



**LOCAL DEVELOPMENT FINANCE AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, JUNE 28, 2022
10:00A.M.**

BOARD MEMBERS PRESENT: Furquan Ahmed
Linda Forte
Damon Hodge
Arthur Jackson
James Jenkins III
Katrina McCree

BOARD MEMBER ABSENT: Irma Clark-Coleman
Derek J. Dickow
Machion Jackson
Vacancy
Vacancy

OTHERS PRESENT: Cora Capler (DEGC/LDFA)
Gay Hilger (DEGC/LDFA)
Jennifer Kanalos (DEGC/LDFA)
Glen Long (DEGC/LDFA)
Monika McKay-Polly (DEGC/LDFA)
Rebecca Navin (DEGC/LDFA)



**MINUTES OF THE LOCAL DEVELOPMENT FINANCE AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, JUNE 28, 2022
DETROIT ECONOMIC GROWTH CORPORATION
ZOOM VIRTUAL MEETING – 10:00 A.M.**

GENERAL

Call to Order

Chair Forte called the Regular meeting of the LDFA Board of Directors to order at 10:26 a.m. 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 October 22, 2021, Regular Board meeting. Hearing none, Ms. Forte called for a motion:

Mr. Jenkins made a motion approving the minutes of the October 26, 2021, Regular Board meeting, as presented. Ms. McCree seconded the motion. All were in favor, and none opposed.

Resolution Code LDFA 22-06-02-61 was unanimously approved.

Acceptance of Treasurer's Report

Mr. Long reviewed the Treasurer's Report of Receipts and Disbursements for the months of October 2021 through May 2022 making note of a correction to the report.

Ms. Forte asked if there were any questions/comments. Hearing none, she called for a motion.

Ms. McCree made a motion approving the Treasurer's Report for October 2021 through May 2022, as presented. Mr. Jenkins seconded the motion. All were in favor, and none opposed.

Resolution Code LDFA 22-06-03-50 was unanimously approved.

ADMINISTRATION

Director's Report

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



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

As this Board may recall, debt service obligations for 1997 Series A-B-C Bonds and the 1998 Series A Bonds were completed in May 2021. Using tax increment revenue capture from 2021, the LDFA reimbursed the City of Detroit \$4,637,033.40 on the balance of unreimbursed expenditures in connection with the Jefferson North Assembly Plant project site preparation costs. Tax increment revenue capture under the approved Amended and Restated Tax Increment Financing and Development Plan ended with tax year 2021 so unless there is another plan or plan amendment approved, the LDFA will no longer capture tax increment revenues.

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

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

LDFA staff prepared its Year 2020 2604 Report (formerly T-1101). This report is submitted to the Michigan Department of Treasury in accordance with the provisions of the Public Act 57 of 2018 ("PA 57"), formerly the LDFA Act 281 of Michigan Acts 1986, as amended, to justify the LDFA's capture of School Tax Increment Revenues.

LDFA staff completed the LDFA's annual report for Fiscal Year End 2021, which was submitted to the City Council and to the Michigan Department of Treasury, in accordance with Section 911 of PA 57.

LDFA staff also published the following documents on the LDFA webpage of the Detroit Economic Growth Corporation website, per the requirements of Section 910 of Public Act 57 of 2018:

- Minutes of all board meetings
- Annual budget
- Annual audit
- List of current contracts related to the management of the LDFA
- An updated synopsis of activities of the LDFA



In addition to the above requirements, Section 910 of PA 57 requires that two public informational meetings be held annually. LDFA staff held two public informational meetings, in conjunction with the Detroit Downtown Development Authority and the Eight Mile Woodward Corridor Improvement Authority, on October 18, 2021, and December 13, 2021.

Finally, the LDFA's Continuing Disclosure Annual Report was submitted to Nationally Recognized Municipal Securities Information Repositories and the State Information Repository in January 2021.

Approval and Adoption of FY 2022-2023 Budget

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

On June 1, 2022, LDFA staff submitted the attached LDFA Operating Budget for FY 2022-2023 (the "22-23 Operating Budget") to City Council for approval prior to its adoption by the LDFA Board.

