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DEC 02 2010
Detroit RiverFront Conservancy

November 29, 2010

Ms. Faye Alexander Nelson
Detroit Riverfront Conservancy
600 Renaissance Center
Suite 1720
Detroit, MI 48243

Re: Issues of concern to the City of Detroit, the Detroit Economic Growth Corporation ("**DEGC**") and the Detroit Riverfront Conservancy ("**DRFC**")
Status as of November 19, 2010

Dear Ms. Nelson:

The purpose of this letter is to briefly outline both the City of Detroit's and Detroit Economic Growth Corporation's understanding of the basic outstanding issues and/or concerns regarding the Detroit Riverwalk and Riverfront developments.

A. Development Issues

1. Discontinuities in the RiverWalk:

Coast Guard:

Status:

- United States Coast Guard ("**USCG**") received appraisals from the Detroit Economic Development Corporation (the "**EDC**") on August 10, 2010
- The EDC delivered a re-drafted Exchange Agreement to the USCG on October 15, 2010. A subsequent conference follow-up discussion among the principals and attorneys still presented differences in expectations for the Agreement, related to "As remediated" and "As is" conveyance requirements; clean up protocols; and which entity or authority will assume responsibility for certifying that the remediation effort has been completed.

Next Step: Representatives of EDC and USCG, along with representatives of the MDNRE, discussed these issues the week of November 15th, 2010.

Uniroyal:

Status:

- Two Remediation Agreements have been executed by the former property owners (Responsible Parties or "**RP's**"), Bettis Betters Development ("**BBD**") the developer and the Detroit Brownfield Redevelopment Authority ("**DBRA**"), and the City of Detroit. These Agreements define the remediation responsibility and funding for approximately half of the Bellview development site.

Next Step: Additional negotiation is expected to start in December for remediation agreements for the balance of the Uniroyal site remediation. It is unknown how long this negotiation process will take. Other draft agreements between the State and the other parties are being circulated and modified, which after approval and execution, will permit the actual remediation to commence. The RP's are securing proposals now for the remediation design. The RP's expect to be able to put out a request for proposal to remediation contractors in Spring 2011, for an expected remediation process that will take place through 2011.

Holcim:

Status:

- The EDC is still withholding access to this site until the USCG issues are resolved (See Coast Guard discussion above).

Next Step: Awaiting the outcome of the Coast Guard transaction

2. **State Park Area:**

Status:

- Agreement has been reached on the legal description of the revised Delayed Possession Parcel.

Next Step: This Agreement will be incorporated in the Third Amendment to Riverwalk Lease, along with the amendments regarding the Gabriel Richard Park and Brodhead Armory parcels, discussed below.

3. **Vacation of Orleans Street:**

Status:

- City Law Department ("**CLD**" or "**City Law**") has filed a petition in circuit court to vacate Orleans. The State of Michigan Department of Natural Resources and Environment supports the petition; the Michigan Department of Transportation is neutral. These are the only state departments mentioned in the statute. However, the Assistant Attorney General representing these departments opposes the petition on behalf of the Department of Labor and Economic Growth unless the City re-plats under the Land Division.

Next Step: City Law is expected to obtain a ruling from the Court on the objections raised by the State DLEG office by December. The City has determined that if the Court finds that the State DLEG objections have merit, the City intends to drop its action to vacate Orleans, Act. The City is not willing to re-plat, based on considerations of cost, time, waste of resources, and establishing a bad precedent.

4. **Maintenance and Use Agreement for Atwater Right of Way:**

Status:

- A Maintenance and Use Agreement has been executed. It has not been presented to City Council, pending execution of the Fiber Optic License Agreement, now the Fiber Optic Maintenance and Use Agreement.

Next Step: The Fiber Optic Agreement is finalized, and is ready for execution. Both Agreements are expected to be simultaneously presented to Detroit City Council for approval.

5. **Gabriel Richard Parking and the Park:**

Status:

- Representatives of Detroit Recreation Department ("**REC**") and DRFC agree on the legal descriptions and surveys provided by DRFC.
- REC and DRFC have met and agreed to conceptual drawings produced by DRFC for the parking lot to be added to Gabriel Richard Park.
- REC and DRFC also met and agreed on leasing the balance of Gabriel Richard Park to the DRFC.

Next Step: REC has requested that DRFC transmit a set of the conceptual drawings, and a narrative regarding intended improvements and the intended programming for Gabriel Richard Park. This narrative is to be included in the

Third Amendment to Riverwalk Lease as an exhibit to the lease, along with the legal description and survey.

