



Terms of the Proposed Agreement

- The Detroit Pistons will play all Pistons Basketball home games at the Little Caesars Arena (“LCA”) beginning at the start of the NBA season in Fall 2017.
- In 2018, Pistons and Palace Sports and Entertainment will move its business operations, corporate headquarters, team practice facility and training facility into a new practice facility to be built in the City of Detroit, at a cost of between \$32 million and \$55 million dollars.
- City of Detroit Downtown Development Authority (“DDA”) agrees to contribute \$34.5 Million in additional bond proceeds, through a refinancing of the 2014 bonds, to be used for redesign and construction to modify Little Caesar’s Arena from a hockey facility to a joint NHL/NBA facility. The redesign and construction will include such additions as floor seating and related accommodations, NBA locker room and training facilities for the Piston and visiting teams, the rebranding of the facility for joint use, and several other modifications.
- No City of Detroit general fund dollars will be spent on the arena project.
- Any additional costs or cost overruns on the LCA will be paid entirely by the Detroit Pistons, the Detroit Red Wings, and their associated companies.
- The Pistons will be responsible for all costs relating to the development, construction, operation, and maintenance of the practice facility.
- The location of the practice facility has not yet been determined, but may be owned by the DDA, subject to a concession agreement with the Pistons.
- The DDA may play a role as a financing conduit for the practice facility if it is owned by the DDA, in that the DDA would issue taxable revenue bonds of up to \$55 Million to support the construction of the practice facility, which bonds would be paid solely from fees to be paid by Pistons to the DDA under a concession agreement.



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- DDA will amend its Tax Increment Financing and Development Plan (“DDA Plan”), last modified in 2013, in order to (i) reflect that the LCA will host NBA basketball in addition to NHL hockey, (ii) increase the DDA’s permitted bonded indebtedness to support the project, (iii) extend the DDA Plan from 2045 to 2048 for the purposes of modifying the LCA.
- Final governmental approval will be dependent on formal approvals anticipated in early 2017, including:
 - Detroit City Council approval of the DDA Plan
 - Michigan Strategic Fund approval of the DDA Plan
 - DDA Board approval of the DDA Plan and of the modified concession agreement, and bond financing
- It is anticipated that all requisite approvals will be in place by the end of the first quarter of 2017.
- Pistons agree to a 10 Point Community Benefits Plan:
 1. Detroit Pistons and Palace Sports and Entertainment will invest \$2,500,000 over six years in the construction, renovation and refurbishment of more than 60 basketball courts in parks throughout the City of Detroit in partnership with the City of Detroit’s Recreation department.
 2. Employment of at least 51% Detroit residents on the construction of the Practice Facility, as required by Executive Order No. 2014-4, or any subsequent executive orders.
 3. Awarding of at least 30% of the value of all construction contracts related to the Practice Facility to Detroit-based companies, as required by Executive Order No. 2014-5, or any subsequent executive orders.
 4. PS&E will use commercially reasonable efforts to maximize post-construction employment opportunities with PS&E for City Residents.
 5. PS&E will support workforce development initiatives for City Residents by donating \$100,000 to Detroit Employment Solutions Corporation.



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6. PS&E will partner with the Mayor's Office to provide mentorship opportunities for young City residents.
 7. PS&E will participate in the Grow Detroit's Young Talent summer jobs program.
 8. PS&E will host free youth basketball camps, clinics, and other events for City Residents to promote youth basketball and youth enrichment programs in the City.
 9. PS&E will provide 20,000 free tickets per regular season to Detroit youth and residents to attend NBA basketball games, in support of and in connection with community educational programs and initiatives.
 10. PS&E will appoint and maintain a liaison to meet, communicate, and engage regularly with the existing Little Caesars Arena Neighborhood Advisory Committee or, with respect to the Practice Facility if located on an Alternate Site that receives a tax abatement from the City, any other committee created by the City for purposes of engaging local residents with respect to the construction of the Practice Facility, consistent with the City of Detroit's community benefits ordinance, commonly known as Proposal B, regardless of whether the Practice Facility is considered to be a "Tier 1 Development Project" under such ordinance.
- Other provisions to enhance economic development in the area surrounding the arena:
 - The DDA Plan amendment will also reflect the DDA's prior commitment to increase the allocation of Catalyst Project Revenues to support surrounding private development from \$62 Million to \$74 Million, as originally agreed by the DDA in its resolution dated December 13, 2013.
 - The DDA Plan will be extended for an additional five years through 2053 to allow for additional investment in infrastructure and economic development in the area surrounding the arena.