



APPROVAL OF MINUTES OF FEBRUARY 27, 2018 REGULAR MEETING

RESOLVED, that the minutes of the Regular meeting of February 27, 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.

March 13, 2018

(As Amended at the Table March 13, 2017)

**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, FEBRUARY 27, 2018 – 8:30 A.M.**

BOARD MEMBERS PRESENT: Marsha Bruhn
Kimberly Clayson
Chris Jackson
Jonathan Quarles
Matthew Roling
Thomas Stallworth

BOARD MEMBERS ABSENT: Maurice Cox (Ex-Officio)
Linda Forte
John Naglick (Ex-Officio)
Vacancy (due to William Ritsema's resignation)
Vacancy (due to Monique Claiborne's resignation)

SPECIAL DIRECTORS PRESENT: Lisa Randon (Tiger Stadium Site Redevelopment)

SPECIAL DIRECTORS ABSENT: Jon Newton (Waterfront East Development)
Sharon Malinowski (Tiger Stadium Site Redevelopment)
Frank Taylor (Waterfront East Development)

OTHERS PRESENT: Gay Hilger (DEGC/EDC)
Malinda Jensen (DEGC/EDC)
Jennifer Kanalos (DEGC/EDC)
Eric Larson (Larson Realty Group)
Glen Long (DEGC/EDC)
Rebecca Navin (DEGC/EDC)
Sarah Pavelko (DEGC/EDC)
Mariangela Pledl (DEGC/EDC)
Erin Porter (Spaceman Mossup Michaels)
Michael Rafferty (DEGC/EDC)
Kelly Shovan (DEGC/EDC)



Economic Development Corporation of the City of Detroit

**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, FEBRUARY 27, 2018
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200 - 8:30 A.M.**

CALL TO ORDER

Noting that a quorum was present, Vice Chairperson Quarles called the Regular meeting of the Economic Development Corporation Board of Directors to order at 8:35 a.m.

GENERAL

Approval of Minutes

Mr. Quarles asked if there were any additions, deletions or corrections to the minutes of the January 30, 2018 Special Board meeting. Hearing none, the Board took the following action:

On a motion by Mr. Stallworth seconded by Mr. Roling, Resolution Code EDC 18-02-02-294 was unanimously approved.

Acceptance of Treasurer's Report

Mr. Shovan reviewed the Treasurer's Report of Receipts and Disbursements for the month ending January 2018 for the benefit of the Board.

With there being no questions or discussion, the Board took the following action:

On a motion by Mr. Stallworth, seconded by Mr. Jackson, Resolution Code EDC 18-02-03-223 was unanimously approved.

PROJECTS

Fifth Amendment to the Development Agreement with Tiger Stadium Partners, LLC for the Tiger Stadium Site

Ms. Pavelko reported that in November 2017, the Economic Development Corporation of the City of Detroit ("EDC") approved a fourth amendment to the Development Agreement (as amended, the "Agreement") with Tiger Stadium Partners, LLC (the "Developer") for the redevelopment of the portions of the old Tiger Stadium site to provide an extension to close. The Developer's project will incorporate a 4-story building along Michigan (Parcel 4) with approximately 25,000 square feet of ground floor retail and 102 residential units (the "Mixed Use Project"). In addition, the Developer, or, subject to Article 18 of the

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500 Griswold, Suite 2200 ▪ Detroit, Michigan 48226 ▪ (313) 963-2940

Agreement, Developer's affiliate, Tiger Stadium Partners 2, LLC ("TSP2"), will build a minimum of 24 townhomes along Trumbull Ave (Parcel 3) (the "Townhomes Project").

The Developer had anticipated closing on the land and all equity and financing transactions by December 15, 2017. However, outstanding conditions from the New Market Tax Credit (NMTC) investors delayed closing on the funding sources. One of the NMTC investors required the Developer have executed leases for a portion of the retail space. LOIs had been signed with four commercial tenants but the tenants were not ready to execute leases. Execution of the lease for an anchor tenant was delayed because of the tenant's fundraising efforts for the space build-out. Further discussions with the Developer, EDC staff and the City provided the NMTC investor with a better understanding of the strength of the Corktown commercial market. As a result, the NMTC investor is now satisfied with the four LOIs from reputable business owners and has removed the requirement for executed lease.

