pledge by the Authority of those tax increment revenues described in MCL 125.1651(cc)(vi) (the “Catalyst Project Revenues”) ~~of approximately \$12.8 million and up to \$15 million annually~~ and its local tax increment revenues and will be repaid from the following sources:

1. ~~An irrevocable pledge by the Authority of the Catalyst Project Revenues~~ as authorized by MCL 125.1664(6).
2. A contribution of \$64.5 million by the Authority from its local tax increment revenues, payable pursuant to a schedule ~~to described in the EC CMA, as may be determined~~ amended by the Authority ~~and the bond trustee from time to time~~. This amount will include all tax increment revenues attributable to Wayne County taxes in the 2013 Expansion Area for the duration of the EC Revenue 2014A Bonds, currently estimated at approximately \$4,740,000.
3. ~~\$11.5 million annually payable by ODM (or its affiliate).~~

ODM

The Series 2014B DDA Bond is secured by and will be repaid from certain concession fees payable to the Authority by OEEC under the EC CMA, which, over the term of the 2014B Bonds average approximately \$11.5 million annually.

OEEC, or its affiliate, shall be solely responsible for any construction cost overruns relating to the construction of the Events Center. The obligations of the governmental parties with respect to debt service on the EC Tax Increment Revenue Bonds shall not exceed the amounts specified above.

~~It is anticipated that ODM~~OEEC (or its affiliate,) will be primarily responsible for paying the operating and maintenance costs of the Events Center. However, beginning ~~four years following the issuance of the EC Revenue Bonds in 2018~~, a reserve for ~~maintenance and capital improvements~~ repairs to the Events Center will be established from the above described sources and the sum of \$500,000 per year, to be shared equally by the Authority and OEEC, escalating at the rate of 4% per year, will be placed in this reserve.

Estimated Completion Date

Construction of the Events Center is anticipated to be completed by September 2017.

407.11.2 EC Ancillary Development Project

Project Description

As part of the Catalyst Development Project, other projects involving the development, redevelopment, rehabilitation and repurposing of existing buildings and vacant lands located in portions of the Catalyst Development Area outside of the boundaries of the Events Center are proposed (the “EC Ancillary Development Project”). The construction and development of the Events Center will give impetus to other mixed-use development in the Catalyst Development Area.

The City and the EDC ~~will convey~~conveyed to the Authority their respective properties located within the Catalyst Development Area and described in Section 406.2.2 of the Plan for a nominal cash amount and other valuable considerations for the purposes of project implementation. ~~Such properties will be held by the Authority for development. Such properties will be held by the Authority for development and transferred to Olympia Development of Michigan, LLC (“ODM”) or its affiliate pursuant to a Master Development and Reimbursement Agreement (“MDA”) between the Authority and ODM. In addition, any properties transferred to the Authority for the Events Center Project which ultimately are not included in the final configuration of the Events Center Project, including air rights, will be transferred to ODM under the MDA. Properties transferred to ODM by the Authority under the MDA must be subject to development proposals approved by the Authority within five (5) years following the completion of the Events Center, except that certain properties along Woodward Avenue must be subject to a development proposal approved by the Authority prior to December, 11, 2017.~~

Developer

It is anticipated that independent developers and/or owners of private property, including but not limited to ODM or its affiliates, will participate in the EC Ancillary Development Project. ~~In addition, with respect to any properties owned by the Authority, it is anticipated that~~In the event that ODM (or its affiliates) submits, and the Authority approves, development proposals with an aggregate investment of at least \$200 Million within five (5) years following the completion of the Events Center, and actually completes such projects, the Authority will reimburse eligible development costs of up to \$74 million from available Catalyst Project Revenues, after the payment of all obligations payable with respect to the EC Tax Increment Revenue Bonds. With respect to any properties owned by the Authority or for which ODM seeks the above-described reimbursement, the Authority would enter into development agreements with private developers, which may include ODM or its affiliates, with respect to the development of such properties.

Location, Extent and Character of Proposed Improvements

Development projects could be located anywhere within the Catalyst Development Area outside of the Events Center. Such projects may include retail, office, business, business innovation, housing, and education projects.

