



APPROVAL OF MINUTES OF NOVEMBER 13, 2018 MEETING

RESOLVED, that the minutes of the Regular meeting of November 13, 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 Economic Development Corporation.

December 18, 2018

**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, NOVEMBER 13, 2018 – 8:30 A.M.**

BOARD MEMBERS PRESENT: Marsha Bruhn
Kimberly Clayson
Linda Forte
Chris Jackson
Kwaku Osei
Thomas Stallworth

BOARD MEMBERS ABSENT: Damon Hodge
Maurice Cox (Ex-Officio)
John Naglick (Ex-Officio)
Jonathan Quarles
Matthew Roling

**SPECIAL DIRECTORS
PRESENT:** None

**SPECIAL DIRECTORS
ABSENT:** Jon Newton (East Riverfront)

OTHERS PRESENT: Gay Hilger (DEGC/EDC)
Malinda Jensen (DEGC/EDC)
Jennifer Kanalos (DEGC/EDC)
Paul Kako (DEGC/EDC)
Glen Long, Jr. (DEGC/EDC)
Rebecca Navin (DEGC/EDC)
Mariangela Pledl (DEGC/EDC)
Orza Robertson (DEGC/EDC)
Kelly Shovan (DEGC/EDC)



Economic Development Corporation of the City of Detroit

**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, NOVEMBER 13, 2018
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200
8:30 A.M.**

CALL TO ORDER

Noting that a quorum was present, Chair Forte called the Regular meeting of the Economic Development Corporation Board of Directors to order at 8:40 a.m.

GENERAL

Approval of Minutes

Ms. Forte 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 Mr. Osei, seconded by Ms. Bruhn Resolution Code EDC 18-11-02-306 was unanimously approved.

PROJECTS

Motor City Re-Store: Recommendations for Round 5 Business Awards

Mr. Batton informed that on June 1, 2018, the EDC's Motor City Re-Store program began accepting applications for Round 5 Design and Construction Track Awards. Motor City Re-Store is a matching façade grant program for existing businesses in Detroit. The table below describes the levels of award and qualifications.

	Awards	Awardees must have:
CONSTRUCTION AWARD	<ul style="list-style-type: none"> • Up to \$25,000 matching grant per winner • Refer to lending partners for financing • Up to \$2M per year 	<ul style="list-style-type: none"> • An existing business in the city of Detroit • A plan for improvements • Funds ready for investment

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	Awards	Awardees must have:
DESIGN AWARD	<ul style="list-style-type: none"> • Up to \$10,000 in architectural TA per winner • Access to design professionals • Refer to lending partners for financing 	<ul style="list-style-type: none"> • An existing business in the city of Detroit

When applications closed on July 6, 2018 Motor City Re-Store had received 72 applications for Round 5.

This memorandum and resolution focus on the selection and recommendation of awardees for:

- Foundation-funded "Construction" award track receiving cash grants and financing assistance
- CDBG-Funded "Design" award track receiving cost-shared architectural design, permitting and bidding assistance for pre-development; and connection to financing assistance as needed.

Staff verified business eligibility based on self-reported data submitted in the application for the following seven criteria:

1. My business is currently open and operating for at least one year with regular hours in the physical location
2. The business is not operating in a home
3. The business is located in the City of Detroit
4. My business is a for-profit entity
5. The business is majority-owned by a person who is at least 18 years or older
6. The business and all owners are in good standing with the City of Detroit, State of Michigan and IRS, and
7. The business is not part of a franchise.

Staff then sorted applications into appropriate award tracks and reviewed all applications to determine finalists. Finalist applicants were identified as follows:

- "Design" track applicants are existing Detroit business needing CDBG-funded architectural design assistance. Finalists were selected based on eligibility and feasibility of their project. In total, twenty-six (26) "Design" finalists were selected.
- "Construction" track applicants have signed and sealed construction drawings or ready-to-bid projects that do not require construction drawings. Finalists were selected based on eligibility and feasibility of their project. In total, seven (7) finalists were selected.

Finally, staff evaluated finalist applications based on seven criteria. "Construction" and "Design" applications were scored on a scale of 1-100. Selection criteria are as follows:

1. Vision and plan
2. Experience
3. Market support
4. Community benefit
5. Leverage
6. Age of Business
7. Impact of proposed storefront improvements

Based on the evaluations, EDC staff recommends:

- Twenty-one (21) awardees for “Design” presented in Exhibit B: CDBG-funded “Design” awards estimated at \$210,000.
- Seven (7) “Construction” awardees presented in Exhibit A:
- Foundation-Funded “Construction” awards estimated at \$145,113 in an approval amount not to exceed \$175,000.
- Total estimated Motor City Re-Store amount for Construction and Design Awards is \$385,000.

EDC staff will connect awardees with architects to deliver services to “Design” awardees per the CDBG procurement processes. EDC staff will connect awardees to construction professionals to deliver services to “Construction” awardees if needed.

The EDC will enter into grant agreements with Round 5 Motor City Re-Store awardees and facilitate introductions to lending partners to pursue gap financing through these independent sources.

A resolution approving the staff’s recommendation of “Design” and “Construction” awardees was included for the Board’s consideration.

