



**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, FEBRUARY 13, 2024 – 9:00 A.M.**

BOARD MEMBERS PRESENT:

Marsha Bruhn
Kwaku Osei (9:07am)
Clifford Brown
Damon Hodge
Chris Jackson (9:07am)
Thomas Stallworth
Kimberly Clayson

BOARD MEMBERS ABSENT:

Linda Forte
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)
Cora Capler (DEGC/EDC)
Brian Vosburg (DEGC/EDC)
Glen Long, Jr. (DEGC/EDC)
Kelly Shovan (DEGC/EDC)
Rebecca Navin (DEGC/EDC)
Nasri Sobh (DEGC/EDC)
Maxwell Cameron (DEGC/EDC)
Medvis Jackson (DEGC/EDC)
Madison Schillig (DEGC/EDC)
Kevin Johnson (DEGC/EDC)
Sean Gray (DEGC/EDC)
Jarrod Smith (Dykema)
Ghebre Mehreteab (Music Hall)
Vince Paul (Music Hall)
Mark Owens



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226
TUESDAY, FEBRUARY 13, 2024 – 9:00 A.M.**

GENERAL

Call to Order

Noting that a quorum was present, Acting Chair Stallworth called the Regular meeting of the Economic Development Corporation Board of Directors to order at 9:03 a.m.

ADMINISTRATION

Ms. Kanalos informed the Board that Hiram Jackson is attending as a Special Director for the Music Hall Expansion Project Plan. Ms. Bruhn requested background information regarding who Mr. Jackson's association.

Mr. Jackson introduced himself to the Board stating that he is a Board member of the Paradise Valley Conservancy and owner of the Michigan Chronicle and Real Times Media and his business is located within the district.

Mr. Archer, who joined the meeting via Zoom, introduced himself as Chairperson of the Paradise Valley Conservancy, owner of two businesses in Paradise Valley and founder/Chairperson of the 1642 venture investment.

Approval of Minutes

Mr. Stallworth asked if there were any additions, deletions, or corrections to the minutes of the January 23, 2024, regular Board meeting. Hearing none, Mr. Stallworth called for a motion.

Ms. Bruhn made a motion to approve the minutes of the January 23, 2024, regular Board meeting, as written. Mr. Hodge seconded the motion. All were in favor with none opposed.

EDC Resolution Code 24-02-02-378 was unanimously approved.

PROJECTS



MOTOR CITY MATCH BUSINESS AWARDS ROUND 24 AWARDEE: NEMO'S BAR AND GRILL ADDRESS CORRECTION

Ms. Schillig stated that on October 10th, 2023, the Board of Directors of The Economic Development Corporation of the City of Detroit (the "EDC") approved the Motor City Match Round 24 awardees. As part of the Round 24 awards, Nemo's Bar and Grill was selected as a Restore awardee.

In preparing the grant agreement for Nemo's Bar and Grill, EDC staff discovered a scrivener's error regarding Nemo's Bar and Grill's business address. The address was listed as 1436 Michigan Ave, Detroit, Michigan 48226. The EDC staff would like to correct this address to read: 1384 Michigan Ave, Detroit, Michigan 48226.

A resolution approving the correction of Nemo's Bar and Grill business address was attached for the Board's consideration.

Hearing no further discussion, Mr. Stallworth called for a motion to approve the Motor City Match Business Awards Round 24 Awardee: Nemo's Bar and Grill Address Correction, as presented.

Mr. Brown made a motion to approve the Motor City Match Business Awards Round 24 Awardee: Nemo's Bar and Grill Address Correction. Mr. Hodge seconded the motion.

EDC Resolution Code 24-02-91-138 was approved.

MUSIC HALL EXPANSION PROJECT PLAN

Mr. Cameron stated that the Economic Development Corporation of the City of Detroit (the "EDC") was established by the Detroit City Council in 1976 pursuant to the Economic Development Corporations Act of 1974, Act 338, Public Acts of Michigan, 1974, as amended (hereinafter called "Act 338"). Under Act 338, the EDC has the authority to undertake certain of its statutory powers, including but not limited to the issuance of revenue bonds, only when a duly adopted project plan is in place.

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©3 non-profit organization (hereinafter called "Music Hall"). The Project will involve the development of land adjacent to the Music Hall building currently used as a parking lot and an outdoor event space into a new 108,000 square foot mixed use facility which will include a rooftop special events venue, state of the art concert venue, revolving music exhibition space, conference space, music academy, recording studio and several restaurants (the "Project").

The EDC has become involved in the Project at the request of the Music Hall. Pursuant to Act 338, Public Acts of Michigan, 1974 as amended ("Act 338"), the EDC Board adopted a resolution on September 26, 2023, recommending City Council of the City of Detroit (the "City") to designate



the Project Area and Project District Area and to request the Mayor of the City to appoint and the City Council to confirm the appointment of two additional Directors to the EDC Board. Subsequently, on November 7, 2023, the City Council approved a resolution designating the Project Area and Project District Area and confirming the Mayor's appointment of two special Directors to the EDC Board.

Further, pursuant to Act 388, staff has prepared a Project Plan (attached to the Resolution as Exhibit A) which sets forth the requisite information, including, but not limited to: the location of the proposed Project, the description of the existing and proposed site improvements, the estimated time of completion and the proposed method of financing.

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

A resolution was attached for the Board's consideration.

Mr. Jackson asked if the EDC has an unlimited bond capacity that allows for agreements to be entered into for tax-exempt bonds. Ms. Navin explained that it is not an unlimited capacity but when a project plan contemplates the issuance of revenue bonds, the EDC can issue those bonds. Ms. Navin further explained that in the 1990's the EDC had done this occasionally and the Music Hall Expansion Project is the first time since that period. Mr. Jackson asked what the interest rate for the project is projected to be. Mr. Mehreteab responded that in respect to the first question the limit is \$150 million, and the proposed project is estimated to be financing through bonds is \$80 million. Mr. Mehreteab stated that the interest rate will most likely be around 4%. Mr. Jackson asked if there was an administrative fee to be charged. Mr. Mehreteab responded that there is an administrative fee with an option for annual payment or a one-time payment.

Ms. Navin added that the structure of the administrative fees had yet to be determined and would come before the Board with a bond authorizing resolution. Mr. Jackson asked if there had been negotiations regarding the administrative fee. Ms. Navin stated there had not been any negotiations thus far, but there are market ranges. Ms. Navin noted that because the EDC has not executed a plan in this way in a great deal of time there is a reliance on the EDC's advisors and bond counsel.

Mr. Jackson asked that as the bonds are being issued on behalf of the Music Hall project team someone is managing minority participation in terms of investment banking. Ms. Navin referenced the exhibits provided to the Board noting that a significant amount of minority participation and invited the Music Hall representatives to add further details. Mr. Mehreteab gave some examples stating that the core underwriter is Siebert Williams Shank, and the bond attorney will be Lewis and Munday PC. Mr. Mehreteab stated that he does not buy into the narrative that there is a shortage of qualified minorities to complete various aspects of the project.

Mr. Brown asked that as there is a struggle to find financing for projects in the city if DEGC staff could provide an overview of bonds to include underwriting and other aspects to explore if this is



an avenue that can be taken to get more projects done and to explain reasons why the EDC has moved away from this option. Mr. Brown stated that special directors Hiram Jackson and Dennis Archer Jr. would be the most impacted by the project as their businesses are local and asked if they had any concerns.

Mr. Hiram Jackson stated that as he and Mr. Archer are business owners in the district they have a common goal to re-establish Paradise Valley as an entertainment and cultural district and believe that the Music Hall Expansion project does help move this agenda forward. Mr. Hiram Jackson added that there has been some conversation about alley access and noted that there is an agreement as to how the alley will be accessed. Mr. Hiram Jackson stated that he supports the project, and his only concern is to make sure the agreement regarding the alley is still in place.

