
UPDATE OF THE FAIRGROUNDS REDEVELOPMENT

December 12, 2012

The future redevelopment of the former Fairgrounds property continues to move forward. Below is an update on the current status of the project as well as a brief history.

History:

On May 18, 2012, the State of Michigan Land Bank Fast Track Authority (MLB) issued a Request for Proposals (RFP) for the redevelopment of the Fairgrounds property. The RFP was posted on MLB's website as well as on the websites of the Michigan Department of Technology Management and Budget (DTMB), the Michigan Economic Development Corporation (MEDC) and the Detroit Economic Growth Corporation's (DEGC).

The proposal selected to move forward through an anonymous process by the MLB Board of Directors was submitted by Magic Plus, LLC and includes a mixed-use development for the entire property that includes retail, residential, green space and entertainment uses. In addition, Magic Plus, LLC, proposes to renovate and utilize some of the existing buildings. This is a very preliminary schematic plan that will be thoroughly evaluated as the review process continues.

Ongoing:

The proposal continues to go through the 'due diligence phase', in which finances and overall project feasibility are being reviewed in detail, and additional information is requested as needed.

On November 15, a community meeting was hosted by the appointed Fairgrounds Advisory Committee at the Northwest Activities Center in Detroit. During this meeting, many community members spoke about wanting to see a more pedestrian friendly and oriented design on the site. Also, a group known as "META" presented a complimentary design for the site, hoping to obtain a collaborative meeting with the developer. Magic Plus, LLC has heard the communities' concerns and has indicated that they are willing to review the ideas brought forward. The Advisory Committee has stated that it is not promoting the META proposal in its entirety, but that the Committee would like to see a more thoughtful design created by the potential developer based on the input heard from the community not only at the meetings, but in general.

Next Steps:

As the project continues to move forward, a joint meeting between the Michigan Land Bank Board of Directors and the Fairgrounds Advisory Committee will be scheduled. The Fairgrounds Advisory Committee will present a summary of the topics addresses at the community meeting and through other meetings.

Once it is established that Magic Plus, LLC has the financial capacity to develop the site as proposed a legal team will begin work on a development agreement. To ensure the property is developed as planned, there will be appropriate legal agreements in place, as with any large scale development, that require benchmarks to be met by the developer, as well as penalties for not meeting benchmarks.

As stated in previous updates, while the level of activity may appear quiet at this time, the redevelopment proposal is being thoroughly reviewed by individuals who specialize in large scale development projects and who have the expertise in the intricacies of financial tools and other aspects of due diligence requirements.

As a note, any suggestions or concerns regarding the project or proposal are required to be submitted to the appointed Fairgrounds Advisory Committee, as they are the conduit to the Michigan Land Bank Board of Directors. Any concerns received in other ways will be routed to the Advisory Committee before any discussion occurs.

The MLB will continue to provide updates, as additional steps of the due diligence review are completed.

Kim Homan, Executive Director
Michigan Land Bank Fast Track Authority