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

On a motion by Ms. Bruhn, seconded by Mr. Stallworth, Resolution Code EDC 18-11-91-76 was unanimously approved.

Motor City Match: Recommendation for Round 13 Building Awards

Mr. Batton advised that on June 1, 2018, the EDC’s Motor City Match program began accepting applications from interested building owners for Round 13 of the Building Application Track (“Round 13”). The Building Application Track is for property owners with a vacant space looking for quality new tenants. Awards include pre-development assistance, marketing and tenant recruiting. Properties that are matched with businesses are considered for grants, financing and priority permitting. The table below describes the levels of award and qualifications.

		Awards	Awardees must:
TECHNICAL ASSISTANCE	SPACE	<ul style="list-style-type: none"> Listed as an available property viewable by hundreds of Business Competition candidates Top 25 scoring buildings will be marketed as a “top destination for new business” Pre-development building assessment Match making with top businesses 	<ul style="list-style-type: none"> Be current and compliant Judged most feasible for business
	DESIGN	<ul style="list-style-type: none"> Up to 7 awardees each round across both the building and business tracks Design/build assistance Priority permitting Financial planning assistance 	<ul style="list-style-type: none"> Be current and compliant Judged most feasible for business Have a tenant secured
FINANCIAL ASSISTANCE	CASH	<ul style="list-style-type: none"> Up to 10 awardees each round across both the building and business tracks Up to \$100,000 matching grant per winner \$500,000 in grants per round for building and business owners Pitch to lending partners for financing 	<ul style="list-style-type: none"> Be current and compliant Judged most feasible for business Have a tenant secured Have a plan for building renovations Have funds ready for investment

When applications closed on July 9, 2018, the EDC had received twenty-seven (27) applications (“Application”) for spaces across the city of Detroit. An Application typically refers to a single tenantable space within a property. One property may have submitted multiple Applications and the properties may have previously matched but have leaseable space.

Staff completed the following due diligence and evaluation process:

- Verified that the space referenced in the Application is current and compliant on property taxes, tickets, and water bills.

Each Application was evaluated and scored on a scale of 1-100 as follows:

- Each of the following factors contributed up to 20 points: (1) Building characteristics and vision; (2) Building conditions; (3) Community and market support; (4) Leverage; and (5) Compliance.
- Evaluations were conducted by EDC staff.

- EDC staff scores were averaged together to achieve the final score for building characteristics and vision, community and market support, and leverage.
- The score for building conditions was derived from the self-reported data from the property owner.
- The score for compliance was derived based on the payment of taxes, water bills, and tickets.

The selection process is described in greater detail in Section 6 of the Motor City Match Building Owner Guidelines.

The results of the due diligence and evaluation process are the following:

- Of the twenty-seven (27) applications considered for Round 13, eleven (11) applications were deemed ineligible because of condition or compliance, leaving sixteen (16) eligible Building Applications to be considered for Round 13 awards.
- One (1) eligible property withdrew from the program. One (1) space was awarded in a previous round.
- Thirteen (13) eligible Round 13 building applications are recommended to receive “Space” awards to assist with marketing their property and preparing for tenants.
 1. Ten (10) indicated they have space available and will be placed on the MCM map.
 2. Two (2) of these awardees are matched with an MCM Design award tenant,
 3. One (1) has secured tenants with no additional space to lease, making it eligible for consideration for “Design” or “Cash” awards in partnership with the tenants.
- Based on eligible applications and review of scores, EDC staff recommends the following Round 13 Building Owner Awards:
 - **Space awards.** Thirteen (13) properties are recommended to receive Space awards as presented in Exhibit A, which includes marketing, a professional building assessment, real estate tours and other matchmaking activities with top Motor City Match business applicants. These top scoring buildings are recommended to receive assistance with marketing, tenant recruiting and tenant preparedness
 - **Design Awards.** Seven (7) properties are recommended to receive “Design” awards in partnership with their tenants presented in Exhibit B, which includes architectural technical assistance for tenant build-out and building renovations.

EDC staff requested that the Board accept the current results of the Round 13 Building Application evaluation process and to confirm the Applications that have been awarded “Space” and “Design” awards.

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A resolution was included for the Board's consideration.

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

On a motion by Mr. Stallworth, seconded by Mr. Osei, Resolution Code EDC 18-11-91-77 was unanimously approved.

Motor City Match: Recommendation for Round 13 Business Awards

Mr. Batton reported that on June 1, 2018, the EDC's Motor City Match program began accepting applications for Round 13 of the Business Owner Application Track. The Business Owner Application Track is for businesses from Detroit and around the world that are looking to start or expand in Detroit. The table below describes the levels of award and qualifications.

		Awards	Awardees must have:
TECHNICAL ASSISTANCE	BUSINESS PLAN	<ul style="list-style-type: none"> • Up to 50 winners • Free business planning class 	<ul style="list-style-type: none"> • A great idea
	SPACE	<ul style="list-style-type: none"> • Up to 25 winners each round • Match making with top real estate • Financial planning assistance 	<ul style="list-style-type: none"> • Be current and compliant • Judged most feasible for business
	DESIGN	<ul style="list-style-type: none"> • Up to 7 winners each round • Design/build assistance • Priority permitting • Financial planning assistance 	<ul style="list-style-type: none"> • Be current and compliant • Judged most feasible for business • Have a tenant secured
FINANCIAL ASSISTANCE	CASH	<ul style="list-style-type: none"> • Up to 10 winners each round • Up to \$100,000 matching grant per winner • \$500,000 in grants per round for building and business owners • Pitch to lending partners for financing 	<ul style="list-style-type: none"> • Be current and compliant • Judged most feasible for business • Have a tenant secured • Have a plan for building renovations • Have funds ready for investment

When applications closed on July 10, 2018, the EDC had received 195 business applications ("Application") for Round 13.

