



**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, DECEMBER 16, 2020 – 3:00 P.M.**

BOARD MEMBERS PRESENT: Marvin Beatty
David Blaszkiewicz
Ehrlich Crain
Charity Dean
Sonya Delley
Richard Hosey
James Jenkins
Nick Khouri
David Massaron
John Naglick
Steve Ogden

BOARD MEMBERS ABSENT: Austin Black
Melvin Hollowell

OTHERS PRESENT: Kenyetta Bridges (DEGC/DDA)
James Bullo (Olympia Entertainment)
Gary Brown (Diversity in Design)
Cora Capler (DEGC/DDA)
Jared Fleisher (Quicken Loans)
Gay Hilger (DEGC/DDA)
Malinda Jensen (DEGC/DDA)
Kevin Johnson (DEGC/DDA)
Paul Kako (DEGC/DDA)
Jennifer Kanalos (DEGC/DDA)
Kirsten Kozel (Olympia Entertainment)
Glen Long, Jr. (DEGC/DDA)
Alexis Mabry (DEGC/DDA)
Mike McLauchlan (Olympia Entertainment)
Rebecca Navin (DEGC/DDA)
Tim Padgett (Olympia Entertainment)
Bernard Parker (Detroit Chamber)
Nicole Sherard-Freeman (City of Detroit)
Nevan Shokar (DEGC/DDA)



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, DECEMBER 16, 2020
ZOOM VIRTUAL MEETING – 3:00 P.M.**

GENERAL

Call to Order

The Chairman's Representative, Mr. Khouri, called the regular meeting of the Downtown Development Authority Board of Directors to order at 3:00 p.m. Roll call was conducted, and a quorum was established.

Approval of Minutes

Mr. Khouri asked if there were any additions, deletions or corrections to the minutes of the November 11, 2020 Regular Board meeting. Hearing none, the Board took the following action:

Mr. Beatty made a motion approving the November 11, 2020 minutes, as written. Mr. Hollowell seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Beatty, Mr. Blaszkiewicz, Mr. Crain, Ms. Dean, Ms. Delley, Mr. Hosey, Mr. Massaron, Mr. Naglick, Mr. Ogden, and Mr. Khouri.

Nays: None.

DDA Resolution Code 20-12-02-630 was approved.

Receipt of Treasurer's Report for October 2020

Treasurer Naglick requested that Mr. Long present the report. Mr. Long reviewed the Treasurer's Report of Receipts and Disbursements for the month of October 2020. With there being no questions, Mr. Khouri called for a motion.

Mr. Crain made a motion approving the Treasurer's Report for October 2020, as presented. Mr. Blaszkiewicz seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Beatty, Mr. Blaszkiewicz, Mr. Crain, Ms. Dean, Ms. Delley, Mr. Hosey, Mr. Massaron, Mr. Naglick, Mr. Ogden, and Mr. Khouri.

Nays: None.

DDA Resolution Code 20-12-03-515 was approved.



PROJECTS

DDA H/O/R Loan – Hudson Business Enterprises, Inc. Loan Modification

Ms. Mabry reported that in 2006, the City of Detroit Downtown Development Authority (“DDA”) approved a \$175,000.00 loan (the “Loan”) to Hudson Business Enterprises, Inc (the “Borrower”). The interest rate on the Loan was 4% and the Loan had an initial maturity date of December 2016. The collateral for the Loan includes a UCC filing and Personal Guarantees of the principals of the Borrower. Invest Detroit also provided funding to the Borrower and is the senior lender.

The Borrower utilized the Loan funds for the build-out and opening of its day spa business, the Woodhouse Day Spa (the “Woodhouse Spa”). The Woodhouse Spa opened in 2007 and occupies 5,525 square feet of ground floor retail space at 1441 Woodward. The landlord is a Bedrock-affiliated entity, Merchants Row Webward LLC (the “Landlord”). The Woodhouse Spa has remained open with the exception of the period during which the impact of the COVID-19 pandemic closed service-oriented businesses starting in March 2020.

