



CODE LDFA 19-10-02-56

**APPROVAL OF THE LDFA MINUTES OF JUNE 25, 2019**

**RESOLVED**, that the minutes of the Regular meeting of June 25, 2019 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 Local Development Finance Authority.

October 22, 2019



**LOCAL DEVELOPMENT FINANCE AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING  
TUESDAY, JUNE 25, 2019  
9:30 A.M.**

**BOARD MEMBERS PRESENT:** Furquan Ahmed  
Irma Clark-Coleman  
Damon Hodge  
Arthur Jackson  
Machion Jackson  
James Jenkins III

**BOARD MEMBER ABSENT:** Derek Dickow  
Linda Forte  
Katrina McCree  
Mariann Sarafa  
Vacancy

**OTHERS PRESENT:** Heidi Ausgood  
Gay Hilger (DEGC/LDFA)  
Malinda Jensen (DEGC/LDFA)  
Jennifer Kanalos (DEGC/LDFA)  
Glen Long (DEGC/LDFA)  
Rebecca Navin (DEGC/LDFA)



**MINUTES OF THE LOCAL DEVELOPMENT FINANCE AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING  
TUESDAY, JUNE 25, 2019  
DETROIT ECONOMIC GROWTH CORPORATION  
500 GRISWOLD STREET, SUITE 2200 - 9:30 A.M.**

**GENERAL**

**Call to Order**

Noting that a quorum was present, Vice Chair Clark-Coleman called the Regular meeting of the LDFA Board of Directors to order at 9:48 a.m.

**Approval of Minutes**

Ms. Clark-Coleman asked if there were any additions, deletions or corrections to the minutes of the October 23, 2018 Regular Board meeting. Hearing none, the Board took the following action:

On a motion by Ms. Clark-Coleman, seconded by Mr. Dickow, Resolution Code LDFA 19-06-02-55 was unanimously approved.

**Acceptance of Treasurer's Report**

Mr. Long reviewed the Treasurer's Report of Receipts and Disbursements for the months of October 2018 through May 2019 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. Jenkins, seconded by Mr. Hodge, Resolution Code LDFA 19-06-03-42 was unanimously approved.

**ADMINISTRATION**

**Director's Report**

Ms. Kanalos reported that on October 21, 1998, the Local Development Finance Authority (the "LDFA") issued its 1998 Series A Tax Increment Tax Exempt Bonds of par amount of \$52,205,000.00. After the appropriate deduction for underwriter's discount, debt service reserve and cost of issuance, the net amount of \$45,461,044.14 was paid to the City of Detroit as additional reimbursement for the City's identifiable public facilities expenditures of \$118,745,000.00.

The LDFA to date, through the issuance of its 1991 Series A Bonds, the 1997 Series A-B-C Bonds and the 1998 Series A Bonds, has reimbursed the City a total amount of approximately \$99,000,000.00, leaving a balance of unreimbursed City expenditures of approximately \$19,745,000.00.



With respect to LDFA's SmartZone District, LDFA received an Eight Million Nine Hundred Fifty Thousand & 00/100 Dollars (\$8,950,000.00) core communities grant, from the Michigan Economic Development Corporation to be allocated as follows:

	<u>Amount Allocated</u>	<u>Amount Disbursed</u>
• Wayne State University Research and Technology Park.	\$ 2,000,000.00	\$2,000,000.00
• Tricentennial Park Through SDNR	4,000,000.00	3,640,377.17
• WSU Cultural Center	1,500,000.00	1,462,138.05
• Downtown Development Authority	1,450,000.00	1,450,000.00

LDFA staff prepared its Year 2017 2604 Report (formerly T-1101). This report is submitted to the Michigan Department of Treasury in accordance with the provisions of the LDFA Act 281 of Michigan Acts 1986, as amended, to justify the LDFA's capture of School Tax Increment Revenues.

LDFA staff also completed the LDFA's annual reports for Fiscal Year End 2018, which were submitted to the City Council and to the Michigan Department of Treasury, in accordance with Section 14(3) of Act 450 of the Public Acts of Michigan.

Finally, the LDFA's Continuing Disclosure Annual Report was submitted to Nationally Recognized Municipal Securities Information Repositories and the State Information Repository in January 2019.

