



**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, MARCH 26, 2024 – 9:00 A.M.**

BOARD MEMBERS PRESENT:

Marsha Bruhn
Kwaku Osei
Damon Hodge
Thomas Stallworth
Linda Forte
Kimberly Clayson
Chris Jackson

BOARD MEMBERS ABSENT:

Clifford Brown
Antoine Bryant (Ex-Officio)
John Naglick (Ex-Officio)

**SPECIAL DIRECTORS
PRESENT:**

Hiram Jackson

**SPECIAL DIRECTORS
ABSENT:**

Dennis Archer Jr. (Attended via Zoom)

OTHERS PRESENT:

Jennifer Kanalos (DEGC/EDC)
Sierra Spencer (DEGC/EDC)
Brian Vosburg (DEGC/EDC)
Glen Long, Jr. (DEGC/EDC)
Rebecca Navin (DEGC/EDC)
Nasri Sobh (DEGC/EDC)
Medvis Jackson (DEGC/EDC)
Madison Schillig (DEGC/EDC)
Kevin Johnson (DEGC/EDC)
Sean Gray (DEGC/EDC)
JoMeca Thomas (DEGC/EDC)
Maxwell Cameron (DEGC/EDC)
Kenyetta Bridges (DEGC/EDC)
Ghebre Mehreteab (Music Hall)
Vince Paul (Music Hall)
Jarrod Smith (Dykema)
Alex Parrish (Honigman)
Geaneen Arends (Butzel)
Buzz Thomas (Activate Detroit)
John Skillern (Todd Williams)
Brandon Reed (MI Black Business Alliance)



OTHERS PRESENT (CONTINUED):

Leecia Barnes (MI Black Business Alliance)
Jacqueline Ramsey (MI Black Business Alliance)
Duaa Yahya



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226
TUESDAY, MARCH 26, 2024 – 9:00 A.M.**

GENERAL

Call to Order

Noting that a quorum was present, Chair Forte called the Regular meeting of the Economic Development Corporation Board of Directors to order at 9:12 a.m.

Ms. Navin noted the attendance of Mr. Archer via Zoom and explained that while he can participate in the meeting, he is unable to be counted towards a quorum or vote on any items.

Approval of Minutes

Ms. Forte asked if there were any additions, deletions, or corrections to the minutes of the February 27, 2024, regular Board meeting. Hearing none, Ms. Forte called for a motion.

Mr. Hodge made a motion to approve the minutes of the February 27, 2024, regular Board meeting, as written. Mr. Jackson seconded the motion. All were in favor with none opposed.

EDC Resolution Code 24-03-02-380 was unanimously approved.

Receipt of Treasurer's Report

Mr. Long reviewed the revised Treasurer's Report of Receipts and Disbursements for the month of February 2024. Ms. Forte called for a motion.

Mr. Osei made a motion to approve the Treasurer's Report of Receipts and Disbursements for the month of February 2024, as presented. Mr. Stallworth seconded the motion.

EDC Resolution Code 24-03-03-296 was unanimously approved.

PROJECTS



Music Hall Expansion Project Plan: Approval of Revised Project Plan and Request to City Council for Approval

Mr. Cameron stated that the Music Hall Expansion project is being undertaken by the Music Hall Center for the Performing Arts in the City of Detroit, a Michigan 501(c)3 non-profit organization (hereinafter called "Music Hall") and involves the Project as defined and described in the revised Project Plan attached to and accompanying this memo (the "Project"). Music Hall has requested that The Economic Development Corporation of the City of Detroit (the "EDC") support the Project as a conduit issuer of 501(c)(3) tax exempt bonds (the "Bonds") that will partially finance the Project. Principal of and interest on the Bonds will be paid from revenues generated by the Project.

On February 13, 2024, the EDC Board of Directors (the "Board") adopted a resolution approving a Project Plan pursuant to the Economic Development Corporations Act of 1974, Act 338, Public Acts of Michigan, 1974, as amended (hereinafter called "Act 338") for the Music Hall Expansion project and recommending its approval to Detroit City Council. Detroit City Council has scheduled a public hearing regarding the Project Plan for Thursday, April 18, 2024.

During EDC staff's and counsel's preliminary due diligence review in connection with the proposed Bonds issuance, it was determined that certain information in the Project Plan needed to be updated, including but not limited to information regarding the current ownership status of the parcels within the Project area and the anticipated sources and uses for the Project.

An updated Project Plan is attached hereto as **Exhibit A**. A redline reflecting changes from the form of Project Plan approved on February 13, 2024 is attached as **Exhibit B**.

Staff hereby respectfully requests that the Board approve the revised Project Plan and recommend that City Council approve the Project Plan.

A resolution was attached for the Board's consideration.

Ms. Navin added that the main cause for the revision to the plan relates to the current ownership structure. Ms. Navin explained that in 2019 the Music Hall entered into a sale leaseback transaction and the building was sold. Ms. Navin continued that the building was then leased back to the team with the option to purchase and this was not included in the original plan. Ms. Navin concluded that some of the proceeds produced from the financing being contemplated will be used to exercise the option to purchase the building.

Ms. Forte called for questions.

Mr. Chris Jackson asked that as it relates to tax-exempt bonds if an entity needs to be a nonprofit. Ms. Navin answered that to qualify an entity would need to be a nonprofit with a 501(c)(3) status. Mr. Jackson asked if the investment banking firm that the development team has been working with had been selected. Ms. Navin responded that they had been selected and were the co-



underwriters of the bonds. Mr. Jackson asked how Barton Malow had been selected as the general contractor for the project. Mr. Paul stated that there had been many construction managers interviewed while the plan was in its earlier stages, but Barton Malow was chosen for its commitment to diversity which includes POC and Detroit residents.

Mr. Chris Jackson asked if projects that utilize tax-exempt bonds have to adhere to the same processes that the City or the EDC would be required to in selecting vendors and contractors. Ms. Navin responded that this is not a requirement as the EDC is not providing financial assistance and therefore does not trigger the executive order. Mr. Jackson concluded that although it is not a requirement, the City or the EDC Board could ask that a similar process be followed. Mr. Jackson explained that while interviews have been conducted, it is different to put forth the process in the selection.

Mr. Chris Jackson asked who currently owns the building. Ms. Navin stated that Music Hall LLC is the current owner. Mr. Paul stated that in 2019 one of their trustees was able to create a cash infusion for the Music Hall by completing a sale and lease back which allowed for operations to be stabilized in 2019. Mr. Paul added that it had always been anticipated that his team would buy the building.

Mr. Chris Jackson asked if the transaction was being done with a non-profit entity. Ms. Navin stated that was correct. Mr. Jackson asked then if the entity who is acquiring the building was using the proceeds from the bond transaction to buy back the building from a for-profit entity. Ms. Navin agreed and stated that the use is around five million dollars (\$5,000,000.00) with the overall one hundred- and twenty-five-million-dollar (\$125,000,000.00) budget.

Mr. Hodge asked if the cost of acquisition was a net add to the project and asked how it related to the information provided on this topic that was brought to the Board previously. Ms. Navin explained that in the sources and uses that were presented to the Board previously, the acquisition was listed as a loan payoff. Ms. Navin continued that legal counsel advised that the acquisition was a financial transaction and not a loan payoff. Mr. Hodge asked if there was still a remaining loan payoff. Ms. Navin responded that there is a loan payoff on the vacant lot that is owned by the Music Hall.

Mr. Archer asked if any African American firms had the opportunity to bid on the project or if it was suggested to the construction manager that they joint venture with an African American firm. Mr. Archer noted that as he is the chairman of the Paradise Valley Conservancy (the "Conservancy"), he is concerned about the reduction of the park outlined in the project plan. Mr. Archer continued that with the great deal of philanthropic dollars raised to make improvements to the park the research that went into the traffic flow must be shared. Ms. Navin stated that she believes that the aspect of the plan that Mr. Archer was describing was the potential U-turn that goes through the park was apart of the plan that the Conservancy submitted to Buildings, Safety Engineering, and Environmental Department (BSEED).



Mr. Archer stated he did not believe that the Conservancy had submitted a plan that included a U-turn lane through the park.

Mr. Hiram Jackson stated that the issue can be viewed in two separate parts, one being the U-turn lane and the other being the reduction of the northern end of the park. Mr. Jackson stated that he is unsure if the conservancy has approved the reduction of the park.

Ms. Bridges stated that from her understanding this is not a part of the Music Hall's project plan but rather the Conservancy's plan.

Mr. Hiram Jackson stated that the Conservancy is in support of the project, but the Conservancy should adopt the reduction of the park along with the U-turn and would feel uncomfortable voting on behalf of the full Conservancy.

Ms. Forte stated that for those attending virtually, Ms. Navin was attempting to locate documents related to the U-turn and park reduction to share with Mr. Hiram Jackson.

Ms. Navin stated that a reduction to the park was not noticed through the circulation plan though the U-turn was noticed and was proposed in plans on behalf of the Conservancy. Ms. Navin continued that any final plans for the reduction of the park would need to be approved by the City Council.

Mr. Archer stated that the reduction of the park and the U-turn are separate issues and from his understanding, the reduction of the park is being suggested to allow trucks who are making deliveries to the property to be able to back out of the alley. Mr. Archer asked if his understanding was correct and what the formal process to complete this would be. Mr. Archer added that the U-turn being suggested does not call for a reduction of the park.

Ms. Forte referenced the rendering of the park and asked what part of the park would be affected by the 30-foot reduction. Mr. Hiram Jackson stated that it is the most northern portion of the park.

Mr. Hiram Jackson stated that he is not suggesting that there will be opposition from the Conservancy but believes this part of the plan conflicts with the Conservancy's plan to improve the park. Mr. Jackson stated that the Conservancy should be aware of this plan and formally agree. Mr. Jackson explained that understanding how traffic will flow is highly important considering the opening of restaurants in the small neighborhood.

Mr. Stallworth stated that he agreed with Mr. Hiram Jackson's request for a traffic study. Mr. Stallworth recalled the Board's previous conversations surrounding the traffic. Mr. Stallworth stated that space is tight which is cause for a very disciplined look into the traffic and how it will impact the small businesses in the area. Mr. Stallworth noted that he is not in opposition to the project and believes it will be great, but it will only be great if the traffic patterns work.



Mr. Paul stated that the U-turn was not necessary but welcomed for the accessibility for trucks and noted that the U-turn and circulation plan still need to be presented to Streets and Traffic. Mr. Paul further explained that the goal is to populate the Paradise Valley district and is hopeful that traffic will increase due to patronage in the area and if this is the case the issue should be worked on from that point.

Mr. Hiram Jackson stated that he is in full support of the project and as a business owner in the area he is looking forward to having the project nearby. Mr. Jackson continued that he would like to be assured that traffic flow is determined and does not become an individual fight in the future. Mr. Jackson explained that he does not see this as an issue that needs to halt the project but rather would like to move forward making sure that attention is given to traffic flow.

Ms. Forte asked how to proceed with the approval considering that the U-turn is linked to the revised Music Hall plan. Ms. Navin explained that what the Board is being asked to approve is conceptual or the parameters of the plan while the details are subject to various approvals. Ms. Navin explained that changes to the right of way fall out of the jurisdiction of the Board and therefore if the Board decides to approve the plan, it will not approve the U-turn.

Mr. Cameron pointed out where the U-turn could be located in relation to the alley.

Ms. Bruhn asked if the language in the resolution needs to be revised as it mentions the installation of a U-turn to include language of consideration.