This memorandum and resolution focus on the selection and recommendation of awardees for:

- "Business Plan" award track receiving business planning assistance
- "Space" award track receiving site selection assistance
- "Cash" award track receiving grants and financing assistance

First, staff verified business eligibility based on self-reported data submitted in the application for the following five criteria:

1. The business is incorporated and has a registered EIN and DUNS prior to receiving a grant award
2. The business wishes to locate in Detroit for at least two years
3. The business is majority-owned by a person who is at least 18 years or older
4. The business and all owners are in good standing with the City of Detroit, State of Michigan and IRS, and
5. The business is not part of a franchise.

Second, staff sorted applications into various award tracks and reviewed eligible business applications to determine finalists. The awards were selected using the 100-point scale detailed below. Finalist applicants were identified as follows:

- “Space” applicants are actively looking for space. These business applicants are either new business ventures that have a solid business plan or they are existing businesses with a track record of success and a plan to grow it. Thirty (30) space awardees were selected.
- “Cash” applicants have a location secured, a plan for build-out and strong understanding of the money needed to start their business and complete renovations at their space. In total, thirty-one (31) Cash finalists were selected.

Third, a team of outside jurors evaluated finalist applications based on five criteria. “Business Plan” applications were initially reviewed by a team of business planning service providers, as well as members of the Motor City Match staff. “Business Plan” applicants have great business ideas but haven’t formulated a business plan yet or need help strengthening their business plans before pursuing space. “Space” finalists were reviewed by a team of community stakeholders from across various parts of the city and “Cash” finalists were reviewed by a team of business leaders and lenders. “Business Plan”, “Space”, and “Cash” applications were scored on a scale of 1-100. Each of the five criteria is worth 20 points to contribute to the 100-point score. Selection criteria are as follows:

1. Vision and plan
2. Experience
3. Market support
4. Community support
5. Leverage

“Cash” finalists were required to submit supplemental information. “Cash” finalists submitted comprehensive financial information, including a standard loan application and personal financial statement. Motor City Match staff compiled this supplemental information to determine the financial need, equity investment and “financial gap” for each business. Next, Motor City Match staff met with a team of six local Community Development Financial Institution (CDFI) lending partners on June 25, 2018, to determine grant and loan investment required to fill the financial gap on each project. CDFI partners include Invest Detroit, Detroit Development Fund, Capital Impact Partners, LISC, Michigan

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Women's Foundation and Detroit Micro-Enterprise Fund. CDFI partners made commitments to explore lending the balance of the financial gap based on recommended grant investment from Motor City Match. Motor City Match staff used lender interest, participant scores, supplemental information and readiness to accept additional investment to determine "Cash" awardees and associated grant investment.

Finally, staff compiled juror scores to identify top ranking candidates for awards.

EDC staff recommended:

- Thirty-six (36) "Business Plan" awardees for business planning are presented in Exhibit A.
- Twenty-three (23) "Space" awardees for site selection are presented in Exhibit B.
- Fourteen (14) "Cash" awardees to receive a total of \$500,000 in grant investment, as described on Exhibit C.

EDC staff will contract with independent business planning service providers to deliver services to "Business Plan" awardees that will provide business planning training for up to 50 Round 13 Motor City Match "Business Plan" awardees.

EDC staff will facilitate one-on-one match making between top ranking businesses and building owners recognized as "Space" awardees. Match making services will include open houses and networking sessions between business owners and building owners. In addition, technical assistance will include expert guidance on leasing, financial planning and assessing market opportunities.

The EDC will enter into grant agreements with Round 13 Motor City Match "Cash" awardees and facilitate introductions to lending partners to pursue gap financing through these independent sources.

A resolution approving the staff's recommendation of "Business Plan", and "Space" awardees and recommending to the Board staff's recommendation of "Cash" awardees was included for the Board's consideration.

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

On a motion by Mr. Jackson, seconded by Mr. Stallworth, Resolution Code EDC 18-11-91-78 was unanimously approved.

Motor City Match: Extension and Modification of Awards for Yum Village Restaurant Incubator

Mr. Batton advised that under the Motor City Match Program, participating business are awarded various awards based on the program track for which the awardee has applied and been selected. Generally speaking, a business can only receive one award for each program track.

One business owner, Godwin Ihentuge, received the following three Motor City Match awards under three different business entities for his restaurant incubator concept:

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- Round 2 “Business Plan” award for entity named, “Yum Village, LLC” – technical assistance business plan amount: \$1,000, EDC Board approval: January 25, 2016.
- Round 3 “Space” award for entity named, “North End Company” – technical assistance space amount: \$4,000, EDC Board approval: April 11, 2016.
- Round 5 “Cash” award for entity name, “The Kenilworth Club” - cash grant amount: \$50,000 for location at 9425 John R, EDC Board approval: September 30, 2016.