Over the years, the Woodhouse Spa was able to generate enough income to pay operating costs and to allow Borrower to make payments on the Loan, however, the Borrower has encountered and endured many challenges. In addition to the recent challenges the Borrower faces due to the COVID-19 pandemic, the Borrower also faced challenges from not meeting sales expectations and having to finalize the terms of a franchise agreement, amend the lease between Landlord and Borrower and make payments thereon, and resolve parking issues.

The Woodhouse Spa is a franchise and is governed by a Franchise Agreement. That agreement expired in 2017 and Borrower has been working to finalize a revised agreement that would be beneficial to Borrower. Recently, the Borrower was able to facilitate a revised agreement that entails a year to year term. As a result of the success of facilitating a new agreement, not only did this resolve an outstanding issue of the Woodhouse Spa, but Cheryl Hudson, Principal of Woodhouse Spa has been asked to serve on a diversity council for the franchise. The position will help to improve current practices and inclusion for other franchisees.

The lease between the Landlord and Borrower has been amended on various occasions. Currently, the lease is on a month to month basis. The Borrower owes back rent and the Landlord is currently working with the Borrower to assess a remedy for those payments. The Borrower continues to pay the current rent timely per the agreement in place.

As a result of the COVID-19 pandemic and corresponding executive orders, the Woodhouse Spa shut down in March and no revenues were generated for over 3 months.



The DDA deferred loan payments from April through July. The Borrower received additional relief which included loan forgiveness from Invest Detroit for six months (April through September), 3 months of no rent payments from the Landlord (April through June), and a grant from the Detroit Economic Growth Association in the amount of \$10,000. The Borrower also received a Paycheck Protection Program (“PPP”) loan in the amount of \$29,000, however because most of the Woodhouse Spa’s team members are independent contractors, the Borrower was unable to get the PPP funds to cover its payroll costs, hence these contractors were furloughed. Instead, the PPP funding was used to pay some fixed costs such as insurance and utilities and it enabled Woodhouse Spa to re-open following the rescission of the Governor’s executive orders requiring that such businesses be closed.

Woodhouse Spa reopened in September and it is currently operating 5 out of 7 days with limited staff. The Borrower is closely monitoring sales and bookings with social distancing and limited occupancy. The Borrower also anticipates sales to be reduced from previous levels as the recovery from the COVID-19 pandemic continues. The Borrower will continue to seek financial assistance to bring back contractor staff, pay fixed costs and to purchase adequate inventory to sustain the business in moving forward.

In consideration of the various challenges the Borrower has experienced over the years, inclusive of the impact of the COVID-19 pandemic, the Borrower has requested that the DDA and Invest Detroit adjust the Borrower’s loan payments. The Borrower has always remained responsive with the DDA and Invest Detroit and has remitted all required payments and Loan documentation as requested.

DDA staff finds it practical to restructure the Loan now that some resolution has been reached with the franchise agreement and the lease. In addition to the previous relief provided, and in conjunction with a restructuring of the loan provided by Invest Detroit, DDA staff proposes to restructure the Loan, the current balance of which is \$158,418.76, as follows: retroactive deferral of loan payments from April through July 2020, followed by interest only payments from August through December, and then the remittal of principal and interest payments in the amount of \$1,625.30 beginning in January 2021. The Loan payments will increase by \$1,800.00 to \$3,425.30 in January 2023, following the Invest Detroit loan maturity. The DDA loan maturity date will be extended to June 2026. The interest rate will remain at 4%. The amortization schedule and all loan documentation will be updated and modified accordingly.

The DDA Finance Committee has recommended the approval of the proposed loan modification to the DDA Board of Directors and DDA staff requested approval of a modification to the Loan consistent with the terms noted above. A resolution was provided for the Board’s consideration.

Mr. Khouri called for questions.



Mr. Blaszkiewicz stated that obviously with what Invest Detroit is doing with this loan, they are in favor of it, and he, therefore, would like to recuse himself from the vote.

Mr. Ogden informed that he is also in favor of this proposal and had direct discussion about the loan restructure and, therefore, would like to recuse himself from the vote.

Mr. Crain asked if the business was open and if they believed they would be able to meet the schedule of payments. Ms. Mabry responded that they are open with limited services and that they do believe they will be able to make the payments.

With there being no other questions or comments, Mr. Khouri asked if there was a motion.

