

City of Detroit



Downtown Development Authority

500 Griswold, Suite 2200, 22nd Floor

Detroit, Michigan 48226

Phone: 313 963 2940

Fax: 313 963 8839

CODE DDA 18-08-02-610

APPROVAL OF MINUTES OF JULY 25, 2018

RESOLVED, that the minutes of the Regular meeting of July 25, 2018 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.

August 8, 2018

City of Detroit



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**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, JULY 25, 2018 – 3:00 P.M.**

BOARD MEMBERS PRESENT:

Charles Beckham
Austin Black
Ehrlich Crain
David Blaszkiewicz
Richard Hosey
Tom Lewand (Mayor's Representative)
John Naglick
Steve Ogden

BOARD MEMBERS ABSENT:

Marvin Beatty
Sonya Delley
James Jenkins
David Massaron
Vacancy (Melvin Hollowell)

OTHERS PRESENT:

Chris Berlito (Kotz Sangster)
Gay Hilger (DEGC/DDA)
Malinda Jensen (DEGC/DDA)
Kevin Johnson (DEGC/DDA)
Paul Kako (DEGC/DDA)
John Lauve (Citizen)
Glen Long, Jr. (DEGC/DDA)
Rebecca Navin (DEGC/DDA)

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**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, JULY 25, 2018
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD STREET, SUITE 2200 – 3:00 P.M.**

GENERAL

Call to Order

Noting that a quorum was present, Mr. Lewand, the Chairman's Representative, called the Regular meeting of the Downtown Development Authority Board of Directors to order at 3:07 p.m.

Approval of Minutes

Mr. Lewand questioned whether there were any additions, deletions or corrections to the minutes of the June 27, 2018 Regular Board meeting. Hearing none, the Board took the following action:

On a motion by Mr. Beckham, seconded by Mr. Ogden, Resolution Code DDA 18-07-02-609 was unanimously approved.

Receipt of Treasurer's Report

Mr. Naglick reviewed the Treasurer's Report of Receipts and Disbursements for the Month of June 2018 for the benefit of the Board and responded to questions. Subsequent to a discussion, the Board took the following action:

On a motion by Mr. Ogden, seconded by Mr. Blaszkievicz, Resolution Code 18-07-03-485 was unanimously approved.

ADMINISTRATION

Report of Actions Taken Under the Delegation of Authority

Ms. Jensen reviewed the report that was provided in the Board material and responded to questions. This report was for information only and no Board action was taken.

PUBLIC COMMENT

Mr. Lewand called for public comment and advised that they would be given two minutes.

Mr. John Lauve of Holly, Michigan stated the following:

"It's always nice to come down here and see all these bright faces. I just don't know where to start. Well maybe I do. Tigerland—the Tiger ticket deal. I have a copy of a page in the lease, and on the back is something that I prepared in 2015 that outlines what I consider a legitimate plan to take care of the situation. Basically, it says they have to develop a program that has to be approved by the DDA and the Stadium Authority. The Stadium Authority has never seen anything. And I've never seen anything, I've never seen a plan. All we get is a report saying we have a Tiger donation program where we gave away out of the goodness of our hearts tickets to somebody. They don't say on there kids. It says to enable 50,000 kids not 50,000 people. So you haven't done your duty and obligation to manage this lease. Here's a copy of something I gave you in 2017—written notice of default. If you would give them a written notice of default, you would have some action instead of we'll have some committee do it. You got to do something. I guess they really don't have to do anything except just come in and give you a bill for repairing the stadium. I think it is unconscionable to do this. Last year they were short 11,000 tickets. Well, just forget about it. They should be paying you for those 11,000 tickets so that you can distribute the money to something to help the kids to go to the games."

Mr. Lewand advised Mr. Lauve that his two minutes were up and thanked him for his comments.

ADJOURNMENT TO CLOSED SESSION

Mr. Beckham made a motion, which was seconded by Mr. Naglick, to adjourn the Regular meeting to a Closed Session to discuss a litigated matter. A roll call vote was taken, and all eight members present, or two-thirds of the members, voted in favor of adjourning to a Closed Session at 3:16 p.m.

RECALL TO ORDER

Mr. Lewand recalled the Regular meeting of the Downtown Development Authority Board of Directors to order at 3:31 p.m.

PROJECTS

Paradise Valley Business & Entertainment District: Proposed Settlement Agreement with Detroit Seafood Market LLC and Dotun Kenny Akinwale

Ms. Navin distributed a memorandum and resolution, which had been discussed during the Executive Session. Mr. Long noted that the resolution should be amended to add that the Settlement Funds would come out of the Land Assemblage line item in the DDA Budget.

