



APPROVAL OF MINUTES OF JUNE 26, 2018 MEETING

RESOLVED, that the minutes of the Regular meeting of June 26, 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.

July 24, 2018

**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, JUNE 26, 2018 – 8:30 A.M.**

BOARD MEMBERS PRESENT: Marsha Bruhn
Linda Forte
Chris Jackson
Jonathan Quarles
Matthew Roling

BOARD MEMBERS ABSENT: Kimberly Clayson
Maurice Cox (Ex-Officio)
John Naglick (Ex-Officio)
Thomas Stallworth
Two Vacancies

**SPECIAL DIRECTORS
PRESENT:** None

**SPECIAL DIRECTORS
ABSENT:** Sharon Malinowski (Tiger Stadium Site Redevelopment)
Lisa Randon (Tiger Stadium Site Redevelopment)

OTHERS PRESENT: Anthony Askew (DEGC/EDC)
Kyla Carlsen (DEGC/EDC)
Gay Hilger (DEGC/EDC)
Malinda Jensen (DEGC/EDC)
Paul Kako (DEGC/EDC)
Jennifer Kanalos (DEGC/EDC)
Glen Long (DEGC/EDC)
Chris McClain (Citizen)
Rebecca Navin (DEGC/EDC)
Sarah Pavelko (DEGC/EDC)
Mariangela Pledl (DEGC/EDC)
Mike Rafferty (DEGC/EDC)
Tim Richey (Detroit PAL)
Scott Seabolt (Detroit PAL)



Economic Development Corporation of the City of Detroit

**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, JUNE 26, 2018
THE CORNER BALLPARK
1680 MICHIGAN AVENUE
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 8:35 a.m.

GENERAL

Approval of Minutes

Ms. Forte asked if there were any additions, deletions or corrections to the minutes of the June 12, 2018 Regular Board meeting. Hearing none, the Board took the following action:

On a motion by Ms. Bruhn, seconded by Mr. Quarles, Resolution Code EDC 18-06-02-300 was unanimously approved.

Acceptance of Treasurer's Report

Mr. Long reviewed the Treasurer's Report of Receipts and Disbursements for the month of May 2018 and responded to questions. Subsequent to the discussion, the Board took the following action:

On a motion by Mr. Roling, seconded by Mr. Jackson, Resolution Code EDC 18-06-03-227 was unanimously approved.

The Board requested a copy of the current loan portfolio report and Ms. Forte suggested that, as has been done in the past, the Finance Committee periodically review the full report.

PROJECTS

Amendment to the Amended and Restated Development Agreement with Detroit Police Athletic League

Ms. Pavelko reported that in June, 2016, the Economic Development Corporation of the City of Detroit ("EDC") executed the Amended and Restated Development Agreement (as amended, the "Agreement") with DETROIT POLICE ATHLETIC LEAGUE, LLC (the "Developer") relating to the construction of an athletic field (the "Playing Field") and

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permanent headquarters to provide unique programming to Detroit PAL participants and families (the "Project").

In March 2018, the Developer meet with Staff to tour the facility, discuss the Project's success and discuss progress on completing the development requirements in the Agreement. With the completion of the project, the Developer has been able to increase the level of sponsorships and funding awards. However, there are three outstanding items that remain as of the June 30, 2018 required completion date: 1) completion of the locker rooms; 2) 2,500 seats for spectators; and 3) operating reserve of \$1 million dollars.

Currently, the Developer has raised the funds to complete the locker rooms and will begin construction in Fall of 2018. The project currently has seating capacity for 1,300 spectators. The Developer is evaluating the potential to accommodate additional seating through more bleachers or a covered picnic area based on current use of the facility from visitors as well as identifying resources for these improvements. Finally, the Developer has \$250,000 in cash reserves and an executed 5-year lease with the Stephan Ross Initiative in Sports for Equality (RISE) to operate its regional office. This lease represents \$250,000 of committed revenue to support the ongoing operations of the Project. The Developer is continuing to raise funds for the cash reserve and utilize the 300-person event space to generate additional revenue for the operating reserve.