Mr. Naglick made a motion approving the Hudson Business Enterprises, Inc. Loan Modification, as presented. Ms. Delley seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Crain, Ms. Dean, Ms. Delley, Mr. Hosey, Mr. Jenkins, Mr. Massaron, Mr. Naglick, and Mr. Khouri.

Nays: None.

Abstentions: Mr. Blaszkiewicz and Mr. Ogden.

DDA Resolution Code 20-12-93-32 was approved.

Events Center Project: Request for Approval of Disbursement from Repair Fund for Spectator Safety Upgrades

Ms. Navin advised that pursuant to that certain Amended and Restated Concession and Management Agreement (the “CMA”), by and among the DDA, Olympia and the Red Wings relating to the Little Caesars Arena (“LCA”), the DDA and Olympia contribute annually into a Repair Fund that can be used by Olympia for certain repairs needed at the LCA. Use of the Repair Fund for non-emergency repairs that are greater than \$50,000 requires DDA’s approval.

The definition of “Repairs” under the CMA includes equipment upgrades when, among other things, the equipment is required to comply with requirements of the NHL, the equipment is for the enhancement of attendee comfort and is being made at other comparable multipurpose events centers, or the equipment is an advance in systems technology that being made at comparable multipurpose events centers.

In light of the COVID-19 pandemic, Olympia has identified certain equipment upgrades to meet new safety protocols and best practices that it would like to fund using the Repair Fund. A full description of the equipment is attached to the resolution as **Exhibit A** and summarized as follows:



X-Ray Machines for permitted bags	\$ 77,990
Ticket Scanning Pedestals for contactless ticket scanning	\$ 73,575
Reverse ATMs for cashless transactions	<u>\$ 47,812</u>
Total requested amount from the Repair Fund	\$ 199,377

The first item is required due to no-bag policies being implemented by both the NBA and NHL, which also require permitted bags (e.g., players, media, medically necessary) to be scanned by X-ray machines. The second two items are being implemented as part of best practices to reduce touchpoints and are similarly being introduced at other similar events centers.

The DDA staff finds Olympia's request to use the Repair Fund to fund the above described equipment reasonable and recommends the Board's approval. A resolution was included for the Board's consideration. Representatives from Olympia are available for specific questions.

Mr. Khouri called for questions.

Mr. Jenkins asked if these units have been used before. Ms. Navin responded that they are being implemented across the country. Ms. Navin deferred to Olympia as to where they are currently in use.

Mr. Jim Bollo, Director of Operations at the Event Center, thanked the Board for having him and advised that also on the phone are Tim Pagett, Sr. VP of Venue Operations, and Mike McLauchlan, VP of Government Operations. Mr. Bollo advised that this equipment is presently being used across the country at other event centers and explained how each piece of equipment is used.

Mr. Crain asked what entity actually will own the equipment once it is purchased. Ms. Navin stated she doesn't have the CMA in front of her, but this is movable equipment, and under a typical lease, it would be owned by the tenant and the tenant would also be responsible for maintenance of the equipment.

With there being no other questions, Mr. Khouri called for a motion.

Mr. Blaszkiewicz made a motion approving the Events Center Project Request for Approval of Disbursement from Repair Fund, as presented. Mr. Jenkins seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Beatty, Mr. Blaszkiewicz, Mr. Crain, Ms. Dean, Ms. Delley, Mr. Hosey, Mr. Jenkins, Mr. Massaron, Mr. Naglick, Mr. Ogden, and Mr. Khouri.

Nays: None.

DDA Resolution Code 20-12-123-72 was approved.

Ms. Dean mentioned that the last time the Board talked about repairs, Olympia Development was asked about the use of Detroit-based businesses and the list of contractors. Ms. Dean inquired if there were an update on that, and if not, whether we



could schedule a follow-up. Ms. Navin informed that the conversation Board Member Dean is remembering was about the Comerica Park repair fund. This is the first request from the LCA repair fund. We expect the Tigers to be in front of the Board with their annual repair request in the first quarter of 2021 and we will be sure that they are prepared to have that discussion at that time. Ms. Dean thanked Ms. Navin and stated that this sentiment also applies to LCA as well, and since we have members of Olympia Development present, she thought we could have a conversation about that, or we could have that conversation later as well.