Certain projects currently under consideration include the following:

- New construction at Woodward near Sproat consisting of approximately 105,000 square feet of office and 35,000 square feet retail;
- Approximately 25,000 square feet of Office/Retail on Woodward;
- Detroit Life Building Renovation consisting of approximately 3,645 square feet of retail and 35 residential units;
- Blenheim Building Renovation consisting of approximately 1,833 square feet retail and 16 residential units;
- 1922 Cass Renovation consisting of approximately 70,000 square feet of office;
- New parking deck to accommodate approximately 700 cars, with approximately 15,000 square feet ground floor retail; and
- Approximately 20,000 square feet footprint for new hotel and retail.

However, after the feasibility of these and other projects are assessed by the Authority and potential developers, different projects acceptable to the Authority may be substituted for these projects. ~~In addition, subject to~~

~~Since the approval of 2013 amendment~~ the Authority ~~and MSF, other~~ approved the following projects ~~consisting pursuant to the MDA:~~

- ~~In September of 2016 the DDA Board of Directors approved the proposed development or redevelopment of other vacant properties or abandoned buildings within the Catalyst Development Area may be identified plans for a new building to expand the Little Caesars headquarters. The proposed 234,000 square foot mixed use development is located at a later date Columbia and Woodward and funded will have eight floors of office space and 24,000 square feet of ground retail floor space. In addition, the proposed plans include a sky walk connecting the new development to the Fox Theatre. Columbia street will be vacated to develop a pedestrian friendly “Festival Street.” Total investment is estimated at \$150 million. This investment is expected to be attributed to ODM’s \$200 million commitment set forth in the MDA.~~
- ~~In September of 2016 the DDA Board of Directors approved the proposed development plan related to the property located at Henry and Cass for the development of a new seven story above-grade parking structure with Catalyst Project Revenues. approximately 530 spaces and 7,000 square feet of ground floor retail on Henry Street. The investment is estimated at \$24.4 million. This investment is expected to be attributed to ODM’s \$200 million commitment set forth in the MDA.~~
- ~~In July of 2016 the DDA Board of Directors approved the proposed development plan relating to the property located at 2771 and 2743 Woodward for the development of a new 120,000 square foot school of business for Wayne State University to be known as the Michael Ilitch School of Business. Total Investment is estimated at \$59 million. This investment will not be attributed to ODM’s \$200 million commitment set forth in the MDA.~~

It is also anticipated that a new DTE substation described in Section 404.5.3.1(a) of the Plan will constitute a component of the EC Ancillary Development Project. Infrastructure projects, to the extent such projects support new developments projects in the Catalyst Development Area, are also contemplated as part of the EC Ancillary Development Project. By way of example only, infrastructure projects may include the construction of an elevated pedestrian bridge over the Fisher Freeway, located at Park Avenue or Clifford Avenue, the widening of the Woodward Avenue bridge over the Fisher Freeway, and/or other similar streetscape projects, including those described in Section 404.1.1 of the Plan.

Estimated Cost

The exact ~~cost of investment to be made in~~ the EC Ancillary Development Project is not currently known, but ~~is~~ estimated at least ~~\$200~~\$259 million¹.

~~Source of Funds~~

¹ ~~This number represents the \$200.0 million commitment set forth in the MDA (of which an aggregate of \$174.4 million has been committed as of the date of the drafting of the 2017 Plan amendments for the expansion of the Little Caesars headquarters and Henry Street garage) as well as the expected \$59.0 investment in the Michael Ilitch School of Business, which project is part of the EC Ancillary Development Project but is not attributable towards the \$200.0 million commitment.~~

Source of Funds

Private: \$~~177~~185.0 million pursuant to a commitment by ODM or its affiliates to invest, or cause other private parties to invest, such amount in the EC Ancillary Development Project.

Public⁴: Approximately \$~~23~~74.0 million² in Catalyst Project Revenues, estimated to be the amount of Catalyst Project Revenues over the term of the ~~EC Revenue Bonds Plan~~ in excess of those pledged for purposes of debt service on the EC Tax Increment Revenue Bonds.

Additional public funds yet to be determined for specific projects³.