Mr. Archer stated that a few years ago he had put funding into a parking study and hoped that it would be revisited as there is significant development happening in the area and that adequate parking needs to be provided. Mr. Archer further stated that business interruption is a concern as this massive project takes place and that traffic flow and parking need to be mitigated. Mr. Archer concluded that as a developer, property owner, and chairman of the conservancy he is in full support of the project.

Ms. Bruhn noted that in the material provided, there were several references to the North-South alley connecting to the East-West alley but did not see the alley as part of the project plan. Ms. Bruhn asked if the alley was pre-existent. Ms. Navin responded that there is an existing public alley that begins at Randolph Street and connects to Madison Street. Ms. Navin explained that the Music Hall project has been in conversation for quite a while with the city and property owners adjacent to the alleyway to vacate a section of the alleyway. Ms. Navin further explained that there have been several mechanisms that have closed the alley for through traffic because it serves as an entry for musicians. Ms. Navin stated that there is a formal process being enacted that requires the consent of all property owners along the alley and that there'd be an easement granted. Ms. Navin explained that the Downtown Development Authority "DDA" owns 3 of the properties affected and so on behalf of the DDA and the other properties owners that an easement was reached through negotiation which allows for property owners and tenants access to the alley that would be vacated for periods throughout the day for actives such as garbage removal but access outside those hours could be requested. Ms. Navin added that at the back of the expansion parcel an informal alley will be created that is activated, and therefore when the alley cannot be accessed this portion of the parcel will be accessible.

Ms. Bruhn asked if Mr. Hiram Jackson still had concerns. Mr. Hiram Jackson responded that he did not but noted that there has been a million dollars invested in the park and is concerned about the alley matching the aesthetic of the park but stated he doubted this would be an issue. Mr. Hiram Jackson stated he was satisfied with the agreement and that his comments were to ensure the agreement made it to the final plan.



Ms. Bruhn asked if the loading area that was marked as a loading area and bus parking was a part of the project area. Mr. Paul stated that there is the North-South alley and there is 20 feet south of the expansion that will create an East-West alley that will have several functions such as tucking loading and pedestrian uses.

Mr. Stallworth asked if a bus pick-up would be included in the loading area that Mr. Paul mentioned. Mr. Paul agreed that this could be envisioned. Mr. Stallworth stated that Ms. Bruhn had seen this on a map.

Ms. Bruhn stated that 20 feet is not much space for this and noted this was an important issue that would affect traffic flow. Ms. Bruhn noted that she is aware that other agencies will investigate this but is concerned that this area will be quite congested with all the plans for the East-West alley.

Mr. Hodge stated that the Board needs a visual representation of the space.

Ms. Navin pointed out the East-West alley on the material provided to the Board.

Mr. Brown asked that at the next meeting where this project is on the agenda a circulation plan be provided that it shows how trucks can get in and out and would help the Board understand how all the activities described by the developers will be able to occur. Mr. Paul stated this could be provided and noted that the East-West alley is meant to be decorative but also provides some functionality if the North-South alley is closed for any reason. Mr. Brown stated that with the plan it will be beneficial to the developers to have a document to refer to if questions arise in the future.

Mr. Stallworth asked Mr. Brown to clarify his request made earlier in the meeting. Mr. Brown stated that his request was made to the DEGC to provide a high-level summary of the bonds and how they work. Mr. Brown further stated that staff does a great job but as the EDC Board has not dealt with this sort of plan in quite some time, that a refresher would be helpful.

Ms. Navin stated that when the bond authorizing resolution comes before the Board a detailed presentation on how the bonds work will be provided. Ms. Navin explained that she interpreted Mr. Brown's earlier request to be about other bond financing tools and how that might be able to help with other projects. Ms. Navin stated that both requests will be worked on but may not be presented at the same meeting.

Mr. Brown stated that some of the specifics he would like to know include the minimum and maximum size and what the underwriting standards are. Mr. Brown explained that with more knowledge the Board will know what to accept or reject while also being better advocates for the DEGC and the EDC.

Mr. Stallworth asked when the Board could expect to have a traffic flow report with attention to the loading area. Mr. Paul stated that this is something he and his team could draw up themselves. Mr. Brown clarified that this is a traffic flow report for the entire block. Mr. Paul explained the East-



West alley is designed to be for pedestrians with the ability to handle traffic if the North-South alley is closed. Mr. Brown stated his understanding but responded that even if it is a small percentage of time that trucks are using the alleyway, it still needs to be functional. Mr. Paul agreed this would be completed.

Mr. Hodge noted that the Board has some sensitivity regarding going over budget and asked for some discussion regarding the 3% contingency. Mr. Mehreteab explained that 3.5 million dollars has been spent on pre-development in 18 months and that the budget has increased several times through discussion with their contractors making the numbers being presented as final figures.

Mr. Hodge asked what form of contract is being used to ensure that any overruns are absorbed by the builder and not the project. Mr. Brown asked if the contract was guaranteed maximum price. Mr. Mehreteab stated that it was a guaranteed maximum-price contract. Mr. Paul stated that they are proud of their development team and noted that this has been an ongoing process that has gone through a great deal of vetting. Mr. Paul explained that the Music Hall is a non-profit which allows funds to be raised for the project and continued that the project has stayed on budget and predicts that the project will stay on budget.

Mr. Hodge asked what the specific plan is in case the project goes over budget. Mr. Mehreteab explained they would increase the equity funds being raised. Mr. Cameron explained that the project team reports on the low end of their fundraising projections therefore there is an opportunity to raise additional funds. Mr. Brown asked if the project team could come before the Board to request additional bond funds. Ms. Navin stated this would only be possible through a project plan amendment but could not be granted through the EDC Board alone.

Ms. Bruhn commented that perhaps the Board wasn't ready to vote on the Music Hall Expansion project given the requests for additional information. Mr. Brown commented that he was fine with proceeding with the vote but would like to review the answers at a subsequent meeting.

Hearing no further discussion, Mr. Stallworth called for a motion to approve the Music Hall Expansion Project, as presented.

Mr. Brown made a motion to approve the Music Hall Expansion Project. Mr. Jackson seconded the motion.

EDC Resolution Code 24-02-100-03 was approved.

Ms. Navin requested that a roll call vote be conducted:

Ayes: Bruhn, Brown, Clayson, Hodge, Christopher Jackson, Osei, Stallworth, and Hiram Jackson.

Nays: None

EDC Resolution Code 24-02-100-03 was approved.



Ms. Bruhn asked for the comments, concerns and suggestions made by the Board be included in the transmittal of the plan to the City Council. Ms. Navin agreed

GREEN GROCER PROGRAM UPDATE

Ms. Pledl shared a presentation to provide an update for the Green Grocer Program.

Ms. Pledl stated that in 2011 Detroit had no major national or regional grocery stores meaning that residents relied on 70 independently owned grocery stores. Consequently, an estimated 300 million dollars in Detroit grocery dollars were being spent outside of Detroit and thus the Green Grocer Program “GGP” was created. The Green Grocer Program aims to provide the physical and operational needs of the independent grocery stores in Detroit. Ms. Pledl explained that Whole Foods coming to Detroit was an early win for the program. Investment in the GGP allowed for new construction, expansion, and renovations exceeding 50 million dollars. GGP was able to provide 1 million dollars in technical assistance to existing grocery stores and create 300 new jobs. Ms. Pledl stated that the relaunch of GGP aims to increase the quality of quality grocery locations specifically small neighborhood grocery stores. Over two years the goal is to impact eight stores to increase their grocery and fresh foods. The relaunch of the GGP has many partners some being Motor City Match, Motor City Restore, DEGC Real Estate Team, DEGC District Business Liaisons, nonprofits, universities, local foundations, and government entities.