This report was for the Board's information only and no action was taken.

### **Approval and Adoption of FY 2019-2020 Budget**

Ms. Kanalos advised that Public Act 281 of 1986, as repealed and replaced by Act 57 of the Public Acts of 2018 and as it may be amended from time to time, requires the LDFA Director to submit a budget for the operation of the City of Detroit Local Development Finance Authority (the "LDFA") to the City Council for its approval prior to adoption by the LDFA Board.

On May 29, 2019, LDFA staff submitted the attached LDFA operating budget for FY 2019-2020 (the "18-19 Operating Budget") to City Council for approval prior to its adoption by the LDFA Board.

On June 11, 2019, the City Council approved the LDFA budget, which is being submitted to the LDFA Board for adoption.

Staff is also seeking LDFA Board approval of the LDFA program budget included in the Board material for FY 2019-2020 (the "19-20 Program Budget").



A resolution was also included approving and adopting the FY 19-20 Operating Budget and approving the FY 19-20 Program Budget for the Board's consideration and approval.

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

On a motion by Mr. Hodge, seconded by Mr. Jenkins, Resolution Code LDFA 19-06-01-145 was unanimously approved.

### **Amendment/Extension to the FY 2018-2019 LDFA/DEGC Professional Services Agreement**

Ms. Kanalos stated that in July 1995, the City of Detroit Local Development Finance Authority (the "LDFA") entered into a Professional Services Agreement (the "Agreement") with the Detroit Economic Growth Corporation (the "DEGC") for provision by the DEGC of administrative services on behalf of the LDFA. This Agreement was last amended in July 2018 to extend its term to June 30, 2019.

Included in the Board material as Exhibit A is the FY 2019-2020 Amendment/Extension to the LDFA/DEGC Professional Services Agreement Extension (the "Amendment"). Also included for the Board's consideration is a resolution approving the proposed Amendment.

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

On a motion by Mr. Hodge, seconded by Mr. Jenkins, Resolution Code LDFA 19-06-01-146 was unanimously approved.

### **Election of Secretary**

Ms. Kanalos advised that Public Act 281 of 1986, as repealed and replaced by Act 57 of the Public Acts of 2018 and as it may be amended from time to time, requires that the Officers of the Board of Directors be appointed.

Currently, there is a vacancy for Secretary.

Staff proposes that the Chairperson open the floor to nominations for Secretary of the LDFA.

Ms. Clark-Coleman called for nominations. Hearing none, Ms. Clark-Coleman asked new Board member Mr. Arthur Jackson if he would be willing to accept the nomination. Mr. Jackson responded in the affirmative.

On a motion by Mr. Jenkins, seconded by Mr. Ahmed, Mr. Arthur Jackson was nominated to serve as Secretary.

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

On a motion by Mr. Hodge, seconded by Ms. Jackson, Resolution Code LDFA 19-06-01-147 was unanimously approved.



### **Schedule of LDFA Regular Meetings for FY 2018-2019**

Ms. Kanalos advised that included in the Board material for its review and approval is a resolution adopting a schedule indicating dates for the LDFA Board's Regular meetings for the fiscal year 2019-2020.

Unless otherwise posted, such meetings will be held the fourth Tuesday of October and June at **9:30 a.m.** in the offices of the Detroit Economic Growth Corporation, 500 Griswold Street, Suite 2200, as follows:

October 22, 2019  
June 23, 2020

With there being no objection to the proposed meeting schedule and time, the Board took the following action:

On a motion by Mr. Hodge, seconded by Mr. Ahmed, Resolution Code LDFA 19-06-01-148 was unanimously approved.

### **OTHER MATTERS**

Mr. Jenkins raised a question about the Board reappointment process. He mentioned that he had been called for an interview by City Council and was questioned about what the LDFA does. He didn't feel prepared to answer the questions. Ms. Clark-Coleman suggested that more information be provided to Board members when they are being appointed/reappointed.

### **PUBLIC COMMENT**

### **ADJOURNMENT**

With there being no other business to be brought before the Board, Ms. Clark-Coleman adjourned the meeting at 10:15 a.m.