Estimated Completion Date: To be determined

⁴ ~~Represents present value as of July, 2013 of \$62 million in Catalyst Project Revenues estimated to be collected over the term of the EC Revenue Bonds, discounted at a rate of approximately 5.91%.~~

² This amount has increased from \$62 million since the 2013 Plan amendments pursuant to an agreement reached by the DDA, ODM, MSF, and the City prior to the approval by Detroit City Council of the 2013 Plan amendments but after the 2013 Plan amendments were formally submitted to the Detroit City Council for approval.

³ Such public funds may include tax increment revenues reallocated from other projects, upon approval of the Board of Directors of the Authority, as permitted by the Plan.

CATALYST DEVELOPMENT PROJECT
Sources and Uses of Funds¹

Events Center²:

Land acquisition costs, preliminary site work and construction of Event Center

	Private Financing (ODM)		\$188,412,775 <u>538,800,000</u>
	Public Financing		\$261,587,225 <u>324,100,000</u>
	Existing Catalyst Project Revenues	\$ 31,000 <u>34,750,000</u>	
	Catalyst Project Revenues Commencing 12/2013 Series 2014 DDA Bond Wayne County tax increment revenues in 2013 expansion area Proceeds from Series 2017 DDA Bonds Other tax increment revenues <u>Estimated net closing costs and debt service for 2017 and 2018 bond issuances</u>	\$206,244,442 <u>250,000,000</u>	
		\$ 1,717,277 <u>34,500,000</u>	
		\$ 22,625,506 <u>4,850,000</u>	
	Events Center Subtotal		\$450,000 <u>862,900,000</u>

EC Ancillary Development Project:

Land acquisition, demolition, construction, rehabilitation, infrastructure for EC Ancillary Development Project

	Private Financing		\$ 177,028 <u>185,000,000</u>
	Public Financing		\$22,972 <u>74,000,000</u>
	EC Ancillary Development Project Subtotal		\$200 <u>259,000,000</u>

Overall Catalyst Development Project

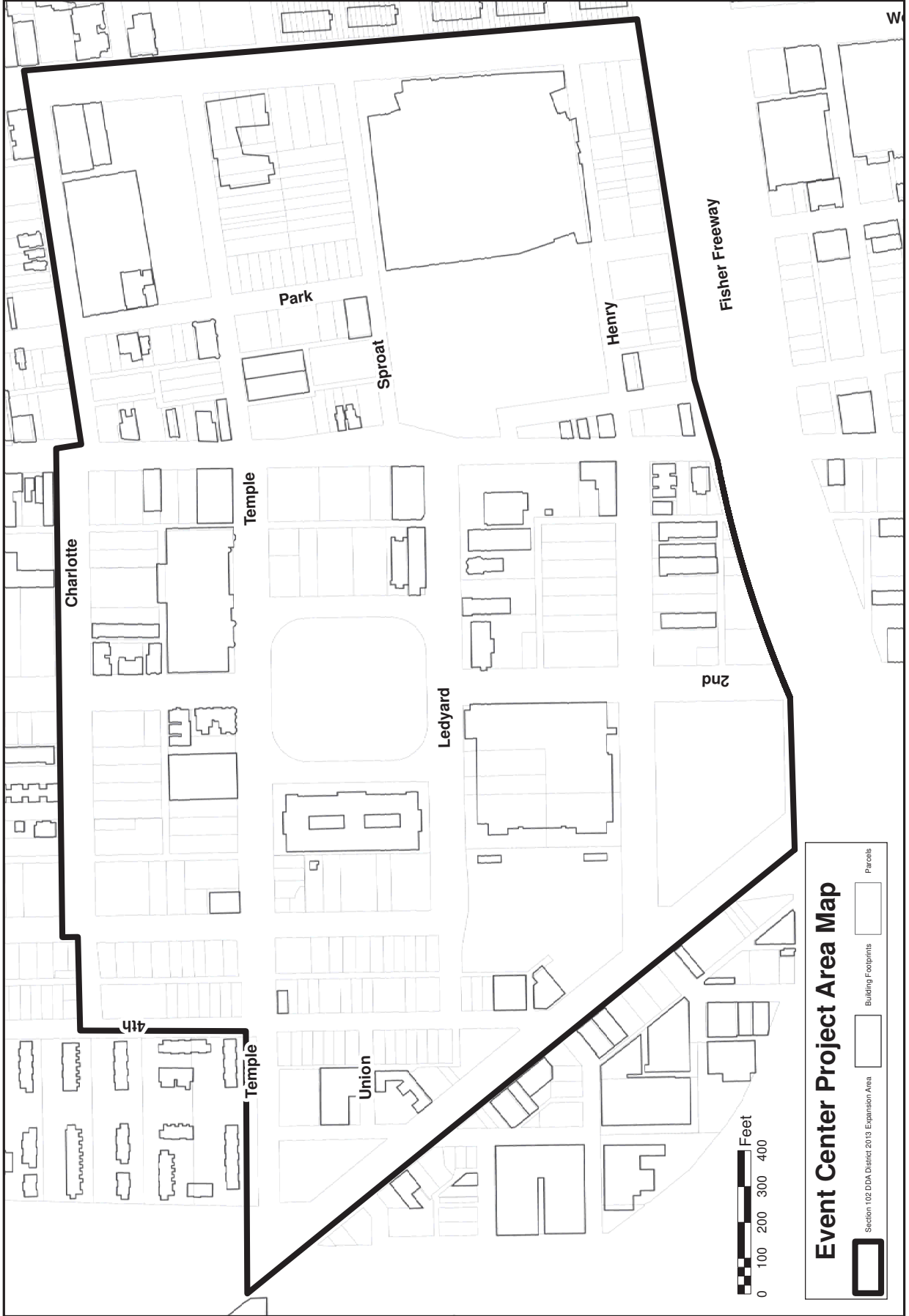
	Private Financing		\$ 365,440,775 <u>723,800,000</u>
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¹ Private and public funding for Event Center construction and public funding for the EC Ancillary Development Project represents the present value as of July, 2013 of sources of such funding sources over the term of the EC Revenue Bonds, discounted at a rate of approximately 5.91%.