Ms. Navin stated that the U-turn was a part of the plan that the conservancy submitted in January of 2024, however the resolution could be amended to alter the language concerning the U-turn.

Mr. Archer stated that his main concern is less about the U-turn and more about the reduction of the park and would like to understand more about it.

Mr. Hiram Jackson stated that as Ms. Navin stated the plan is conceptual but as Mr. Archer stated the U-turn and reduction of the park should not be approved before the Conservancy approves. Mr. Jackson stated that he would be most comfortable with the amendment to the language in the resolution.

Mr. Chris Jackson stated that based on Ms. Navin's findings, the conservancy submitted a plan that included the U-turn and asked if the submission included the reduction of the park and advised that the submission be reviewed to confirm what was included.

Mr. Chris Jackson stated that he would like to see the Music Hall voluntarily adhere to the executive order as they are using a public tool to complete the project.

Ms. Bridges stated that the Music Hall is responsible for the nonprofit bonds and the EDC is acting as a conduit and can charge a fee for the service. Ms. Bridges continued that the developers



could have used any other public entity and therefore encouraged mindfulness around creating gaps in the project by mandating executive orders.

Ms. Bruhn asked how trucks were to get into the loading area considering that there is no exit point on the east side.

Mr. Skillern explained that trucks can access the area without reducing the park. Mr. Skillern further explained that while the area is tight, through working with engineers it had been concluded that a 72-foot truck would still be able to maneuver the area.

Mr. Stallworth recalled the previous discussion about the alley access and its traffic and in the present time the Board is discussing street traffic. Mr. Stallworth continued that it is important that a clear understanding of traffic patterns is to be determined.

Mr. Skillern stated that there has been a high-level analysis to create the diagrams that the Board is reviewing. Mr. Skillern added that he and his team stand behind the information drawn from the analysis.

Ms. Forte thanked Mr. Skillern and clarified that Mr. Stallworth was inquiring on the pedestrian traffic as well as the vehicular traffic.

Ms. Navin suggested that the language in the project plan regarding the U-turn be amended to read that the Conservancy is considering the installment.

Mr. Chris Jackson clarified that when alley vacation is mentioned that it does not refer to the entire alley. Ms. Navin agreed. Mr. Jackson asked if the remainder of the alley would be public property. Ms. Navin stated that was correct. Mr. Jackson asked if the agreement for the use of the vacated alley would be included in the project plan. Ms. Navin explained that the plan states that the vacation of the alley would be subject to the easement that was negotiated.

Ms. Forte called for further discussion.

Hearing none, Ms. Forte called for a motion to approve the Music Hall Expansion Project Plan: Approval of Revised Project Plan and Request to City Council for Approval, as amended.

Mr. Hodge made a motion to approve the Music Hall Expansion Project Plan: Approval of Revised Project Plan and Request to City Council for Approval. Mr. Bruhn seconded the motion.

EDC Resolution Code 24-03-100-03 was approved.

A roll call vote was conducted with the following result:



Ayes: Ms. Bruhn, Ms. Clayson, Ms. Forte, Mr. Hodge, Mr. Chris Jackson, Mr. Hiram Jackson, Mr. Osei and Mr. Stallworth.

Nays: None.

Motor City Match Round 21 Awards: The Trap Yoga and Massage Studio Address Correction

Ms. Schillig stated that on January 24, 2023, the Board of Directors of The Economic Development Corporation of the City of Detroit (the “EDC”) approved the Motor City Match Round 21 awardees. As part of the Round 21 awards, The Trap Yoga and Massage Studio was selected as a Restore awardee.

In preparing the grant agreement for The Trap Yoga and Massage Studio, EDC staff discovered a scrivener’s error regarding The Trap Yoga and Massage Studio’s business address. The address was listed as 3374 E. Jefferson Ave, Detroit, Michigan 48207. The EDC staff would like to correct this address to read: 3179 Franklin, Detroit, Michigan 48207.

A resolution approving the correction of The Trap Yoga and Massage Studio’s business address was attached for the Board’s consideration.

Ms. Forte called for questions.

Ms. Forte called for further questions.

Hearing no further discussion, Ms. Forte called for a motion to approve the Motor City Match Round 21 Awards: The Trap Yoga and Massage Studio Address Correction, as presented.

Mr. Osei made a motion to approve the Motor City Match Round 21 Awards: The Trap Yoga and Massage Studio Address Correction. Ms. Clayson seconded the motion.

EDC Resolution Code 24-03-91-141 was approved.

Motor City Match Round 22 Awards: Real Empire DBA Culture DET Address Correction

Ms. Schillig stated that on April 25, 2023, the Board of Directors of The Economic Development Corporation of the City of Detroit (the “EDC”) approved the Motor City Match Round 22 awardees. As part of the Round 22 awards, REAL Empire LLC dba CultureDET was selected as a Restore awardee.

In preparing the grant agreement for CultureDET, EDC staff discovered a scrivener’s error regarding CultureDET’s business address. The address was listed as 18943 Livernois, Detroit, Michigan 48221. The EDC staff would like to correct this address to read: 19327 Livernois, Detroit, Michigan 48221.



A resolution approving the correction of CultureDET's business address was attached for the Board's consideration.

Ms. Forte called for questions.

Hearing no further discussion, Ms. Forte called for a motion to approve the Motor City Match Round 22 Awards: Real Empire DBA Culture DET Address Correction, as presented.

Mr. Osei made a motion to approve the Motor City Match Round 22 Awards: Real Empire DBA Culture DET Address Correction. Ms. Clayson seconded the motion.

EDC Resolution Code 24-03-91-142 was approved.

Motor City Match: Recommendation to Extend Award Deadline and Change Project Address

Ms. Schillig stated that on July, 28 2022, the EDC Board authorized the execution of a contract with the City of Detroit to accept funding from the American Rescue Plan Act ("ARPA") State and Local Fiscal Recovery Fund ("SLFRF") for the third phase of the Program.

Since that approval, the EDC has awarded Cash and Restore grants to 180 businesses in the City of Detroit using ARPA funding.

Feline Curves LLC is a Round 23 Restore awardee located at 20411 Van Dyke Ave. The original scope of work included new signage using a grant of \$8,000. Since the time of the award, the business's security shutters became damaged requiring replacement, causing a significant increase in project cost.

Staff recommends a grant increase to \$25,000, which, when combined with a micro loan secured through a CDFI, will assist the business owner in completing the initial project in addition to replacing her security shutters.

A resolution approving the staff's recommendations was attached for the Board's consideration.

Ms. Forte called for questions.

Hearing no further discussion, Ms. Forte called for a motion to approve the Motor City Match: Recommendation to Extend Award Deadline and Change Project Address, as presented.

Mr. Osei made a motion to approve the Motor City Match: Recommendation to Extend Award Deadline and Change Project Address. Ms. Clayson seconded the motion.

EDC Resolution Code 24-03-91-143 was approved.



ADMINISTRATION

None.

OTHER MATTERS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

With there being no other business to come before the Board, Ms. Forte adjourned the meeting at 10:14 a.m.



CODE EDC 24-03-02-380

APPROVAL OF MINUTES OF FEBRUARY 27, 2024, REGULAR MEETING

RESOLVED, that the minutes of the regular meeting of February 27, 2024, are hereby approved, and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Economic Development Corporation.

March 26, 2024



CODE EDC 24-03-03-296

RECEIPT OF TREASURER'S REPORT FOR FEBRUARY 2024

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending February 29, 2024, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

March 26, 2024



CODE EDC 24-03-100-03

MUSIC HALL EXPANSION PROJECT – APPROVAL OF REVISED PROJECT PLAN AND REQUEST TO CITY COUNCIL FOR APPROVAL

WHEREAS, there exists in the City of Detroit, Michigan (the "City") the need for programs to alleviate and prevent conditions of unemployment, to assist and retain local industrial and commercial enterprises in order to strengthen and revitalize the City's economy and to provide needed services and facilities to the City and its residents; and

WHEREAS, the Economic Development Corporations Act of 1974, Act 338, Public Acts of Michigan, 1974, as amended (hereinafter called "Act 338") constitutes a method for the encouragement and assistance of industrial and commercial enterprises in modernizing, improving, maintaining, repairing, furnishing, equipping and expanding in the City; and

WHEREAS, the City has previously established and created The Economic Development Corporation of the City of Detroit (the "EDC") to exercise the power and authority granted by Act 338; and

WHEREAS, the Board of Directors of the EDC (the "EDC Board"), by resolution adopted on September 26, 2023, designated the Project Area and Project District Area for the Music Hall Expansion Project as defined and more fully described in the revised Project Plan attached to this resolution as Exhibit A) (the "Project"), which Project Plan was prepared pursuant to the requirements of Act 338 (the "Plan"); and

WHEREAS, the same September 26, 2023 resolution requested the Mayor of the City to appoint two additional Directors to the EDC Board to serve for the purposes of the Project; and

WHEREAS, the two additional Directors have been appointed to the EDC Board by the Mayor of the City; and

WHEREAS, the Project Area and Project District Area were recommended to City Council of the City, which certified its approval of such designations on November 7, 2023, and at the same time, confirmed the appointment of the two additional Directors to the EDC Board; and

WHEREAS, the EDC Board, adopted a resolution on February 13, 2024 approving a Project Plan (the "Original Plan") and recommending it to City Council of the City for approval; and

WHEREAS, subsequent to the EDC Board's approval of the Original Plan but prior to the public hearing or consideration of the Original Plan by the City Council of the City, it was determined that certain modifications to the description of the Project contained in the Original Plan were necessary or desirable; and



WHEREAS, EDC staff, in conjunction with the Music Hall Center for the Performing Arts in the City (“Music Hall”) have developed a revised Plan attached as Exhibit A in accordance with Act 338; and

WHEREAS, the EDC Board has duly considered such Plan and found the same to be in compliance with Act 338; and

WHEREAS, the EDC Board desires to adopt this resolution approving the Plan, along with the other actions described herein, and to recommend approval of the Plan to the City Council of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF DETROIT THAT:

1. The EDC Board find as follows with respect to the Plan:
 - a. That a project citizens district council is not required pursuant to Sections 20(b) and 20(e) of Act 338.
 - b. That the recommendation of the local public agency (as defined in Act 338) is not required pursuant to Section 9(3) of Act 338.
 - c. That the Plan meets all the requirements set forth in Section 8 of Act 338.
 - d. That the Plan and size of the Project are practicable and in the public interest.
 - e. That the persons who will be active in the management of the Project for not less than one (1) year after the approval of the Plan have sufficient ability and experience to manage the Plan properly.
 - f. That the proposed method of financing the Project is feasible and the EDC has the ability to arrange the financing.
 - g. That the Project is reasonable and necessary to carry out the purposes of Act 338.
 - h. That the Project shall not have the effect of transferring employment of more than 20 full-time persons from another municipality of this state to the City.
 - i. That any changes in streets, street levels, intersections, and utilities contemplated by the Plan are reasonably necessary for the Project and for the City.
2. The EDC Board hereby approves the Plan substantially in the form set forth in the document entitled “Detroit Music Hall Expansion Project Plan”, attached hereto as **Exhibit A**, together with such revisions as required or recommended by counsel, which revisions shall not be inconsistent with this resolution, and recommends the approval of the Plan to the City Council of the City.
3. The Plan shall replace and supersede in all respects the Original Plan.



