



APPROVAL OF MINUTES OF SEPTEMBER 26, 2017 MEETING

RESOLVED, that the minutes of the Regular meeting of September 26, 2017 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.

October 10, 2017

**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, SEPTEMBER 26, 2017 – 8:30 A.M.**

BOARD MEMBERS PRESENT: Marsha Bruhn
Monique Claiborne
Kimberly Clayson
Linda Forte
Chris Jackson
Jonathan Quarles
Matthew Roling

BOARD MEMBERS ABSENT: Maurice Cox (Ex-Officio)
John Naglick (Ex-Officio)
William Ritsema
Thomas Stallworth

**SPECIAL DIRECTORS
PRESENT:** None

**SPECIAL DIRECTORS
ABSENT:** None

OTHERS PRESENT: Emilie Evans (DRFC)
Ritchie Harrison (DRFC)
Brad Heffner (MEDC)
Gay Hilger (DEGC/EDC)
Malinda Jensen (DEGC/EDC)
Jennifer Kanalos (DEGC/EDC)
Rebecca Navin (DEGC/EDC)
Mike Rafferty (DEGC/EDC)
Kelly Shovan (DEGC/EDC)
Joe Tate (DEGC/D2D)
Moddie Turay (DEGC/EDC)



Economic Development Corporation of the City of Detroit

**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, SEPTEMBER 26, 2017
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200 - 8:30 A.M.**

CALL TO ORDER

Noting that a quorum was present, Chairperson Forte called the Regular meeting of the Economic Development Corporation Board of Directors to order at 8:35 a.m.

GENERAL

Approval of Minutes

Ms. Forte asked if there were any additions, deletions or corrections to the minutes of the August 22, 2017 Regular Board meeting.

Mr. Bruhn stated that she believed that the Board requested a presentation on DEGC leadership and staffing rather than an organizational chart. Ms. Jensen said that she will ask Mr. Jemison in mid-December to make a presentation to the Board.

Subsequent to the discussion, the Board took the following action:

On a motion by Mr. Jackson, seconded by Ms. Bruhn, Resolution Code EDC 17-09-02-287 was unanimously approved, as amended.

Receipt of Treasurer's Report

Ms. Shovan presented the Treasurer's Report of Receipts and Disbursements for the month of August 2017 for the benefit of the Board and responded to questions.

Subsequent to the discussion, the Board took the following action:

On a motion by Mr. Quarles, seconded by Mr. Roling, Resolution Code EDC 17-09-03-218 was unanimously approved.

PROJECTS

Detroit Riverfront Conservancy Lease Agreement for EDC Parcels

Mr. Turay reported that in 2016, the Detroit Riverfront Conservancy ("DRFC") in partnership with the Economic Development Corporation of the City of Detroit and the City of Detroit's Planning and Development Department ("PDD") undertook a 10-month

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planning engagement in an effort to update the East Riverfront Plan. As a result of this process, the East Riverfront Framework ("Framework") was launched in the Spring of 2017. The purpose of the Framework is to attract and guide public and private investments in the East Riverfront District. The Framework centers around four primary strategies:

- Strategy #1: Parks and Green Open Space
 - Complete an international riverfront that is inclusive and accessible to all Detroiters
- Strategy #2: Greenways
 - Build safe and beautiful connections for residents to the Detroit Riverfront
- Strategy #3: Streetscapes
 - Enhance mobility and safety with sustainable street improvements
- Strategy #4: Development
 - Facilitate development among local businesses and property owners, while preserving the heritage of the Riverfront

Each of these strategies have immediate action plans over the next 3 years that the EDC, DRFC, and PDD are responsible for implementing.

As part of the previous East Riverfront Plan and to further catalyze investment and growth in the East Riverfront District, the EDC acquired parcels from the Coast Guard at the corner of Atwater and Jos Campau in exchange for the city owned parcel at the corner of Mt Elliot and Wight. Prior to the exchange and as a condition of the transfer, the City/EDC was required to remediate the environmental condition of the Mt. Elliot parcel. In contemplation of the eventual lease of portions of the Atwater & Jos Campau parcels to build a RiverWalk, the Detroit Riverfront Conservancy provided funding to the City/EDC in the amount of \$750,000 to pay for the cost of the environmental remediation of the Mt. Elliot Parcel. DRFC provided the funds for the environmental remediation in contemplation of an eventual right to build a RiverWalk over the Atwater & Jos Campau parcels.

