



**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, AUGUST 28, 2024 – 3:00 P.M.**

BOARD MEMBERS PRESENT: Charles Beckham
Hassan Beydoun
Austin Black
Melvin Hollowell
Richard Hosey (3:10)
James Jenkins (3:04)
John Naglick
Steve Ogden

BOARD MEMBERS ABSENT: Marvin Beatty
David Blaszkiewicz
Ehrlich Crain

OTHERS PRESENT: Cora Capler (DEGC/DDA)
Lanard Ingram (DEGC/DDA)
Kevin Johnson (DEGC/DDA)
Medvis Jackson (DEGC/DDA)
Glen Long (DEGC/DDA)
Rebecca Navin (DEGC/DDA)
Nasri Sobh (DEGC/DDA)
Sierra Spencer (DEGC/DDA)
JoMeca Thomas (DEGC/DDA)
David Howell (DEGC/DDA)
JC Reindl (Detroit Free Press)
Jared Fleisher (Rocket Companies)
Roger Basmajian (Basco Detroit)
Kirk Pinho
Lora Brand
Sam Rouse
Justin Bahri
JB



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226
WEDNESDAY, AUGUST 28, 2024 – 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 3:02 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 July 10, 2024, Regular Board meeting.

Hearing none, the Board took the following action:

Mr. Ogden made a motion approving the July 10, 2024 minutes, as written.
Mr. Hollowell seconded the motion. All were in favor with none opposed. Mr. Hosey was not present for the vote.

DDA Resolution Code 24-08-02-667 was unanimously approved.

Receipt of Treasurer's Reports

Mr. Long reviewed the Treasurer's Report of Receipts and Disbursements for June 2024.

Mr. Beydoun called for questions.

Mr. Jenkins asked why the income statement reflected a negative amount. Mr. Long responded that the amount reflects the payoff of the old bonds.

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

Mr. Beckham made a motion to approve the Treasurer's Report of Receipts and Disbursements for the month of June 2024, as presented. Mr. Hollowell seconded the motion. All were in favor with none opposed. Mr. Hosey was not present for the vote.



DDA Resolution Code 24-08-03-559 was unanimously approved.

PROJECTS

Monroe Blocks: Request for Approval of Commencement Date Extension

Ms. Navin stated that in November 2016, the City of Detroit Downtown Development Authority (the “**DDA**”) approved the sale of several properties consisting of the surface parking lot at Farmer and Monroe and the former Bates Garage (collectively, the “**Property**”) to Rosko Development Company LLC (“**Rosko**”). In January, 2019, the DDA and Monroe Phase I LLC and Monroe Phase II LLC (collectively, “**Developer**”), as successors-in-interest to Rosko, closed on the Property under a Development Agreement (the “**Development Agreement**”) relating to the development of a mixed use project comprised primarily of office and retail on the surface parking lot at Farmer and Monroe and primarily residential and retail on the block consisting of the former Bates garage and National Theatre.

In February 2023, the DDA Board approved a revised development plan for the Property, consisting of three phases to include a theatre and market hall, office and retail and parking, and residential (the “**Project**”), with construction on the first phase to commence on or before September 1, 2024.

Developer remains committed to constructing a theatre and food hall as the first phase of the Project. However, following the announcement in late 2023 by the Detroit Music Hall of its plans to expand its facilities to include a new 1,900 seat concert venue, Developer has been working to adjust its plans for the theatre to ensure that it does not create an over-supply of similar concert space into downtown and it does not compete with the Music Hall.

For these reasons Developer has requested, and DDA staff supports, an extension of the commencement date under the Development Agreement from September 1, 2024 to May 1, 2025.

A resolution was attached for the Board’s consideration.

Mr. Fleisher recalled the original development plan that was approved in 2022, in which the pledge was made to activate the area and make it an asset for the area. Mr. Fleisher continued that this pledge has been upheld, as the area has had several different uses and held events that have brought in a great deal of traffic. Mr. Fleisher explained that an extension is needed to complete construction to create a theater that is additive to the ecosystem and does not interfere with the Music Hall theater.

Mr. Hollowell applauded the work done to activate the area. Mr. Hollowell stated that the City of Detroit has many theatre seats and questioned the demand for additional theatre seats. Mr. Fleisher stated that he and his team believe there is demand for a modern theatre with a two thousand (2,000) capacity size theatre, considering that the majority of the theatres nearby are much smaller or bigger than the proposed theatre.