4. The EDC Board hereby requests that the City Council of the City refer the Plan to the Planning and Economic Standing Committee to: 1) schedule and conduct public hearings in accordance with Section 17 of Act 338 and as required pursuant to federal tax laws; 2) review and approve the Plan as presented; and 3) submit its findings and recommendation for approval of the Plan to the City Council of the City.
5. The City Council of the City is hereby requested, following a public hearing in accordance with Act 338 to: 1) determine that the Plan constitutes a public purpose; 2) approve the Plan; and 3) authorize the EDC to take such steps as are necessary to implement the Project and the financing thereof through the means described in the Plan.
6. That any one of the officers and any one of the Authorized Agents of the EDC or any two of the Authorized Agents (as defined pursuant to resolution or other action of the EDC) of the EDC shall hereafter have the authority to negotiate and execute all documents, contracts, or other papers, and take such other actions, necessary or appropriate to implement the provisions and intent of this Resolution on behalf of the EDC.
7. That all of the acts and transactions of any officer or Authorized Agent of the EDC, in the name and on behalf of the EDC, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

March 26, 2024

**EXHIBIT A TO RESOLUTION
PROJECT PLAN**

**THE ECONOMIC DEVELOPMENT CORPORATION
OF THE CITY OF DETROIT
DETROIT MUSIC HALL EXPANSION PROJECT**

Adopted by EDC Board of Directors: _____

Approved by City Council: _____

THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF DETROIT

PROJECT PLAN FOR DETROIT MUSIC HALL EXPANSION

APPLICANT:	Detroit Music Hall for the Performing Arts, Inc. 300 Madison Detroit, MI 48226
CONTACT:	Vincent Paul President and Artistic Director (313) 887-8506 vincep@musichall.org
PROJECT:	1) Paying the acquisition cost for the existing approximately 63,000 square foot Music Hall Center for the Performing Arts building and the parcel of land on which it is situated, located at 350 Madison Street, Detroit, Michigan, 2) constructing, equipping and furnishing a new approximately 100,000 square foot, approximately seven story building on the vacant parcel of land located at 300 Madison Street, which is adjacent to the Music Hall Center for the Performing Arts building, 3) paying certain outstanding debt related to the 300 Madison Street property, 4) further furnishing, equipping and renovation of a portion of the alley between the parcels, 5) if necessary, constructing improvements to the building at 350 Madison Street to accommodate the new building, and 6) related improvements including infrastructure and landscaping.
LOCATION:	300-350 Madison, in the City of Detroit, County of Wayne, State of Michigan (the "City")
PROJECT AREA:	See attached Exhibit A
PROJECT EMPLOYMENT:	Music Hall currently employs 278 persons. Upon completion of the Project, approximately 446 full time employees and 30 independent contractors will be needed to operate the Project.
TOTAL COST:	Approximately \$125 Million
BONDS:	Not to exceed \$80 Million in one or more series

This Project Plan was prepared in accordance with the Economic Development Corporations Act, Public Act No. 338 of the Michigan Public Acts of 1974, as amended (the "Act"). Attached is the requisite information based on Section 8(4) of the Act.

- A. Provide the location and extent of the existing streets and other public facilities within the development area and designate the location, character, and extent of the categories of public and private land uses now existing and proposed for the project area, including residential recreational, commercial, industrial, educational, and other uses. Attach a legal description of the project area as Exhibit A.**

The Project Area is comprised of the building that houses the existing 63,000 square foot Music Hall's performing arts center located at 350 Madison, the vacant parcel located at 300 Madison that is currently used by the Music Hall as a parking lot and an outdoor events space, and the public alley located in between such parcels, which is expected to be vacated prior to the completion of the Project.

The vacant parcel is the intended location for a newly constructed, approximately 100,000 square foot mixed-use performing arts center, further described below. The existing building will undergo modifications to support the expansion. The to-be-vacated alley will continue to include an easement for public utilities and will be used to permit access between buildings.

The Project Area is depicted and legally described in **Exhibit A**.

- B. Provide a description of existing improvements in the project area to be demolished, repaired, or altered, a description of repairs and alterations, and an estimate of the time required for completion.**

The Project Area includes the existing Music Hall building as well as adjacent vacant land currently used as a parking lot and an outdoor events space by the Music Hall and the public alley located between the two parcels, expected to be vacated prior to Project completion. The public alley will be vacated, subject to a grant of easement for limited ingress and egress for the benefit of other owners of the properties adjacent to the public alley located between Randolph and Madison.

This Project includes the construction of an approximately 100,000 square foot, seven story building adjacent to the existing Music Hall building. The aggregate estimated cost of the Project is \$125 million. The new space is estimated to add 350 annual events and attract thousands of performing artists, aggregating approximately 300,000 new annual attendees.

The proposed expansion is expected to include:

- **Concert Venue** with a capacity of 1,900 people.
- **Recital Hall** with a capacity of 200 people.
- **Welcome Center** which will serve as a single point-of-purchase ticketing outlet for all entertainment venues and tourist attractions throughout the region.
- **Conference Spaces** with a capacity ranging from 100 -- 1,900 people.
- **Recording Studio** which will serve as Downtown Detroit's only state-of-the-art recording facility.
- **Activated Alleyway** An open-to-the-public, activated alley exhibition running north/south between the new building and existing Music Hall, with an L-shaped extension running east/west between the building at 1502 Randolph (currently, La Casa Cigars and Lounge) and the south side of the new building.

- **Academy of Music** which will increase the education and performing arts programming available to the underserved students in the Detroit Public Schools Community District and residents of Southeast Michigan.
- **Rooftop Space** to include a restaurant and special events venue.
- **Industry Office Space** for publishers, managers, labels, agents, promoters, sound engineers, and more.
- **Ground Level Restaurant** which will offer a music-themed, mid-market dining experience.

The proposed project also includes the construction of a skywalk connector that will bridge the alleyway and connect the existing building to the new building. This will result in minimal renovations to the Music Hall's current building; the rooftop parapet will be altered to accommodate the bridge. It is anticipated that the proposed renovations will enable the current facility to increase its cultural and community programming in the existing venues: Aretha's Jazz Café, 3Fifty Terrace and the Main Hall -- from a current total of approximately 425 annual events (272,000 attendees) to 650 events (600,000 attendees).

Detailed site plans and renderings for this project are included as **Exhibit B**.

The current estimate of time for completion of the project is set forth in Section D below.

C. Provide the location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the project area and an estimate of the time required for completion.

The objective is to increase Music Hall's sustainability as well as to stimulate economic activity in the central business district, especially in Paradise Valley, through the construction of a centralized Music Center.

The Project Area is located in the heart of Detroit's entertainment district and adjacent to the City's central business district. The site is close to Ford Field, Little Caesars Arena, Comerica Park, Detroit Opera House, the Fox, Fillmore and Gem Theaters, and is within walking distance to the Hollywood Casino at Greektown and several downtown hotels. In addition, the expansion will serve as the "gateway" into the new Paradise Valley Entertainment District.

The Music Hall Center Expansion will be an exciting, interactive, inclusive, and culturally diverse institution that will provide the Detroit community with innovative and quality performing arts programming and education that reflects and attracts the diverse mix of cultures that make up Southeast Michigan. Through the construction of a centralized Music Center and Concert Hall, this Project will also enable the Music Hall to offer education and performing arts programming to the underserved students in the Detroit Public Schools Community District and residents of Southeast Michigan and Ontario, Canada.

The Project is expected to cost \$124,913,549. Project sources and uses are described in further detail in Section H below.

See Section D below for completion schedule.

D. Provide a statement of the construction or stages of construction planned and the estimated time of completion of each stage.

It is anticipated that from commencement of design to completion of construction this Project will take approximately 53 months to complete. As of the date of this Project Plan, Phase One has already been completed and Phase Two is underway.

Phase I – Pre-construction Analysis and Preparation began in July of 2022 and was completed in October of 2023.

During the 15-month predevelopment period, the following was completed:

- o Secured grants of \$2.5 million from two local foundations
- o Worked with Stifel Public Finance, and Seibert Williams Shank as bond co-underwriters
- o Worked with Economic Development Corporation of the City of Detroit with request to act as a conduit issuer
- o Identified the public and private equity sources
- o Completed the Feasibility and Market study
- o Completed 100% of the architectural schematic design
- o Assembled the development team
- o Selected Barton Malow as a general contractor

Phase II – Design Development and Initial Site Improvements began in October of 2023 and are anticipated to be completed in March of 2024. Activities include final architectural and mechanical, electrical and plumbing designs together with the bidding process and engagement of sub-contractor on bid package one, which will clear and prepare the site for contractor mobilization and secant wall excavation.

Phase III - Construction and Interior Fit-ups are anticipated to begin in May of 2024 and be completed by December 31, 2026. Major excavation will begin in the summer of 2024, followed by the crane installation in the fall. We anticipate the crane to be in use for 24 months, after which the majority of the work will be related to the preparation of the interior space (fit-ups) and on final outdoor landscaping.

E. Provide a description of the parts of the project area to be left as open space and the use contemplated for the space.

Two areas of the project site will be left as open space, as further depicted in the attached **Exhibit C**: 1) The vacated alleyway running north/south between the existing Music Hall center and the planned new building (the “N/S Alley”); and 2) An area south of the new addition running east/west between the new building and the adjacent property at 1502 Randolph (currently La Casa Cigars and Lounge) (the “E/W Alley”).

Plans for the open space include the construction of an *Activated Alleyway*. This will include an open-to-the-public, pedestrian-only activated alley exhibition in the N/S Alley and E/W Alley. This unique tourist attraction will utilize state-of-the-art technologies to create exhibits that allow visitors to choose from a list of Detroit’s many world-famous music legends and view their

biographical histories, images, and videos as they stroll the alley promenade. Both alleyways will include daytime café amenities. The alleyway will be open at both ends to serve as a thoroughfare to Paradise Valley and adjacent points of interest.

The N/S Alley and E/W Alley will be limited to pedestrian use only, except during times when limited vehicular traffic from the other properties located within the project district area is permitted.

F. Provide a description of the portions of the project area which the corporation (EDC) desires to sell, donate, exchange, lease to, or from the municipality and the proposed terms.

N/A. The Music Hall currently leases, occupies, and uses their current venue at 350 Madison, and Music Hall will exercise its option to acquire the building and underlying parcel and pay the purchase price as part of the financing of the Project. Music Hall owns 300 Madison, and Music Hall will pay off the current mortgage on the property as part of the financing of the Project. Title to the portion of the alley to be vacated will pass to the Music Hall by operation of law once the alley is vacated.

G. Provide a description of the desired zoning changes and changes in streets, street levels, intersections, and utilities.

The Project area is zoned B4/B5 – General Business. Accordingly, it is anticipated that most of the planned site improvements related to the Project are available to the owner to develop as a matter of right. However, if it is determined that a planned use would not comply with the City’s zoning ordinance, then the Music Hall will be required to seek the requisite approvals from the appropriate City departments and agencies of jurisdiction, including possible rezoning.

No changes to street levels and intersections are anticipated; however, certain right of way improvements may be included in the Project, as deemed necessary or desirable by the City of Detroit or the Music Hall, including, but not limited to changes to turning lanes, new paver crosswalks, relocation of traffic lights, changes to street lights, and new curb cuts. In addition, the Paradise Valley Conservancy is considering the installation of a U-turn lane as part of planned improvements to Beatrice Buck Park (f/k/a Harmonie Park) that would also improve circulation for the Project. If this park improvement is not completed by the Conservancy, it may be completed as part of the Project.