On June 21, 2022, the City Council approved the LDFA Operating Budget, which is being submitted to the LDFA Board for adoption.

Staff is also seeking LDFA Board approval of the attached LDFA Program Budget for FY 2022-2023 (the "22-23 Program Budget").

A resolution approving and adopting the FY 22-23 Operating Budget and approving the FY 22-23 Program Budget was included in the Board material for consideration and approval.

Ms. Forte asked if there were any comments or questions. Hearing not, she called for a motion.

Mr. Hodge made a motion to approve and adopt the FY 2022-2023 budget, as presented.
Mr. Jackson seconded the motion. All were in favor, and none opposed.
Resolution Code LDFA 22-06-01-158 was unanimously approved.

Amendment/Extension to the FY 2022-2023 LDFA/DEGC Professional Services Agreement

Ms. Kanalos advised that in July 1995, the City of effective as of the City of Detroit Local Development Finance Authority (the "LDFA") entered into a Professional Services Agreement (the "Agreement") with the Detroit Economic Growth Corporation (the "DEGC for provision by the DEGC of administrative services on behalf of the LDFA. This Agreement was last amended July 2021 to extend its term to June 30, 2022.

The FY 2022-2023 Amendment/Extension to the LDFA/DEGC Professional Services Agreement Extension (the "Amendment") was included in the Board material for consideration and approval. Also included was a resolution approving the proposed Amendment.



Ms. Forte called for question/comments. Hearing none, she called for a motion:

Mr. Hodge made a motion approving the Amendment/Extension to the FY 2022-2023 LDFA/DEGC Contract. Mr. Jackson seconded the motion. All were in favor, and none opposed.

Resolution Code LDFA 22-06-01-159 was unanimously approved.

Schedule of LDFA Regular Meetings for FY 2022-2023

Ms. Kanalos advised that included for the Board's review and approval is a resolution adopting October 25, 2022, and June 27, 2023, as the dates for the LDFA Board's Regular meetings for the fiscal year 2022-2023.

Ms. Forte called for a motion.

Ms. McCree made a motion approving the proposed regular meeting dates for Fiscal Year 2022-2023. Mr. Hodge seconded the motion. All were in favor, and none opposed. Resolution Code LDFA 22-06-01-160 was unanimously approved.

PROJECTS

None.

OTHER MATTERS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

With there being no other business to be brought before the Board, on a motion by Mr. Jackson, seconded by Ms. McCree, Ms. Forte adjourned the meeting at 10:37 a.m.



CODE LDFA 22-06-02-61

APPROVAL OF THE LDFA MINUTES OF OCTOBER 26, 2021

RESOLVED, that the minutes of the Regular meeting of October 26, 2021, are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Local Development Finance Authority.

June 28, 2022



CODE LDFA 22-06-03-51

ACCEPTANCE OF TREASURER'S REPORT FOR OCTOBER 2021 THROUGH MAY 2022

RESOLVED, that the Treasurer's Report of Receipt's and Disbursement for October through May as presented at this meeting, is hereby in all respects ratified and approved as action of the Local Development Finance Authority.

June 28, 2022



CODE LDFA 22-06-01-158

ADMINISTRATION: APPROVAL AND ADOPTION OF FY 2022-2023 LDFA OPERATING BUDGET AND APPROVAL OF FY 2022-2023 LDFA PROGRAM BUDGET

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

WHEREAS, on June 1, 2022, LDFA staff submitted the attached LDFA operating budget for FY 2022-2023 (the “22-23 Operating Budget”) to City Council for approval prior to its adoption by the LDFA Board; and

WHEREAS, on June 21, 2022, the City Council approved the LDFA operating budget for FY 2022-2023 attached as Exhibit A (the “21-22 Operating Budget”); and

WHEREAS staff has also submitted to the LDFA Board for approval the LDFA program budget for FY 2022-2023 attached as Exhibit B (the “22-23 Program Budget”).

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the LDFA hereby approves and adopts the FY 22-23 Operating Budget.

BE IT FURTHER RESOLVED that the Board of Directors of the LDFA hereby approves and adopts the FY 22-23 Program Budget.