Mr. Osei asked if a list of food providers and stores that are a part of the GGP could be provided to the Board. Mr. Osei shared that he is a Board member of the Detroit Food Network and would like to be an advocate for the GGP.

Mr. Jackson asked how much funding is available for the GGP. Ms. Pledl responded that \$525,000.00 is available to support small grocery stores and there is also \$400,000.00 available in the Green Grocer Revolving Loan Fund.

Mr. Stallworth asked for a more detailed distinction of what a small grocery store is and from a market perspective what kind of sales are being discussed. Mr. Stallworth asked if there was a sustainable model for the end goal of the GGP, noting that he sees the activity to support the project but has a question as to what can be achieved without additional public support. Ms. Pledl explained that Motor City Match is working to open a couple of local small grocery stores and continued that the GGP views small as 5,000 square feet or less. Ms. Pledl stated that one of the biggest issues of getting fresh foods into smaller stores is distribution and it helps to get information from the neighborhoods to understand their interest. Ms. Pledl explained that a great deal of interest is in prepared foods and therefore a hybrid model of grocery store with a commercial kitchen and grocery is being pursued. Ms. Pledl pointed to City Market Detroit as a model, which started as a convenience store and now is a full grocery store maximizing the space they have.



Mr. Stallworth explained that he has managed supermarkets and knows that the margins are high, meaning that high volume is needed to offer competitive pricing and in local communities, grocery stores like Whole Foods will not be successful. Mr. Stallworth asked if there is a collaboration with the State Health Department. Ms. Pledl confirmed this to be true.

Mr. Jackson stated that he too thought City Market Detroit was a great model and was what originally made him ask about how much funding is available to assist the bodega concept. Mr. Jackson explained that with his apartment building, Mr. Brown's building, and the other buildings within a two-block radius a neighborhood has been created and a bodega-style market could really perform well. Mr. Jackson continued that the issue is that this area is underfunded explaining that he had an interest in bringing City Market Detroit to his building but they did not have the resources needed to make the expansion and therefore is happy to hear about the re-engagement. Ms. Pledl responded that the GGP team will continue to work with their partners to determine how funds could be allocated.

Mr. Stallworth stated that the obvious goal is to create establishments that don't need public support and what is needed is cultural change paired with accessibility. Mr. Stallworth explained that in Mexico the culture is such that grocery shopping happens daily and that is not a mindset that is embedded in our culture. Mr. Stallworth suggested that the Health Department may be able to help with a public health campaign. Mr. Stallworth posed the question of how to make the shift to smaller sustainable grocery stores. Ms. Pledl explained that this issue is being solved using several tactics. Ms. Pledl introduced the Ambassador Program. The program put young adults in grocery stores with the task of engaging in conversations about produce, brought chefs into grocery stores to provide insight on what is possible with various produce, and educated Detroit middle school students on healthy eating.

OTHER MATTERS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

With there being no other business to come before the Board, Mr. Stallworth adjourned the meeting at 10:26 a.m.



CODE EDC 24-02-02-378

APPROVAL OF MINUTES OF JANUARY 23, 2024, REGULAR MEETING

RESOLVED, that the minutes of the regular meeting of January 23, 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.

February 13, 2024



CODE EDC 24-02-91-138

MOTOR CITY MATCH ROUND 24 AWARDS: RECOMMENDATION FOR NEMO'S BAR AND GRILL ADDRESS CORRECTION

WHEREAS, on October 10th, 2023, the Board of Directors of The Economic Development Corporation of the City of Detroit (the "EDC") approved the Motor City Match Round 24 awardees, including a Restore track award to Nemo's Bar and Grill; and

WHEREAS, in preparing the grant agreement for Nemo's Bar and Grill, EDC staff discovered a scrivener's error regarding Nemo's Bar and Grill's business address; and

WHEREAS, EDC staff is seeking approval to correct the scrivener's error by changing the approved project address from 1436 Michigan Ave, Detroit, Michigan 48226 to 1384 Michigan Ave, Detroit, Michigan 48226.

NOW, THEREFORE BE IT RESOLVED that the EDC Board of Directors approves the change to Nemo's Bar and Grill's business address in the Motor City Match Round 24 Awards from 1436 Michigan Ave, Detroit, Michigan 48226 to 1384 Michigan Ave, Detroit, Michigan 48226.

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.

February 13, 2024



CODE EDC 24-02-100-03

MUSIC HALL EXPANSION PROJECT – 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 of Detroit 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 (the "Project") pursuant to the requirements of Act 338; and

WHEREAS, the same 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, EDC staff in conjunction with the Music Hall Center for the Performing Arts in the City ("Music Hall") have developed a Project Plan (attached as Exhibit A) (the "Plan") 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 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 Board of Directors of the EDC 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 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 a public hearing in accordance with Section 17 of Act 338; 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.
4. 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.
5. 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.
6. 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.

February 13, 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 300 Madison Detroit, MI 48226
CONTACT:	Vincent Paul President and Artistic Director (313) 887-8506 vincep@musichall.org
PROJECT:	Expansion of Music Hall, including construction of new building and certain renovations to existing building
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 Music Hall's existing 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 minor 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 feet, seven floor building adjacent to the existing Music Hall building, at an estimated cost of \$125 million. The new space will add 350 annual events and attract thousands of performing artists, aggregating approximately 300,000 new annual attendees.

The proposed expansion will 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 service as Downtown Detroit's only state-of-the-art recording facility.
- **Activated Alleyways** 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 School 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 School 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 owns 300 and 350 Madison and 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 Developer 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, it is anticipated that the N/S Alley will be vacated. It is contemplated that private 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.

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 estimated cost of this project of \$124,913,549 will be financed with tax exempt qualified 501(c)(3) bonds, and equity from public and private grants and naming rights. It is important to note -- the prospective public and private funding sources require the issuance of the bonds by The Economic Development Corporation of the City of Detroit (EDC) prior to making grants.

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 lent to Music Hall pursuant to a loan agreement by and between Music Hall and the EDC and will be used by Music Hall and the EDC for the purposes of (i) financing the portion of the Project consisting of the construction of the Music Hall Expansion and interior fit up and (ii) paying certain costs of the issuance of the Bonds.

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. The Bonds will be further secured by a letter of credit to be issued by the banking affiliate of one of the Underwriters. 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.

Below are the projected funding sources:

1. Tax exempt qualified 501(c)(3) Bonds: \$80,000,000 (less \$10,000,000 for 3 years interest pre-payment ("capitalized interest") and funding of a Debt Service Reserve Fund)
3. Mission Impact Subordinated loan from foundations or from Michigan Strategic Fund MCRP at 1% interest.
Loan target \$4,000,000 (in discussion)
4. Wayne County ARPA grant: \$5,000,000 (pending)
5. Naming Rights: \$27,000,000. Fundraising target is \$30,000,000 to \$40,000,000 (pending and in discussion)
6. Major Foundations and Trustees: \$9,000,000. Fundraising target is \$9,000,000 to \$13,000,000 (in discussion)
7. City of Detroit: \$5,000,000 (requested)
8. State of Michigan RAP Grant: \$5,000,000 (requested)

Music Hall Non-Cash Equity: \$9,600,000 (building and vacant lot)

Project costs and funding sources are further detailed in **Exhibit E** – 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	Charman of the Board, Music Hall
Vincent Paul	President and Artistic Director, Music Hall
Ghebre Mehreteab	Financial Advisor
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 is and will continue to be the fee title owner of the Project, so 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 will 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 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:

¹ Americans for the Arts: Arts and Economic Prosperity Report

TOTAL ECONOMIC IMPACT - CONSTRUCTION & OPENING YEAR					
	Total Expenditures	FTE Jobs	Household Income	Local Government Revenue	State Government Revenue
Expansion Project:	\$ 151,000,000	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 – Sources and Uses