Further, it is anticipated that the N/S Alley will be vacated. It is contemplated that utilities may have to be relocated in connection with the Project. If the alleys are closed, the public utilities contained in them may have to be relocated or abandoned, or an easement for the utilities will be retained. Finally, it is anticipated that Detroit Water and Sewer Department will require the relocation of catch basin/stormwater improvements.

Zoning designations for the Project area are included as **Exhibit D**.

H. Provide a statement of the proposed method of financing the project, including a statement of the ability of the EDC to arrange the financing.

Financing Assumptions

The aggregate estimated cost of this Project of \$124,913,549 will be financed with tax exempt qualified 501(c)(3) bonds, and additional equity consisting of appropriations, public and private gifts and grants and sales of naming rights. It is important to note certain of the prospective public and private funding sources require the issuance of the Bonds (defined below) by The Economic Development Corporation of the City of Detroit (EDC) prior to making such grants. It is also important to note that, other than the Bonds (defined below), the various funding sources contemplated herein and attached as Exhibit E are anticipated as of the date hereof and final funding sources and amounts may differ.

The Project will be largely financed through the issuance by the EDC of fully registered limited obligation revenue bonds (the "Bonds") in an aggregate principal amount of not to exceed \$80,000,000. It is expected that the Bonds will be underwritten by Stifel Financial Services and Seibert, Williams and Shank Financial (the "Underwriters").

The proceeds of the Bonds will be loaned to Music Hall pursuant to a loan agreement between Music Hall and the EDC and will be used by Music Hall for the purposes of (i) financing the portion of the Project consisting of the acquisition of the 350 Madison Street building and the parcel of land on which it is situated, constructing the new building at 300 Madison Street and interior fit up, paying certain outstanding debt related to the 300 Madison Street parcel, constructing additional renovations to the alley between the existing 350 Madison Street building and the new building at 300 Madison Street, constructing related infrastructure improvements, and if necessary, constructing improvements to the building at 350 Madison Street to accommodate the new building; (ii) paying certain costs of the issuance of the Bonds; and (iii) if necessary, funding capitalized interest and/or funding a debt service reserve fund.

In accordance with the loan agreement, Music Hall will be obligated to make payments to a bond trustee sufficient for the bond trustee to make timely payments of principal and interest on the Bonds. The Bonds will not be a general obligation of the EDC or the City but will be secured by a pledge of revenues and other assets as described in the loan agreement and the indenture relating to the Bonds.

The Bonds will be structured as a rated, negotiated, variable/fixed rate demand limited obligation bond issue. Subject to applicable market conditions, the Bonds are anticipated to be further secured by a letter of credit to be issued by the banking affiliate of one of the Underwriters, and by a mortgage on the Project. Music Hall is currently working with the Underwriters to finalize the terms of this financing but has been advised by the Underwriters that this method of financing is feasible.

Separate from the Bonds, Music Hall may seek short-term financing that does not involve the EDC, in anticipation of the subsequent receipt of additional funds (other than Bond proceeds) for the Project. The repayment of any such short-term borrowing and the security pledged will be subordinate to the repayment of and pledge of security for the EDC's Bonds.

Anticipated Project costs and funding sources are further detailed in **Exhibit E** – Anticipated Sources and Uses.

I. Please list the persons who will manage or be associated with the management of the project for a period of not less than one year from the date of approval of the project plan.

Alex L. Parrish	Chairman of the Board, Music Hall
Vincent Paul	President and Artistic Director, Music Hall
Ghebre Mehreteab	Financial Advisor for the Music Hall
Larry Lipa	Ardent Advisors, Development Consultant
Tod Williams	Tod Williams Billie Tsien Architects, Architect of Record
Rainy Hamilton	Hamilton Anderson Associates, Local Architect
Ed Davis	Barton Malow, Construction Manager
Kenyetta Bridges	Chief Operating Officer, Detroit Economic Growth Corporation; Authorized Agent, EDC

See Exhibit F – Music Hall Expansion Development Team

J. State the name of the person or persons, natural or corporate, to whom the project is to be leased, sold, or conveyed and for whose benefit the project is being undertaken if that information is available.

The Project is being undertaken for the Music Hall Center for the Performing Arts, Inc., a Michigan non-profit corporation (and/or its affiliate to be designated). Music Hall currently leases and occupies the 350 Madison Street building and will become the fee title owner of it. Music Hall currently owns and will develop the parcel at 300 Madison Street. Music Hall will own the entire Project and the Project will not be leased, sold or otherwise conveyed.

As a 501(c)(3) nonprofit organization, Music Hall is governed by a 65-member board comprised of community leaders and led by a 14-member Executive Committee. The professional staff is comprised of the President and Artistic Director, 28 full-time artistic, operations and development professionals, and a part-time staff of approximately 255 ushers, stagehands, maintenance staff and resident artists.

K. If there is not an express or implied agreement between the corporation (EDC) and the person, natural or corporate, that the project will be leased, sold, or conveyed to those persons, please state the procedures for bidding for the leasing, purchasing, or conveying of the project upon its completion.

N/A

L. Estimate the number of persons residing in the project area and the number of families and individuals to be displaced. If occupied, residences are designated for acquisition and clearance by the EDC, a project plan must include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of

rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

There are no persons residing in the Project Area, nor any persons that will be displaced.

M. Describe your plan for establishing priority for the relocation of persons displaced by the project in new housing in the project area.

N/A

N. Describe how you will make provision for the costs of relocating persons displaced by the project and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1940, 40 U.S.C. 4601 to 4655.

N/A

O. State your plan for compliance with Act No. 227 of the Public Acts of 1972, being Sections 213.321 to 213.332 of the Michigan Compiled Laws (Michigan Relocation Assistance for Displaced Persons Act).

N/A

P. State such other material, as the corporation, local public agency, or governing body considers pertinent.

Multiplier Effect

The Project is designed to stimulate the local economy as Music Hall patrons invariably park, shop, occupy hotel rooms, attend events, and dine in the district before and after each Music Hall event. The market study completed for this Project estimates an economic multiplier of 1.4 to result in an annual estimated economic impact of over \$50 million to \$60 million. These estimates do not include the economic impact of the number of additional factors such as increased state and local taxes, marketing and advertising expenditures, equipment rental etc.

Projected Economic Impact

Americans for the Arts latest report on the economic impact of arts organizations notes that nonprofit arts and cultural organizations and their audiences in the United States are a \$166.3 billion industry—one that supports 4.6 million full-time equivalent jobs and generates \$27.5 billion in government revenue¹.

Americans for the Arts recently commissioned a national audience survey of over 200,000 arts attendees to more accurately represent the total economic impact an arts organization and its participants create within a local region. The study concluded an average per person per event expenditure of \$31.4732. Additionally, based on these study metrics, Americans for the Arts created a Prosperity Calculator, which the Music Hall has utilized to determine the total economic

¹ Americans for the Arts: Arts and Economic Prosperity Report

value of the Music Hall expansion project through construction of the building and annually thereafter.

The following tables document the direct economic impacts resulting from this Project utilizing this tool:

TOTAL ECONOMIC IMPACT - CONSTRUCTION & OPENING YEAR					
	Total Expenditures	FTE Jobs	Household Income	Local Government Revenue	State Government Revenue
Expansion Project:	\$ 161,000,000	1,059.1	\$ 26,837,440	\$ 1,319,360	\$ 1,532,800
Audiences:	\$ 12,820,000	343.6	\$ 7,609,824	\$ 646,000	\$ 815,480
Total Economic Impact:	\$ 173,820,000	5,672.7	\$ 142,635,694	\$ 7,284,030	\$ 8,527,380

TOTAL ECONOMIC IMPACT ANNUALLY - POST CONSTRUCTION					
	Total Expenditures	FTE Jobs	Household Income	Local Government Revenue	State Government Revenue
Expansion Project:	\$ 32,000,000	1,059.2	\$ 26,837,440	\$ 1,319,360	\$ 1,532,800
Audiences:	\$ 12,820,000	343.6	\$ 7,609,824	\$ 646,000	\$ 815,480
Total Economic Impact:	\$ 44,820,000	1,270.4	\$ 31,092,584	\$ 1,800,440	\$ 2,156,680

The Future

Over the past two decades, there is a nationwide trend that small not-for-profits and large not-for-profits economically sustain whereas mid-sized not-for-profits struggle. Music Hall currently falls into the middle ground of not-for-profits. The new addition will enable Music Hall to:

- Grow into a large not-for-profit with an anticipated annual projected budget of \$25 million and aggregate economic impact of more than \$50 million.
- Serve as a mixed-use facility, and produce revenue from its Concert Hall, Recital Hall, Music Academy, and several restaurants.
- Expand upon its current programming to include weddings, corporate parties, conferences, and special occasion rentals.
- Become a nationally renowned entertainment center enhancing its current philanthropic relationships with individuals, corporations, and foundations to ensure the continued sustainability of the new facility for decades.
- Complete an architecturally significant expansion to one of Downtown Detroit’s most iconic venues that will serve as a gateway to the Paradise Valley Cultural and Entertainment District.
- Reinvigorate Detroit’s infrastructure for musical training and production.
- Activate the daytime economy in a district that has long depended upon its nighttime economy.
- Help underpin and create awareness for the Paradise Valley Entertainment District

List of Exhibits

- Exhibit A – Legal Description of Project Area**
- Exhibit B – Site Plans and Renderings**
- Exhibit C – Alley Vacation Detail**
- Exhibit D – Zoning Map**
- Exhibit E – Anticipated Sources and Uses**

Exhibit F – Music Hall Expansion Development Team

4857-4360-6176.9

EXHIBIT A

EXHIBIT A

Project Area



EXHIBIT A (continued)
Project Area Legal Description

The following property located in the City of Detroit, County of Wayne, together with any alleys adjacent to such property:*

Parcel ID	Address	Legal Description
01000267.002L	300 MADISON	S MADISON 86,83,80 & 77 HOUGHTONS SEC OF BRUSH FARM L7, P174 CITY RECORDS, W C R 1/23 100 X 160
01000267.003	350 MADISON	S MADISON 78,81,84 & 87 W 10 FT OF N 10 FT 90 HOUGHTONS SEC OF BRUSH FARM L7 P174 CITY RECORDS, W C R 1/23 100 IRREG 16,100 SQFT

* Assessor's legal descriptions; subject to confirmation through survey as necessary