The technical assistance allowance for the Round 3 “Space” award, along with the cash grant award for Round 5 “Cash” have not been used by the awardee and have expired.

Mr. Ihentuge experienced a change in the intended location of his business, but he has now secured a lease in the building located at 6500 Woodward, just south of Grand Boulevard and seeks to operate a restaurant incubator at the location through the Yum Village, LLC entity. He has requested to use the remaining technical assistance allowance for costs associated with certain legal fees and the “Cash” grant for costs associated with the build out of the space, as set forth in the Sources and Uses of Funds attached as Exhibit A hereto.

EDC staff reviewed the request and recommended extending both of the awards by up to one-year and re-issuing Technical Assistance awards in the amount of \$4,000 and the cash grant award of \$50,000 in the name of Yum Village, LLC for the location at 6500 Woodward.

A resolution was included for the Board’s consideration.

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

On a motion by Mr. Stallworth, seconded by Mr. Osei, Resolution Code EDC 18-11-91-79 was unanimously approved.

East Riverfront: Approval of Professional Consultant Services Agreement for Parking and Access in the East Riverfront

Ms. Pavelko informed that in 2016, the Detroit Riverfront Conservancy (“Conservancy”) in partnership with the Economic Development Corporation of the City of Detroit (“EDC”) and the City of Detroit’s Planning and Development Department (“PDD”) undertook a 10-month planning engagement in an effort to update the East Riverfront Plan. As a result of this process, the East Riverfront Framework (“Framework”) was launched in the Spring of 2017 and several planned investments are underway. These include the \$27 million renovation of the historic Stone Soap Building, \$2 million for the creation of Atwater Beach, planning for the expansion of Milliken State Park and construction of the Campau Greenway.

Due to the growth in use from a variety of events at the East Riverfront, the anticipation of future development, and the desire to provide parking and access for the Aretha Franklin amphitheater, formally known as Chene Park, and the Michigan Department of Natural

Resources amenities, the City of Detroit has asked the EDC to complete a parking and access study for the East Riverfront. A request for proposals (RFP) was issued on August 31, 2018 to secure a qualified parking consultant to assist with the parking and access study for the district. The purpose of soliciting a proposal from an interested and qualified professional consulting firm(s) is to provide parking and access consulting services (the "Services"), related to the East Riverfront district (the "Study Area"). It is anticipated that the Services will address the following items:

- Assessment of parking supply and demand as well as additional mobility options in the Study Area
- Determine immediate and future parking and access needs
- Provide recommendations for improved access to the Riverfront and parking management

Based on the responses to the RFP, EDC staff negotiated a scope of work for the services described in the attached Exhibit A (the "Services") with Nelson\Nygaard (the "Consultant"), a consulting firm specializing in transportation, mobility and access. The firm has demonstrated its ability to provide experience and cost-effective solutions on projects such as the Downtown Detroit Transportation Study and the Greektown Neighborhood Vision Framework Plan, which are both ongoing. The Consultant is partnering with the local design and planning consulting firm, MKSK.

The EDC staff requested approval for the execution of a professional services agreement with the Consultant for the Services in an amount not to exceed eighty-four thousand three hundred thirty-six and 00/00 dollars (\$84,363.00). A draft resolution was included for the Board's consideration.

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

On a motion by Mr. Stallworth, seconded by Mr. Osei, Resolution Code EDC 18-11-52-08, was approved, with Ms. Clayton opposing.

East Riverfront: Approval of Professional Consultant Services Agreement for East Riverfront Construction Drawings

Ms. Pavelko advised that in April of 2018, the Economic Development Corporation of the City of Detroit ("EDC") approved the award of a professional services contract to Spackman, Mossop, and Michaels (the "Consultant") to provide design concepts for potential improvements on three vacant parcels owned by the EDC in the East Riverfront District.

Currently, the EDC properties are unmaintained gravel lots with fencing of various quality. The state and appearance of these properties are in stark contrast to the other improvements that have occurred in the East Riverfront District. The long-term intent for these properties is for the EDC to facilitate urban infill development on these parcels which would include structured parking. However, construction is not anticipated for several years after a Request for Proposals is released and predevelopment activities have occurred.

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In the interim, the purpose of the solicited design concepts was to analyze the potential to use the properties as parking to support existing development projects underway and local amenities until shared parking facilities can be constructed. In addition to alleviating parking needs in the East Riverfront District, it will result in the beautification of the properties that will complement current investments and continue to attract visitors and residents to the East Riverfront District.

The Consultant has completed the design concepts and EDC staff has reviewed the Consultant's design concepts and potential improvements. Based on an analysis of the proposed improvements and parking projections from the EDC parking operator, EDC staff recommends limiting improvements to the property located at 2155 Dubois. It is anticipated that the net parking revenue received by the EDC over the next five years will equal the estimated cost to install a parking lot. EDC staff negotiated a scope of work with the Consultant for the design and engineering services for the property located at 2155 Dubois, which scope was based on the Consultant's original proposal submitted to the EDC and is attached as Exhibit A.

