



**APPROVAL OF MINUTES OF JULY 25, 2017 MEETING**

RESOLVED, that the minutes of the Regular meeting of July 25, 2017 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.

August 14, 2017

**ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS REGULAR MEETING  
TUESDAY, JULY 25, 2017 – 8:30 A.M.**

**BOARD MEMBERS PRESENT:** Marsha Bruhn  
Kimberly Clayson  
Linda Forte  
Chris Jackson  
William Ritsema  
Matthew Roling  
Thomas Stallworth

**BOARD MEMBERS ABSENT:** Monique Claiborne  
Maurice Cox (Ex-Officio)  
John Naglick (Ex-Officio)  
Jonathan Quarles

**SPECIAL DIRECTORS  
PRESENT:** None

**SPECIAL DIRECTORS  
ABSENT:** Emily Black (I-94 Industrial Park Project)  
Raeburn King (Springwells Industrial Park Project)  
Marvin Thomas (I-94 Industrial Park Project)  
Jody Weiss (Springwells Industrial Park Project)

**OTHERS PRESENT:** Curt Felch (Detroit Mt. Elliott Real Estate)  
Gay Hilger (DEGC/EDC)  
Jed Howbert (Mayor's Office)  
Damon Jordan (DEGC/EDC)  
Jennifer Kanalos (DEGC/EDC)  
Glen Long (DEGC/EDC)  
Rebecca Navin (DEGC/EDC)  
Charles Pace (Detroit Mt. Elliott Real Estate)  
Mariangela Pledl (DEGC/EDC)  
Eli Savit (Mayor's Office)



Economic Development Corporation of the City of Detroit

**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS REGULAR MEETING  
TUESDAY, JULY 25, 2017  
DETROIT ECONOMIC GROWTH CORPORATION  
500 GRISWOLD, SUITE 2200 - 8:30 A.M.**

**CALL TO ORDER**

Noting that a quorum was present, Chairperson Forte called the Regular meeting of the Economic Development Corporation Board of Directors to order at 8:34 a.m.

**GENERAL**

**Approval of Minutes**

Ms. Forte asked if there were any additions, deletions or corrections to the minutes of the July 11, 2017 Regular Board meeting.

Hearing none, the Board took the following action:

On a motion by Ms. Bruhn, seconded by Mr. Ritsema, Resolution Code EDC 17-07-02-283 was unanimously approved.

**Receipt of Treasurer's Report**

Mr. Long reviewed the Treasurer's Report for the month of June 2017 for the benefit of the Board and responded to questions.

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

On a motion by Ms. Clayson, seconded by Mr. Jackson, Resolution Code EDC 17-07-03-216 was unanimously approved.

**PROJECTS**

**I-94 Industrial Park Project: Land Swap and Sale of 3.24 Acres to Mt. Elliott Real Estate Company for ArcelorMittal Expansion**

Mr. Jordan advised that Mt. Elliott Real Estate Company, a local real estate developer, has proposed to renovate an existing building located at 8600 Mt. Elliott of approximately 288,115 SF, an industrial manufacturing facility ("Project") located within the I-94 Industrial Park, as depicted on **Exhibit A** ("Property") which was included in the Board material, on behalf of Tenant ArcelorMittal. Mt. Elliott Real Estate Company & ArcelorMittal's expected investment in the Project is approximately \$80 Million. In addition, within 5 years following

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Project completion, Mt. Elliott Real Estate Company and ArcelorMittal expect to create up to 120 permanent jobs at the Project.

The EDC Staff has negotiated a term sheet with Mt. Elliott Real Estate Company, pursuant to which the EDC would sell the Property to Mt. Elliott Real Estate Company for a consideration of approximately \$282,370. The proposed term sheet was included in the Board material as **Exhibit B** ("Term Sheet").

Staff requested the Board's approval to execute the Term Sheet in substantially the form of **Exhibit B** and to negotiate, execute and consummate a Development Agreement consistent with the terms and conditions described in the Term Sheet. A resolution was also included for the Board's consideration.

Mr. Jordan and Mr. Felch of Detroit Mt. Elliott Real Estate responded to Board Members' questions.

Ms. Navin clarified that there will be an as-surveyed, acre-for-acre exchange, and then any acreage over the amount EDC is receiving, there is a set per-acre purchase price for that. It will all come under the guise of one land exchange agreement.

Ms. Forte commented that I-94 Industrial Park has be a long, arduous project, and it is good to see a project that sounds like it has some sustainability coming there.