EXHIBIT B



Music Hall

Music Hall

Music Hall

HALL CENTER FOR THE PERFORMING ARTS

MUSIC HALL

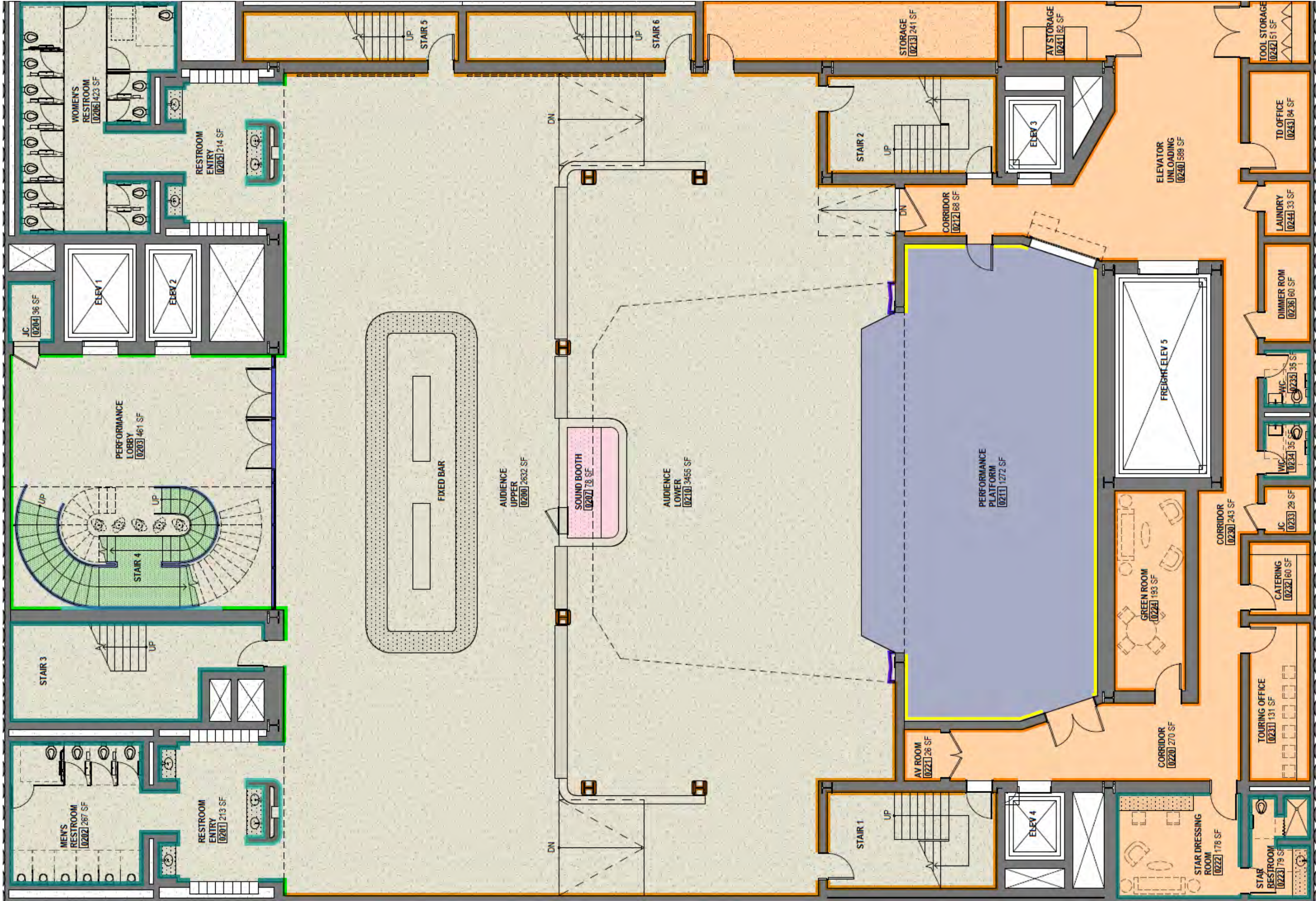


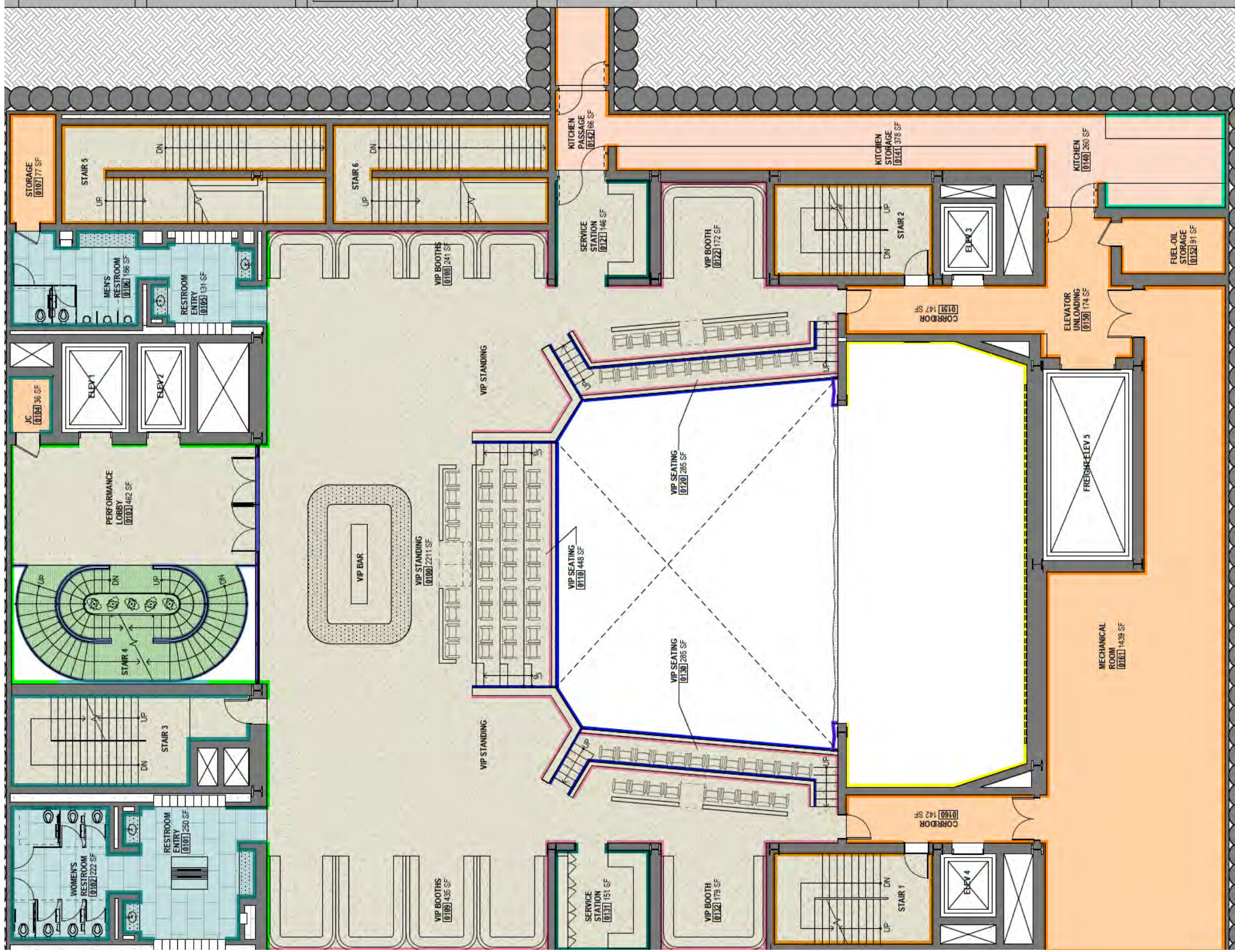
MUSIC HALL

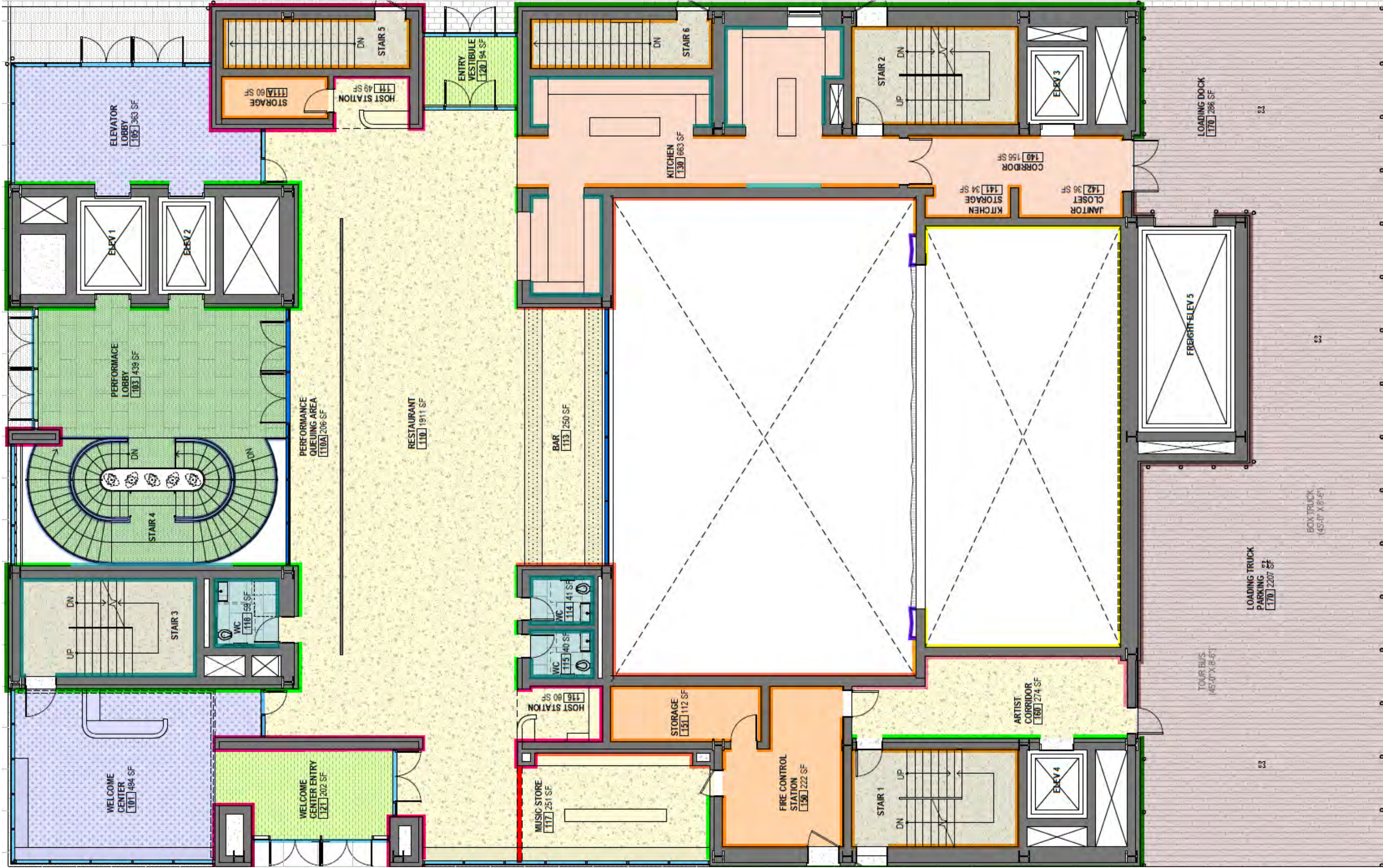
Detroit
Tigers

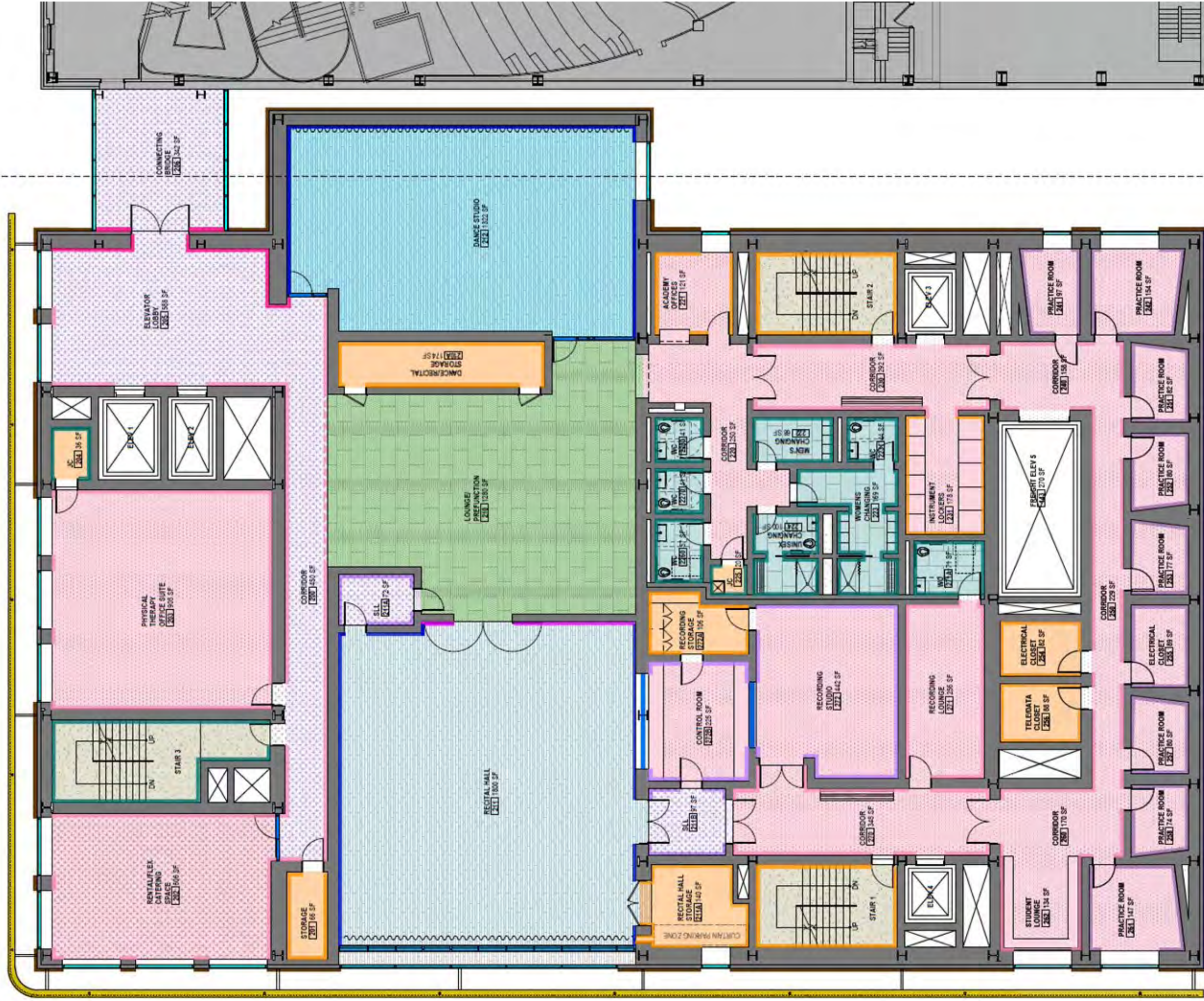
Detroit
Tigers

Madison
Grand River









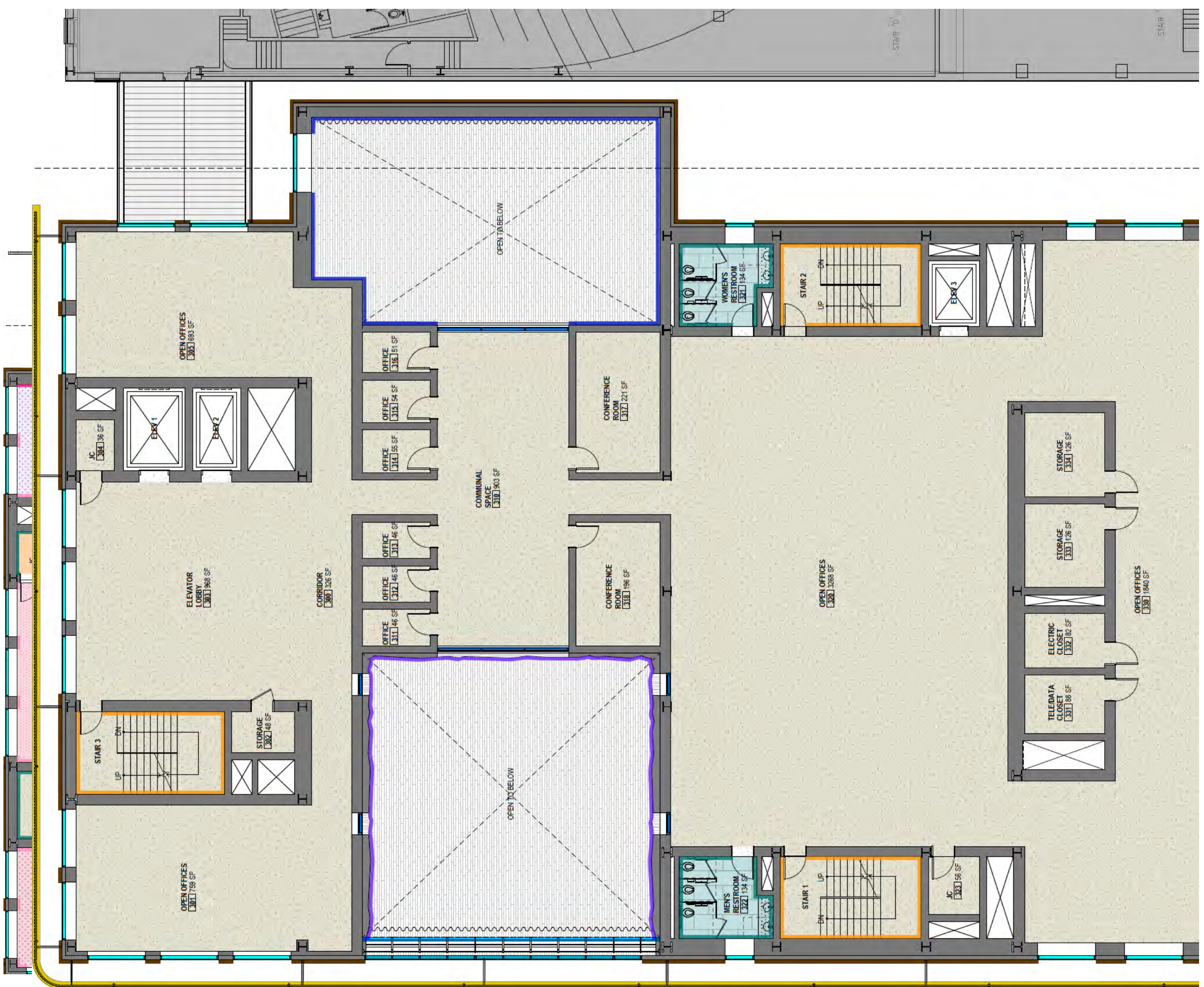






EXHIBIT C

EXHIBIT C

Detail of N/S Alley Vacation



Petition
MAP-23-147

Your Submission
Attachments
Guests (0)

Vacation Application Review

Welcome Letter
Technical Review
Payment
Pre-Agency Review
Final CED Review

Vacation Application Review

In progress. This step is in progress.

Before we proceed, make sure you've uploaded your:

- 1) Site Plan
- 2) Cover Letter
- 3) Petition Form containing signatures from all owners adjacent to the street or alley proposed for vacation

Provide the review ID for any related permits for this item:



John Biggar

Oct 10, 2023 at 3:16 pm

This the new request for the alley vacation between 300 and 350 Madison including the written approval of the Egress Ingress Easements Agreement for access to the alley by other property owners adjacent to the alley.

[Message the reviewer](#)