The EDC staff requested approval for the execution of a professional services agreement with the Consultant for design and engineering services not to exceed forty-nine thousand nine hundred and 00/100 dollars (\$49,900.00).

A draft resolution was included for the Board's consideration.

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

On a motion by Mr. Jackson, seconded by Mr. Stallworth, Resolution Code EDC 18-11-52-09 was approved, with Ms. Clayson opposing.

East Riverfront: Approval of Stockpile Removal for the EDC East Riverfront Properties

Ms. Pavelko reported that in late 2017, it was identified that a large stockpile of soil had been deposited at 2155 Dubois. It is not known when this stockpile was dumped. Removal of the soil stockpile is necessary to facilitate the construction of a parking lot at this site and complete the necessary geotechnical and assessments of the ground below. Environmental testing of the soil was completed, and results indicate that the disposal of the soil must occur at a specially designated waste facility.

The Economic Development Corporation of The City of Detroit ("EDC") invited experienced, qualified and licensed contractors to submit proposals for the removal of soil located at 2155 Dubois. The purpose of soliciting a proposal from interested and qualified professional constructors was to remove the soil stockpile as follows:

- Soil stockpile removal and disposal based on results submitted by NTH Consultants environmental testing results.
- Removal of overgrown vegetation, trees and brush.

EDC received 3 responses, all from Detroit-based firms. Based on the responses, EDC staff requested approval for the execution of a construction services agreement with Ideal

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Contracting, a Detroit-based business, for an amount not to exceed one hundred one thousand thirty and 00/100 dollars (\$101,030.00). A draft resolution was included for the Board's consideration.

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

On a motion by Mr. Jackson, seconded by Ms. Bruhn, Resolution Code EDC 18-11-52-10 was unanimously approved.

Corktown: City General Fund Request: Greater Corktown Neighborhood Framework

Ms. Pavelko stated that the City's Planning and Development Department ("PD&D") has requested the assistance of The Economic Development Corporation of the City of Detroit (the "EDC") and the Detroit Economic Growth Association (the "DEGA") in connection with the Greater Corktown Neighborhood Framework Plan (the "Planning Study") it hopes to undertake in 2019. In particular, PD&D would like DEGA to administer a contract for the Planning Study, as further described in Exhibit A provided with the board material, and has estimated the cost of the Planning Study, including contingency and administrative costs, at \$700,000. PD&D has identified \$300,000 of City general funds (the "City Funds") to be allocated towards the Planning Study and has been working with the DEGA regarding a \$400,000 funding request to Motor City Casino (the "MCC Funds") for the Planning Study, for which DEGA would act as a fiscal sponsor.

PD&D requested the EDC to accept the City Funds and transfer such funds to DEGA for purposes of the Planning Study pursuant to an amendment to the EDC's existing contract with the City or a new funding agreement, subject to City Council approval.

A resolution was included for the Board's consideration.

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

On a motion by Mr. Stallworth, seconded by Mr. Jackson, Resolution Code EDC 18-11-98-01 was unanimously approved.

Casino Loan Program: Laughter In The Sun, LLC Loan Modification

Ms. Hundley advised that Laughter in the Sun, LLC (LIS) is a woman and minority owned Limited Liability Company owned by Regina Gaines, Andrea Dunbar and Terry Mullins. They operate the House of Pure Vin, a specialty retail wine store located at 1433 Woodward Avenue. The store occupies 2,200 sf of retail space and 745 sf of storage space. House of Pure Vin sells wine and offers such services as wine tastings, wine sampling and an online wine ordering club.

In October 2015, the EDC Board approved a loan from the Casino Development Funds in the amount of \$130,000.00 to LIS. EDC partnered with Invest Detroit and Detroit Development Fund (together with EDC, the "Lenders"). The collateral was a lien on all business assets and personal guarantees. Funds were used to assist in the buildout of the space. All loans matured November 2018.

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In 2017, LIS reached out to all lenders for financial relief seeking to maintain store sustainability and gain adequate cash flow. The EDC Board approved a modification of reduced loan payments. The other lenders payments were also reduced. The reduced payments assisted but were insufficient in still providing the cash flow needed to pay off all loans at maturity. Store sales and activities have been steady but not enough to produce sufficient cash flow.

In a further effort to sustain the business, LIS reached out to the Landlord (Bedrock) and Lenders regarding further relief. They are requesting an extension of the maturity dates and financial support. LIS proactively held conference calls and meetings with all Lenders and Bedrock to implement a plan of action. The plan has evolved to Bedrock agreeing to actively support LIS to sustain its business. The plan details involve gaining financial security by utilizing the services of J&F Advisors and TIVA Capital, curating programs and partnerships to drive sales, implementation of new technology and a feasibility plan that will enhance the store. Bedrock is requesting a 120-day extension on all loan maturities. They have also rendered financial support in the form of a subordinated Line of Credit in the amount of \$75,000.00 from Rose Financial, LLC. Bedrock has made LIS's success a priority.

LIS has submitted monthly payments, loan documentation and remained responsive to all Lenders. They have worked with their Landlord to provide a plan of sustainability for the business. They will continue to remit timely loan payments and all pertinent documentation as required. The EDC monthly loan payments are \$1,333.33. They are current in remitting payments and the loan balance is \$116,471.28. EDC staff has reviewed the file and its circumstances and finds it reasonable to give LIS relief.