Mr. Tim Padgett advised that he could speak to that, as he is Sr. Vice President for Venue Operations for both Comerica Park and LCA. He advised that there is an entirely new group that is sifting through what has happened in the past, but moving forward, they have had some great conversations about having a clear direction about the use of Detroit-based businesses, not just at Comerica Park but at all of Olympia Entertainment's venues. Going forward, Detroit-based businesses will be front and center at all times.

Request to Approve Interim Use Under Monroe Blocks Development Agreement

Mr. Shokar reported that in November 2016, the City of Detroit Downtown Development Authority (the “**DDA**”) approved the sale of several properties consisting of the surface parking lot at Farmer and Monroe (“**A Block**”) and the former Bates Garage (“**B Block**”) (collectively, the “**Property**”) to Rosko Development Company LLC, an affiliate of Bedrock Real Estate Services, (the “**Developer**”). In January, 2019, the DDA and Developer closed on the Property under a Development Agreement (the “**Development Agreement**”) relating to the development of a mixed use project comprised primarily of office and retail on the surface parking lot at Farmer and Monroe and primarily residential and retail on the block consisting of the former Bates garage and National Theatre (the “**Project**”).

However, given market changes and uncertainties that have been amplified during the COVID-19 pandemic, the Project is currently behind schedule and Developer is anticipating the need for an extension under the Development Agreement. Developer has requested forbearance on rights DDA may have to enforce the terms of the Development Agreement for Project delays until February 26, 2021, to allow Developer to request a formal amendment to the Development Agreement before that date.

In the meantime, Bedrock has requested to include the A Block in its planned activation for downtown outdoor spaces aimed at attracting visitors downtown for safe activities during the ongoing pandemic. More specifically, during the winter and spring months, Bedrock proposes that A Block be activated as a drive-in movie theatre and concert venue. The activation will include a movie screen, stage, stalls for approximately 77 vehicles, and food and beverage concessions, and may include interactive landscaping



features including a no-touch play area for children (collectively, the “**Proposed Interim Use**”).

Given the significant level of investment required to activate the A Block for the Proposed Interim Use, and the nominal fees that are expected to be charged, Bedrock does not expect to realize any profits from the Proposed Interim Use, however, any net revenues would be split 50/50 between Bedrock and the DDA.

DDA staff is supportive of the Proposed Interim Use and requested forbearance, subject to Developer’s formal request for a Development Agreement amendment being considered by the Board prior to February 26, 2021.

A resolution was included for the Board’s consideration.

Ms. Navin advised that she wanted to clarify that we expect that the amendment to the Development Agreement will primarily relate to adding additional time in order for a more comprehensive plan to be flushed out and didn’t want anyone to get their hopes up that the Board is going to see a new development plan for the Monroe Blocks in two months.

Mr. Khouri asked to confirm that any losses on this are going to be picked up by the developer and called on Mr. Fleisher to respond. Mr. Fleisher advised that the developer would be paying all costs as part of a philanthropic investment called the Decked-Out Detroit Initiative to support small businesses downtown.

Mr. Ogden advised that he needed to abstain from voting.

Mr. Khouri asked if there were any other questions or comments. Hearing none, he called for a motion.

Mr. Beatty made a motion approving the Interim Use of Monroe Blocks, as presented. Mr. Jenkins seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Beatty, Mr. Blaszkiewicz, Mr. Crain, Ms. Dean, Ms. Delley, Mr. Hosey, Mr. Jenkins, Mr. Massaron, Mr. Naglick, and Mr. Khouri.

Nays: None.

Abstentions: Mr. Ogden.

DDA Resolution Code 20-12-112-19 was approved.

ADMINISTRATION

None.

OTHER BUSINESS



Mr. Khouri again thanked the Board, and introduced his replacement, Ms. Nicole Sherard-Freeman, who will be assuming his role at the City and also his role as the Mayor's Representative on the DDA Board. The Board members thanked Mr. Khouri for his year of service to the City. Ms. Jensen also thanked Mr. Khouri.

PUBLIC COMMENT

None.

ADJOURNMENT

On a motion by Mr. Ogden, seconded by Mr. Jenkins, Mr. Khouri adjourned the meeting at 3:37 p.m.