MAP-23-120

MADISON AVE. 90 FT. WD.



SUSPENDED SUN SCREEN
15'-64" ABOVE GRADE EXTENDS
9' EAST PROPERTY BOUNDARY
ON THE NORTH AND WEST
SIDES OVER THE SIDEWALK

RANDOLPH ST. 39.48 FT. WD.

BUILDING FACADE
15'-64" ABOVE GRADE EXTENDS
EAST PROPERTY BOUNDARY
ON THE NORTH AND WEST
SIDES OVER THE SIDEWALK

300 MADISON

15'-64" ABOVE GRADE THE BUILDING
FACADE EXTENDS EAST THE
PROPERTY BOUNDARY ON THE
EAST SIDE OVER THE ALLEYWAY

400% GRADE THE BUILDING IS HELD
FARAW FROM THE PROPERTY LINE
ON THE SOUTH SIDE

ALLEY 20 FT. WD.

EXISTING MUSIC HALL
WITH A GROUND

BRUSH ST. 50 FT. WD.

■ SUSPENDED SUN SCREEN 15'-64" ABOVE GRADE
EXTENDS 9' EAST PROPERTY BOUNDARY ON THE
NORTH AND WEST SIDES OVER THE SIDEWALK

□ BUILDING FACADE 15'-64" ABOVE GRADE
EXTENDS 9' EAST PROPERTY BOUNDARY
ON THE WEST, NORTH, AND EAST SIDES

MADISON AVE. 90 FT. WD.

77	78
80	81
83	84
86	87
89	90
92	93
95	96
98	99
101	102
104	105
107	108

RANDOLPH ST. 39.48 FT. WD.

BRUSH ST. 50 FT. WD.

GRANDOT AVE. 120 FT. WD.

CARTO 28 A

(FOR OFFICE USE ONLY)

B				
A				
DESIGNED BY	REVISED	DATE	APP. BY	DATE
DRAWN BY	LC	CHECKED	AP	
DATE	10-20-2023	APPROVED	JD	

REQUEST ABOVE GRADE
ENCROACHMENTS AROUND
THE PROPOSED
MUSIC HALL EXPANSION
AT 300 MADISON AVE.