² The Events Center includes the arena, a parking garage and adjacent buildings and improvements with restaurant, retail and concessionaire office space.

	Public Financing	\$ 284,559,225 <u>398,100,000</u>
Catalyst	Development	
Total	Project	\$650,000<u>1,121,900,000</u>

City of Detroit Downtown Development Authority Exhibit B to Section 407.11



City of Detroit

Downtown Development Authority
 1000 Griswold Street, 12th Floor
 Detroit, Michigan 48226
 Phone: (313) 963-2942
 Fax: (313) 963-3838



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 Detroit, MI 48226
 P: (313) 962.4442
 F: (313) 962.5068
 www.giffelswebster.com

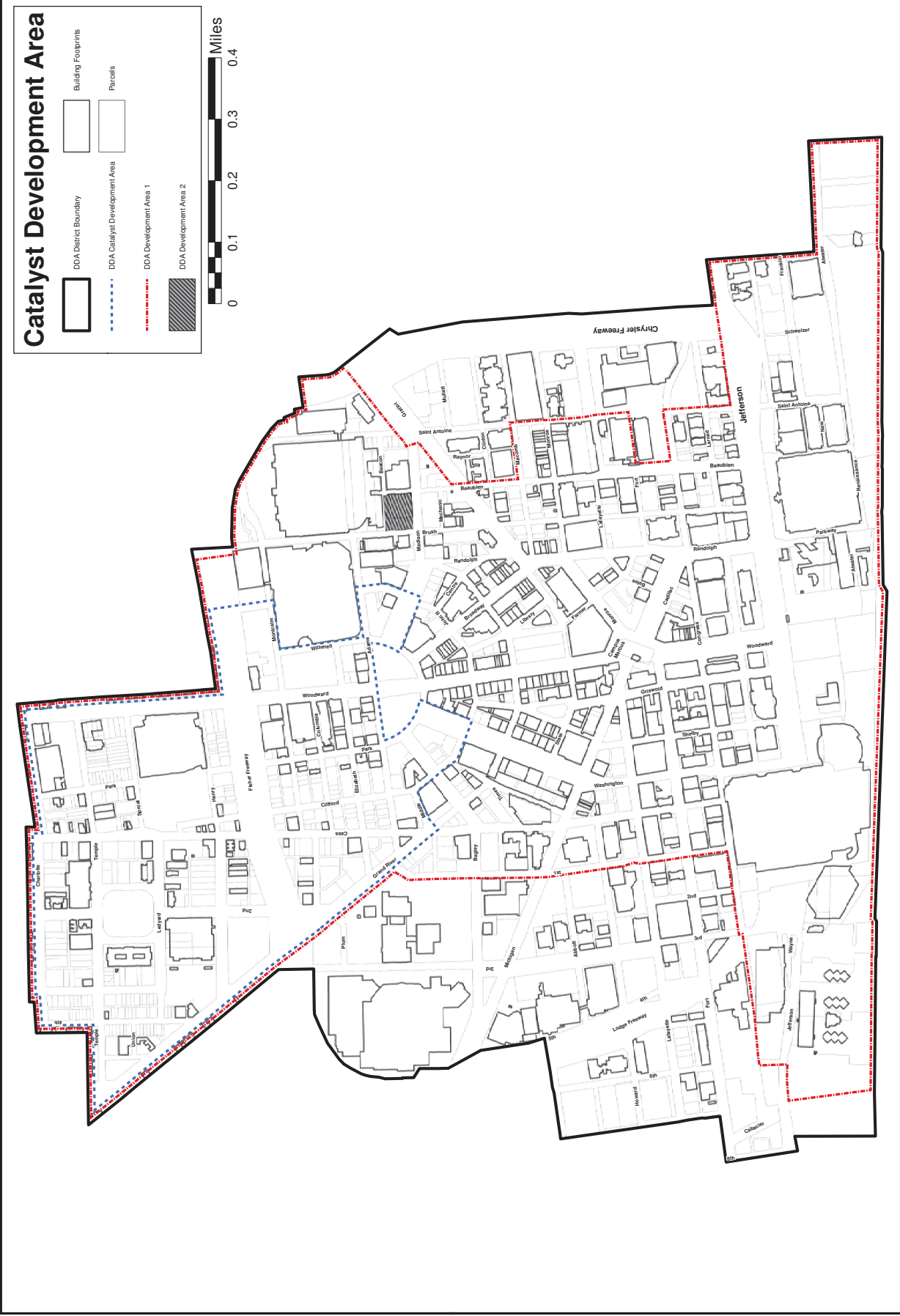
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Event Center Project Area Map

- Section 102 DDA District 2013 Expansion Area
- Building Footprints
- Parcels



City of Detroit Downtown Development Authority Exhibit A to Section 407.11



407.12 Description of Desired Changes in Streets, Street Levels, Intersections and Utilities

It is anticipated that some changes in streets and utilities may occur, primarily in the retail-commercial core area, to permit consolidation of ownership parcels for redevelopment purposes. Alley vacations were accomplished in the Robert L. Millender (currently the Renaissance City Apartments) and Trolley Plaza (currently the Detroit City Apartments) project sites, and removal or relocation of minor utility lines in these alleys was necessary. Street alley vacations or conversion to easements and some utility relocations occurred in the Greektown Area, the Cobo Hall/Convention Facilities Area, and the 500 Woodward development. Street alley vacations or conversion to easements and some utility relocations are expected to occur in the development site of the Tiger/Lions Stadia. Street and alley vacations, relocations or conversion to easements and some utility relocations are expected in connection with the EC Project Area.

The Kennedy Square Garage will be demolished for redevelopment purposes, along with certain appurtenant roads and other public improvements within the Campus Martius Redevelopment Project.

Street changes are described in detail in Section 404.1.1 - Location Extent and Character of Proposed Streets.

