



**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS SPECIAL MEETING
TUESDAY, MARCH 7, 2023 – 9:00 A.M.**

BOARD MEMBERS PRESENT:	Clifford Brown Marsha Bruhn Kimberly Clayson Damon Hodge (arrived at 9:17) Linda Forte Jonathan Quarles Chris Jackson
BOARD MEMBERS ABSENT:	Antoine Bryant (Ex-Officio) John Naglick (Ex-Officio) Kwaku Osei Thomas Stallworth
SPECIAL DIRECTORS PRESENT:	None
SPECIAL DIRECTORS ABSENT:	Emily Black (I-94 Industrial Park) Jon Newton (Waterfront East Development) Frank Taylor (Waterfront East Development) Marvin Thomas (I-94 Industrial Park)
OTHERS PRESENT:	Richard Barr (Honigman) Kenyetta Bridges (DEGC.EDC) Cora Capler (DEGC/EDC) Derek Edwards (Invest Detroit) Gay Hilger (DEGC/EDC) Kaci Jackson (DEGC/EDC) Malinda Jensen (DEGC/EDC) Kevin Johnson (DEGC/EDC) Paul Kakos (DEGC/EDC) Jennifer Kanalos (DEGC/EDC) Glen Long, Jr. (DEGC/EDC) Monika McKay-Polly (DEGC/EDC) Rebecca Navin (DEGC/EDC) Ipad Nigheve Lexi Shaw (DEGC/EDC) Kelly Shovan (DEGC/EDC) William Smith (1977 Woodbridge)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS SPECIAL MEETING
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226
TUESDAY, MARCH 7, 2023 – 9:00 A.M.**

GENERAL

Call to Order

Chair Forte called the Special meeting of the Economic Development Corporation Board of Directors to order at 9:02 a.m. A roll call was conducted, and a quorum was established.

Approval of Minutes

Ms. Forte asked if there were any additions, deletions, or corrections to the minutes of the January 24, 2023, Regular Board meeting. Hearing none, Ms. Forte called for a motion.

Ms. Bruhn made a motion to approve the minutes of the January 24, 2023, Regular Board meeting, as written. Mr. Quarles seconded the motion. All were in favor with none opposed.

EDC Resolution Code 23-03-02-366 was unanimously approved.

Receipt of Treasurer's Reports

Ms. Shovan reviewed the Treasurer's Report of Receipts and Disbursements for the month of January 2023 and asked if there were questions.

Mr. Brown questioned if there was a balance sheet. Mr. Long responded that the Board had not requested a balance sheet in the past. Mr. Brown asked that one be provided in the future. Mr. Long said, certainly, staff will provide whatever information the Board would like.

Ms. Forte called for a motion.

Mr. Brown made a motion to approve the Treasurers Report of Receipts and Disbursements for the month of January 2023, as presented. Mr. Quarles seconded the motion. All were in favor with none opposed.

EDC Resolution Code 23-03-03-283 was unanimously approved.

PROJECTS



Authorization to Extend Closing Date for 1977 Woodbridge Development

Ms. Jackson reported that in July 2019, The Economic Development Corporation of the City of Detroit (*the “EDC”*) authorized the execution of an agreement to purchase and develop land (*the “Agreement”*) with Biltmore Development Group, LLC (*the “Developer”*) for the redevelopment of the buildings located at 1977 Woodbridge (*the “Property”*) in support of development in the East Riverfront district. This area of the riverfront is set to undergo massive transformation over the next three years with over \$100 million investment in residential and commercial developments within a half mile radius of the Property.

Pursuant to the terms of the Agreement, Developer was to purchase the Property for \$500,000 and develop it into a minimum 4,757 square foot commercial space with proposed uses to include a cigar bar with a small office space and two-chair barbershop. In April 2021, due to delays caused by the Covid-19 pandemic, the EDC Board of Directors authorized the extension of the inspection period by 60 days and closing to occur 215 days following the conclusion of the inspection period. With these extensions, construction of this \$1,500,000 project was slated to begin in December 2021 and be completed within 12 months following commencement. Thereafter in April 2022, the EDC Board of Directors authorized an extension to the closing date to July 31, 2022.

