



**DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING  
WEDNESDAY, OCTOBER 11, 2023 – 3:00 P.M.**

**BOARD MEMBERS PRESENT:** Ehrlich Crain  
Marvin Beatty  
David Blaszkiewicz  
Austin Black  
John Naglick  
Steve Ogden  
Hassan Beydoun  
James Jenkins  
Melvin Hollowell

**BOARD MEMBERS ABSENT:** Charles Beckham  
Donald Rencher  
Richard Hosey

**OTHERS PRESENT:** Kenyetta Bridges (DEGC/DDA)  
Cora Capler (DEGC/DDA)  
David Howell (DEGC/DDA)  
Lanard Ingram (DEGC/DDA)  
Kevin Johnson (DEGC/DDA)  
Jennifer Kanalos (DEGC/DDA)  
Glen Long (DEGC/DDA)  
Nasri Sobh (DEGC/DDA)  
Sierra Spencer (DEGC/DDA)  
Andrese Shannon (Hamilton Development)  
Chante Jackson (Hamilton Development)  
Rainy Hamilton Jr. (Hamilton Development)



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING  
DETROIT ECONOMIC GROWTH CORPORATION  
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226  
WEDNESDAY, OCTOBER 11, 2023 – 3:00 P.M.**

**GENERAL**

**Call to Order**

Chairperson Beydoun called the regular meeting of the Downtown Development Authority Board of Directors to order at 3:12 p.m. Roll call was conducted, and a quorum was established.

**GENERAL**

**Approval of Minutes**

Mr. Beydoun asked if there were any additions, deletions, or corrections to the minutes of the September 13, 2023, Regular Board meeting. Hearing none, the Board took the following action:

Mr. Blaszkiewicz made a motion approving the September 13, 2023 minutes, as written.  
Mr. Hollowell seconded the motion. All were in favor with none opposed.  
DDA Resolution Code 23-10-02-657 was unanimously approved.

**Receipt of Treasurer's Reports**

Mr. Naglick reviewed the Treasurer's Report of Receipts and Disbursements for the month of August 2023.

Mr. Hollowell stated that the report is as clean and strong as it can be.

Mr. Crain asked about the disbursement for LCA and asked if the Board would receive an expenditure report from LCA. Ms. Navin stated that the Board would be receiving the report within the next few meetings. Ms. Navin further explained that after the passing of a staff member the cadence of the reports had fallen off but now it is back on track and being managed.

Mr. Beydoun called for questions. Hearing none, Mr. Beydoun called for a motion.

Mr. Jenkins made a motion to approve the Treasurer's Report of Receipts and Disbursements for the month of August 2023, as presented. Mr. Beatty seconded the motion. All were in favor with none opposed.  
DDA Resolution Code 23-10-03-549 was unanimously approved.

**PROJECTS**

**PARADISE VALLEY BUSINESS & ENTERTAINMENT DISTRICT: AMENDMENT TO**



## **DEVELOPMENT AND LOAN AGREEMENTS FOR 1435 RANDOLPH AND 1455 CENTRE**

Mr. Howell explained that the city of Detroit Downtown Development Authority (the “DDA”) approved the award of a development agreement (as amended, the “Development Agreement”) for 1435 Randolph and 1455 Centre (the “Property”) to Randolph Centre 2020, LLC (the “Developer”) following a Request for Proposals issued by DDA staff. In June, 2017, August, 2019 and April, 2021, the DDA approved certain amendments to the Development Agreement, including but not limited to:

1. Reduction of the purchase price to \$1,400,000;
2. Provide a forgivable development credit against the purchase price of \$400,000;
3. Provide seller financing of the purchase price & additional financing of \$835,000 (the “DDA Loan”) for predevelopment and construction activities; and
4. Allow for an immediate closing on the property, with the senior construction financing (the “Senior Loan”) to close within six months following closing.
5. Disburse a portion of the remaining \$435,000 DDA Loan prior to the Senior Loan closing;
6. Increased the Development Credit from \$400,000 to \$835,000; provided that Developer closed on the Senior Loan Extended the amount of time the Developer had to lease the ground floor retail space from 24 months to 36 months and reduced the leasing requirement from 9,000 SF to 6,000 SF;
7. Forgave the unpaid interest that has accrued on the principal balance of \$1,400,000 from April, 2020 through December 31, 2020 and added unpaid interest accrued from January 1, 2021, through the DDA Loan closing to the principal balance of the DDA Loan; and,
8. Extended the maturity date of the DDA Loan to September 30, 2043, provided that the maturity date shall automatically be extended for up to 12 months to match the initial maturity date of the Senior Loan.