CODE LDFA 19-06-02-55

**APPROVAL OF THE LDFA MINUTES OF OCTOBER 23, 2018**

**RESOLVED** that the minutes of the Regular meeting of October 23, 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 Local Development Finance Authority.

June 25, 2019



CODE LDFA 19-06-03-42

**APPROVAL OF TREASURER'S REPORT FOR OCTOBER 2018 THROUGH MAY 2019**

**RESOLVE**, that the Treasurer's Report of Receipts and Disbursements for October 2018 through May 2019 as presented at this meeting, is hereby in all respects ratified and approved as action of the Local Development Finance Authority.

June 25, 2019





CODE LDFA 19-06-01-145

**ADMINISTRATION: APPROVAL AND ADOPTION OF FY 2019-2020 LDFA OPERATING BUDGET AND APPROVAL OF FY 2019-2020 LDFA PROGRAM BUDGET**

**WHEREAS**, Public Act 281 of 1986, as repealed and replaced by Act 57 of the Public Acts of 2018 and as it may be amended from time to time, requires the LDFA Director to submit a budget for the operation of the City of Detroit Local Development Finance Authority (the "LDFA") to the City Council for its approval prior to adoption by the LDFA Board; and

**WHEREAS**, on May 29, 2019 LDFA staff submitted the attached LDFA operating budget for FY 2019-2020 (the "19-20 Operating Budget") to City Council for approval prior to its adoption by the LDFA Board; and

**WHEREAS**, on June 11, 2019, the City Council approved the LDFA operating budget for FY 2019-2020 attached as Exhibit A (the "19-20 Operating Budget"); and

**WHEREAS**, staff has also submitted to the LDFA Board for approval the LDFA program budget for FY 2019-2020 attached as Exhibit B (the "19-20 Program Budget").

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the LDFA hereby approves and adopts the FY 19-20 Operating Budget.

**BE IT FURTHER RESOLVED**, that the Board of Directors of the LDFA hereby approves and adopts the FY 19-20 Program Budget.

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

June 25, 2019



CODE LDFA 19-06-01-146

**ADMINISTRATION: AMENDMENT/EXTENSION TO THE FY 2019-2020 LDFA/DEGC PROFESSIONAL SERVICES AGREEMENT**

**WHEREAS**, the City of Detroit Local Development Finance Authority (the "LDFA") entered into a Professional Services Agreement (the "Agreement") with the Detroit Economic Growth Corporation (the "DEGC") for provision by the DEGC of administrative services on behalf of the LDFA; and

**WHEREAS**, the Agreement is extended from year to year, subject to appropriation of funds by the LDFA Board of Directors and in an amount as the Board of the LDFA and the DEGC shall mutually agree upon in writing.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the LDFA hereby authorizes the Amendment/Extension of the FY 2019-2020 LDFA/DEGC Professional Services Agreement to June 30, 2020 in substantially the form attached hereto as Exhibit A, together with such changes recommended or required by counsel for either party.

**BE IT FURTHER RESOLVED**, that any LDFA Officer, LDFA Director, or Authorized Agent is hereby authorized by the LDFA Board of Directors to execute the Amendment/Extension of the FY 2019-2020 LDFA/DEGC Professional Services Agreement.

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

June 25, 2019



CODE LDFA 19-06-01-147

**ADMINISTRATION: ELECTION OF SECRETARY**

**RESOLVED**, that the following is hereby elected as Secretary of the Board of Directors of the Local Development Finance Authority:

Arthur Jackson, Secretary

June 25, 2019



CODE LDFA 19-06-01-148

**ADMINISTRATION: SCHEDULE OF LDFA REGULAR MEETINGS FOR FY 2019-2020**

**RESOLVED**, that the Board of Directors of the Local Development Finance Authority (the "LDFA") hereby adopts the following as its schedule of regular meetings for its fiscal year beginning July 1, 2019 and ending June 30, 2020. Unless otherwise posted, such meetings will be held the fourth Tuesday of October and June at **9:30 a.m.** in the offices of the Detroit Economic Growth Corporation, 500 Griswold Street, Suite 2200, as follows:

October 22, 2019

June 23, 2020

June 25, 2019