Following the EDC Board of Directors’ approval of the aforementioned extensions, the Developer completed its due diligence on the Property and satisfied numerous predevelopment milestones required under the Agreement, including providing EDC staff with schematic designs, valid construction cost estimates, completing a Planning & Development Design Review and a Pre-Plan Review with BSEED, and presenting to the Historic District Commission for approval of the project’s design. The Developer was diligently finalizing the terms of financing for the development with its lender, Invest Detroit, however, such terms contemplated two separate closings: one for the acquisition of the property and a later closing for development costs. Pursuant to the requirements in the Agreement that the closing of financing for the entire project occur simultaneously with or prior to the closing on the sale of the Property, the Developer was unable to close on the Property at the previously extended closing date. As of today, the Developer has finalized the financing terms and anticipates being able to close by the end of April.

In support of the project, EDC staff requested the Board’s approval of a retroactive extension of the closing date to April 30, 2023.

A draft resolution was included for the Board’s consideration. Ms. Jackson informed that the developer and Invest Detroit are on the call if there are any questions.



Ms. Forte called for questions/discussion. With there being no questions or discussion, the Board took the following action:

Mr. Brown made a motion to approve the Extension of the Closing Date for 1977 Woodbridge Development, as presented. Mr. Jackson seconded the motion. All were in favor with none opposed.

EDC Resolution Code 23-03-52-18 was unanimously approved.

Mt. Elliott Road Reconstruction Project: Request for Amendment to Contract with DLZ Michigan, Inc. for Professional Construction Engineering & Inspection Services

Mr. Robertson advised that in March of 2022, The Economic Development Corporation of the City of Detroit (“EDC”) Board of Directors authorized EDC Staff to enter into contract with DLZ Michigan, Inc. (the “Contractor”) for Construction Engineering and Inspection (“CE&I”) Services for the Mt. Elliott Road Reconstruction Project (the “Project”) for an amount not to exceed the sum of \$191,014.00. The Project seeks to improve the Mt. Elliott Street right of way, from Georgia Street to Conant Intersection, which is roughly 5,441 lineal feet in total length. The CE&I services are related to the construction oversight of the general contractor’s construction contract agreement with the City of Detroit Department of Public Works (“DPW”) for the Project.

The Project involves the Contractor monitoring construction of an “all seasons” road and certifying that the road is built to the City of Detroit’s specifications as described in the construction contractor’s contract. Prior to work commencing on the Project, DTE Gas contacted EDC staff to inform them that the gas main in Mt. Elliott needed to be replaced. This resulted in a 2.5-month delay for the commencement of the Project. Following DTE’s replacement of the gas main, the Contractor was able to commence performance of the CE&I services and oversaw the installation of the base stone for the new road, which was completed in November 2022. Shortly after the completion of the base, the Project experienced additional delays and obstacles that were outside of the control of the EDC and the Contractor. First, EDC staff and the Contractor encountered a number of water main breaks in the road from the existing infrastructure. This prompted the Detroit Water and Sewerage Department (“DWSD”) to replace the 12” water main in the road. This work is ongoing and DWSD has targeted a completion date of April 1. In addition, while DWSD’s contractor was installing the water main, they hit the newly installed DTE gas main. As a result, DTE Energy will need to repair the damaged gas main following the completion of DWSD’s work. DTE Energy anticipates that this work will not be completed until June 1, 2023.

The Contractor was able to perform its base contract work of monitoring the Project’s construction contractor through November 2022. However, due to the specifications of



the to-be-constructed road and the nature of the work being performed by DWSD and DTE Energy, the Contractor has been on site since November monitoring DWSD's contractors' work to ensure that every trench that is dug is restored to the condition required by the construction specifications. The Contractor is currently on site and will be on site to monitor the completion of the water main as well as the DTE gas line replacement.

In order to complete the Project, EDC staff is seeking an amendment to the Contractor's contract in the amount of One Hundred Forty-Nine Thousand One Hundred Ninety-Six and 00/100 (\$149,196.00) Dollars. This amendment will increase the total contract value to an amount not to exceed Three Hundred Forty Thousand Two Hundred Ten and 00/100 (\$340,210.00) Dollars and will allow the Contractor to continue to perform the Services throughout the water and gas main replacements as well as during the construction of the road to ensure that all work is done in accordance with the construction specifications and requirements.

A resolution was included for the Board's consideration.

Ms. Forte called for questions/comments.