6. **Brodhead Armory:**

Status:

- City Planning and Development Department ("**PDD**") and REC and DRFC agree on the survey describing the rectangular shaped waterfront parcel that is located just south of the Brodhead development site.

Next Step: REC has requested that DRFC transmit a set of the conceptual drawings, and a narrative regarding intended improvements for the Brodhead parcel. This narrative is to be included in the Third Amendment to Riverwalk Lease as an exhibit to the lease, along with the legal description and survey.

7. **Civic Center Promenade:**

Status:

- The Maintenance and Use Agreement is nearly completed for the Civic Center Promenade.

Next Step: The City of Detroit Downtown Development Authority ("**DDA**") has requested the City to permit the DDA to permanently maintain the Civic Center Promenade. The City has agreed to this. The draft Maintenance and Use Agreement between the City and the DRFC for the Promenade will not be pursued, effective immediately.

B. **Miscellaneous Issues**

1. Primacy of City and DRFC in Planning; DRFC's Advisory Role. There must be a re-emphasis and continued commitment to the terms and understandings of the memorandum of understanding and the memorandum of cooperation developed among the City, the DEGC, and the DRFC, particularly that the City has final jurisdiction over district planning and decision making, the City has designated the DEGC as project manager, and the DRFC's role is advisory. While the City and the DEGC will consider advice and consultation from all stakeholders, the City must make the final decision on district planning and decision making. In furtherance of this commitment, the City and DEGC request that the DRFC agree to support the City/DEGC's decisions once they have been made and avoid any action that might be perceived as undermining those decisions. The City/DEGC will make the same commitment to decisions of the DFRC to which it agrees.

2. Recognition of Contributions by the City/DEGC. In conjunction with item B.1 above, there must be a continued emphasis of the City and DEGC's contribution to the Detroit Riverfront development process. One could be left with the impression that the City and the DEGC have done little in this development process if DRFC's documentation and web site information which has been developed and published, of late, is read literally. The City/DEGC has made $165 million in contributions and improvements to the DRFC and MDNRE, and the City / EDC has made over Two Hundred Million Dollars in total investments to the East Riverfront development. All of the public relations efforts, websites, public meetings, press releases, funding requests and branding items should acknowledge and reference this contribution and avoid creating the impression that the DRFC is driving development of the entire east and west riverfronts without contribution from any other parties, particularly the City/DEGC. The credits for development must recognize the City and DEGC's historical roles in development and transformation of the east riverfront. To avoid further misunderstandings on this front the City/DEGC would recommend that all published and distributed marketing and solicitation material include a credits and contributions section that the participants agree to update from time to time.

3. Grants. All State and Federal grant requests must be vetted through the City prior to the DRFC's pursuit of them. DRFC-targeted grant opportunities must not conflict with the City's priorities or interfere with earmarked funds that the City is pursuing. Public funds as are approved by the City and actually authorized by the state or federal government should be administered through, contracted by, and project-managed by DEGC or the City.

4. West Riverfront Easement Purchase. The DRFC must complete its commitment to the DDA to purchase a waterfront easement of 65 feet along the DDA's west riverfront parcel for $1.4 million, which was consideration for the DEGC foregoing a claim for the costs incurred for project management activities on the east riverfront.

5. Public Access.There must be a renewed commitment to ensuring, and assuring the public, that Detroit's riverfront will always be open to the public, and avoiding any suggestion or action that would lead to the impression that there is an effort to privatize and limit the public's access to the Detroit riverfront area.

6. Land Lease Conditions. With respect to all land leases, if there is a denial of public access by the DRFC to any land leased from or through the City or EDC for the Riverwalk, that land control will revert back to the EDC or the City for the City's administration of the property. Moreover, the EDC and the City reserve all naming rights and approvals for any organizational or personal acknowledgments of any nature, including but not limited to plaques, monuments, dedications, etc., with respect to any land that is leased from the EDC or the City to the DFRC.

7. New MOUs. The City / DEGC requires that a new and superseding memorandum of understanding be developed, that, again, reaffirms the DRFC's singular role as the Riverwalk developer and operator, and reaffirms the DRFC's role as ONLY advisory to the City / DEGC on any broader planning and development matters, and further requires City/ DEGC approvals for all DRFC purchased property proposed by DRFC to be designated as "public space" along the Detroit Riverfront.

Sincerely yours,

Saul Green, Deputy Mayor
City of Detroit

and

George W. Jackson, Jr.
President & CEO
Detroit Economic Growth Corporation