During the most recent planning process, the Atwater & Jos Campau parcels were identified as an ideal location for a new public amenity: Atwater Beach. The DRFC plans to make \$1.5M - \$2M of capital improvements to create Atwater Beach, a unique site along the riverfront that will provide incredible opportunities for Detroiters to experience fun activities, space for relaxation, recreation, and food and beverage destinations. The current design features a sandy beach, a lifeguard themed playscape, a children's music garden, and a concessions barge and shed with seating throughout.

EDC staff is seeking the Board's approval to negotiate and enter into a long-term lease with DRFC to allow for capital improvements and the on-going maintenance and operations of the public park. The lease will include the following terms:

- Leased Property: 2652 E Atwater and 2670 E Atwater. The EDC leases to DRFC for the sole purpose of the construction, development, establishment, operation, programming and maintenance of Atwater Beach.

- **Term of Lease:** The term of the lease shall be for a period of thirty (30) years (the "Initial Term"). The Initial Term shall automatically be extended for two (2) extensions of thirty (30) years each (each an "Extension Term"), so long as the Conservancy is not in default under the Lease beyond applicable cure periods.
- **Rent:** DRFC shall not be required to pay any monetary consideration as rent, the parties acknowledge that the value of the improvements and services provided by the Conservancy to or for the benefit of the City of Detroit are fair and proper consideration for the lease.
- **Insurance:** DRFC shall carry with financially responsible insurance companies' commercial general liability insurance covering its legal liability in connection with claims for bodily injury, including death, contractual liability, property damage and personal injury written on an occurrence basis incurred upon or about Atwater Beach or arising out of its operation of Atwater Beach. Such insurance shall have limits of Five Million Dollars (\$5,000,000.00) per occurrence. Each such policy of insurance shall name the EDC as an additional insured.
- **Public Purpose:** The EDC is entering into the lease for the express purpose of benefiting the public and providing improved access for and enjoyment of the public with respect to the Detroit River. Accordingly, Atwater Beach shall always be open and available to the public in the same manner (and subject to the same general restrictions) as if it were a municipal public park. The lease will be considered void if the property ceases to be utilized as a public amenity or DRFC defaults in its obligations or breaches any of its covenants under the terms of the lease.
- **Additional Terms:** Terms of the lease will be substantially similar to those contained in the current lease between the City and the DRFC for the RiverWalk.

A draft resolution was included with the Board material for consideration.

Ms. Forte questioned what Mr. Turay said about another 15 million square feet will be available for development over the next 10 years and would like to know what is meant by development. Mr. Turay replied that as part of the plan, they identified where the density would lie on the east riverfront meaning the highest buildings would be on Jefferson and scaled down toward the riverfront. Then, we also identified the development opportunities that exist there for the land that EDC owns, plus the private sector land, from the GM site all the way over to Uniroyal—that two-mile stretch that the plan studied. If you look at the plan, over the next five years, based on the market, we can absorb another 500 or so units and about 70,000 to 100,000 square feet of retail in the next five years. The total plan, which is 10 to 15 years, after we added up every reasonable development scenario you can do, you could actually build 15 million square feet or so in that two-mile radius.

Ms. Bruhn asked if a presentation to the Board had been done on the East Riverfront Plan. Mr. Turay responded that he had not done that but would love to. Ms. Bruhn thought that would benefit the Board members. She also questioned how parking is going to be addressed. Mr. Turay replied that there were two things they were thinking about. EDC

still owns 7 ½ acres on Atwater so we are talking with the Conservancy and DPD to try to figure out if we can do a central parking lot there to support not only the waterfront but also the development on the 7 ½ acres. We are also in talks with GM because after 5:00 p.m. their parking lots are vacant and for the short term, their lots could be utilized. Long term we are looking at build other parking lots as well.

Ms. Forte asked about density and how we are being informed about traffic studies. Mr. Turay stated that as part of the plan, we have hired SOM Architects out of Chicago to do the planning study and the parking is part of it. GM is actually working with Bedrock on the redevelopment of their site, so they are doing a traffic study as well. The hope is that we pull everyone together to figure it out.

Mr. Jackson commented that he is very interested in how Chene Park will intertwine with this and asked if it could be part of the future presentation to the Board on the East Riverfront.