Mr. Brown stated that he had several questions. First, he asked if there is a total project budget for the work that we are doing, and how does this impact the grand project budget. Mr. Robertson replied that the construction contract is separate from the CE&I contract. Mr. Brown suggested that as a best practice, it would be helpful for the Board to see the entire project budget.

Mr. Brown also asked why this contract has doubled in price when it is mostly monitoring. Mr. Robertson answered that this project was a four-month project, and we are now eight months past the four months. The bulk of the costs are labor costs (time, material testing, survey work), not cost of materials. Mr. Brown asked if what we are buying is just labor costs. Mr. Robertson replied no, what we are buying is completion of the job.

Mr. Robertson clarified for Mr. Brown that the DLZ Contract is for labor only and that materials are included in the lafrate contract for this project.

Mr. Brown asked if DWSD is going to share in the extra cost. Mr. Robertson responded that they are not. Mr. Brown asked if we had any recourse here because they are causing the cost increase. Mr. Robertson said that he has had discussions with DWSD and they do not want to share in the extra costs, and he would have to go to our legal team to see if there is any recourse.



Ms. Navin informed that this is certainly something we could look into, however, in the past, we have had very little luck in holding DWSD accountable for any price increases or unexpected costs due to their actions. We do not have a contract with them for this work. They are just another participant in the project. We can certainly speak to them about it though. Mr. Brown opined that he thinks it is certainly worth speaking to them because this is a consistent issue and stated that he would be happy to assist.

Mr. Jackson said that this has been an historical issue when you have all of these agencies doing infrastructure-type work. A number of years ago, the Mayor created an internal entity headed by Dave Menardo to coordinate all of these agencies as they relate to public infrastructure, right-of-way, utility-type projects, and asked staff if they had the opportunity to work with him on this project. Mr. Robertson reported that he did not work with him on this project but has worked with him on other projects.

Mr. Jackson asked why this was not a DPW project. Mr. Robertson responded that EDC had hired the architect to design the road.

Mr. Brown stated that he is not trying to point fingers here, but merely is pointing out that there is an inefficiency that needs to be addressed.

Mr. Hodge apologized for being tardy and asked if DWSD had contracted out to have this work done. Mr. Robertson stated that it was Lakeshore. Mr. Hodge asked if Lakeshore bears no responsibility here for the DTE gas line. Mr. Robertson advised that there is interaction going on, but it has nothing to do with EDC.

Ms. Bruhn asked where the additional funds are going to come from. Mr. Robertson responded that there are additional funds available for this project.

Mr. Brown stated that when we lay out the entire cost of addressing the overage here, it would be useful to see a sources and uses.

Mr. Forte called on Mr. Long to provide some perspective. Mr. Long took the Board back to the Treasurer's report discussed earlier, to the line item for the I-94 Industrial Park Project and explained that this project has been going on for over 25 years now and there were some unencumbered funds available in the project line item in the budget for use here from grants and funding received in the past.

Mr. Brown asked what happens with the excess funds for the I-94 Industrial Park Project when the project is done. Mr. Long stated that the funds would be returned to the City if they were the source of the funds.



Ms. Forte asked if it is anticipated that this project would be closed once the road is complete. Ms. Navin advised that there is still one roughly nine-acre parcel in the project area to be sold and developed before the project is closed out.

Mr. Brown said that it is good that we have the additional funds to pay for the request here today, but this is not the fault of the EDC, and we should be thinking about what else could be done for the city with those additional funds.

Ms. Forte disclosed that she is a Board member of DWSD.

Ms. Forte asked if there were any additional questions or comments. Hearing none, the Board took the following action:

Mr. Brown made a motion to approve the Amendment of Contract with DLZ Michigan, Inc, as presented. Ms. Clayson seconded the motion. All were in favor with none opposed.

EDC Resolution Code 23-03-12-64 was unanimously approved.

ADMINISTRATION

None.

OTHER MATTERS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

With there being no other business to come before the Board, Ms. Forte adjourned the meeting at 9:37 a.m.



CODE EDC 23-03-02-366

APPROVAL OF MINUTES OF JANUARY 24, 2023, REGULAR MEETING

RESOLVED, that the minutes of the Regular meeting of January 24, 2023, 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.