EDC Staff is asking the EDC Board of Directors to approve a Loan Modification that entails an extended maturity date of March 2019 and an approval that allows LIS to receive a subordinated Line of Credit in the amount of \$75,000.00 from Rose Financial LLC. This approval will be contingent upon approvals from Invest Detroit and Detroit Development Fund. All loan documents will be amended accordingly.

Ms. Forte advised that this would have normally gone to the Finance Committee before being brought to the Board for approval; however, time did not permit the Finance Committee to meet.

Ms. Hundley informed that the resolution provided had an error and needed to be amended. In the first paragraph of the resolution, fourth line, word "subordinate" should be changed to "paripassu".

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

On a motion by Mr. Stallworth, seconded by Ms. Clayson, Resolution Code EDC 18-11-74-41 was unanimously approved, as amended.

ADMINISTRATION

OTHER MATTERS

PUBLIC COMMENT

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ADJOURNMENT

With there being no further business to come before the Board, Ms. Forte adjourned the meeting at 10:05 a.m.

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APPROVAL OF MINUTES OF OCTOBER 23, 2018 MEETING

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 Economic Development Corporation.

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MOTOR CITY RE-STORE: ROUND 5 AWARDS

WHEREAS, EDC staff has completed due diligence and evaluation for applications ("Applications") in the fifth round ("Round 5") of the Motor City Re-Store Program; and

WHEREAS, the EDC staff has provided recommendations to the Board, to receive grant investment subject to EDC Board approval; and

WHEREAS, the EDC Board has determined that the staff recommendation is reasonable and consistent with the Motor City Re-Store program; and

NOW, THEREFORE BE IT RESOLVED that the EDC Board of Directors, accepts the current results of the Round 5 evaluation process, and approves the Applications that have been recommended for Motor City Re-Store "Construction" awards, attached hereto as Exhibit A and "Design" awards, attached hereto as Exhibit B.

BE IT FURTHER RESOLVED, that the EDC Board of Directors, recommends that grant amounts not fully allocated each round (i.e., the remaining funds when quarterly "Construction" awards total less than \$500,000) be repurposed and distributed in future rounds. In such cases, Staff would have the authority to recommend more than \$500,000 in awards in future rounds, subject to the approval of the Board.

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.

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MOTOR CITY MATCH RECOMMENDATION FOR ROUND 13 BUILDING AWARDS

WHEREAS, EDC staff has completed extensive due diligence and evaluation for applications ("Applications) for the thirteenth round ("Round 13") of the Motor City Match Building Application Track; and

WHEREAS, the EDC staff has provided recommendations to the EDC Board of Directors, to receive technical assistance in the "Space," and "Design" Building Owner award categories; and

WHEREAS, the Board determined that the staff recommendation is reasonable and consistent with the Motor City Match program; and

NOW, THEREFORE BE IT RESOLVED, that the EDC Board of Directors accepts the current results of the Round 13 Building Application evaluation process, and approves the Applications that have been recommended for "Space" awards, attached hereto as Exhibit A.

BE IT FURTHER RESOLVED, that the EDC Board of Directors accepts the current results of the Round 13 Building Application evaluation process, and approves the Applications that have been recommended for "Design" awards, attached hereto as Exhibit B.

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.

November 13, 2018



MOTOR CITY MATCH: ROUND 13 BUSINESS AWARDS

WHEREAS, EDC staff has completed due diligence and evaluation for applications ("Applications") in the thirteenth round ("ROUND 13") of the Motor City Match Business Application Track; and

WHEREAS, the EDC staff has provided recommendations to the Board to receive technical assistance for the "Business Plan" awards, "Space" awards, and cash grant investment for the "Cash" award categories; and

WHEREAS, the EDC Board has determined that the staff recommendation is reasonable and consistent with the Motor City Match program; and

NOW, THEREFORE BE IT RESOLVED that the EDC Board of Directors, accepts the current results of the ROUND 13 Business Application evaluation process, and approves the Applications that have been recommended for "Business Plan" awards, attached hereto as Exhibit A.

BE IT FURTHER RESOLVED, that the EDC Board of Directors, accepts the current results of the ROUND 13 Business Application evaluation process, and approves the Applications that have been recommended for "Space" awards, attached hereto as Exhibit B.

BE IT FURTHER RESOLVED, that the EDC Board of Directors, recommends to the EDC Board of Directors the approval of the "Cash" grant awards that were recommended by Staff pursuant to the ROUND 13 Business Application evaluation process, attached hereto as Exhibit C.

BE IT FURTHER RESOLVED, that the EDC Board of Directors, recommends that grant amounts not fully allocated each round (i.e., the remaining funds when quarterly "Cash" awards total less than \$500,000) be repurposed and distributed in future rounds. In such cases, Staff would have the authority to recommend more than \$500,000 in "Cash" awards in future rounds, subject to the approval of the Board.

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.