Mr. Jenkins asked if there were drawings of the proposed project. Mr. Fleisher stated that he was not at liberty to share the drawings at the current time but could confirm that there were drawings.

Mr. Hosey asked if the extension was long enough to complete the desired work. Mr. Fleisher stated that eight (8) months would be ample time.

Mr. Beydoun thanked Ms. Navin and Mr. Fleisher for their approach and thoughtfulness in facilitating the success of both the Music Hall and the proposed theatre.

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

Mr. Hollowell made a motion to approve the Monroe Blocks: Request for Approval of Commencement Date Extension, as presented. Mr. Jenkins seconded the motion. All were in favor, with none opposed.

DDA Resolution Code 24-08-112-23 was unanimously approved.

Mr. Ogden stated that while he is affiliated with the developer, he is able to vote on the project as he has no financial interest in the project.

Amendment to the Development Agreement for Broadway Lofts

Mr. Howell stated that in 2017, the City of Detroit Downtown Development Authority (“DDA”) entered into an Agreement to Purchase and Develop Land (as amended, the “Development Agreement”) with Broadway Detroit Properties, LLC (the “Developer”) for the purchase and development of the properties located at 1326 Broadway and 1332 Broadway (collectively, the “Property”). The developer’s original proposal for the redevelopment of the Property, together with the Developer’s adjacent property, included a 47,000 square feet, five-story mixed-use project with 36 residential units (the “Project”) at an estimated cost of \$11,000,000 was approved by the DDA Board following a competitive RFP process.

Due to a fire at the Property in April 2017 and other circumstances, including a change in project scope, the Board has previously approved timeline extensions for the project. The project received an extension in November 2020 when the Property’s design shifted to a 9-story mixed-use project comprised of over 83,000 square feet, 75 residential units, and an estimated cost of \$27,000,000. In June 2021, the DDA Board granted an additional extension to further architectural drawings and identify financing. At that time, the DDA Board also approved \$800,000 in seller financing to mitigate a gap in funding. In June 2023, the DDA Board approved an extension to the closing date provided in the Development Agreement to June 30, 2024, and an increase in the DDA loan to the Developer from \$5.5 million to \$6.75 Million.

On July 9, 2024, the Developer received approval from the Michigan Strategic Fund for \$8.2M in Community Revitalization Program (“CRP”) funding and a Brownfield Work Plan. The Developer has received a commitment for \$13.8M from Independent Bank. Closing on the CRP funding, senior debt, and the property is scheduled for September 13, 2024. Construction is expected to commence in early October.



As a result of the securing of senior debt and the approval of \$8.2M in CRP funding and the Brownfield Work Plan, DDA staff is requesting an extension of the development agreement to December 1, 2024.

Mr. Beydoun called for questions.

Mr. Ogden stated that the last time the board granted an extension for the project, it was discussed that the extension was enough time and that another extension would not be needed. Mr. Ogden asked for an explanation of what has happened since then that calls for another extension. Mr. Howell stated that, with no fault of the developers, the closing with the Michigan Strategic Fund (MSF) had taken longer than anticipated.

Mr. Ogden stated that the Board had been impressed that Mr. Basmajian had his funds tied in the deal and maintained equity. Mr. Ogden noted his understanding that Mr. Basmajian wants to close the deal as quickly as possible. Mr. Ogden stated that he would like to confirm that the right dates are being put forth moving forward.

Mr. Basmajian stated that in addition to the four million dollars (\$4,000,000.00) of cash put into the project, the goal is to begin construction while weather permits.

Mr. Hollowell asked if Mr. Basmajian had a Guaranteed Maximum Price (GMP) with his contractor. Mr. Basmajian stated this was true. Mr. Hollowell asked if the contractors were ready to begin work after the closing. Mr. Basmajian stated that the contractors would be prepared.

Mr. Hosey asked if the Attorney General had the documents already and stated his concern that the turnaround time could be longer than expected. Ms. Navin stated that the DDA is servicing the loan on behalf of the MSF, and the loan documents were provided to the MSF more than a week ago. Ms. Navin stated that it was stated that all documents should have a turnaround time of a few weeks and stated that she felt confident about the timeline.

Mr. Jenkins advised that the construction begin as quickly as possible, considering the approaching winter conditions. Mr. Basmajian agreed and stated that this is the driving factor for closing.

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

Mr. Ogden made a motion to approve the Amendment to the Development Agreement for Broadway Lofts, as presented. Mr. Jenkins seconded the motion. All were in favor, with none opposed.