The developer closed on the acquisition of the Property in October 2019, including the \$1,000,000 seller financing and a disbursement of \$400,000, plus \$208,928 from the additional \$ 435,000 of the DDA Loan proceeds. Developer is current on loan payments and other deliverables under the DDA Loan documents.

The Developer has negotiated a 10-year lease with Fixins Soul Kitchen (<https://fixinssoulkitchen.com/about-us/>) to lease 8,500 SF on the ground floor of the Property. Fixins Soul Kitchen is a Sacramento, CA-based company that has locations in Sacramento, Los Angeles, and Tulsa. The Company is owned by former NBA star Kevin Johnson. The Developer has approached Invest Detroit to provide construction financing for the improvements to the space and specific base building improvements necessary to complete the improvements to the retail space. As of the date of this memorandum, the Invest Detroit Loan Committee will review and vote on the request on October 26, 2023.

DDA staff has been in discussions with Invest Detroit and Developer regarding certain modifications to the Development and Loan Agreements necessary for them to structure financing for the project appropriately.



Based on the foregoing, DDA staff is recommending amendments to the Development Agreement and the Loan Agreement upon the terms and conditions set forth in the term sheet described in **Exhibit A** (the “Revised Terms”), the key terms of which are summarized below:

- 1) All commencement and completion requirements will relate to retail construction only. The terms and conditions related to the office component of the Development and Loan Agreements are no longer applicable.
- 2) The retail construction will consist of all improvements required to accommodate a full-service restaurant to occupy the first-floor retail space consisting of 8,500 Square Feet.
- 3) The Developer must complete the retail construction as evidenced by a certificate of occupancy within 18 months from the effective date of the Board’s approval of the Revised Terms.
- 4) The remaining \$226,017 of the \$435,000 DDA Loan shall be disbursed to the Developer and be used for hard construction costs for the retail space only. The funds will be paid subject to the satisfaction of each of the following conditions: (a) term sheet and credit committee approval from the Senior Lender for the construction of the retail space; (b) submission of sources and uses for the DDA Loan funds, including executed contracts with relevant contractors; and (c) full compliance with Loan Agreement, including all payments and other deliverables due under Loan Agreement

The DDA staff is seeking the Board’s approval to negotiate and execute an Amendment to the Development Agreement and the documents governing the DDA Loan consistent with the Revised Terms. The Finance Committee has reviewed the request and recommends its approval to the Board.

A resolution was attached for the Board’s consideration.

Mr. Hollowell stated that the full Board may benefit from hearing Mr. Howell’s recommendation and asked to hear from Mr. Hamilton. Mr. Howell explained that he has investigated the amendments in great detail and is comfortable with recommending that the Board approves the resolution.

Mr. Jenkins stated that he supports Mr. Hamilton and his endeavors. Mr. Jenkins asked about zoning and parking. Mr. Hollowell responded that zoning is no issue, but parking does pose some challenges. Mr. Howell added that with the adjacent lots and parking deck, increased traffic will not be an issue.

Mr. Crain asked that if any funding was to be requested for office space the matter would have to be approved by the Board separately. Mr. Howell stated that was correct.

Mr. Crain asked for Mr. Hamilton to speak to what is being asked for in terms of demolition. Mr. Hamilton explained that the demolition is very limited and allows his restaurant tenant to bring in their contractors to build the restaurant. Mr. Hamilton added that with this limited scope of work, the demolition permit would be easily attainable and therefore the work could be done quickly.



Mr. Hamilton added that the restaurant tenant wants to be in the space before the NFL Draft in April of 2024.

Mr. Crain conveyed his understanding of Mr. Hamilton's explanations. Mr. Crain asked if this was a procedural issue concerning the scope of work shifting. Mr. Hamilton stated that the issue is that when contractors come into the space, he must disclose that the funds to pay those contractors are not in hand. Mr. Hamilton explained this is why he asks that the funds be released sooner to allow him and his team to get back to their projected schedule.

Ms. Navin stated that the reason this project has come before the Board is because the remaining balance being released to Mr. Hamilton is tied to the senior loan closing and therefore has not been released. Ms. Navin further explained that the Board is being asked to grant permission to release the funds before the closing of the senior loan.

Mr. Ogden asked Mr. Hamilton if he knew what the demolition costs would be. Mr. Hamilton stated the cost would be below one hundred thousand dollars (\$100,000) and the funds will allow them to complete the demolition and also order the package for a freight elevator.