408 PUBLIC COST AND PUBLIC FINANCING OF THE DEVELOPMENT PROGRAM

408.1 Estimate of the Public Cost of the Development Plan

~~A Project Cost for implementation of the Development Plan has been projected and is shown in Table 1- Table 1 shows the total costs funded by the Authority, excluding debt services for the TIF Bond, to be \$1.66 billion. Of this amount \$15.55 million represents interest payment for financing obtained by the Authority. The financing included \$32.0 million made available under the HUD Section 108 Loan Guarantee Program. The balance of other public funds needed, \$434.28 million will be funded by loans/grants from various Federal agencies. In addition, the DDA has raised approximately \$219.3 million of tax increment bonds with total debt service of approximately \$498.15 million. Further, the City of Detroit issued \$15.0 million limited tax obligation bonds to fund the Tiger/Lions Stadia Complex. The bonds will be paid back to the City by DDA tax increment revenues in accordance with Section 16(I) of the DDA Act., excluding financing costs incurred by the Authority for loans or bonded indebtedness. Table 1 shows the expected total project costs, including a breakdown of costs anticipated to be funded by the Authority, other public sources and private sources.~~

A detailed explanation of project costs for each ~~of project contemplated by~~ the action areas Plan is provided in Section 407. Individual project costs are delineated on a line-item basis, with the allocated use of public funds specified on that basis. However, the Authority may from time to time deem it necessary to alter the line-item allocations of tax increment funds within various project budgets to fulfill the requirements of the Plan, and may effect same with approval of its Board of Directors, provided such does not increase the Authority's overall funding obligation to the Plan. In addition, all revenues and expenditures included in the individual project budgets, as well as in ~~Table No. 3~~ Tables 3A and 3B, represent best estimates of the Authority's staff at the time of preparation of the Plan and its subsequent amendments. An annual ~~costs and revenues~~ breakdown of tax increment revenues and expenditures for the duration of the ~~financing program~~ Plan is included in ~~Section 408.2~~ Tables 3A and Table 3B.

408.2 Statement of the Proposed Method of Financing the Development Plan

The Authority is authorized to finance the implementation of this Development Plan with funds from a variety of sources. A description of public funding sources, together with project costs associated with each source, is presented in Table 2.

The sources of the public funds, which are expected to be available for the financing of project costs associated with the Development Plan listed in Table 2, are described briefly below.

Tax Increment Financing

The tax increment revenues available to the Authority under the Downtown Development Authority Act first became available after the adoption of this Development Plan by the Detroit City Council in 1978. Since the adoption of the initial Plan of 1978, taxes levied for all taxing jurisdictions encompassing the Development Area shall continue to be paid over the years to the respective taxing agencies on the basis of the assessed value of all property within the Development Area as shown on the last equalized assessment roll at the time of adoption of the Plan. Subject to the DDA Act, the taxes on any increase in total assessed value are to be paid to the Authority and will be used to pay development costs and to pay the principal and interest on any indebtedness incurred by the Authority during the implementation of the Development Plan.

EDA - Title I

The Economic Development Act ("EDA") Title I was enacted by Congress to enable localities to establish and maintain a high level of economic activity. The program, administered by the Economic Development Administration, provides funds in the form of loans and grants to be used for the acquisition and development of land. To be eligible, the project must have the potential of creating long-term employment opportunities, particularly to unemployed and low-income families.

EDA - Title IX

Title IX of the Economic Development Act is intended to provide special economic development assistance to cities that have experienced a dislocation in the local economy due to action of the Federal government or arising out of long-term economic deterioration. One of the eligible uses of funds under this program is for business development by providing incentives in the form of loan guarantees, payments to reduce interest on loans, etc.

UDAG

The Urban Development Action Grant ("UDAG"), part of the CDBG, is intended mainly to encourage private sector investment in economically distressed urban areas. Grant assistance to commercial and industrial projects that are designed to strengthen or expand the economic base of a city that falls in the category of "economically distressed" are therefore eligible uses.

FAUS

The Federal Aid to Urban Systems Program ("FAUS"), administered by the Federal Highway Administration of the Department of Transportation, provides funds for construction projects that serve to improve surface transportation in urban areas. Activities eligible for funding under this program include widening lanes, resurfacing, separation of intersections, etc.

UMTA

The Urban Mass Transit Administration ("UMTA") administers the Urban Initiative Program that was established to provide funding for mass transportation projects that enhance economic development. One of the specific goals of the program is to stimulate new employment using the long-term unemployed and disadvantaged by increasing the level of economic activity in urban areas.