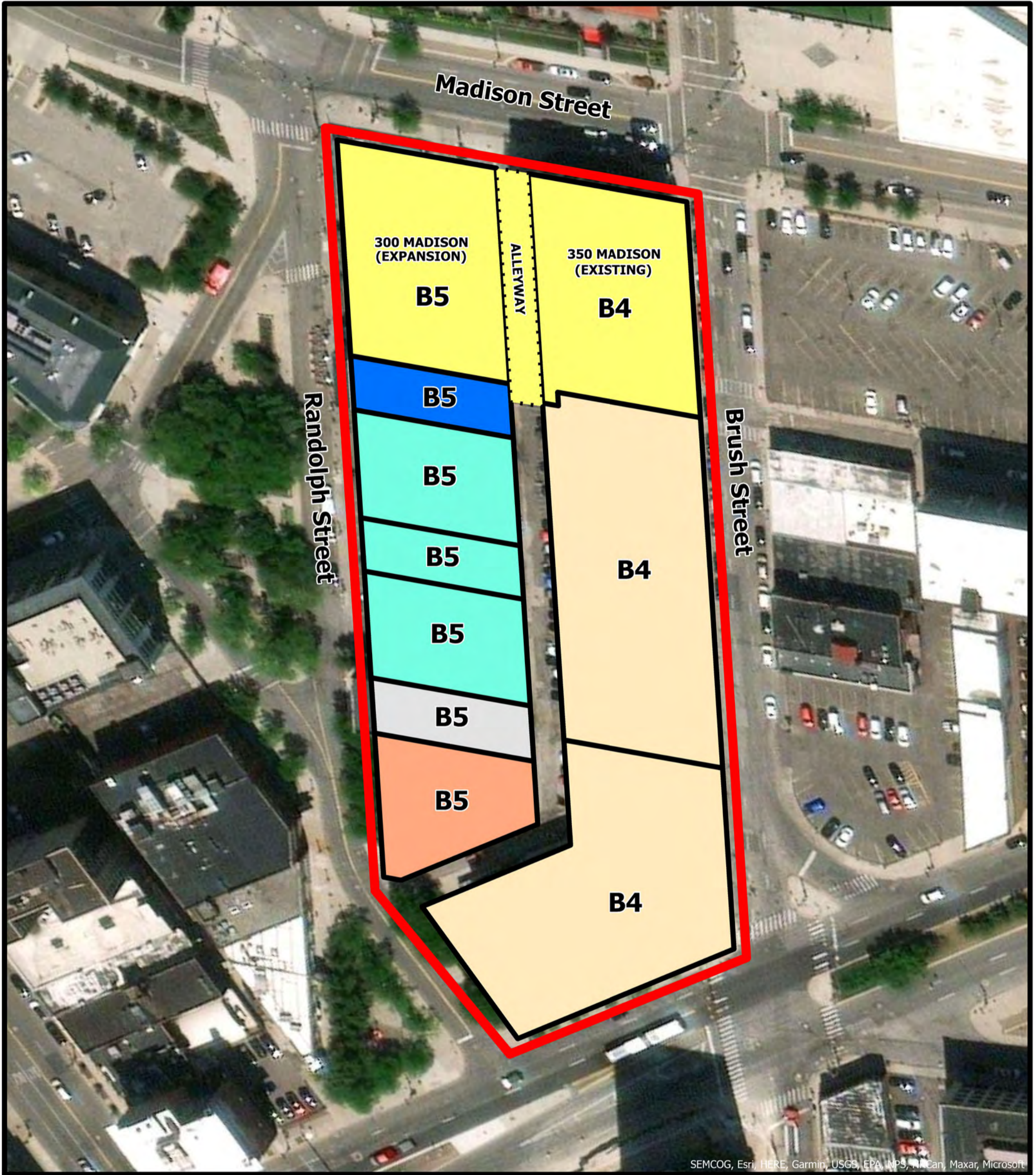
CITY OF DETROIT
CITY ENGINEERING DIVISION
SURVEY BUREAU

JOB NO. 23-120

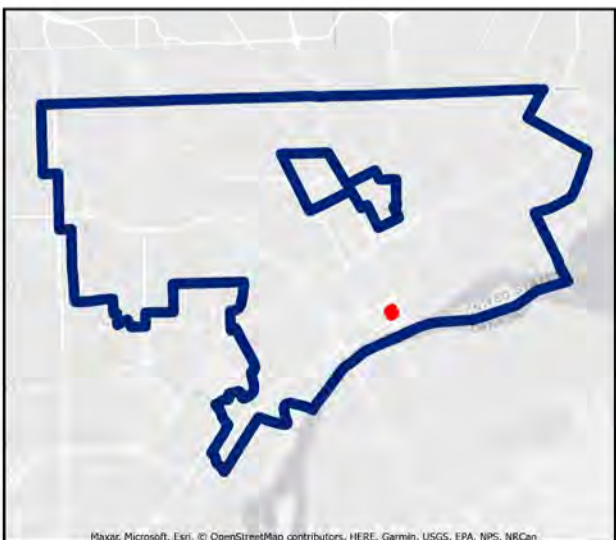
DEWG. NO. 23-120_2

EXHIBIT D

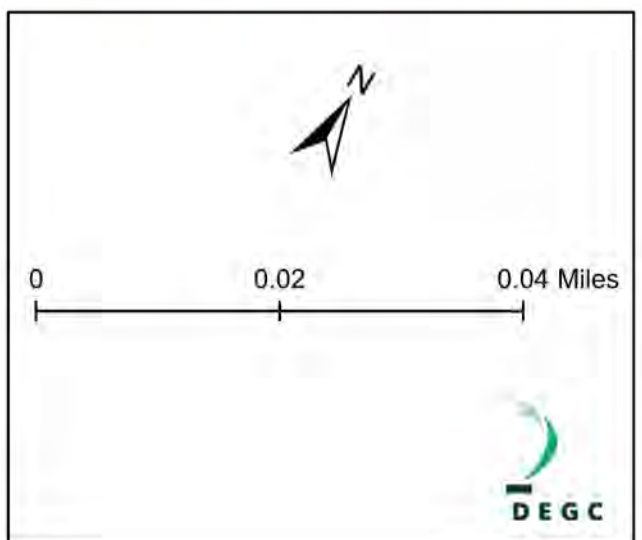
MUSIC HALL PROJECT DISTRICT - ZONING



SEMCOG, Esri, HERE, Garmin, USGS, EPA, NPS, NRCAN, Maxar, Microsoft



- ALLEYWAY
- DETROIT HOSPITALITY DST
- DOWNTOWN DEVELOPMENT AUTHORITY
- LA CASA PROPERTIES LLC
- MUSIC HALL CENTER FOR THE PE et al
- MUSIC HALL LLC
- PARADISE VALLEY REAL ESTATE HOLDING
- POZEN, ROBERT (REVOCABLE TRUST OF)
- PROJECT DISTRICT AREA
- B4 GENERAL BUSINESS DISTRICT
- B5 MAJOR BUSINESS DISTRICT



Maxar, Microsoft, Esri, © OpenStreetMap contributors, HERE, Garmin, USGS, EPA, NPS, NRCAN

EXHIBIT E

Project Costs

Building Size: 100,000



March 21, 2024

Hard Costs

	Projected Cost	\$/Bldg SF	Notes	Source	Date	P H A S E S		
						PreDevelopmt	Design & Eng	Construction
Land/Building								
300 Madison Land Loan Payoff	\$3,800,000	\$38.00	1	VP	5/10/24 <small>due date</small>	\$0	\$3,800,000	
350 Madison Acquisition	\$4,047,643	N.A.	1	VP	5/15/24	\$0	\$4,047,643	
Total Land/Building Cost	\$7,847,643	\$78.48				\$0	\$7,847,643	
Building Construction								
Subcontract Direct Cost	\$76,766,300	\$767.66	2	BM	5/22/23 <small>estimate date</small>	\$0	\$0	\$76,766,300
General Conditions & Contractor Staff	\$7,254,400	\$72.54	2	BM	5/22/23	\$200,000	\$0	\$7,054,400
Insurances	\$2,116,000	\$21.16	2	BM	5/22/23	\$0	\$0	\$2,116,000
Construction Contingency	\$2,303,000		2	BM	5/22/23			\$2,303,000
Escalation Contingency	\$4,882,700	\$0.00	3	BM	5/22/23	\$0	\$0	\$4,882,700
Structural Steel allowance	\$750,000						\$750,000	
Contractor Fee	\$2,584,200	\$25.84	2	BM	5/22/23	\$0	\$0	\$2,584,200
Total Building Construction Costs	\$96,656,600	\$966.57				\$200,000	\$750,000	\$95,706,600
Furniture, Fixtures and Equipment								
A/V Equipment	\$4,295,000	\$42.95	2	BM	5/22/23	\$0	\$0	\$4,295,000
Food Service Equipment	\$831,000	\$8.31	2	BM	5/22/23	\$0	\$0	\$831,000
Additional Acoustic Finishes	\$350,000	\$3.50	2	BM	5/22/23	\$0	\$0	\$350,000
Furniture	\$1,500,000	\$15.00	--			\$0	\$0	\$1,500,000
Total Furniture, Fixtures and Equipment	\$6,976,000	\$69.76				\$0	\$0	\$6,976,000
TOTAL HARD COSTS	\$111,480,243	\$1,074				\$200,000	\$8,597,643	\$102,682,600

Soft Costs- Direct

Architectural Design & Engineering								
Architect Fees (TWBT), and Hamilton Anr	\$4,500,849	\$45.01		TWBTA	2/22/24	\$1,229,700	\$2,000,000	\$1,271,149
Architect Consultants (MEP, Struct, etc.)	\$4,009,300	\$40.09			2/22/24	\$1,550,000	\$1,640,000	\$819,300
Civil Engineer	\$250,000				2/22/24	\$100,000	\$100,000	\$50,000
Total Architectural Design & Engineering	\$8,760,149	\$87.60				\$2,879,700	\$3,740,000	\$2,140,449
City/Governmental/Utility Fees								
Building Permit Fee	(incl. in GCs)	\$0.00			2/10/24 <small>due date</small>	\$0	\$0	\$0
DTE relocation	\$800,000					\$800,000		
Utility Tap Fees- Sewer & Water	\$150,000	\$0.50			2/10/24	\$100,000	\$50,000	\$0
Total City/Governmental/Utility Fees	\$950,000	\$9.50				\$900,000	\$50,000	\$0
Marketing & Promotion								
Marketing	\$40,000	\$0.40			2/10/24	\$40,000	\$0	\$0
Total	\$40,000	\$0.40				\$40,000	\$0	\$0
Insurance								
Quality Monitoring for Insurer	\$25,000	\$0.00			2/10/24		\$0	\$25,000
Developer Liability Insurance Premiums	\$600,000	\$0.50			2/10/24	\$500,000	\$50,000	\$50,000
Total Insurance Premiums	\$625,000	\$6.25				\$500,000	\$50,000	\$75,000
Development Expenses								
Project Management Fees	\$900,000	\$9.00			2/10/25	\$400,000	\$500,000	\$0
Construction Monitor Fees	\$125,000	\$0.00			2/10/25	\$0	\$0	\$125,000
Legal Fees	\$230,000	\$2.30			2/10/25	\$150,000	\$75,000	\$5,000
Project Admin. Fees & Expenses	\$1,255,000	\$12.55				\$550,000	\$575,000	\$130,000
TOTAL SOFT COSTS- DIRECT	\$11,630,149	\$116.30				\$4,869,700	\$4,415,000	\$2,345,449

Soft Costs- Financial

Financing Soft Costs (excl. interest reserve)

Bond Issuance and Legal Costs	\$300,000	\$0.00	GM	2/1/24	\$0	\$0	\$300,000
MEDC closing Loan Costs	\$100,000	\$0.00	GM	2/1/24	\$0	\$0	\$100,000
TOTAL SOFT COSTS- FINANCIAL	\$400,000	\$4.00			\$0	\$0	\$400,000

TOTAL SOFT COSTS: Direct & Financi:	\$12,030,149	\$120			\$4,869,700	\$4,415,000	\$2,745,449
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Project Contingency	\$1,000,000	\$10.00	VP	1/1/25	\$100,000	\$200,000	\$700,000
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TOTAL PROJECT COSTS: ALL-IN	\$124,510,392	\$1,245			\$5,169,700	\$13,212,643	\$106,128,049
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Total Contingency	\$8,935,700
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Capital Sources



March 21, 2024

CASH CAPITAL STACK

Cash Equity Sources	\$45,350,000
Tax Exempt Bond (net proceeds)	\$70,000,000
Interim Loan - Stifel	\$15,000,000
MSF Subordinated Loan	\$4,000,000
	\$134,350,000

CONTINGENCY SOURCES

Pouring rights - Superlative	\$3,000,000
Naming Rights - <u>ceiling</u> value - Superlative	\$20,000,000
Beacon Energy - MEP financing and maintenance	<u>\$19,000,000</u>
	\$42,000,000