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

On a motion by Mr. Jackson, seconded by Mr. Ritsema, Resolution Code EDC 17-07-12-46 was unanimously approved.

### **Springwells Industrial Park Project: Agreements with State and City Relating to Bridge Project**

Ms. Navin advised that in August, 2016, The Economic Development Corporation of the City of Detroit (the "EDC") received good faith offers from the Michigan Department of Transportation ("MDOT") with respect to portions of two parcels owned by the EDC in the Springwells Industrial Park, as depicted on **Exhibit A** (included with the Board material) as parcels 12C and 3B (the "Sale Parcels"). In particular, MDOT requires the Sale Parcels in order to place footings for the Gordie Howe International Bridge (the "Bridge Project"). In addition, the EDC has received a request from MDOT to lease parcel 12A and Lot 1 depicted on **Exhibit A** (the "Lease Parcel") to MDOT and/or the Windsor Detroit Bridge Authority ("WBDA") for construction laydown and storage during the construction of the Bridge Project.

The Mayor recently announced a sweeping community benefits plan, to be funded by various payments from MDOT and/or WBDA to city agencies in connection with the Bridge Project (the "Community Benefits Plan"). A summary of the Community Benefits Plan was also included with the Board material as **Exhibit B**.

The City's administration has requested that the EDC Board agree to participate in the Community Benefits Plan as follows:

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1. Accept MDOT's offer to purchase the Sale Parcels for \$365,503.00 (the "Sale Proceeds")
2. Agree to lease to MDOT and/or WBDA the Lease Parcel for seven (7) years, for a total lease consideration of \$3,000,001.00 (the "Lease Proceeds").
3. Contribute the Lease Proceeds to the City's Neighborhood Improvement Fund.
4. The EDC will have the right to retain the Sale Proceeds and use them in a manner consistent with the Springwells Industrial Park Project Plan.
5. The foregoing rights and obligations are further described in and subject to the following Agreements dated as of June 19, 2017, which were included in the Board material (without exhibits) as **Exhibit C**:
  - a. Agreement: Transfer of Properties, Assets, Interests and Jurisdiction
  - b. Agreement: Leases and Services
  - c. Agreement: Joint State/City Initiatives for Health, Job Training, and Neighborhood Development

A resolution was included in the Board material for consideration. Ms. Navin noted that the resolution should be amended in two ways:

1. Clarification that the lease would be to the Windsor-Detroit Bridge Authority; and
2. Correction to Exhibit A to show the large remainder parcel as part of the lease parcel as well.

Ms. Navin introduced Eli Savit of the Mayor's Office to describe the project in more detail and respond to Board members' questions.

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

On a motion by Mr. Stallworth, seconded by Ms. Bruhn, Resolution Code EDC 17-07-69-09 was unanimously approved, as amended.

### **ADMINISTRATION**

Ms. Forte advised that there was some discussion before the Board meeting about timely distribution of meeting materials to ensure adequate time for review. Board members would like staff to try to aim for getting the materials out the Wednesday of the week prior to the Board meeting.

Ms. Bruhn asked about a special committee of the Board that reviewed projects. Ms. Forte stated that she has been around a long time and Finance is the only standing Committee of the Board. Ms. Bruhn felt that there might be some validity in having a committee that reviews the more complicated projects. Ms. Forte said that maybe this is something that can be explored and maybe it is a project review "workshop" that would still be an open meeting for the entire Board where there can be an additional look at the projects and a "deep dive" before having to vote on them. This is something that can be

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explored with staff. Mr. Jackson thought that would only be possible if the information was available ahead of time and would delay action another week or so.

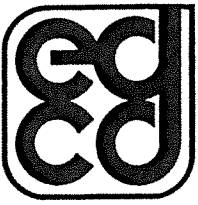
**OTHER MATTERS**

**PUBLIC COMMENT**

**ADJOURNMENT**

With there being no further business to transact, Ms. Forte adjourned the meeting at 9:20 a.m.