With resolution of the remaining conditions to close, the financial institutions are preparing the necessary legal agreements and documentations for a close. The Developer anticipates a closing by February 28th and has requested an extension to close until March 29, 2018 to allow for any unforeseen issues.

Staff has reviewed the request and timeline to move this project to completion. The Developer has continued to move the project forward including securing approval from the City of Detroit's DPW department to vacate a portion of the public right of way and special permitting approvals from the State for the modular construction. In addition, the Developer made an initial payment to the modular contractor to begin construction of the units and ensure adherence to the original construction timeline. A prototype of the rental units with all finishings installed will be available for viewing in April. Based on this review and the Developer's continued advocacy, Staff proposes an amendment to the Agreement as follows (the "Proposed Amendment"):

1. Closing Date for Mixed Use and Townhouse projects is extended to March 29, 2018. Developer may not close on the purchase of Parcel 3 and/or 4 from the EDC prior to closing on all financing and equity transactions for the Mixed-Use Project or Townhouse Project.

EDC staff requested the Board's approval to amend the terms of the development agreement previously approved by the EDC Board to reflect the aforementioned changed terms.

A resolution was included in the Board material for consideration.

Ms. Bruhn stated that since there have been some changes over time to the original plan, it would be helpful for the Board members to have a copy of the updated site plan. Mr. Larson explained that only the townhomes have changed and he will be happy to provide an updated site plan and elevation.

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

On a motion by Ms. Bruhn, seconded by Mr. Jackson, Resolution Code EDC 18-02-76-26 was unanimously approved, with Mr. Roling opposed.

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Approval of Parking Management Services EDC East Riverfront Properties

Ms. Pavelko advised that in 2016, the Detroit Riverfront Conservancy (“DRFC”) in partnership with the Economic Development Corporation of the City of Detroit (EDC) and the City of Detroit’s Planning and Development Department (“PDD”) undertook a 10-month planning engagement in an effort to update the East Riverfront Plan. As a result of this process, the East Riverfront Framework (“Framework”) was launched in the Spring of 2017 and several planned investments are underway. These include the \$27 million renovation of the historic Stone Soap Building, \$2 million for Atwater Beach, planning for the expansion of Milliken State Park and construction of the Campau Greenway.

The provision of these additional amenities in the East Riverfront District is expected to bring additional visitors and further exacerbate the lack of clean, secure and attractive parking options. Visitors park without permission on vacant property or improperly on narrow side streets.

The EDC owns approximately 9 acres along Atwater adjacent to the planned investment. Refer to Exhibit A for a map of the properties. Currently the properties are unmaintained gravel lots with fencing of various quality. Long-term it is the intent of the EDC to facilitate urban infill development on these parcels that include structured parking. A request for qualifications is planned for early summer to secure a qualified developer for the properties. However, construction is not anticipated until the end of 2019 or 2020, given the predevelopment activities that will have to occur.

In the interim, the use of the properties as temporary parking will alleviate immediate parking needs and generate revenue for improvements. The provision of temporary parking will support the significant investments being made by the EDC’s private and public partners in the District. In addition, it will provide safe and attractive amenities for visitors to the District.

EDC issued a public request for proposals for parking management services in the Fall of 2017. EDC staff recommends the selection of EZ Parking and Metro Valet (the “Operator”). The proposed Operator demonstrated the desired capacity and experience. EDC staff is seeking the Board’s approval to negotiate and enter into a short-term service agreement with the proposed Operator to provide parking management services on EDC property. The lease will include the following terms:

- Property: Three properties totaling approximately 9 acres.
- Term of Lease: The term of the lease shall be for a period of one (1) year (the “Initial Term”). The Initial Term shall automatically renew on a quarter to quarter basis.
- Hours of Operation and Rates: Operator shall determine the appropriate rates and hours to maximize revenue.
- Insurance: Operator shall maintain insurance at its own expense. Such insurance shall have limits of Five Million Dollars (\$5,000,000.00) per occurrence and include

Garage Keepers Legal Liability Insurance. Each such policy of insurance shall name the EDC as an additional insured.