CODE DDA 20-12-02-630

APPROVAL OF MINUTES OF NOVEMBER 11, 2020

RESOLVED that the minutes of the Regular meeting of November 11, 2020 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 Downtown Development Authority.

December 16, 2020



CODE DDA 20-12-03-515

RECEIPT OF TREASURER'S REPORT FOR OCTOBER 2020

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending October 31, 2020, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

December 16, 2020



CODE DDA 20-12-93-32

DDA H/O/R LOAN – HUDSON BUSINESS ENTERPRISES, INC. LOAN MODIFICATION

WHEREAS, in 2006, the City of Detroit Downtown Development Authority (“DDA”) approved a \$175,000.00 loan (the “Loan”) to Hudson Business Enterprises, Inc (the “Borrower”) for the build-out and opening of Borrower’s day spa business, the Woodhouse Day Spa (the “Woodhouse Spa”); and

WHEREAS, due to the impact of the COVID-19 pandemic and temporary closure of the Woodhouse Spa in accordance with executive orders issued by the Governor of the State of Michigan, Borrower did not realize any revenues for over 3 months and anticipates sales to be reduced from previous levels as the recovery from the COVID-19 pandemic continues; and

WHEREAS, to mitigate the impacts of the pandemic, Borrower is now requesting that the DDA restructure the Loan as follows: (i) retroactive deferral of loan payments from April through July 2020, then interest only payments from August through December, and the remittal of principal and interest payments beginning in January 2021; and (ii) following the maturity of the loan between Borrower and Invest Detroit in January 2023, increase in loan payments by \$1,800.00 (collectively, the “Modified Terms”); and

WHEREAS, DDA staff has reviewed the request and finds the Modified Terms reasonable; and

WHEREAS, the DDA Finance Committee has reviewed the Modified Terms and recommends their approval to the Board of Directors; and

WHEREAS, the DDA Board has determined that approval of the Modified Terms is in the best interests of the DDA.

NOW, THEREFORE, BE IT RESOLVED, that the DDA Board of Directors hereby approves the Modified Terms.

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



BE IT FINALLY RESOLVED that all of the acts and transactions of any Officer or Authorized Agent of the DDA, in the name and on behalf of the DDA, 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.

December 16, 2020



CODE DDA 20-12-123-72

CATALYST DEVELOPMENT PROJECT--EVENT CENTER (LCA): RESOLUTION AUTHORIZING THE USE OF REPAIR FUNDS FOR CHANGES AND ADDITIONS ASSOCIATED WITH THE NHL RESPONSE TO COVID RELATED FAN SAFETY

WHEREAS, pursuant to that certain Amended and Restated Concession and Management Agreement (the “CMA”) by and among the City of Detroit Downtown Development Authority (the “DDA”), Olympia Entertainment Event Center, LLC (“Olympia”) and the Detroit Red Wings, Inc. for the development and operation of the Little Caesars Arena (“LCA”), the DDA and Olympia contribute annually into a Repair Fund that can be used by Olympia for certain repairs needed at the LCA; and

WHEREAS, use of the Repair Fund for non-emergency repairs that are greater than \$50,000 require DDA’s approval; and

WHEREAS, the DDA has reviewed Olympia’s request for the DDA’s approval to utilize the Repair Fund to pay for for certain equipment upgrades described in the attached Exhibit A to meet new safety protocols and best practices in response to the COVID-19 pandemic; and

WHEREAS, the request comports with the definition of “Repairs” under the CMA which includes equipment upgrades when, among other things, the equipment is required to comply with requirements of the NHL, the equipment is for the enhancement of attendee comfort and is being made at other comparable multipurpose events centers, or the equipment is an advance in systems technology that being made at comparable multipurpose events centers; and

WHEREAS, the DDA Board of Directors has determined that Olympia’s request is reasonable and in the best interest of the Events Center Project.