The Developer is asking for a one-year extension to complete the locker rooms and install the remaining 1,000 seats. In addition, the Developer is requesting a reduction of two hundred fifty thousand dollars (\$250,000) to the total cash reserve requirement based on the existing lease with RISE and a one-year extension to raise the remaining Operating Reserve requirement.

Staff has met with the Developer, toured the Project and reviewed the Project's current financial performance. Based on this review, Staff proposed approving the requested amendment to the Agreement.

Mr. Jackson commended everyone on this great facility. He has had the pleasure to be here on several occasions. His son attends Cass Tech and PAL made the commitment for inner city kids to utilize the ballpark as their home field. Mr. Jackson had a question regarding the 2,300 seats. He felt that there would be few occasions where that number of seats would be needed and wondered if those resources could be reallocated to some other use.

Mr. Tim Richey, CEO of the Detroit Police Athletic League, introduced himself. Mr. Richey thanked the Board for agreeing to meet at the facility. Mr. Richey stated that they agree. The 2,300-seat capacity is what the architect designed and they also feel they don't need that seat capacity. The vast majority of the time they will be looking at attendance figures of 1, 000 to 1,300 people for some college games. They would love to consider a reduction in the seat capacity as well.

Ms. Navin advised that what was discussed with PAL was for them to run it for this first season and then come back with a proposal and we will run it through the proper channels and the City's Planning Department and then bring back the recommended change to this Board.

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A discussion took place regarding the \$1 million reserve. The initial reason for the reserve was to assure proper maintenance of the main asset--the playing field. Because the Ballpark is now self-sustaining with the lease to RISE and the ongoing event rentals, \$1 million might be considered a bit excessive.

Mr. Roling stated that he can understand the 12-month extension but it is hard to make a decision on the reduction in reserves based on information provided.

Ms. Pavelko informed that they did look at their budget and projected expenses for operation of the building before their banquet phase, which was estimated to be \$20,000 per month. Now that the banquet facility is operational, they are exceeding their projected revenue.

Ms. Forte said that one option here, given the timetable, would be to shorten the extension.

Mr. Roling commented that it should give the Board pause that the reason they are asking for the extension is that they are having a tough time fundraising the money. The whole reason for the reserve in the first place was to insure security.

Ms. Bruhn advised that she is okay with the one-year extension and thinks it is fantastic what PAL has done. Having been involved with a nonprofit herself, she knows how tough it is and what it is like always being worried about that next year. Ms. Bruhn stated that she is willing to go for it in good faith and give them a year if they need it and supports the resolution as written.

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

On a motion by Ms. Bruhn, seconded by Mr. Quarles, Code EDC 18-06-76-27 was unanimously approved.

Motor City Re-Store Program – City Contract for Construction Awards

Ms. Pledl advised that the Economic Development Corporation (EDC) of the City of Detroit currently administers the Motor City Re-Store program, which is a business façade improvement program designed to improve the physical condition of commercial corridors (the “Program”). Existing businesses may participate in a quarterly business competition.

The goal of the Program is to improve the physical condition of commercial corridors as a public benefit to everyone with the following:

Technical Assistance Awards - Pre – construction/Design Assistance

- Businesses receive architecture and design services as well as project management services pertaining to exterior improvements to their building.
- Funded through Community Development Block Grant (“CDBG Funds”).

Cash Awards - Construction Assistance (the “Construction Awards”)

- Businesses will receive a 50% matching grant for cost of the construction for exterior improvements to their building.

- Businesses that apply together with 3 neighboring businesses on their block will be eligible for a 75% matching grant.
- No grant shall exceed \$25,000 per business.
- Funded through non-CDBG Funds

To date, the Construction Awards have been funded through philanthropic contributions to the Program. However, the City's Housing and Revitalization Department has also identified \$500,000 in general support funds (the "Designed General Funds") that it seeks to allocate to support the Construction Awards.

The EDC staff requests authorization from the Board to approve the execution of a contract with the City in order to accept and utilize the Designated General Funds for Construction Awards for the Program.

A 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 18-06-91-67 was unanimously approved.