DDA Resolution Code 24-08-110-72 was unanimously approved.



ADMINISTRATIVE

None.

OTHER BUSINESS

Mr. Ogden asked that Mr. Dailey come back to the Board and provide an update regarding the discussion at the previous Board meeting concerning Kimley Horn's contract for parking in the Paradise Valley area. Mr. Ogden stated there are questions about permits, plans, and whether a parking study has been done. Ms. Spencer stated that she would contact Mr. Dailey and request that he provide an update to the Board at the next meeting.

PUBLIC COMMENT

None.

ADJOURNMENT

With there being no further business to be brought before the Board, Mr. Ogden made a motion to adjourn, which was seconded by Mr. Hollowell, Mr. Beydoun adjourned the meeting at 3:30 p.m.



CODE DDA 24-08-02-667

APPROVAL OF MINUTES OF JULY 10, 2024

RESOLVED that the minutes of the Regular meeting of July 10, 2024, 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.

August 28, 2024



CODE DDA 24-08-03-559

RECEIPT OF TREASURER'S REPORT FOR JUNE 2024

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending June 30, 2024, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

August 28, 2024



CODE DDA 24-08-112-23

MONROE BLOCKS: REQUEST FOR APPROVAL OF COMMENCEMENT DATE EXTENSION

WHEREAS, in November 2016, the City of Detroit Downtown Development Authority (the “**DDA**”) approved the sale of several properties consisting of the surface parking lot at Farmer and Monroe and the former Bates Garage (collectively, the “**Property**”) to Rosko Development Company LLC (“**Rosko**”); and

WHEREAS, in January, 2019, the DDA and Monroe Phase I LLC and Monroe Phase II LLC (collectively, “**Developer**”), as successors-in-interest to Rosko, closed on the Property under a Development Agreement (the “**Development Agreement**”) relating to the development of a mixed use project (the “**Project**”); and

WHEREAS, in February 2023, the DDA Board approved a revised development plan for the Property, consisting of three phases to include a theatre and market hall, office and retail and parking, and residential (the “**Project**”), with construction on the first phase to commence on or before September 1, 2024; and

WHEREAS, Developer has requested an extension of the commencement date of the first phase under the Development Agreement from September 1, 2024 to May 1, 2025 the “**Extension Request**”) to adjust plans for the theatre and market hall; and

WHEREAS, the DDA Board of Directors has determined that it is in the best interests of the DDA, the downtown district, and the Project to approve the Extension Request.

NOW, THEREFORE, BE IT RESOLVED, that the DDA Board of Directors does hereby approve the Extension Request.

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 an amendment to the Development Agreement in accordance with the Extension Request and other modifications to the Development 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 Extension Request.

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.

August 28, 2024



CODE DDA 24-08-110-72

PARADISE VALLEY BUSINESS AND ENTERTAINMENT DISTRICT: AMENDMENT TO THE DEVELOPMENT AGREEMENT AND LOAN FOR BROADWAY LOFTS

WHEREAS, On November 30, 2017, the City of Detroit Downtown Development Authority (“DDA”) entered into an Agreement to Purchase and Develop Land (as amended, the “Development Agreement”) with Broadway Detroit Properties, LLC (the “Developer”) for the purchase and development of the properties located at 1326 Broadway and 1332 Broadway (collectively, the “Property”); and

WHEREAS, in June 2023, the DDA Board approved, among other things, a extension of the closing date under the Development Agreement to June 30, 2024;

WHEREAS, on July 9, 2024, the Developer received approval from the Michigan Strategic Fund for \$8.2M in Community Revitalization Program funding and a Brownfield Work Plan; in addition to the commitment for \$13.8M from Independent Bank; and

WHEREAS, DDA staff is recommending the Board’s approval of an extension of the closing date under the Development Agreement to December 1, 2024; and

WHEREAS, the DDA Board of Directors has determined that the extension to the closing date is consistent with the DDA’s goal of redeveloping Paradise Valley and the surrounding area and with the DDA’s statutory purposes.

NOW, THEREFORE, BE IT, RESOLVED, that the DDA Board of Directors hereby approves the extension of the closing date under the Development Agreement to December 1, 2024.

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 an amendment to the Development Agreement consistent with this resolution, together with such other terms and conditions deemed reasonable by DDA’s counsel and Authorized Agents.

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.

August 28, 2024