On a motion by Mr. Blaszkiewicz, seconded by Mr. Ogden, Resolution Code 18-06-110-43 was unanimously approved, as amended.

OTHER MATTERS

ADJOURNMENT

With there being no other business to be brought before the Board, Mr. Lewand adjourned the meeting at 3:32 p.m.

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CODE DDA 18-07-02-609

APPROVAL OF MINUTES OF JUNE 27, 2018

RESOLVED, that the minutes of the Regular meeting of June 27, 2018 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.

July 25, 2018

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CODE DDA 18-07-03-486

RECEIPT OF TREASURER'S REPORT FOR JUNE 2018

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending June 30, 2018, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

July 25, 2018

City of Detroit



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CODE DDA 18-07-110-44

(Amended at the Table)

PARADISE VALLEY BUSINESS & ENTERTAINMENT DISTRICT: PROPOSED SETTLEMENT AGREEMENT WITH DETROIT SEAFOOD MARKET LLC AND DOTUN KENNY AKINWALE

WHEREAS, the DDA and Seafood Market entered into a commercial lease agreement (the "Lease") wherein the DDA leased commercial space located at 1435 Randolph Street, Detroit, MI 48226 ("Premises") to Seafood Market in exchange for Seafood Market's monthly payments of rents; and

WHEREAS, in connection with the Lease, Dotun Kenny Akinwale ("Akinwale") executed a personal guaranty which guaranteed payment of all gross rent and performance of all obligations set forth in the Lease, and all actual costs of enforcing the guaranty including reasonable attorney fees; and

WHEREAS, on November 23, 2016, the DDA filed a complaint against Seafood Market in the 36th District Court (case entitled City of Detroit Downtown Development Authority v Detroit Seafood Market LLC, Case No. 16329319-LT) to obtain an eviction order and to seek possession of the Premises for Seafood Market's nonpayment of rent; and

WHEREAS, on March 28, 2017, DDA filed a complaint against Seafood Market and Akinwale in the Wayne County Circuit Court (case entitled City of Detroit Downtown Development Authority v Detroit Seafood Market LLC and Dotun Kenny Akinwale, Case No. 17004934-CB) (collectively referred to with the first complaint filed as the "Lawsuits"). DDA brought this lawsuit to seek money damages against Seafood Market and Akinwale for their nonpayment of rent; and

WHEREAS, DDA, Seafood Market and Akinwale have reached an agreement to resolve the disputes between them and to end the Lawsuits, as provided for in **Exhibit A** (the "Settlement Agreement"); and

WHEREAS, the acceptance of the Settlement Agreement will extinguish all claims, counterclaims, actions, defenses, demands, allegations, and other disputes between or amongst the DDA, Seafood Market, and Akinwale, including by example those arising from the Lease, the Premises and the Lawsuits; and

WHEREAS, the DDA Board has determined that approval of the Settlement Agreement is in the best interests of the DDA.

NOW, THEREFORE, BE IT RESOLVED, that the DDA Board of Directors hereby approves the Settlement Agreement, together with such modifications to the Settlement Agreement as deemed appropriate by such Authorized Agents and counsel which are not inconsistent with this resolution and do not alter the substance of the Settlement Agreement or adversely affect the rights and/or obligations of the DDA thereunder.

BE IT FURTHER RESOLVED that any amounts payable by the DDA under the Settlement Agreement shall be paid from the Land Assemblage line item in the DDA's Restated Tax Increment Financing Plan and Development Plan for Development Area No. 1.

BE IT FURTHER RESOLVED that the DDA Board of Directors hereby authorizes any two of its Officers or any two of its Authorized Agents or any one Officer and any one Authorized Agent to negotiate and execute a definitive agreement incorporating the Settlement Agreement and such other terms as deemed appropriate by such Authorized Agents and counsel which are not inconsistent with this resolution and do not alter the substance of the Settlement Agreement or adversely affect the rights and/or obligations of the DDA thereunder.

BE IT FURTHER RESOLVED the DDA Board of Directors hereby authorizes any two of its Officers or any two of its Authorized Agents or any one Officer and any one Authorized Agent to execute and all other documents, contracts and papers and take such other 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.

July 25, 2018

April 17, 2017

To
from
Subj

Tigers

DDA

Written Notice of Default
Per Art 13.1(a) CMA Lease
Violation of Article 21.2
"children tickets"

Per Art 13.1(a)

① Specific Failure

50,000 tickets have not
been provided as obligated.
The tickets are ONLY
for children!

they are "to ENABLE them
to attend" and therefore
MUST include transport,
parking & supervision.
These costs can't be imposed
on families that enable to
absorb that cost.