November 13, 2018



MOTOR CITY MATCH: EXTENSION AND MODIFICATION OF AWARDS FOR YUM VILLAGE RESTAURANT INCUBATOR

WHEREAS, under the Motor City Match Program, participating business are awarded various awards based on the program track for which the awardee has applied and been selected, with each business being eligible to receive only one award per track; and

WHEREAS, one business owner, Godwin Ihentuge, received the following three Motor City Match awards under three different business entities for his restaurant incubator concept:

- Round 2 "Business Plan" award for entity named, "Yum Village, LLC" – technical assistance business plan amount: \$1,000, EDC Board approval: January 25, 2016.
- Round 3 "Space" award for entity named, "North End Company" – technical assistance space amount: \$4,000, EDC Board approval: April 11, 2016.
- Round 5 "Cash" award for entity name, "The Kenilworth Club" - cash grant amount: \$50,000 for location at 9425 John R, EDC Board approval: September 30, 2016.

WHEREAS, the Round 3 "Space" technical assistance award and the cash grant have not been used by the awardee and have expired; and

WHEREAS, the business owners has requested to use the Round three "Space" technical assistance allowance for costs associated with certain legal fees and the "Cash" grant for costs associated with the build out of space secured at 6500 Woodward, rather than the location set forth in the application, as set forth in the Sources and Uses of Funds attached as Exhibit A hereto; and

WHEREAS, EDC staff recommends extending each of the awards by up to one-year and re-issuing the Technical Assistance award in the amount of \$4,000 and the cash grant award of \$50,000 in the name of Yum Village, LLC for the location at 6500 Woodward; and

WHEREAS, the EDC Board of Directors has determined that the staff recommendations are reasonable and consistent with the goals of the Motor City Match Program.

NOW, THEREFORE, BE IT, RESOLVED, that the EDC Board of Directors hereby approves the extensions and modifications of the awards in the manner stated in this resolution.

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.

November 13, 2018



EAST RIVERFRONT DISTRICT: APPROVAL OF PROFESSIONAL CONSULTANT SERVICES AGREEMENT FOR PARKING AND ACCESS IN THE EAST RIVERFRONT

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

WHEREAS, as a result of this process, the East Riverfront Framework ("Framework") was launched in the Spring of 2017 and several planned investments are underway resulting in a need to provide parking and access to various properties located at the East Riverfront; and

WHEREAS, the City of Detroit has asked the EDC to complete a parking and access study for the East Riverfront district (the "Study Area"); and

WHEREAS, a request for proposals ("RFP") was issued on August 31, 2018 to secure a qualified parking consultant to provide parking and access consulting services (the "Services") for the Study Area; and

WHEREAS, upon reviewing the responses to the RFP, EDC staff has determined that Nelson\Nygaard's response was the most responsive; and

WHEREAS, the EDC staff has requested approval for the execution of a professional services agreement with Nelson\Nygaard for the Services not to exceed eighty-four thousand three hundred thirty-six and 00/100 dollars (\$84,363.00) to provide the scope of services in the attached Exhibit A (the "Services"); and

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

NOW, THEREFORE, BE IT, RESOLVED, that the EDC Board of Directors hereby authorizes the execution of a Professional Services Agreement with Nelson\Nygaard for the provision of the Services for the aggregate amount not to exceed eighty-four thousand three hundred thirty-six and 00/100 dollars (\$84,363.00).

BE IT FURTHER RESOLVED, that any two Officers, or any one of the Officers and any one of the Authorized Agents or any two of the EDC's Authorized Agents, shall hereafter have the authority to negotiate and execute a Professional Services Agreement consistent with the above described terms, together with such other terms and conditions that are determined by such Authorized Agents and/or Officers to be customary or appropriate and not inconsistent with this resolution, and to negotiate and execute all other

documents, contracts, or papers, and take all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the EDC.

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

November 13, 2018



EAST RIVERFRONT: APPROVAL OF PROFESSIONAL CONSULTANT SERVICES AGREEMENT FOR EAST RIVERFRONT CONSTRUCTION DRAWINGS

WHEREAS, in April of 2018, the Economic Development Corporation of the City of Detroit ("EDC") approved the award of a professional services contract to Spackman, Mossop, and Michaels (the "Consultant") to provide design concepts for potential improvements on three vacant parcels owned by the EDC in the East Riverfront District; and

WHEREAS, EDC staff has reviewed the Consultant's design concepts and potential improvement and based on an analysis of the proposed improvements and parking projections from the EDC parking operator, EDC staff recommends limiting improvements to the property located at 2155 Dubois; and

WHEREAS, EDC staff negotiated a scope of work with the Consultant for the design and engineering services for the property located at 2155 Dubois, which scope was based on the Consultant's original proposal submitted to the EDC and is attached hereto as Exhibit A (the "Services"); and

WHEREAS, the EDC staff has requested approval for the execution of a professional services agreement with the Consultant for the Services not to exceed forty-nine thousand nine hundred and 00/100 dollars (\$49,900.00); and

WHEREAS, the EDC Board of Directors has reviewed the proposed Services and terms of contract and determined they are consistent with the EDC's goal for the revitalization of the East Riverfront and are otherwise appropriate and consistent with the EDC's statutory purposes.

NOW, THEREFORE, BE IT, RESOLVED, that the EDC Board of Directors hereby authorizes the execution of a Professional Services Agreement with the Consultant for the provision of the Services for the aggregate amount not to exceed forty-nine thousand nine hundred and 00/100 dollars (\$49,900) is hereby approved.