Sources of Equity

		<u>Notes</u>	<u>Notification</u>
CASH EQUITY SOURCES			
Federal HUD appropriation	\$3,500,000	Sen. Stabenow sponsored	9/19/24
Foundations/Corporations Short term	\$2,500,000	received from Ballmer and Kresge	12/10/23
Foundations/Corporations Long term	\$6,000,000	Grant applications submitted	1/10/25
Wayne County ARPA	\$5,000,000	pending City Bond issuance	5/19/24
Music Hall expenditures to date	\$850,000	pre-development expenses	
Board of Trustee Gifts	\$2,500,000	CC has begun	7/10/24
Naming Rights	\$25,000,000	70% of Superlative <u>Floor</u> Valuation	4/10/24
Cash Equity Available for Project Costs	\$45,350,000		

Sources of Debt

TAX EXEMPT BOND

Total Bond Face Amount	\$80,000,000		5/10/24
Bond Funds Held in Reserve	(\$10,000,000)		5/10/24
Bond Funds Available for Project Costs	\$70,000,000		5/10/24
Loan-to-Cost Ratio:	56.0%		5/10/24
Interest Rate:	4.00%		5/10/24
Term (years):	25		5/10/24

MSF Loan

Loan Funds Available for Project Costs	\$4,000,000	2024 moved to 2025 App in progress	9/10/24
Closing Costs	(\$100,000)		9/10/24
Net Loan	\$3,900,000		9/10/24

Interim Loan -Stifel

Interim Loan -Stifel	\$15,000,000		3/22/2024
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Land and Music Hall Facility Non-Cash Equity

Appraised Value of Vacant Land	\$5,600,000
Debt Payoff (see Project Costs)	(\$3,800,000)
Equity	\$1,800,000
Appraised Value of Music Hall	\$11,800,000
Acquisition (see Project Costs)	(\$4,047,643)
Equity	\$7,752,357
Total Non-Cash Equity	\$9,552,357

EXHIBIT F

Music Hall Expansion Development Team



DEVELOPER / OWNER

Music Hall Center for the Performing Arts
350 Madison Street
Detroit, MI 48226
T 313.887.8506

Contact: Alex Parrish, Chair, Board of Trustees,
Vince Paul President & Artistic Director



BOND UNDERWRITERS

Seibert, Williams & Shank
535 Griswold St.
Detroit, MI 48226
T 313 492-7857
Contact: Suzanne Shank



Stifel Public Finance
5th Floor
787 7th Avenue
New York NY 10019
T 212 847-6610
Contact: Christopher Moriarty



BOND ISSUER

DEGC/EDC
500 Griswold Street Suite 2200 Detroit MI 48826
Contact: Kevin Johnson & Kenyetta Bridges-Hairston



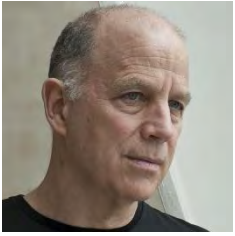
BOND COUNSEL – DEGC/EDC/ISSUER

Dykema Gossett PLLC
201 Townsend Street, Suite 900
Lansing, Michigan 48933
T 517-374-9124
Contact: Jarrod T. Smith & N. Banu Colak



BOND COUNSEL – Music Hall

Lewis Munday PLC
660 Woodward Avenue
Suite 2490, First National Building,
Detroit MI 48226
Contact: Karen Kendrick Brown, Esq & Ngozi E. Nwaesei, Esq



BUILDING ARCHITECTS

Tod Williams Billie Tsien Architects LLP
222 Central Park South
New York, NY 10019
T 212.582.2385
Contact: Tod Williams & Billie Tsien



LANDSCAPE ARCHITECTS

Hamilton Anderson Associates 1435 Randolph Street, Suite 200
Detroit, MI 48226
T 313.964.0270
Contact: Rainy Hamilton Jr.



CONSTRUCTION MANAGER

Barton Malow
1274 Library Street, Suite 500,
Detroit, MI 48226
T 313.293.8979
Contact: Ed Davis



DEVELOPER REPRESENTATIVE

Ardent Advisors 241 Madison Street Suite 48
Detroit, MI 48226
T 248.766.5503
Contact: Larry Lipa



REAL ESTATE COUNSEL

Butzel Long
150 W. Jefferson, Suite 100
Detroit, MI 48226
T 313.225.7022
Contact: Geaneen Arends



CONSTRUCTION PERMITTING

Integrity Building Group
350 Madison Avenue, 4th Floor
Detroit, Michigan 48226
T 313.300.0082 Contact: John Biggar



SENIOR FINANCIAL AND REAL ESTATE ADVISOR

Ghebre Selassie Mehreteab
600 Franklin Way
West Chester, PA 19380
Cell: 917.232.9618



COMPLIANCE AND REGULATIONS

Activate Detroit
28 West Adams, Suite 1300
Detroit, MI 48226
T 313.506.8505
Contact: Buzz Thomas & Terence Thomas



CIVIL ENGINEER

PEA Group
45 W. Grand River Avenue Suite 501
Detroit, MI 48226
T 313.769.5770
Contact: Emil Bunek



STRUCTURAL ENGINEER

Thornton Tomasetti
330 North Wabash Avenue Suite 1500
Chicago, IL 60611
T 312.596.2000
Contact: Karen Grossett



MEP FP IT ENGINEER

Altieri Sebor Wieber
31 Knight Street
Norwalk, CT 06851
T 203.866.5538
Contact: Adam Trojanowski



THEATRICAL DESIGNER

Martin Vinik Planning for the Arts
1026 Ulster Landing
Saugerties, NY 12477
T 845.336.6069
Contact: Martin Vinik



ACOUSTIC CONSULTANT (Acentech)

33 Moulton Street
Cambridge, MA 02138
T 617.499.8000
Contact: Ben Markham



LIGHTING ENGINEER

Fisher Marantz Stone
22 West 19th Street, Floor 6
New York, NY 10011
T 212.857.9240
Contact: Paula Martinez



ENVELOPE CONSULTANT

Forst Consulting & Architecture PLLC
19 West 44th Street Suite 611,
New York, NY 10036
T 212.286.0900
Contact: Bill Young



VERTICAL TRANSPORT CONSULTANT

VDA Elevator & Escalator Consulting
1420 Washington Blvd. Suite 301
Detroit, MI 48226
T 313.725.4500 Contact:
Dion Cooper



PUBLIC RELATIONS - Local

VVK PR + Creative
Detroit, MI
T: 248-202-6166 Contact: Stephen Jones and Peter Van Dyke



CODE CONSULTANT

Jensen Hughes 10 South Wacker Drive Suite 1300
Chicago, IL 60606
T 312.869.8500
Contact: Mark Slonina



CODE EDC 24-03-91-141

MOTOR CITY MATCH ROUND 21 AWARDS: THE TRAP YOGA AND MASSAGE STUDIO ADDRESS CORRECTION

WHEREAS, on January 23, 2023 the Board of Directors of The Economic Development Corporation of the City of Detroit (the “EDC”) approved the Motor City Match Round 21 awardees, including a Restore track award to The Trap Yoga and Massage Studio; and

WHEREAS, in preparing the grant agreement for The Trap Yoga and Massage Studio, EDC staff discovered a scrivener’s error regarding The Trap Yoga and Massage Studio’s business address; and

WHEREAS, EDC staff is seeking approval to correct the scrivener’s error by changing the approved project address from 3374 E. Jefferson Ave, Detroit, Michigan 48207 to 3179 Franklin, Detroit, Michigan 48207.

NOW, THEREFORE BE IT RESOLVED that the EDC Board of Directors approves the change to The Trap Yoga and Massage Studio’s business address in the Motor City Match Round 21 Awards from 3374 E. Jefferson Ave, Detroit, Michigan 48207 to 3179 Franklin, Detroit, Michigan 48207.

BE IT FURTHER RESOLVED, that any two Officers, or any one of the Officers and any one of the Authorized Agents or any two of the EDC’s Authorized Agents shall hereafter have the authority to negotiate and execute all documents, contracts, or other papers and to take such actions as are necessary or appropriate to implement the provisions and intent of this resolution.

BE IT FINALLY RESOLVED, that all of the acts and transactions of any Officer or Authorized Agent of the EDC, in the name and on behalf of the EDC, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions, except that such acts were taken prior to the execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

March 26, 2024



CODE EDC 24-03-91-142

**MOTOR CITY MATCH ROUND 22 AWARDS: REAL EMPIRE DBA CULTURE DET
ADDRESS CORRECTION**

WHEREAS, on April 25th, 2023 the Board of Directors of The Economic Development Corporation of the City of Detroit (the “EDC”) approved the Motor City Match Round 22 awardees, including a Restore track award to REAL Empire LLC dba CultureDET; and

WHEREAS, in preparing the grant agreement for REAL Empire dba CultureDET, EDC staff discovered a scrivener’s error regarding REAL Empire dba CultureDET business address; and

WHEREAS, EDC staff is seeking approval to correct the scrivener’s error by changing the approved project address from 18943 Livernois, Detroit, Michigan 48221 to 19327 Livernois, Detroit, Michigan 48221.

NOW, THEREFORE BE IT RESOLVED that the EDC Board of Directors approves the change to REAL Empire dba CultureDET’s business address in the Motor City Match Round 22 Awards from 18943 Livernois, Detroit, Michigan 48221 to 19327 Livernois, Detroit, Michigan 48221.

BE IT FURTHER RESOLVED, that any two Officers, or any one of the Officers and any one of the Authorized Agents or any two of the EDC’s Authorized Agents shall hereafter have the authority to negotiate and execute all documents, contracts, or other papers and to take such actions as are necessary or appropriate to implement the provisions and intent of this resolution.

BE IT FINALLY RESOLVED, that all of the acts and transactions of any Officer or Authorized Agent of the EDC, in the name and on behalf of the EDC, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions, except that such acts were taken prior to the execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

March 26, 2024



CODE EDC 24-03-91-143

MOTOR CITY MATCH: RECOMMENDATION TO EXTEND AWARD DEADLINE AND CHANGE PROJECT ADDRESS

WHEREAS, the Feline Curves LLC (the “Awardee”) was awarded a Motor City Match “Restore” Grant during Round 23: and

WHEREAS, Motor City Match Restore Awardee was initially awarded an \$8,000 grant by the EDC Board; and

WHEREAS, due to damage to their existing shutters, additional loan finances and other unforeseen obstacles, the Awardee is seeking a grant increase to \$25,000; and

WHEREAS, EDC staff recommends that the Awardee’s Restore grant amount be increased; and

WHEREAS, the EDC Board of Directors has determined that Staff’s recommendations are appropriate and within the best interests of the Program.

BE IT FURTHER RESOLVED, that the EDC Board of Directors hereby approves a grant increase for Round 23 Restore Track Awardee Feline Curves LLC from \$8,000 to \$25,000.

BE IT FURTHER RESOLVED, that any two Officers, or any one of the Officers and any one of the Authorized Agents or any two of the EDC’s Authorized Agents shall hereafter have the authority to negotiate and execute all documents, contracts, or other papers and to take such actions as are necessary or appropriate to implement the provisions and intent of this resolution.

BE IT FINALLY RESOLVED, that all of the acts and transactions of any Officer or Authorized Agent of the EDC, in the name and on behalf of the EDC, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions, except that such acts were taken prior to the execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

March 26, 2024