Subsequent to a discussion, the Board took the following action:

On a motion by Mr. Jackson, seconded by Ms. Bruhn, Resolution Code EDC 17-09-52-05 was unanimously approved.

I-94 Industrial Park – Land Exchange with US Ecology, Inc.

Ms. Forte advised that this item was being withdrawn from the agenda.

ADMINISTRATION

EDC/MEDC Interlocal Agreement Amendatory Resolution

Ms. Jensen advised that on January 29, 1999, Governor John Engler signed Executive Orders 1999-1, reorganizing the state's economic and workforce development functions. The Executive Order created the new Department of Career Development, and the new Michigan Economic Development Corporation.

On April 5, 1999, the Michigan Strategic Fund, as allowed by the Executive Order, entered into an Inter Local Agreement (the "Agreement") under the Urban Cooperation Act of 1967, with a local government partner--an EDC--to create a new Michigan Economic Development Corporation (the "MEDC").

On July 22, 1999, the newly appointed MEDC President and Chief Executive Officer, Doug Rothwell, invited the Detroit Economic Growth Corporation (the "DEGC") to become a signatory of the Agreement. Under a 10-year term the Agreement formed the MEDC and detailed the structure and operations of the MEDC.

The Economic Development Corporation of the City of Detroit (the "EDC") became a Participant in the Michigan Economic Development Corporation by execution of the Agreement on October 26, 1999.

On or about October 2001 the EDC Board of Directors adopted a resolution approving an amendment to the Agreement to (i) clarify the definition of the Executive Order involved

in the formation of the MEDC; (ii) recognize favorable Internal Revenue Service Rulings on the federal tax status of MEDC; (iii) allow for the addition of three (3) Executive Committee members to be appointed after January 1 of 2003; and (iv) allow transfer of the Office of Film and Television Services from the MEDC to the newly created Department of History, Arts and Culture.

On December 10, 2007, the EDC Board of Directors adopted a resolution approving an additional amendment to the Agreement to expand the Executive Committee by one seat to include the chair of the Michigan Travel Commission, as well an amendment to permit members of the Executive Committee to participate in meetings by telephone to the extent permitted by law.

On July 14, 2017, we received the attached summary communication from Bradley Heffner, Associate General Counsel of the MEDC, which includes details on an additional amendment to the Agreement to extend the Interlocal Agreement term through April 4, 2029, enact provisions to comply with changes to state law, and authorize administrative improvements and efficiencies as contained in the proposed amendment (Exhibit A).

A resolution authorizing execution of the proposed amendment to the Interlocal Agreement was provided in the Board material for approval.

Subsequent to a discussion, the Board took the following action:

On a motion by Ms. Bruhn, seconded by Ms. Claiborne, Resolution Code EDC 17-09-01-195 was unanimously approved.

OTHER MATTERS

PUBLIC COMMENT

ADJOURNMENT

With there being no further business, Ms. Forte adjourned the meeting at 9:00 a.m.



APPROVAL OF MINUTES OF SEPTEMBER 12, 2017 MEETING

RESOLVED, that the minutes of the Regular meeting of September 12, 2017 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.

September 26, 2017



ACCEPTANCE OF TREASURER'S REPORT FOR AUGUST 2017

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending August 31, 2017, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

September 26, 2017



EAST RIVERFRONT DISTRICT: DETROIT RIVERFRONT CONSERVANCY LEASE AGREEMENT FOR EDC PARCELS

WHEREAS, in 2016, the Detroit Riverfront Conservancy ("DRFC") in partnership with the Economic Development Corporation of the City of Detroit and the City of Detroit's Planning and Development Department ("PDD") undertook a 10-month planning engagement in an effort to update the East Riverfront Plan; and

WHEREAS, as part of the previous East Riverfront Plan and to further catalyze investment and growth in the East Riverfront District, the EDC acquired parcels from the Coast Guard at the corner of Atwater and Jos Campau in exchange for the city owned parcel at the corner of Mt Elliot and Wight; and

WHEREAS, during the most recent planning process, the Atwater & Jos Campau parcels were identified as an ideal location for a new public amenity: Atwater Beach; and

WHEREAS, the DRFC plans to make \$1.5M - \$2M of capital improvements to create Atwater Beach, a unique site along the riverfront that will provide incredible opportunities for Detroiters to experience fun activities, space for relaxation, recreation, and food and beverage destinations; and

WHEREAS, EDC staff seeks the Board's approval to negotiate and enter into a long-term lease with DRFC to allow for capital improvements and the on-going maintenance and operations of the public park upon the below described terms (the "Proposed Lease Terms") Leased Property: 2652 E Atwater and 2670 E Atwater. The EDC leases to DRFC for the sole purpose of the construction, development, establishment, operation, programming and maintenance of Atwater Beach.