BE IT FURTHER RESOLVED, that any two Officers, or any one of the Officers and any one of the Authorized Agents or any two of the EDC's Authorized Agents, shall hereafter have the authority to negotiate and execute a Professional Services Agreement consistent with the above described terms, together with such other terms and conditions that are determined by such Authorized Agents and/or Officers to be customary or appropriate and not inconsistent with this resolution, and to negotiate and execute all other documents, contracts, or papers, and take all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the EDC.

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

November 13, 2018



EAST RIVERFRONT: APPROVAL OF CONSTRUCTION SERVICES FOR SOIL STOCKPILE REMOVAL

WHEREAS, removal of an existing soil stockpile at 2155 Dubois is necessary to facilitate the construction of a parking lot at the site and complete the necessary geotechnical and assessments of the ground below; and

WHEREAS, environmental testing of the soil was completed, and results indicate that the disposal of the soil must occur at a specially designated waste facility; and

WHEREAS, the Economic Development Corporation of The City of Detroit ("EDC") invited experienced, qualified and licensed contractors to submit proposals for the proper removal of soil (the "Services"); and

WHEREAS, EDC staff has determined that the proposal submitted by Ideal Contracting to perform the Services as the most responsive; and

WHEREAS, the EDC staff has requested approval for the execution of a Construction Services Agreement with Ideal Contracting for the performance of the Services in a not to exceed amount of one hundred one thousand thirty and 00/100 dollars (\$101,030.00).

NOW, THEREFORE, BE IT, RESOLVED, that the EDC Board of Directors hereby authorizes the execution of a Construction Services Agreement with Ideal Contracting for the provision of the Services for the aggregate amount not to exceed one hundred one thousand thirty and 00/100 dollars (\$101,030.00) is hereby approved.

BE IT FURTHER RESOLVED, that any two Officers, or any one of the Officers and any one of the Authorized Agents or any two of the EDC's Authorized Agents, shall hereafter have the authority to negotiate and execute a Construction Services Agreement consistent with the above described terms, together with such other terms and conditions that are determined by such Authorized Agents and/or Officers to be customary or appropriate and not inconsistent with this resolution, and to negotiate and execute all other documents, contracts, or papers, and take all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the EDC.

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

November 13, 2018



**CORKTOWN: CITY GENERAL FUND REQUEST--GREATER CORKTOWN
NEIGHBORHOOD FRAMEWORK**

WHEREAS, the City's Planning and Development Department ("PD&D") has requested the assistance of The Economic Development Corporation of the City of Detroit (the "EDC") and the Detroit Economic Growth Association (the "DEGA") in connection with the Greater Corktown Neighborhood Framework Plan (the "Planning Study") it hopes to undertake in 2019, a general scope of which is attached as Exhibit A hereto; and

WHEREAS, PD&D has identified \$300,000 of City general funds (the "City Funds") to be allocated towards the Planning Study and has been working with the DEGA regarding a \$400,000 funding request to Motor City Casino for the Planning Study, for which the DEGA would serve as a fiscal sponsor; and

WHEREAS, PD&D has requested the EDC to accept the City Funds and transfer such funds to DEGA for purposes of the Planning Study pursuant to an amendment to the EDC's existing contract with the City or a new funding agreement, subject to City Council approval; and

WHEREAS, the EDC has the statutory authority to accept the City Funds and transfer such City Funds to the DEGA for the Planning Study; and

NOW, THEREFORE, BE IT RESOLVED, that the EDC Board of Directors hereby approves the acceptance of the City Funds and transfer such funds to DEGA for purposes of the Planning Study pursuant to an amendment to the EDC's existing contract with the City or a new funding agreement, subject to City Council approval.

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 the amendment or agreement, as applicable, and all other documents, contracts, or papers, and take all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the EDC.

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

November 13, 2018



CASINO LOAN PROGRAM: LAUGHTER IN THE SUN, LLC LOAN MODIFICATION

WHEREAS, in October 2015, the EDC Board approved a loan from the Casino Development Funds in the amount of \$130,000.00 to Laughter in the Sun, LLC (LIS) which operates House of Pure Vin located at 1433 Woodward Avenue, which loan was subordinate paripassu to loans made by Invest Detroit and Detroit Development Fund, with a maturity date of November 2018; and

WHEREAS, in November 2017 the EDC Board approved a loan modification reducing the monthly principal and interest payments; and

WHEREAS, LIS, together with LIS's landlord, Bedrock, have developed a plan to assist LIS to sustain its business and have requested accommodations from each of LIS's lenders; and

WHEREAS, LIS has requested, and EDC Staff recommends, the approval of the loan modification extending the maturity date of the loan to March 2019 and approval of a subordinated Line of Credit in the amount of \$75,000.00 from Rose Financial LLC (the "Loan Modification")

WHEREAS, the EDC Board of Directors has determined that approval of the proposed Loan Modification is reasonable and consistent with its statutory purposes.

NOW, THEREFORE, BE IT, RESOLVED, that the EDC Board of Directors hereby approves the proposed Loan Modification.

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 papers, and take all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the EDC.

BE IF FINALLY RESOLVED, that all of the acts and transactions of any officer or authorized agent of the EDC, in the name and on behalf of the EDC, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

November 13, 2018