② Written request for remedy.

Need date of the first game in compliance for a greeting by officials.

Require an average of 600 kids per game to meet totals.

No tickets for Adults included in count.

Eligible kids

on "free school lunch" list

Age 8-16 yrs

Transport arranged by Tiger Supervision " & controlled by "

Longer delay will require larger per game attendance

Payment for prior year violations.

②

Tigers Fail to Help Kids

The stadium lease (21.2) (copy attached) obligates the Tigers:

1. develop a program
2. approved by the Detroit Downtown Devel. Authority
3. 50,000 tickets per year
4. "to children from low-income families"

No program is on record with the DDA. The Tigers paid \$1.00 per year for the past 15 years. The City has paid millions for repairs.

The "City County Program" for kids was changed to claim credit as the "Tigers Complementary Ticket Program" for "deserving groups".

The record shows large gifts to adults. Youths were cut out of the distribution. (See attached)

The plan needs to be returned to the kids. Adults can only be allowed entry when taking at least two kids to a game.

The City County must receive credit and be included in the game Program and announcements.

The remedy requires an oversight committee and open meetings.

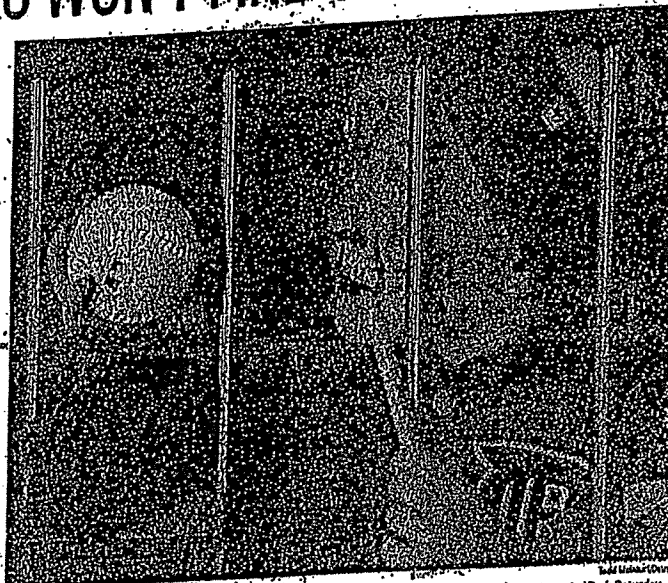
Groups, like P.A.L. (Police Athletic League) and CATCH (Sparky Anderson's charity) that did not receive tickets should be included.

More information is needed:
Seat locations and prices;
Game Dates - day of week, time, visitor.
Utilization rates - no show.
Review records of the 33% tickets issued less than 100 tickets.

The youth age limits need definition, e.g. (5yrs. to 15 yrs.?)
The games must not occur during school hours. Don't skip school to go to a ball game.

Examples:
160 tickets for senior church members;
100 tickets for Livonia Elks Lodge members; teacher appreciation volunteers; etc.

TIGERS WON'T FIND GOING SO EASY



Gabe Majcher, 8, of Avon, Mich., waits to get an autograph as thousands flocked to the 20th annual TigerFest at Comerica Park Saturday.

John Lauve
200 North Saginaw Street
Holly, MI 48442
248 820-2434

Feb 10, 2015

ARTICLE 21

ADDITIONAL OBLIGATIONS OF TIGERS

21.1 Tigers Guaranty.

(a) The Tigers have executed a guaranty in favor of the DDA, in form and substance satisfactory to the DDA, copy of said guaranty is annexed hereto as Exhibit I.

(b) The Tigers have executed a guaranty in favor of the Authority, in form and substance satisfactory to the Authority, a copy of which is annexed hereto as Exhibit J. *missing*

21.2 Attendance of Children From Low Income Families. The Tigers will develop a program, to be approved by the DDA and the Authority, to provide 50,000 tickets per year to children from low income families to enable them to attend Major League Baseball Games.

21.3 Payment by Tigers to DDA. On or before the Commencement Date, the Tigers shall deposit with the City, or the DDA, as directed, the amount of \$2,000,000 to be used by the City to maintain or demolish the present Tiger Stadium.

21.4 Taxes. The Tigers shall be responsible for paying any ad valorem real and ~~personal~~ property taxes and other specific taxes levied upon the Tigers in lieu of ad valorem taxes that become payable with respect to the Tiger Stadium Project.