NOW, THEREFORE, BE IT RESOLVED, the DDA Board of Directors authorizes the use of the Repair Fund to fund each of the following:

X-Ray Machines for permitted bags	\$ 77,990
Ticket Scanning Pedestals for contactless ticket scanning	\$ 73,575
Reverse ATMs for cashless transactions	<u>\$ 47,812</u>
Total requested amount from the Repair Fund	\$ 199,377

BE IT FURTHER RESOLVED, that the DDA Board of Directors hereby authorizes any two of the Officers of the DDA or any two Authorized Agents of the DDA or combination thereof to execute any and all documents, contracts, or other papers and to take such other actions necessary or desirable to implement the provisions and intent of this resolution on behalf of the DDA.

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

December 16, 2020



Exhibit A

Little Caesars Arena Venue Modifications Needed to Host Guests for Events

Summary

The Operations Team at Little Caesars Arena is making modifications to the venue to meet NHL and NBA protocol for safe operation of home games with spectators in attendance. These measures are being made at all NHL / NBA arenas in each league. They are also being implemented to meet any executive orders or policies as set forth by the State of Michigan and the Michigan Department of Health and Human Services.

These modifications mitigate the threat to health and safety for our guests and employees caused by the spread of virus, with major focus on defense against Covid 19 spread. This is accomplished by reducing touchpoints person to person and between people and surfaces.

There are three initiatives described on the following pages: X-Ray machines, Ticket Scanning Pedestals and Reverse ATM's. The X-Ray machines are required by each league to be used for scanning any bags necessary for medical reasons or work reasons before admittance to the venue. The Ticket Scanning Pedestals are a best practice at NBA / NHL venues as a reduction of touchpoints between staff and guests. The reverse ATM's are a best practice for NBA / NHL venues as the vast majority are changing to a cash free or reduced cash operation.

The modifications also provide material improvement to attendee comfort and convenience by enabling faster and more efficient service. Other modifications will provide enhanced disinfecting measures at the venue that will also mitigate the spread of Covid 19 virus.

The items below are critical assets that will allow our venue modifications to be successful. These fit the description as outlined in our DDA agreement for repairs that allow us to utilize existing funds that have been earmarked to keep Little Caesars Arena a first-class facility.

The total estimated / budgeted cost of the "Venue Modifications" is (summaries follow)

• X-Ray Machines	\$ 77,990
• Ticket Scanning Pedestals	\$ 73,575
• Reverse ATM's	<u>\$ 47,812</u>
Requested amount from the Repair Fund	\$ 199,377



X-Ray Machines \$77,990

Requirement to Install X-Ray Machines: The NBA has implemented a no-bags policy beginning with the 2020-2021 season. The no bags policy is intended to reduce contact with patrons during the screening process, which is part of providing a safer experience for fans. The NHL will initiate the same no-bags policy when the NHL 2020-2021 security protocols are disseminated shortly.

Pursuant to this policy, patrons are prohibited from bringing bags into the arena. Certain groups, such as players, media and staff, are permitted to bring bags into the facility because of their job responsibilities. These bags, however, must be screened using X-Ray machines. Pursuant to this policy, the NBA is requiring the use of X-Ray technology at any player entrance, the media entrance, staff/employee entrances, mail/package receiving locations and fan entrances which are identified for patron ingress with medical or infant bags.

The NBA has obtained preferred pricing from three X-Ray manufacturers. After reviewing the products and pricing, we determined that VOTI X-Ray machines best fit the needs of Little Caesars Arena. Three VOTI X-Ray machines at a total cost of approximately \$77,990 will allow us to meet needs of scanning bags that are required as described above.



Ticket Scanning Pedestals \$73,575

The Operations Department will purchase pedestal ticket scanners for use in access control for events. These devices will greatly reduce the touchpoint / interaction between our staff and our guests when presenting tickets for admission. In addition, these will save labor costs on event staffing by allowing one staff member to operate at least 2 ticket scanning pedestals.

Use of this equipment is a best practice at arenas for a more contact free environment. In league meetings, 27 of the 31 NHL venues have indicated they are interested in pursuing ticket scanning pedestals as a best practice in welcoming spectators back to games. Some of the notable venues confirmed to be moving to ticket scanning pedestals are Amalie Arena (Tampa Bay Lightning), American Airlines Arena (Miami Heat), Amway Center (Orlando Magic), Golden 1 Center (Sacramento Kings), Ball Arena (Colorado Avalanche / Denver Nuggets).



We currently utilize staff with handheld devices to scan the mobile tickets or hard tickets as depicted below.