Exhibit F – Music Hall Expansion Development Team

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

POSTER

POSTER

POSTER



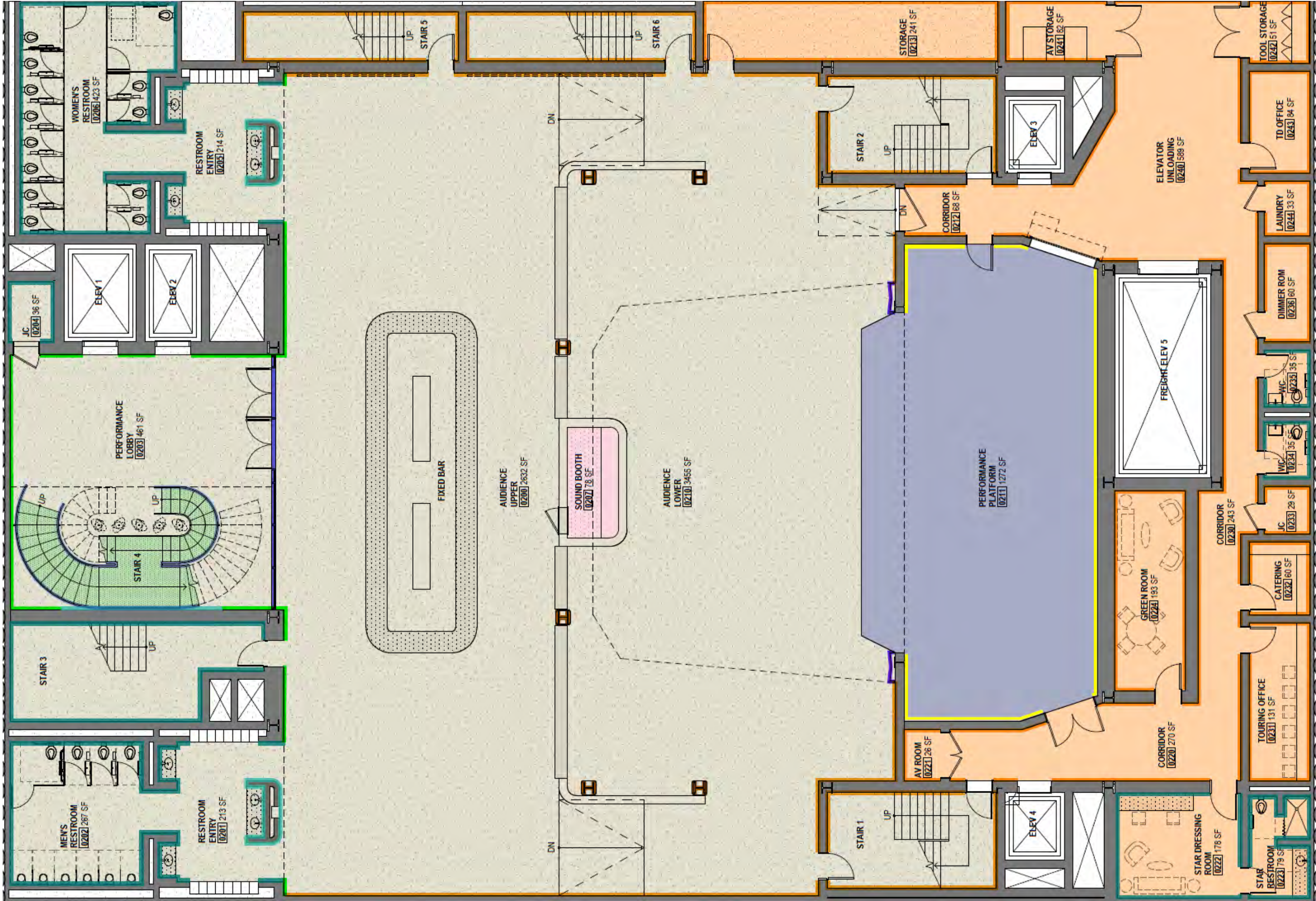


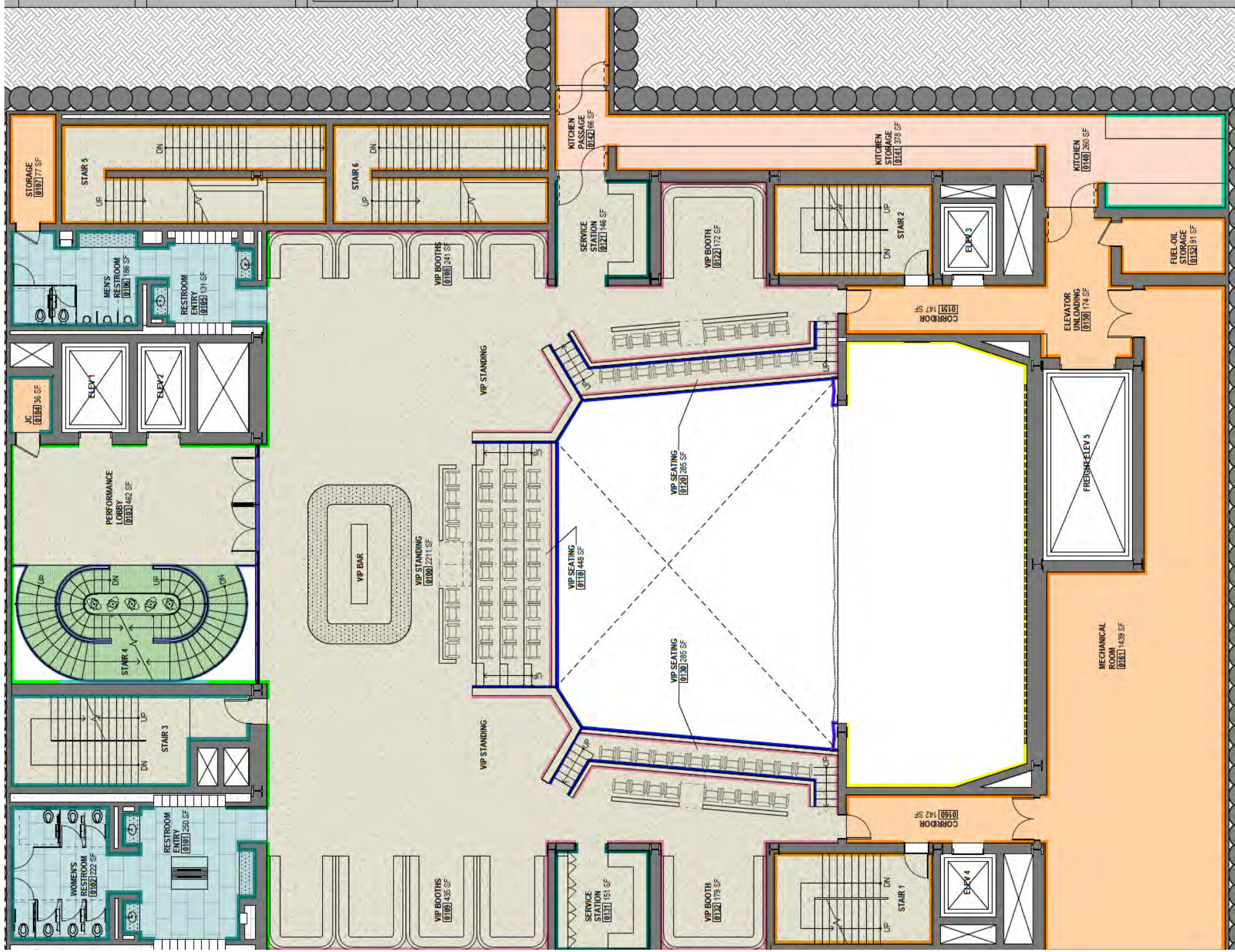
MUSIC HALL

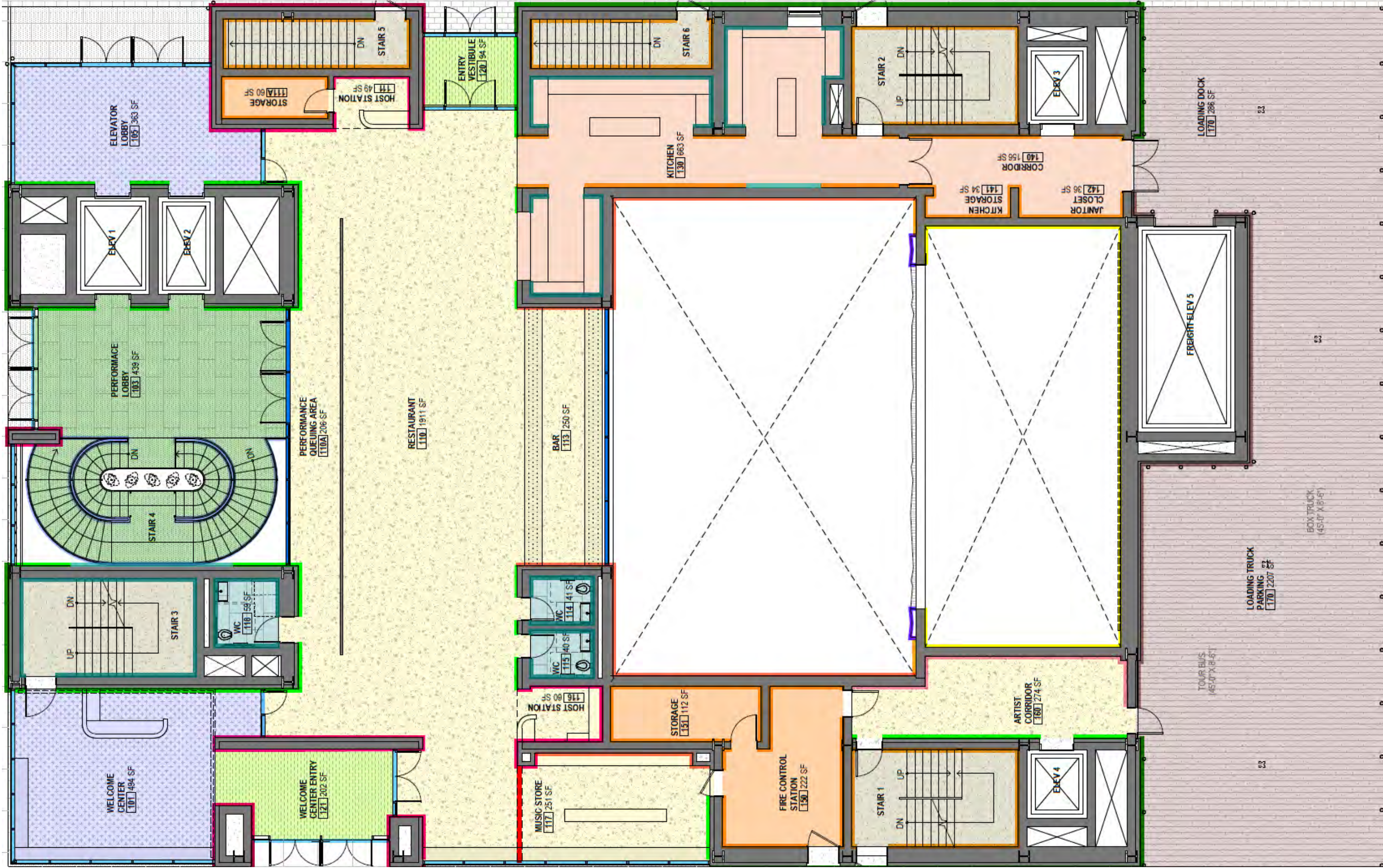
Detroit
Tigers

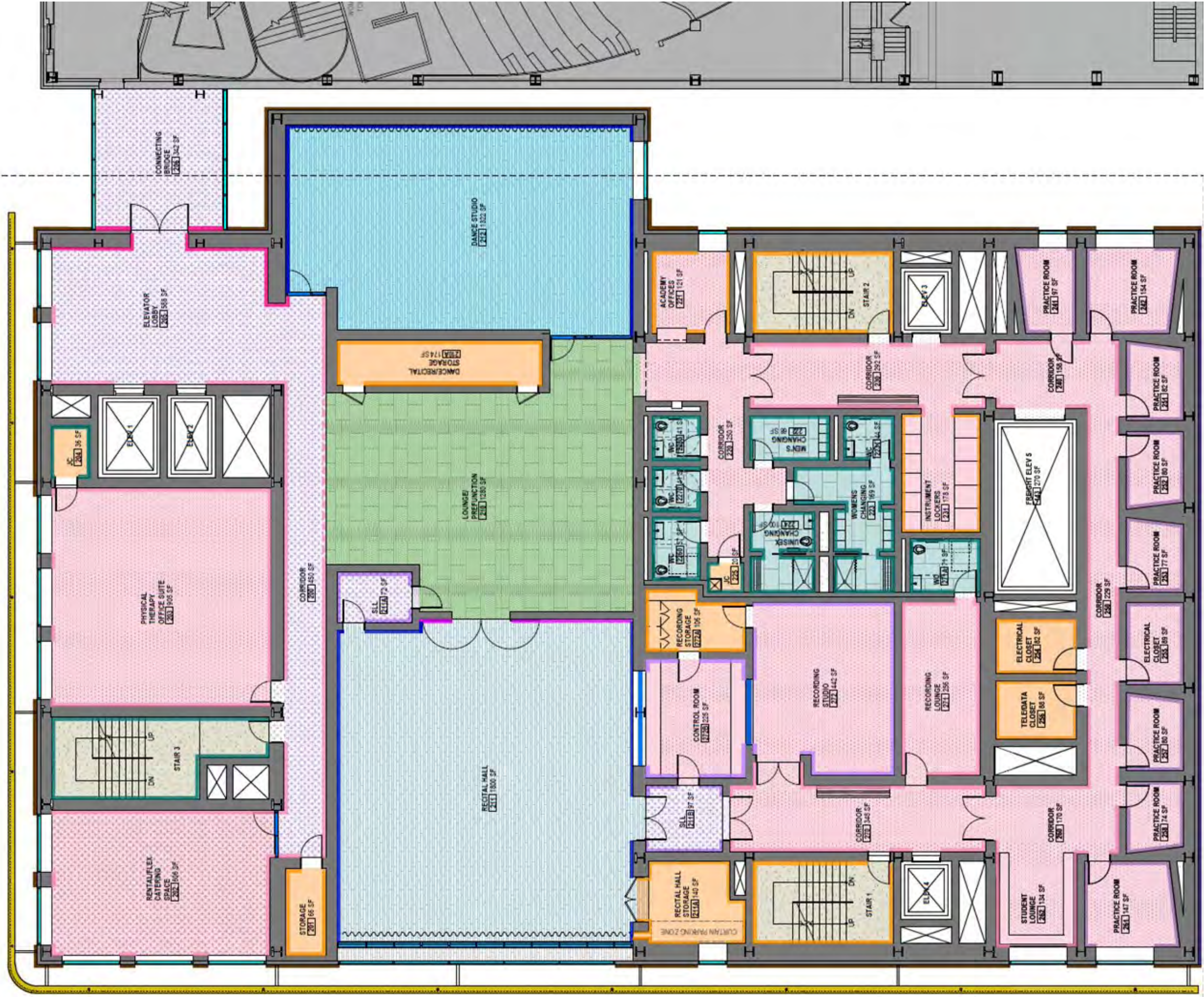
Detroit
Tigers

Madison
Grand River