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Economic Development Corporation of the City of Detroit

CODE EDC 17-07-02-283

**APPROVAL OF MINUTES OF JULY 11, 2017 MEETING**

RESOLVED, that the minutes of the Regular meeting of July 11, 2017 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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**I-94 INDUSTRIAL PARK PROJECT: LAND SWAP AND SALE OF 3.24 ACRES TO  
MT. ELLIOTT REAL ESTATE COMPANY FOR ARCELORMITTAL EXPANSION**

**WHEREAS**, Mt. Elliott Real Estate Company proposes to renovate an existing building located at 8600 Mt. Elliott of approximately 288,115 SF, an industrial manufacturing facility ("Project") located within the I-94 Industrial Park, as depicted on the attached **Exhibit A** ("Property"); and

**WHEREAS**, the EDC Staff has negotiated a term sheet with Mt. Elliott Real Estate Company, the proposed form of which is attached hereto as **Exhibit B** (the "Term Sheet"), pursuant to which the EDC would sell the Property to Mt. Elliott Real Estate Company for a consideration of approximately \$282,370; and

**WHEREAS**, Staff is seeking the Board's approval to execute the Term Sheet in substantially the form attached as **Exhibit B** and to negotiate, execute and consummate a Development Agreement consistent with the terms and conditions described in the Term Sheet; and

**WHEREAS**, the Board of Directors has determined that the terms of the proposed transaction as described in the Term Sheet are reasonable and consistent with the EDC's project plan for the I-94 Industrial Park and its statutory purposes.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the EDC hereby authorizes the execution of the Term Sheet, substantially in the form attached as **Exhibit B**, and the negotiation and execution of a Development Agreement, upon the terms and conditions set forth in the Term Sheet, together with such terms and conditions deemed reasonable by EDC's counsel and Authorized Agents.

**BE IT FURTHER RESOLVED** that the EDC Board of Directors hereby authorizes any two of the Officers or any two of the designated Authorized Agents or any combination thereof to execute any and all documents and take any and all actions necessary or appropriate 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 of the EDC 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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**SPRINGWELLS INDUSTRIAL PARK PROJECT: AGREEMENTS WITH STATE AND CITY RELATING TO BRIDGE PROJECT**

**WHEREAS**, in August, 2016, The Economic Development Corporation of the City of Detroit (the "EDC") received good faith offers from the Michigan Department of Transportation ("MDOT") with respect to portions of two parcels owned by the EDC in the Springwells Industrial Park, as depicted on **Exhibit A** hereto as parcels 12C and 3B (the "Sale Parcels"), to be used for the placement of footings for the Gordie Howe International Bridge (the "Bridge Project");

**WHEREAS**, the EDC has also received a request from MDOT to lease the parcels so depicted on **Exhibit A** (the "Lease Parcel") to the Windsor Detroit Bridge Authority ("WDBA") for construction laydown and storage during the construction of the Bridge Project; and

**WHEREAS**, the Mayor recently announced a sweeping community benefits plan, to be funded by various payments from MDOT and/or WDBA to city agencies in connection with the Bridge Project, a summary of which is attached as **Exhibit B** (the "Community Benefits Plan"); and

**WHEREAS**, the City's administration has requested that the EDC Board agree to participate in the Community Benefits Plan as follows (the "Proposed Transaction"):

1. Accept MDOT's offer to purchase the Sale Parcels for \$365,503.00 (the "Sale Proceeds")
2. Agree to lease to WDBA the Lease Parcel for seven (7) years, for a total lease consideration of \$3,000,001.00(the "Lease Proceeds").
3. Contribute the Lease Proceeds to the City's Neighborhood Improvement Fund.
4. The EDC will have the right to retain the Sale Proceeds and use them in a manner consistent with the Springwells Industrial Park Project Plan.
5. The foregoing rights and obligations are further described in and subject to the following Agreements dated as of June 19, 2017 (without exhibits) as **Exhibit C** (the "Agreements"):
  - a. Agreement: Transfer of Properties, Assets, Interests and Jurisdiction
  - b. Agreement: Leases and Services
  - c. Agreement: Joint State/City Initiatives for Health, Job Training, and Neighborhood Development

**WHEREAS**, the Board of Directors has determined that the terms of the Proposed Transaction are reasonable and consistent with the EDC's project plan and statutory purposes.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the EDC does hereby authorize the consummation of the Proposed Transaction, upon the terms and conditions set forth in the Agreements.

**BE IT FURTHER RESOLVED** that the EDC Board of Directors hereby authorizes any two of the Officers or any two of the designated Authorized Agents or any combination thereof to execute any and all documents and take any and all actions necessary or appropriate to implement the provisions and intent of this Resolution.

**BE IT FINALLY RESOVLED** that all of the acts and transactions of any officer or authorized agent of the EDC, in the name of the EDC 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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