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

June 28, 2022

**LOCAL DEVELOPMENT FINANCE AUTHORITY
OPERATING BUDGET
JULY 1, 2022 TO JUNE 30, 2023**

	Budget June 30, 2022	Proposed Budget June 30, 2023
<u>REVENUE</u>		
REVENUES RELEASED CURRENT YEAR	150,000	0
CITY REIMBURSEMENT	0	0
INTEREST/OTHER INCOME	10,000	5,000
TOTAL OPERATING REVENUE	160,000	5,000
Transfer (to) from Prior Year Operating Fund Balances	0	150,000
TOTAL TRANSFERS (TO) FROM FUND BALANCES	0	150,000
TOTAL REVENUE	160,000	155,000
<u>EXPENSES</u>		
DETROIT ECONOMIC GROWTH CORPORATION	125,000	125,000
MAINTENANCE/OTHER	35,000	30,000
TOTAL OPERATING EXPENSES	160,000	155,000
Operating Surplus/(Shortfall)	0	0
(Increase)/Decrease in Reserve	0	0
NET SURPLUS/(SHORTFALL)	0	0

**LOCAL DEVELOPMENT FINANCE AUTHORITY
PROGRAM BUDGET
JULY 1, 2022 TO JUNE 30, 2023**

	Budget June 30, 2022	Proposed Budget June 30, 2023
<u>REVENUE</u>		
UCCA Phase 3	0	0
MEDC Grant*	0	0
TOTAL PROJECT REVENUE	0	0
* A grant of \$6,950,000 for the Riverfront Park, UCCA, and Woodward Streetscapes was received in 2003-04.		
Tax Increment Receipts	5,500,000	0
Bond Interest Income	0	0
TOTAL BOND REVENUE	5,500,000	0
Transfer (to) from Prior Year Program Fund Balances	397,500	397,500
TOTAL TRANSFERS (TO) FROM FUND BALANCES	397,500	397,500
TOTAL REVENUE	<u>5,897,500</u>	<u>397,500</u>
* A grant of \$6,950,000 for the Riverfront Park, UCCA, and Woodward Streetscapes was received in 2003-04.		
<u>EXPENSES</u>		
PROJECT EXPENSES		
Riverfront	360,000	360,000
UCCA	37,500	37,500
UCCA Phase III	0	0
Smart Zone	0	0
TOTAL PROJECT EXPENSES	<u>397,500</u>	<u>397,500</u>
BOND/TIF EXPENSES		
Debt Service	0	0
Repayment to EDC	0	0
Payment to Operating Fund	150,000	0
Repayment to City	5,350,000	0
Trustee Fees	0	0
TOTAL BOND EXPENSES	5,500,000	0
TOTAL EXPENSES	<u>5,897,500</u>	<u>397,500</u>
Program Surplus/(Shortfall)	0	0
(Increase)/Decrease in Reserve	0	0
NET SURPLUS/(SHORTFALL)	<u>0</u>	<u>0</u>



CODE LDFA 22-06-01-159

ADMINISTRATION: AMENDMENT/EXTENSION TO THE FY 2022-2023 LDFA/DEGC PROFESSIONAL SERVICES AGREEMENT

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

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the LDFA hereby authorizes the Amendment/Extension of the FY 2022-2023 LDFA/DEGC Professional Services Agreement to June 30, 2023, in substantially the form attached hereto as Exhibit A, together with such changes recommended or required by counsel for either party.

BE IT FURTHER RESOLVED, that any LDFA Officer, LDFA Director, or Authorized Agent is hereby authorized by the LDFA Board of Directors to execute the Amendment/Extension of the FY 2022-2023 LDFA/DEGC Professional Services Agreement.

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

June 28, 2022



EXHIBIT A

AMENDMENT/EXTENSION OF PROFESSIONAL SERVICES AGREEMENT LDFA ENGAGEMENT OF DEGC

THIS AMENDMENT/EXTENSION NO. 28, made effective as of the 1st day of July, 2022 by and between the City of Detroit Local Development Finance Authority (the “LDFA”), a Michigan Public Corporation, and the Detroit Economic Growth Corporation (the “DEGC”), a Michigan Non-Profit Corporation.