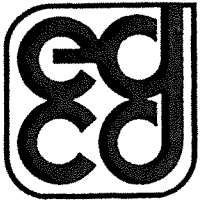
ADMINISTRATION

OTHER MATTERS

PUBLIC COMMENT

ADJOURNMENT

With there being no further business to come before the Board, Ms. Forte adjourned the meeting at 9:03 a.m.



Economic Development Corporation of the City of Detroit

CODE EDC 18-06-02-300

APPROVAL OF MINUTES OF JUNE 12, 2018 MEETING

RESOLVED, that the minutes of the Regular meeting of June 12, 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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Economic Development Corporation of the City of Detroit

CODE EDC 18-06-03-227

ACCEPTANCE OF TREASURER'S REPORT FOR MAY 2018

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending May 31, 2018, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

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**AMENDMENT TO THE AMENDED AND RESTATED DEVELOPMENT AGREEMENT
WITH DETROIT POLICE ATHLETIC LEAGUE**

WHEREAS, in June, 2016, the Economic Development Corporation of the City of Detroit ("**EDC**") consummated the closing contemplated by the Amended and Restated Development Agreement (as amended, the "**Agreement**") with DETROIT POLICE ATHLETIC LEAGUE, LLC (the "**Developer**") relating to the construction of an athletic field and permanent headquarters on a portion of the former Tigers Stadium site to provide unique programming to Detroit PAL participants and families (the "**Project**"), with a Project completion requirement of June 30, 2018; and

WHEREAS, the Project has been timely completed, with the exception of the following: 1) completion of the locker rooms; 2) 2,500 seats for spectators; and 3) operating reserve of \$1 million dollars; and

WHEREAS, the Developer has funds in hand to complete the locker rooms, but has requested a one-year time extension; and

WHEREAS, the Project currently has seating for 1,300 spectators and the Developer has requested a one-year extension to complete and balance of the required seating; and

WHEREAS, the Developer has \$250,000 in cash reserves and an executed 5-year lease with the Ross Initiative in Sports for Equality (RISE) representing \$250,000 of committed revenue, and has requested a \$250,000 reduction in the \$1,000,000 reserve requirement and a one-year extension to raise the reserve balance; and

WHEREAS, Staff has meet with the Developer, toured the Project and reviewed the Project's current financial performance and recommends the Board's approval of the above requested amendments; and

WHEREAS, the EDC Board of Directors has reviewed the requested amendments determined it is consistent with the EDC's goal of redeveloping the Tiger Stadium site and are otherwise appropriate and consistent with the EDC's statutory purposes.

NOW, THEREFORE, BE IT, RESOLVED, that the following amendments to the Agreement are hereby approved (collectively, the "**Proposed Amendments**"):

- One-year time extension to June 30, 2019 for the completion of the locker rooms; and
- One-year time extension to June 30, 2019 for completion of required 2,500-person seating capacity; and
- Reduction of required operations reserve from \$1,000,000 to \$750,000; and

- One-year time extension to June 30, 2019 for satisfying the operating reserve requirement.

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 an amendment to the Agreement to incorporate the Proposed Amendments, 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.

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SMALL BUSINESS MOTOR CITY RE-STORE PROGRAM

WHEREAS, The Economic Development Corporation of the City of Detroit ("EDC"), has developed a commercial corridor façade improvement program known as Motor City Re-Store (the "Program") at the request of the City of Detroit (the "City") Mayor's Office; and

WHEREAS, to date, the Program's construction awards have been funded through philanthropic contributions to the Program; and

WHEREAS, the City's Housing and Revitalization Department has also identified \$500,000 in general support funds (the "Designated General Funds") that it seeks to allocate to support the Program's construction awards; and.

WHEREAS, the EDC Board has determined that it is in the best interests of the Program to enter into a contract with the City in order to accept and utilize the Designated General Funds for to support the Program's construction awards; and

NOW, THEREFORE, BE IT RESOLVED that the EDC Board of Directors hereby approves the execution of a contract with the City in order to accept and utilize the Designated General Funds for to support the Program's construction awards.

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 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 execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

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