CDBG

Community Development Block Grants ("CDBG") are to be used primarily for community development that includes economic development. Funds allocated under this program can be used to implement projects that have the potential of expanding economic opportunities to low and moderate-income families.

Alternative Funding Sources

In the event that project costs of the Development Plan increase or otherwise change from those presented in Table 2, or in the event that sources of financing similarly identified are subsequently determined to be unavailable, inappropriate or inadequate in the opinion of the Authority, the DDA is authorized to modify the allocation and timing of disbursement of its development funds and to finance the Development Plan with funds from a variety of other sources including:

Additional tax increment revenues that may be generated annually within the Development Area can provide two kinds of income:

Revenues generated annually that can be used as cash and/or for debt service;

Sale of tax increment bonds to be redeemed by tax increments generated over the life of the issue.

Sale of the revenue bonds to be redeemed by revenues from Authority properties which may be leased or which may produce income in some other manner.

Other Community Development Block Grants and HUD Section 108 Loan Guarantees designated by the City for Downtown Development Authority land acquisition and related economic development activities.

Other federal grants which may be sought when activities of the Authority appear to be eligible for such grants.

Other local or state grants and assistance.

Other means authorized in the State Act.

In addition, from time to time available tax increment funds may be advanced temporarily by the Authority to pay for certain project costs for which other public funds identified in Table 2 have been designated. The use of tax increment funds in this manner may be required because certain public funds may not be available at the time that project costs to be paid for from these sources are incurred. When tax increment funds are temporarily advanced to any project, they will be repaid from other public funds when such funds become available.

Public costs identified in the financing program of this Development Plan are expected to be funded in part from tax increment revenues. It was anticipated that most development costs would occur during the first thirty-five (35) years of the program and that revenues generated during this time will not meet expenditures on a year-by-year basis. Therefore, revenues to meet these costs were supplemented primarily from approximately \$32.0 million (\$16.0 million for Millender Center, \$16.0 million for One Detroit Center) made available as a result of a Section 108 loan guarantee obtained by the City from the Department of Housing and Urban Development and bonded indebtedness in the maximum amount of \$250.0 million. That bonded indebtedness shall be utilized by the Authority to: (1) refund tax increment bonds issued by the City or the DDA; (2) make the necessary deposit to the debt service reserve fund for said bonds; (3) pay the costs for issuance of the bonds; and (4) make the following project allocations: (a) \$40.0 million for the Tiger Stadium Project; (b) \$26.8 million to the Land Assemblage Program; (c) \$15.0 million to the East Riverfront Improvements Project; (d) \$2.0 million to the Riverfront Promenade Project; (e) \$1.8 million to

the Harmonie Park Development for public site improvements; and (f) the balance of approximately \$34.3 million will be used to partially fund the DDA's contribution to the Campus Martius Redevelopment Project. The City of Detroit has issued \$15.0 million in limited tax general obligations bonds to partially finance the Tiger/Lions Stadia Complex. It is further anticipated that all bond funds will be available to the Authority for the financing of the Development Plan and that all principal and interest costs will be repaid by the Authority from tax increment revenues over a 65 year period. ~~In the event that the Authority issues the EC Revenue Bonds, the maximum bonded indebtedness will increase by the amount of such bond issue, anticipated to be \$450 million, and such bond funds shall be used to finance the construction and development of the Events Center.~~

~~In December, 2014, the Authority issued its bonds to the MSF to secure the 2014A Bonds in the amount of \$250,000,000 and 2014B Bonds in the amount of \$200,000,000 in connection with the Events Center Project. It is anticipated that the Authority will issue its Series 2017 DDA Bonds in 2017 to generate an additional \$34.5 Million in proceeds to support additional costs of the construction of the Events Center in connection with the commitment of the Detroit Pistons to relocate the Pistons home arena from the Palace of Auburn Hills to the Events Center. It is further anticipated that the Authority will issue additional tax exempt tax increment bonds prior to January 1, 2019 to refund the indebtedness represented by the Series 2014A DDA Bond and the Series 2017 DDA Bonds. Following such bond issuances, the maximum bonded indebtedness of the Authority represented by EC Tax Increment Revenue Bonds will be no higher than \$310 million.¹ In the event that financial market conditions permit the sale of an increased amount of Tax Increment Bonds to replace the Section 108 loan for One Detroit Center, the Authority is permitted to make the appropriate adjustments to tax increment disbursements to accommodate the increased debt service requirements. In October of 1987, the DDA Board requested, and the City Council approved, an advance of \$7 million in tax increment funds from the City of Detroit. The advance represents the City-only portion of tax increment revenues, and will be re-paid from DDA tax increment receipts over the next several years. Interest accrues at six (6%) percent simple interest annually. The funds were used for the Theater District Project as provided under the Plan.~~