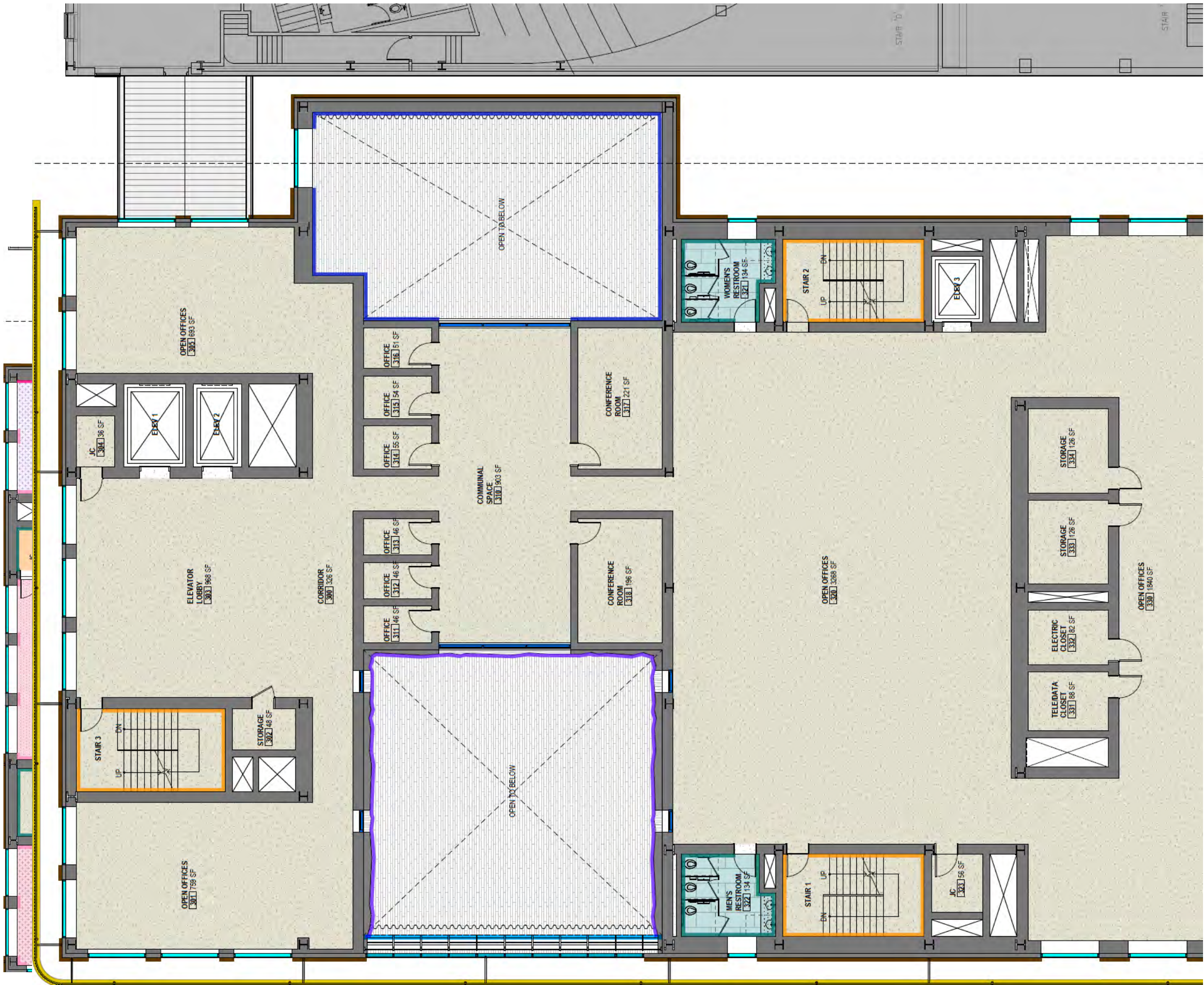






EXHIBIT C

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 FEET PROPERTY BOUNDARY
ON THE NORTH AND WEST
SIDES OVER THE SIDEWALK

RANDOLPH ST. 39.48 FT. WD.

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

300 MADISON

15'-64" ABOVE GRADE THE BUILDING
FACADE EXTENDS 9 FEET THE
PROPERTY BOUNDARY ON THE
EAST SIDE OVER THE ALLEYWAY

400% GRADE THE BUILDING IS HELD
1' AWAY FROM THE PROPERTY LINE
ON THE SOUTH SIDE

5'
3'
1'

ALLEY 20 FT. WD.

EXISTING MUSIC HALL
WALLS A BLEND

BRUSH ST. 50 FT. WD.

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

□ BUILDING FACADE 15'-64" ABOVE GRADE
EXTENDS 9 FEET 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.