WITNESSETH

WHEREAS, in 1995, a Professional Services Agreement (the “Agreement’), as amended, was entered into between the LDFA and the DEGC; and

WHEREAS, the Agreement will expire pursuant to its term on June 30, 2022, unless extended in accordance with Section 12 of the Agreement; and

WHEREAS, Section 12 of the Agreement provides that the Agreement may be renewed annually for the period beginning July 1 and ending June 30 of the next following year, from year to year, upon continued appropriation of funding by the Board of Directors of the LDFA; and

WHEREAS, Section 5 of the Agreement, as amended, provides that the “LDFA agrees to pay DEGC annually for the performance of the services hereunder in an amount not to exceed the sum of ONE HUNDRED TWENTY-FIVE THOUSAND and 00/100 (\$125,000.00) DOLLARS, payable in equal monthly installments of Ten Thousand Four Hundred Sixteen and 67/100 (\$10,416.67) Dollars; and

WHEREAS, by resolution at its meeting on June 23, 2022, the Board of Directors of the LDFA authorized the extension of the Agreement for the period beginning July 1, 2022 and ending June 30, 2023, in the amount of One Hundred Twenty-Five Thousand (\$125,000.00) Dollars, subject to approval by the City Council of the City of Detroit of the fiscal year 2022-2023 budget of the LDFA; and

NOW, THEREFORE, the parties hereto agree as follows:

1. Pursuant to Section 12 of the Agreement, the term of the Agreement shall be extended for the period beginning July 1, 2022, and ending June 30, 2023.
2. The responsibility for implementing the services to be performed by DEGC under this Agreement shall reside with the President of DEGC, and he or she shall report as requested to the Board of Directors of LDFA. The President of DEGC may designate, and shall identify in writing to the LDFA, one or more staff of DEGC to supervise the performance by DEGC of its obligations under this Agreement and to keep LDFA informed of DEGC’s performance of its



obligations under the Agreement. In addition to any “director” appointed by the LDFA Board of Directors under Section 6(1) of the Act, the President of the DEGC and/or his or her designated staff may execute documents on behalf of the LDFA, as its “authorized agent”.

3. The amount of compensation to be paid by the LDFA to the DEGC pursuant to Section 5 during this period of extension shall be the sum of One Hundred Twenty-Five Thousand and 00/100 (\$125,000.00) Dollars, payable in equal monthly installments of Ten Thousand Four Hundred Sixteen and 67/100 (\$10,416.67) Dollars. Furthermore, LDFA shall pay DEGC for services performed for or on behalf of LDFA by any in-house attorney employed by the DEGC at a rate of \$225.00 per hour for the DEGC’s General Counsel and a rate not to exceed \$200.00 per hour for any other in-house attorney employed by the DEGC.
4. Except as modified above, the terms, conditions and covenants of the Agreement shall remain in full force and effect as set forth therein.

IN WITNESS WHEREOF, the parties hereto have caused this extension to be signed by and through their respective duly authorized officers and/or representatives as of the day and year first above written.

WITNESSES:

DETROIT ECONOMIC GROWTH CORPORATION

By: _____

Its: President and CEO

Date: _____

WITNESSES:

CITY OF DETROIT LOCAL DEVELOPMENT FINANCE AUTHORITY

By: _____

Its: Authorized Agent

Date: _____

APPROVED AS TO FORM

Rebecca A. Navin, Esq.
General Counsel to DEGC



CODE LDFA 22-06-01-160

ADMINISTRATION: SCHEDULE OF REGULAR LDFA BOARD MEETINGS FOR FY 2022-2023

RESOLVED, that the Board of Directors of the Local Development Finance Authority (the “LDFA”) hereby adopts the following as its schedule of regular meetings for its fiscal year beginning July 1, 2022, and ending June 30, 2023. Unless otherwise posted, such meetings will be held the fourth Tuesday of October and June at **10:00 a.m.** in the offices of the Detroit Economic Growth Corporation, 500 Griswold Street, Suite 2200, as follows:

October 25, 2022

June 27, 2023

June 28, 2022