In the event that funds are not obtainable for the acquisition of the Monroe-Randolph-Brush-Fort parcels as herein proposed, the \$2 million Greektown commitment as provided for in the amended Plan approved by the Detroit City Council on December 7, 1984, shall remain intact.

~~Table 3 compares~~ Tables 3A and 3B compare the estimated Authority funded costs of financing the Development Plan with projected general tax increment revenues available to the Authority with respect to Table 3A and with projected Catalyst Project Revenues available to the Authority with respect to Table 3B through the duration of the financing program (estimated to ~~be 1978-1979 to 2044-2045~~ 2050-2051). This is the period during which most of the Authority's financing costs associated with the Development Plan are expected to occur. In addition, the Authority is obligated to a \$250,000 (in 1999 base year dollars) continuing allocation for the Tigers Stadium project up to fiscal year 2034-2035, or through fiscal year 2050 – 2051, assuming the Tigers exercise all available renewal terms under the Authority's Concession and Management Agreement with the Tigers. Funding by the Authority of private developments to the extent allowable by the DDA Act 197 as amended, is subject to the availability of funds, and the negotiation and execution of development agreements between the Authority and the private developers. Table 2 shows that, using tax increment financing, it is possible to cover all projected costs. ~~Table 3~~ Tables 3A and 3B illustrates that on a year-by-year basis, the estimated flow of revenues from tax increment will be sufficient to make all required payment for the use of Section 108 funds and the tax increment bonds.

¹ The maximum EC Tax Increment Revenue Bond indebtedness of \$310 million is comprised of amounts anticipated to be necessary prior to January 1, 2019 to (1) refund the Series 2014A DDA Bond and the Series 2017 DDA Bonds; (2) make any necessary deposits to the debt service reserve and capitalized interest funds for said bonds; (3) pay the costs for issuance of the bonds; and (4) fund other lawful purposes under the Act and the Plan; provided, however, that such maximum does not include original issuance premiums.

Finally, costs for survey and planning, issuance of bonds, notes or other obligations, and other aspects of administration of the Authority and its project activities have and will continue to come from proceeds of the ad valorem tax on real and personal property within the Downtown Development Authority District.

It is the purpose of this Plan to provide developers with incentives for investment in the key projects needed to revitalize the downtown. Therefore, values for property rights and agreements for development will be established after the City and the Authority have considered development proposals made by developers, the uses and densities proposed, the benefits to be derived by the City through implementation of the proposals, and the extent to which it is necessary to provide developers with financial incentives.

After identification of developers, and after negotiations with them and with public agencies being served by various proposed facilities, it may prove desirable to enter into revenue generating leases and agreements which will provide additional funds that can be employed in existing and future projects or programs of the Authority.

408.3 Statement of the Ability of the Authority to Arrange the Public Financing of the Development Plan

As shown by the tables in Section 408.1 and 408.2, adequate funds are expected to be available from various grants and from tax increment revenues to fund the public costs of the Development Plan. The tax increment revenues are derived from properties already existing with the tax increment area. Projection of tax revenues on such existing properties can be quite reliable. Projected revenues are enhanced with additional tax revenues to be generated from new projects financed through this Tax Increment Financing Plan.

Other revenues, from FAUS, EDA, HUD, UMTA, and the State, appear at this time to be readily available. Furthermore, certain probable revenues from payment of certain construction costs by developers and from sale or lease of Authority properties have not been included in the projections, although they could to some extent be used to reduce the need to depend upon tax increment financing.

It therefore appears certain that the Authority has the ability to arrange the public financing of the development program contingent upon approval of the various federal and state grants being sought.