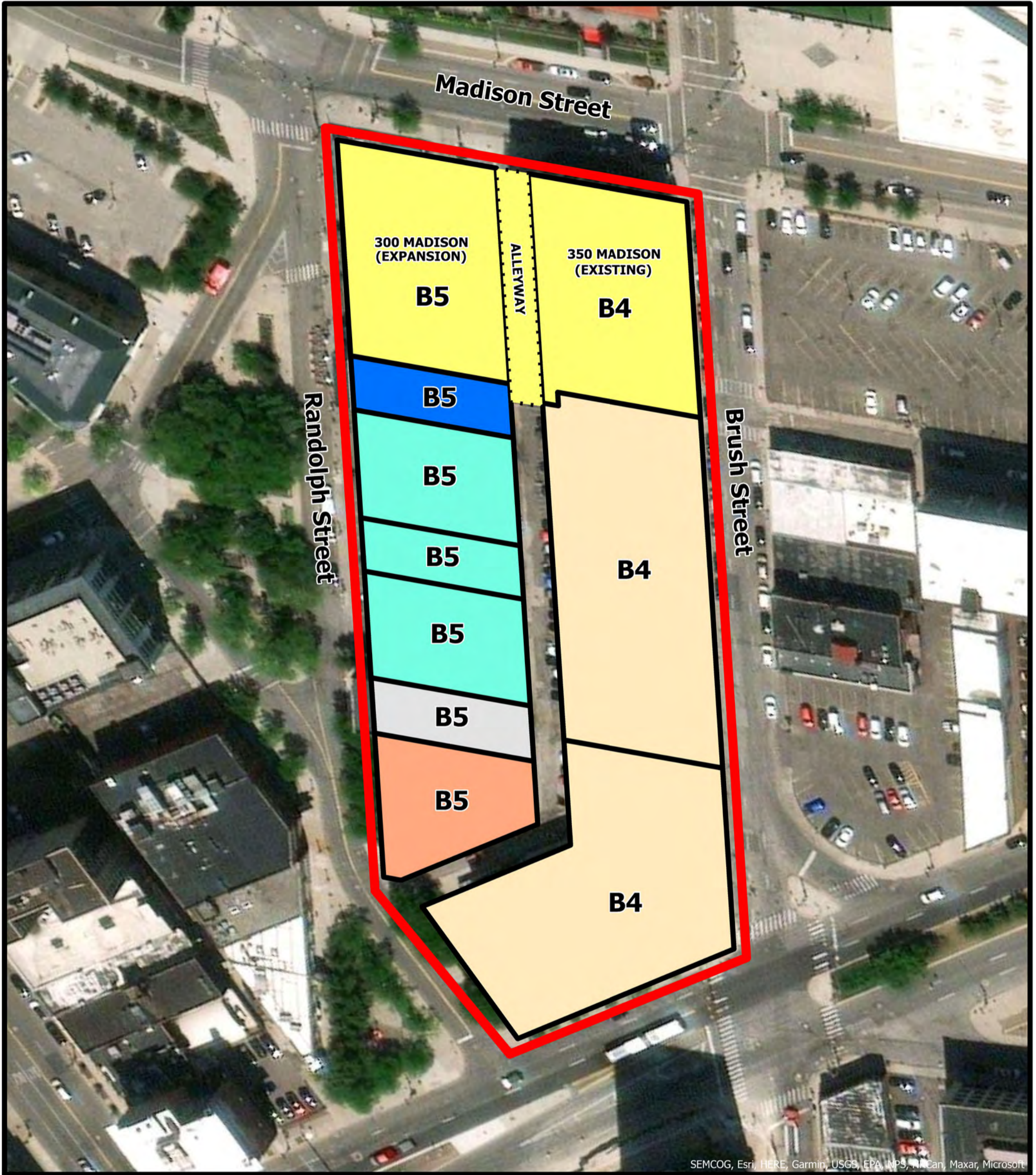
CITY OF DETROIT
CITY ENGINEERING DIVISION
SURVEY BUREAU

JOB NO. 23-120

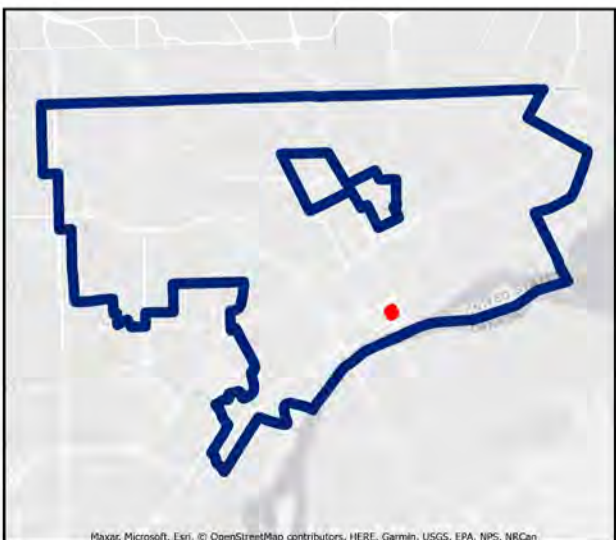
DEWG. NO. 23-120_2

EXHIBIT D

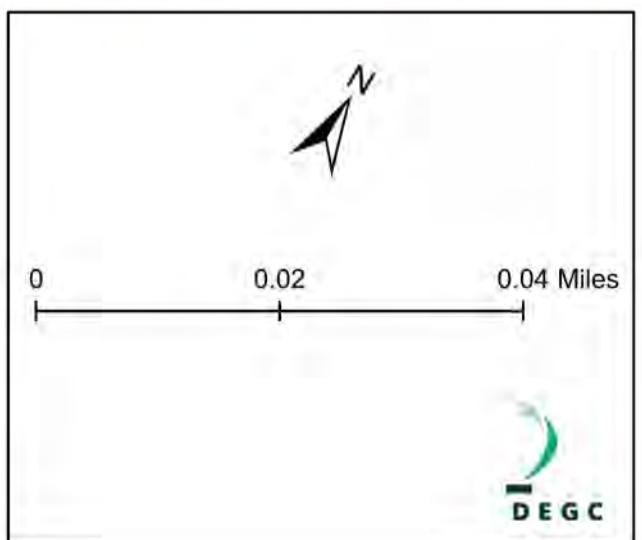
MUSIC HALL PROJECT DISTRICT - ZONING



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

November 21, 2023

Hard Costs

	Projected Cost	\$/Bldg SF	Notes	Source	Date
Land Value					
					due date
Funds for Land Loan Payoff	\$3,800,000	\$38.00	1	VP	2/10/24
Funds for MH "Matilda" Loan Payoff	\$5,000,000	N.A.	1	VP	2/10/24
Total Land Cost	\$8,800,000	\$88.00			
Building Construction					
					estimate date
Subcontract Direct Cost	\$76,766,300	\$767.66	2	BM	5/22/23
General Conditions & Contractor Staff	\$7,254,400	\$72.54	2	BM	5/22/23
Insurances	\$2,116,000	\$21.16	2	BM	5/22/23
Construction Contingency	\$2,303,000		2	BM	5/22/23
Escalation Contingency	\$4,882,700	\$0.00	3	BM	5/22/23
Structural Steel allowance	\$750,000				
Contractor Fee	\$2,584,200	\$25.84	2	BM	5/22/23
Total Building Construction Costs	\$96,656,600	\$966.57			
Furniture, Fixtures and Equipment					
A/V Equipment	\$4,295,000	\$42.95	2	BM	5/22/23
Food Service Equipment	\$831,000	\$8.31	2	BM	5/22/23
Additional Acoustic Finishes	\$350,000	\$3.50	2	BM	5/22/23
Furniture	\$1,500,000	\$15.00	--		
Total Furniture, Fixtures and Equipment	\$6,976,000	\$69.76			
TOTAL HARD COSTS	\$112,432,600	\$1,074			

P H A S E S		
PreDevelopm	Design & Eng	Construction
\$0	\$3,800,000	
\$0	\$5,000,000	
\$0	\$8,800,000	
\$0	\$0	\$76,766,300
\$100,000	\$0	\$7,154,400
\$0	\$0	\$2,116,000
\$0	\$0	\$2,303,000
\$0	\$0	\$4,882,700
\$0	\$750,000	
\$0	\$0	\$2,584,200
\$100,000	\$750,000	\$95,806,600
\$0	\$0	\$4,295,000
\$0	\$0	\$831,000
\$0	\$0	\$350,000
\$0	\$0	\$1,500,000
\$0	\$0	\$6,976,000
\$100,000	\$9,550,000	\$102,782,600

Soft Costs- Direct

Architectural Design & Engineering					
Architect Fees (TWBT), and Hamilton Andri	\$5,301,649	\$53.02		TWBT	5/22/23
Architect Consultants (MEP, Struct, etc.)	\$4,009,300	\$40.09			5/22/23
Civil Engineer	\$250,000				5/22/23
Total Architectural Design & Engineering	\$9,560,949	\$95.61			
City/Governmental/Utility Fees					
					due date
Building Permit Fee	(incl. in GCs)	\$0.00			2/10/24
Utility Tap Fees- Sewer & Water	\$150,000	\$1.50			2/10/24
Total City/Governmental/Utility Fees	\$150,000	\$1.50			
Marketing & Promotion					
Marketing	\$40,000	\$0.40			2/10/24
Total	\$40,000	\$0.40			
Insurance					
Quality Monitoring for Insurer	\$25,000	\$0.00			2/10/24
Developer Liability Insurance Premiums	\$50,000	\$0.00			2/10/24
Total Insurance Premiums	\$75,000	\$0.75			
Development Expenses					
Project Management Fees	\$900,000	\$9.00			2/10/25
Construction Monitor Fees	\$125,000	\$0.00			2/10/25
Legal Fees	\$230,000	\$2.30			2/10/25
Project Admin. Fees & Expenses	\$1,255,000	\$12.55			
TOTAL SOFT COSTS- DIRECT	\$11,080,949	\$110.81			

\$1,500,000	\$2,800,800	\$1,000,849
\$250,000	\$2,640,000	\$260,000
\$50,000	\$150,000	\$50,000
\$1,800,000	\$5,590,800	\$1,310,849
\$0	\$0	\$0
\$0	\$150,000	\$0
\$0	\$150,000	\$0
\$40,000	\$0	\$0
\$40,000	\$0	\$0
\$0	\$0	\$25,000
\$0	\$0	\$50,000
\$0	\$0	\$75,000
\$200,000	\$500,000	\$200,000
\$0	\$0	\$125,000
\$50,000	\$75,000	\$105,000
\$250,000	\$575,000	\$430,000
\$2,090,000	\$6,315,800	\$1,815,849

Soft Costs- Financial

Financing Soft Costs (excl. interest reserve)