- **Term of Lease:** The term of the lease shall be for a period of thirty (30) years (the "Initial Term"). The Initial Term shall automatically be extended for two (2) extensions of thirty (30) years each (each an "Extension Term"), so long as the Conservancy is not in default under the Lease beyond applicable cure periods.
- **Rent:** DRFC shall not be required to pay any monetary consideration as rent, the parties acknowledge that the value of the improvements and services provided by the Conservancy to or for the benefit of the City of Detroit are fair and proper consideration for the lease.
- **Insurance:** DRFC shall carry with financially responsible insurance companies commercial general liability insurance covering its legal liability in connection with claims for bodily injury, including death, contractual liability, property damage and personal injury written on an occurrence basis incurred upon or about Atwater Beach or arising out of its operation of Atwater Beach. Such insurance shall have limits of Five Million Dollars (\$5,000,000.00) per occurrence. Each such policy of insurance shall name the EDC as an additional insured.

- **Public Purpose:** The EDC is entering into the lease for the express purpose of benefiting the public and providing improved access for and enjoyment of the public with respect to the Detroit River. Accordingly, Atwater Beach shall always be open and available to the public in the same manner (and subject to the same general restrictions) as if it were a municipal public park. The lease will be considered void if the property ceases to be utilized as a public amenity or DRFC defaults in its obligations or breaches any of its covenants under the terms of the lease.
- **Additional Terms:** Terms of the lease will be substantially similar to those contained in the current lease between the City and the DRFC for the RiverWalk.

WHEREAS, the EDC Board of Directors has reviewed the Proposed Lease Terms and determined they are consistent with the EDC's goal for the revitalization of the East Riverfront and are otherwise appropriate and consistent with the EDC's statutory purposes.

NOW, THEREFORE, BE IT, RESOLVED, that the Proposed Lease terms are hereby approved.

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 a Lease consistent with the Proposed Lease Terms, together with such other terms and conditions that are determined by such Authorized Agents and/or Officers to be customary or appropriate and not inconsistent with this resolution, and to negotiate and execute all other documents, contracts, or papers, and take all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the EDC.

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 execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

September 26, 2017



ADMINISTRATION: THE GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION INTERLOCAL AGREEMENT--AMENDATORY RESOLUTION

WHEREAS, the Economic Development Corporation of the City of Detroit (the "EDC") became a Participant in the Michigan Economic Development Corporation by execution of an Interlocal Agreement (the "Agreement") October 26, 1999; and

WHEREAS, IN October 2001 the EDC Board of Directors adopted a resolution approving an amendment to the Agreement to (i) clarify the definition of the Executive Order involved in the formation of the MEDC; (ii) recognize favorable Internal Revenue Service Rulings on the federal tax status of MEDC; (iii) allow for the addition of three (3) Executive Committee members to be appointed after January 1 of 2003; and (iv) allow transfer of the Office of Film and Television Services from the MEDC to the newly created Department of History, Arts and Culture.

WHEREAS, on December 10, 2007 the EDC Board of Directors adopted a resolution approving an additional amendment to the Agreement to expand the Executive Committee by one seat to include the chair of the Michigan Travel Commission, as well an amendment to permit members of the Executive Committee to participate in meetings by telephone to the extent permitted by law.

WHEREAS, MEDC has presented a second amendment to the Interlocal Agreement, which includes extending the Interlocal Agreement term through April 4, 2029, provisions to comply with state law changes, and administrative improvements and efficiencies as contained in the proposed amendment (Exhibit A).

NOW, THEREFORE, BE IT RESOLVED that:

1. The EDC Board of Directors does hereby approve the form of the attached Second Amendment to the Amended and Restated Interlocal Agreement (Exhibit A).
2. The EDC Board of Directors hereby authorizes any two of its Officers or designated Authorized Agents to execute the First Amendment to the Amended and Restated Interlocal Agreement in the form attached on behalf of the EDC.

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