Mr. Ogden stated that the restaurant tenant has signed a ten (10) year lease and asked Mr. Hamilton if the lease has options. Mr. Hamilton responded that it is a ten (10) year lease with two (2) five (5) year options to extend.

Mr. Hollowell explained that this amendment keeps the project moving and allows for a better environment to attract office tenants when the time comes, while also getting a new restaurant opened before the NFL Draft.

Mr. Beydoun called for questions. Hearing none, he called for a motion.

Mr. Navin requested that the motion include "as amended" as a term in the term sheet needs to be amended to include "required executed contracts with contractors is changed to include three (3) bids."

Mr. Hollowell made a motion approving the Paradise Valley Business and Entertainment District: Amendment Development and Loan Agreements for 1435 Randolph and 1455 Centre, as amended. Mr. Jenkins seconded the motion. All were in favor, none opposed with Mr. Blaszkiewicz recusing himself from the vote.

DDA Resolution Code 23-10-110-69, as amended at the table, was approved.

## **ADMINISTRATIVE**

### **DDA AUDITED FINANCIAL STATEMENTS AND MANAGEMENT REPORT AS OF JUNE 30, 2023**

Ms. Kanalos presented the DDA Audited Financial Statements and Management Report as of June 30, 2023 item and advised that the DDA Finance Committee met, reviewed the material and recommends formal acceptance by the DDA Board.



Attached was a resolution indicating the Board's formal acceptance of the DDA Audited Financial Statements and Management Report as of June 30, 2023, with comparative totals as of June 30, 2022, as prepared by George Johnson and Company, Certified Public Accountants.

Mr. Naglick stated that the Finance Committee met previously and spoke with auditors from George Johnson and Company and went over the financials in detail.

Mr. Beydoun called for questions. Hearing none, Mr. Beydoun called for a motion.

Mr. Ogden made a motion accepting the DDA Audited Financial Statements and Management Report as of June 30, 2023. Mr. Jenkins seconded the motion. All were in favor with none opposed.

DDA Resolution Code 23-10-01-473 was unanimously approved.

### **OTHER BUSINESS**

### **PUBLIC COMMENT**

### **ADJOURNMENT**

With there being no further business to be brought before the Board, Mr. Beatty made a motion to adjourn, which was seconded by Mr. Jenkins, Mr. Beydoun adjourned the meeting at 3:37 p.m.



**CODE DDA 23-10-02-657**

**APPROVAL OF MINUTES OF SEPTEMBER 13, 2023**

**RESOLVED** that the minutes of the Regular meeting of September 13, 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 Downtown Development Authority.

October 11, 2023



**CODE DDA 23-10-03-549**

**RECEIPT OF TREASURER'S REPORT FOR AUGUST 2023**

**RESOLVED**, that the Treasurer's Report of Receipts and Disbursements for the period ending August 31, 2023, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

October 11, 2023





**CODE DDA 23-10-110-69**

**PARADISE VALLEY BUSINESS & ENTERTAINMENT DISTRICT: AMENDMENT TO DEVELOPMENT AGREEMENT FOR 1435 RANDOLPH AND 1455 CENTRE**

**WHEREAS**, in July 2017, the City of Detroit Downtown Development Authority (the “DDA”) entered into a development agreement (as amended, the “Development Agreement”) with Randolph Centre 2020, LLC (the “Developer”) for the redevelopment of properties located at 1435 Randolph and 1455 Centre (the “Property”); and

**WHEREAS**, in October 2019, the Developer closed on the acquisition of the Property, DDA seller financing, and a portion of a \$835,000 loan to be provided by the DDA (the “DDA Loan”), with the closing of Developer’s senior construction financing (the “Senior Loan”) to close within six months thereafter; and

**WHEREAS**, in April and October 2021, the DDA approved certain modifications to the Development Agreement and DDA Loan agreement to accommodate COVID-related and other delays experienced by Developer in the closing of the Senior Loan and redevelopment of the Property; and

**WHEREAS**, following further delays in closing on the Senior Loan, Developer has negotiated a 10-year lease with for a Detroit location of Sacramento-based Fixins Soul Kitchen to occupy the entire first floor retail space, with Developer responsible for renovating the retail space; and

**WHEREAS**, DDA staff is seeking this Board’s approval to execute an amendment to the Development Agreement and Loan Agreement (an “Amendment”) in accordance with the terms revised terms attached hereto as **Exhibit A** (the “Revised Terms”); and

**WHEREAS**, the DDA Finance Committee has reviewed the matter and recommends approval of the Revised Terms to the Board of Directors; and