Tax Exempt Bond Costs and legal	\$300,000	\$0.00	GM	2/1/24	\$0	\$0	\$300,000
MEDC 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	\$11,480,949	\$115			\$2,090,000	\$6,315,800	\$2,215,849
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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	\$124,913,549	\$1,249			\$2,290,000	\$16,065,800	\$105,698,449
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Capital Sources



November 21, 2023

CASH CAPITAL STACK

Cash Equity Sources	\$51,000,000
Tax Exempt Bond (net proceeds)	\$70,000,000
MEDC Subordinated Bond	\$4,000,000
	\$125,000,000

Sources of Equity

		Notes	Date
CASH EQUITY SOURCES			
State of Michigan RAP	\$5,000,000	pending	9/19/24
Wayne County ARPA	\$5,000,000	pending	5/19/24
City of Detroit ARPA	\$5,000,000	in discussion	9/19/24
Foundations/Corporations Short term	\$4,000,000	\$2.5MM rcd'	12/10/23
Foundations/Corporations Long term	\$4,000,000	CC has begun	1/10/25
Board of Trustee Gifts	\$1,000,000	CC has begun	7/10/24
Naming Rights	\$27,000,000	CC has begun	4/10/25
Cash Equity Available for Project Costs	\$51,000,000		

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:	6.00%	5/10/24
Term (years):	25	5/10/24
Amortization (years)		
Average Annual Debt Service:		

MEDC Subordinated Loan

Loan Funds Available for Project Costs	\$4,000,000	2/10/25
Closing Costs	(\$150,000)	2/10/25
Net Loan	\$3,850,000	2/10/25

Land and Music Hall Facility 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	\$12,800,000
Debt Payoff (see Project Costs)	(\$5,000,000)
Equity	\$7,800,000
Total Non-Cash Equity	\$9,600,000

EXHIBIT F

Music Hall Expansion Development Team



DEVELOPER / OWNER

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



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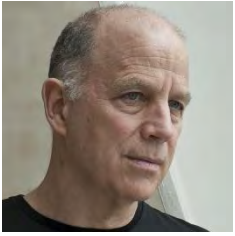
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DEGC Green Grocer Project



Green Grocer Project Highlights

- ▶ Citywide program to support full-service grocery stores began in 2011
- ▶ Investment for GGP assisted stores new construction, expansions, and renovations exceeded \$50 Million
- ▶ Transformational Impact of Whole Foods Market Detroit
- ▶ Over \$1 Million in technical assistance and façade improvement matching grants to 39 stores
- ▶ GGP supported stores created over 300 new jobs in Detroit
- ▶ First ever grocery crawl in Detroit at four GGP assisted stores



Imperial
FRESH MARKETS



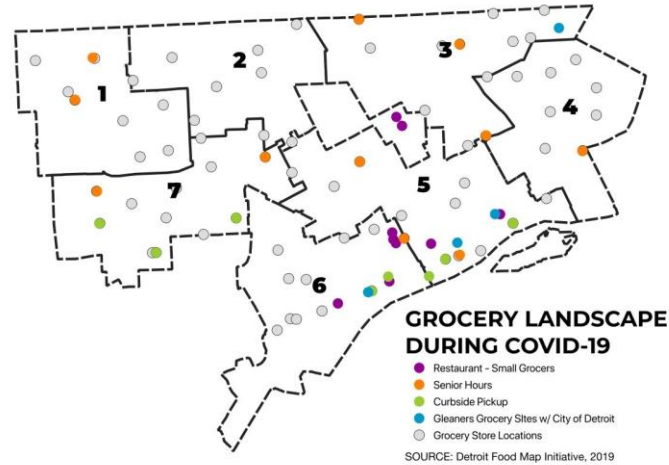
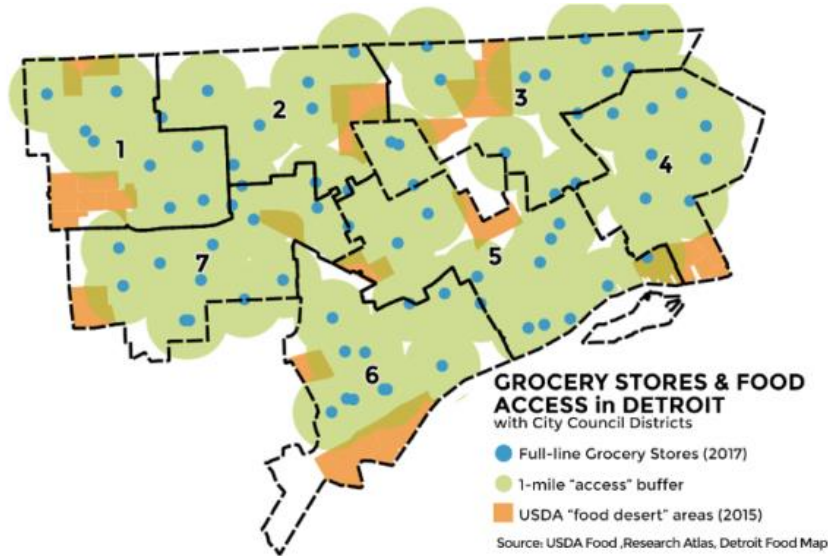
“It’s a food oasis as Detroit grocers show off their goods”

Relaunch of Green Grocer Project

Increase the quantity of quality grocery locations in the city of Detroit.

- ▶ Projects must enhance the consumer experience and access to fresh food.
- ▶ Projects must make a positive impact for the neighborhood and for the consumer.
- ▶ Inspire business innovation and new neighborhood partnerships.

Green Grocer Project



These food access maps illustrate the difference between the number of full-service grocery stores in Detroit and the number of small grocers, convenience stores, liquor stores, gas stations, dollar stores, drug stores, and variety stores that sell food. The Grocery Landscape map during Covid 19 shows various adaptations.



Green Grocer Project Relaunch Goals

Impact 8 stores over 2 years.

Grocery store formats could include:

- ▶ Small format specialty stores that increase their grocery and fresh foods.
- ▶ Mixed market community stores that increase fresh produce, meat, dairy, specialty, organic or other alternatively sourced product.
- ▶ New Construction with fresh produce, meat and dairy.
- ▶ Alternative format stores with preponderance of fresh food.

Impact Wholesale Distribution System for Small Format Stores

Reliable local distribution for citywide small grocery locations

- ▶ Support development of local inclusive grocery distribution models for small format stores in Detroit to expand their offerings of fresh healthy affordable food.

Green Grocer Project Partnerships

- ▶ Motor City Match (new stores) Motor City Restore Track (existing stores)
- ▶ DEGC Real Estate Team and DEGC District Business Liaisons
- ▶ Extensive collaboration with nonprofits, universities, governmental entities, and local foundations food access partners in Detroit's vibrant food ecosystem including Fair Food Network, Detroit Food Policy Council, Michigan Good Food Fund, Double Up Food Bucks, Wayne State University, Detroit Lions Foundation, Gleaners, CDFI's, and Eastern Market.



Green Grocer Project Funding and Financing

Sources

- ▶ Grant and Technical Assistance Funding - available for small format stores up to \$25,000
- ▶ Debt – small format stores up to \$30,000 with GGP Loan Funds
- ▶ Debt – larger format stores in range of \$50,000 to \$100,000 with GGP CDBG loan funds.
- ▶ Debt - Other loan products for larger scale grocery developments
- ▶ External traditional and non-traditional debt financing for all stores sizes

Uses

- ▶ Refrigeration and Equipment
- ▶ Shelving and Storage
- ▶ Inventory
- ▶ Technology Equipment and Upgrades
- ▶ Buildout

Green Grocer Project

Small Format Neighborhood Grocery Stores

The Green Grocer Project seeks to increase neighborhood grocery options throughout the city. Small format grocery stores can provide walkable opportunities for fresh produce, prepared foods, grocery essentials, household items and provide an answer to “what’s for dinner?”



Neighborhood Grocery
500 Manistique