By adding pedestals, guests will approach and scan their own tickets on the device pictured below. They will receive an increased level of customer service by having staff positioned behind these devices to monitor the verification of the ticket (with a green light on the back side of the unit), greet them and provide any needed assistance without having to come within close range or contact of the guest and their ticket.



Reverse ATM's \$47,812

As part of our plan for cash free commerce upon the return of attended events at Little Caesars Arena, the Operations Department will lease (4) machines that convert cash to a debit card. This



is a one-year lease that will provide guests a fast and easy way to convert to a card that enables them to make purchases if they only have cash available to spend at our venue.

Cash free commerce will reduce touchpoints between guests and staff, speed up transaction time, and reduce lines / waiting for guests. Industry feedback has shown venues that have gone to cash free commerce have increased revenues in concessions sales.

In league wide meetings, all teams in the NHL have indicated they are moving to reduced cash or completely cash free transactions upon resumption of events with fans in attendance. The addition of reverse ATM's is an important best practice as a part of that process, allowing a cost-free option to the fans attending the game to convert their cash to a card. This card can also be used at any retailer outside our venue to make purchases, as it is not strictly confined to use at the arena. Some notable venues that will utilize reverse ATM's include Staples Center (Los Angeles Kings / Los Angeles Lakers / Los Angeles Clippers), Amalie Arena (Tampa Bay Lightning), SAP Center (San Jose Sharks), Chase Center (Golden State Warriors).





CODE DDA 20-12-112-19

QUICKEN LOANS: REQUEST TO APPROVE INTERIM USE FOR MONROE BLOCKS DEVELOPMENT

WHEREAS, In November 2016, the City of Detroit Downtown Development Authority (the “**DDA**”) approved the sale of several properties consisting of the surface parking lot at Farmer and Monroe (“A Block”) and the former Bates Garage (“B Block”) (collectively, the “Property”) to Rosko Development Company LLC, an affiliate of Bedrock Real Estate Services, (the “Developer”); and

WHEREAS, in January 2019, the DDA and Developer closed on the Property under a Development Agreement (the “Development Agreement”) relating to the development of a mixed use project comprised primarily of office and retail on the surface parking lot at Farmer and Monroe and primarily residential and retail on the block consisting of the former Bates garage and National Theatre (the “Project”); and

WHEREAS, the Project is currently behind schedule and Developer has requested forbearance on any rights DDA may have to enforce the terms of the Development Agreement for Project delays until February 26, 2021, to allow Developer to request a formal amendment to the Development Agreement before that date; and

WHEREAS, Bedrock has requested to include the A Block in its planned activation for downtown outdoor spaces aimed at attracting visitors downtown for safe activities during the ongoing pandemic and proposes that A Block be activated as a drive-in movie theatre and concert venue which will include a movie screen, stage, stalls for approximately 77 vehicles, and food and beverage concessions, and may include interactive landscaping features including a no-touch play area for children (collectively, the “**Proposed Interim Use**”); and

WHEREAS, any net revenues realized by the Proposed Interim Use would be split 50/50 between Developer and DDA; and

WHEREAS, the DDA Board of Directors has determined that it is in the best interests of the DDA, the downtown district, and the Project to approve the requested forbearance and Proposed Interim Use.

NOW, THEREFORE, BE IT RESOLVED, that, subject to Developer’s formal request for a Development Agreement amendment being considered by the DDA Board of Directors prior to February 26, 2021, the DDA Board of Directors does hereby approve (i) the forbearance of its rights to enforce its rights under the Development Agreement



due to Project delays until February 26, 2021; and (ii) Bedrock's use of Block A for the Proposed Interim Use, with any net revenues realized by the Proposed Interim Use to split 50/50 between Developer and DDA.

BE IT FURTHER RESOLVED that any two Officers, any two of the Authorized Agents of the DDA, or any one of the Officers and any one of the Authorized Agents of the DDA, shall hereafter have the authority to negotiate and execute an amendment, and the any and all other documents, contracts, or other papers, or take any and all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the DDA.

BE IT FINALLY RESOLVED that all of the acts and transactions of any Officer or Authorized Agent of the DDA, in the name and on behalf of the DDA, 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.

December 16, 2020