**WHEREAS**, the DDA Board has determined that approval of the Revised Terms is in the best interests of the DDA.

**NOW, THEREFORE, BE IT RESOLVED**, that the DDA Board of Directors hereby approves the Revised Terms.

**BE IT FURTHER RESOLVED** that any two Officers, any two of the Authorized Agents of the DDA, or any one of the Officers and any one of the Authorized Agents of the DDA, shall hereafter have the authority to negotiate and execute the Amendment in accordance with the Revised Terms and other modifications to the 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 Revised Terms



**BE IT FURTHER RESOLVED** that any two Officers, any two of the Authorized Agents of the DDA, or any one of the Officers and any one of the Authorized Agents of the DDA, shall hereafter have the authority to negotiate and execute 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 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.

October 11, 2023



**EXHIBIT A**  
**Development Agreement and Loan Agreement**  
Amendment Terms  
1435 Randolph and 1455 Centre

**Effective Date:** Date of DDA Board approval of these amended terms

**Development Requirements:** Development Agreement and Loan Agreement will be amended to remove all requirements relating to renovation of offices. All commencement and completion requirements will relate to retail construction only. Retail construction will consist of all improvements required to accommodate a full-service restaurant to occupy the first-floor retail space consisting of 8,500 Square Feet.

**Retail Construction Completion Date:** 18 months following the Effective Date

**Developer Loan:** \$1,845,500 for acquisition and project costs, as follows:  
\$1,000,000 seller financing for acquisition cost (completed 10/7/19)

\$400,000 for project predevelopment costs (completed 10/7/19)

\$10,500 in deferred and capitalized interest for interest accrued and unpaid during Covid-19 pandemic (completed 7/1/21)

\$435,000 for construction or other project costs, which will include the 2021 tax payments. Funds to be disbursed as follows:

- 1) \$150,000 for A&E and other professional fees (completed 7/1/21)
- 2) \$58,928.19 for 2021 property taxes (disbursed 8/21 and 10/22)
- 3) \$226,017.81 for hard construction costs for the retail space only. Such funds will be disbursed subject to the satisfaction of each of the following conditions: (a) term sheet and credit committee approval from Senior Lender for the construction of the retail space; (b) sources and uses for the funds, including 3 bids from relevant contractors; and (c) full compliance with Loan Agreement, including all payments and other deliverables due under Loan Agreement.

**Loan Terms:**



**Interest:** 1.5% per annum, payable monthly in arrears.

**Maturity Date:** September 30, 2043, provided that the maturity date shall automatically be extended for up to 12 months to match the initial maturity date of the Senior Loan.

**Payments:** Except as provided in the July, 2021 amendment to Loan Agreement, interest only payments due commencing on November 1, 2019 through March 1, 2030. Principal and interest payments on a 20-year amortization schedule commence on April 1, 2030. All unpaid principal and accrued but unpaid interest shall be due and payable on the maturity date or such other event triggering repayment of the Developer Note, as described by the loan documents. Without the DDA's express written permission, no event or circumstance will be deemed to grant Developer the right to defer payments of interest or principal under the Loan Agreement.

**Security:** Mortgage on Property and other security remains; reaffirmation of personal guaranty of Rainy Hamilton, Jr. DDA will subordinate its mortgage at the Senior Loan Closing.

**Partial Conversion of Note:** The Developer Loan will be decreased by an amount equal to \$435,000 and the Development Credit Note will be increased by an amount equal to \$435,000 in the event that the Senior Loan Closing occurs on or before the date that is six (6) months following the Effective Date. In such event, interest accrual will cease to accrue on the \$435,000 conversion amount and such amount will be governed by the terms of the Development Credit Note.

**Development Credit Note:** Development Credit Note (existing \$400,000 + \$435,000, if conversion event occurs) is payable to the DDA on the same terms as the other project financing if the following does not occur: by the Retail Construction Completion Date above, an executed lease for a minimum of 8,500 square feet of retail space and the issuance of a certificate of occupancy. In the event that each of the foregoing conditions occurs, the Development Credit Note will be forgiven.



**CODE DDA 23-10-01-473**

**ADMINISTRATION: DDA AUDITED FINANCIAL STATEMENTS AND MANAGEMENT REPORT AS OF JUNE 30, 2023**

**RESOLVED, THAT THE** Board of Directors of the Downtown Development Authority (the “DDA”) hereby receives and accepts the DDA Audited Financial Statements and Management Report as of June 30, 2023, with comparative totals as of June 30, 2022, as prepared by George Johnson and Company, Certified Public Accountants.

October 11, 2023