March 7, 2023



CODE EDC 23-03-03-283

RECEIPT OF TREASURER'S REPORT FOR JANUARY 2023

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending January 31, 2023, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

March 7, 2023



CODE EDC 23-03-52-18

EAST RIVERFRONT DISTRICT: AUTHORIZATION TO EXTEND CLOSING DATE FOR 1977 WOODBRIDGE DEVELOPMENT

WHEREAS, in July 2019, the City of Detroit Economic Development Corporation (the “EDC”) authorized the execution of a development agreement (the “Agreement”) with Biltmore Development Group, LLC (the “Developer”) for the redevelopment of the buildings located at 1977 Woodbridge (the “Property”); and

WHEREAS, in April 2021 and April 2022, due to various project delays, including delays caused by the Covid-19 pandemic, the EDC Board of Directors authorized the extension of the inspection period and the extension of the closing date to July 31, 2022; and

WHEREAS, Developer was diligently finalizing terms of financing for the development with his its project lender, however, Developer was unable to close on all financing in a timely manner as required by the Agreement and requires additional time to consummate the necessary financing transactions for the construction of the project; and

WHEREAS, Developer and EDC staff is seeking the Board’s approval to extend the closing date to April 30, 2023 (the “Requested Extension”); and

WHEREAS, the EDC Board has determined that approval of the proposed Requested Extension is in the best interests of the EDC.

NOW, THEREFORE, BE IT RESOLVED that the EDC Board of Directors hereby approves the Requested Extension and authorizes the negotiation and the execution of an amendment to the Agreement consistent with this resolution, together with the same such terms and conditions deemed reasonable by EDC’s counsel and Authorized Agents.

BE IT FURTHER RESOLVED that any two officers, any two of the Authorized Agents or any one of the Officer and any one of the Authorized Agents of the EDC, shall hereafter have the authority to negotiate and execute an amendment to the Agreement and any and all other documents, contracts or other papers, or take any and 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, 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.

March 7, 2023



CODE EDC 23-03-12-64

**I-94 INDUSTRIAL PARK: MT. ELLIOTT ROAD RECONSTRUCTION PROJECT--
REQUEST FOR AMENDMENT TO CONTRACT WITH DLZ MICHIGAN, INC. FOR
PROFESSIONAL CONSTRUCTION ENGINEERING & INSPECTION SERVICES**

WHEREAS, the City of Detroit, through its Department of Public Works has engaged a contractor for the improvement and reconstruction of the Mt. Elliott Street right of way, from Georgia Street to Conant Intersection, which is roughly 5,441 lineal feet in total length (the Project”); and

WHEREAS, in support and furtherance of the Project, in March of 2022, The Economic Development Corporation of the City of Detroit (“EDC”) Board of Directors authorized EDC Staff to enter into contract with DLZ Michigan, Inc. (the “Contractor”) for Construction Engineering and Inspection (“CE&I”) Services for the Project; and

WHEREAS, the Contractor commenced performance of the CE&I services as the road’s base was being installed, however the Project experienced various delays and obstacles that were outside of the control of the EDC and the Contractor; and

WHEREAS, such delays resulted in the Contractor monitoring the work of various contractors employed by DTE Energy and the Detroit Water and Sewage Department during the replacement of gas and water mains in the Project area to ensure that such contractors replace the road base in accordance with the Project’s construction requirements and specifications; and

WHEREAS, in order to complete the Project, EDC staff is seeking an amendment to the Contractor’s contract in the amount of One Hundred Forty-Nine Thousand One Hundred Ninety-Six and 00/100 (\$149,196.00) Dollars for a total contract value of an amount not to exceed Three Hundred Forty Thousand Two Hundred Ten and 00/100 (\$340,210.00) Dollars; and

WHEREAS, the EDC Board determined that the staff recommendation is reasonable and necessary to complete the Project.

NOW, THEREFORE BE IT RESOLVED that the EDC Board of Directors hereby authorizes the negotiation and execution of an amendment to the agreement with the Contractor to for the payment of Services for the Project in a manner consistent with the scope of work previously approved by the EDC Board of Directors at an amount not to



exceed amount of One Hundred Forty-Nine Thousand One Hundred Ninety-Six and 00/100 (\$149,196.00) Dollars.

BE IT FURTHER RESOLVED that the EDC Board of Directors hereby authorizes any two Officers, or any one of the Officers and any of the Authorized Agents or any two Authorized Agents of the EDC to negotiate and execute any and all documents necessary to implement the provisions and intent of this resolution, including but not limited to change orders for use of owner's contingency funds.

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.

March 7, 2023