- Management Fee: Operator will be entitled to retain thirty percent (30%) of all gross parking revenues. The remaining seventy percent (70%) will be transmitted to the EDC on a monthly basis.
- Payment of Expenses: All operating expenses shall be paid by the Operator. The EDC's sole responsibility shall be to make repairs related to capital improvements.
- Free consulting services for the parking lot capital improvements including: cash flow projections, cost benefit analysis to determine what lots to improve and the extent of improvements needed to maximize returns, and identification of demand.

A draft resolution was included in the Board material for consideration.

A lengthy discussion took place. There was unanimous objection to the Operator having control over setting the parking rates. The objective of creating this public space on the riverfront was for the public's enjoyment, and a lack of affordable parking is counterintuitive of what was planned.

Mr. Roling stated that there are many other cities with limited parking and they draw many people. Past generations needed to be able to drive their cars right to where they were going and park, but that is not how it is now. The role of the EDC is not to create more parking downtown and, therefore, will not vote in favor of creating parking.

Ms. Pavelko advised that the City's long-term goal is for the public to use less cars, have a viable public transportation system and encourage the use of bicycles to create a dense urban environment.

Staff emphasized that this was just a short-term proposal and that the objective to leasing the land to the Operator was for EDC to make a little money to pay for improvements, and at the same time, temporarily improve the parking situation in the area. It was thought that a developer for the site should be identified within 6 to 8 months and then there would be 8 to 12 months of predevelopment planning. There should be a groundbreaking on a new development on the site within a year and a half.

Additional concerns included the need for some free parking and servicing the public; consideration of metered spaces as an alternative; and the need to clarify the objective. Members questioned providing this parking for downtown employees. Is the purpose to draw people to the riverfront or to maximize revenues?

Subsequent to the discussion, the Board decided that this item should be tabled and for staff to consider amendments to the proposal in light of Board member comments. will negotiate parking rates with the proposed Operator and come back with a new resolution.

On a motion by Mr. Jackson, seconded by Mr. Stallworth, Resolution Code EDC 18-02-52-06 was tabled.

Ms. Pavelko advised that the next item was related to this and the Board decided that it should also be tabled.

Approval of Planning and Design Services for the EDC East Riverfront Properties

On a motion by Mr. Jackson, seconded by Mr. Stallworth, Resolution Code EDC 18-02-52-07 was tabled.

Personal Services Agreement with James Feagin for 2018 Outreach Services

Ms. Pledl reported that the Economic Development Corporation (EDC) of the City of Detroit currently administers programs to revitalize Detroit's commercial corridors and grow neighborhood business investment using Community Development Block Grant ("CDBG") funds from the City of Detroit. The EDC entered into a subrecipient agreement with the City (Contract #2899173) to manage and implement these programs for a term ending December 2018.

Motor City Match and Motor City Re-Store are two significant initiatives implemented by DEGC to support commercial corridor revitalization. Motor City Match, which connects new or expanding businesses with Detroit's vacant commercial real estate provides competitive grants, loans and counseling to both building owners and business owners through a quarterly application process. The most recent program, Motor City Re-Store, is a façade improvement program to grow and retain Detroit's existing businesses while improving the physical condition of commercial corridors.

The tremendous city-wide awareness of both programs is due in large part to a robust outreach and engagement program. James Feagin has been instrumental in the success of the outreach strategy and the myriad of outreach/engagement activities and events to support it. James Feagin is an urban practitioner whose work has addressed inclusive economic development. He has helped redefine the reach and depth of Detroit's entrepreneurial through his work on Motor City Match and Motor City Re-Store, as well as NEIdeas, Knight Cities Challenge, and Detroit Demo Day. The EDC foresees continued significant outreach and engagement to sustain the success of both programs. EDC Staff, therefore, seeks to continue the outreach and engagement services provided by James Feagin for 2018.

The EDC previously entered into a Personal Service Agreement ("PSA") with James Feagin on February 16, 2015 with subsequent amendments for 2016 and 2017 to lead outreach and engagement services. To implement 2018 outreach and engagement activities for Motor City Match and Motor City Re-Store, EDC staff recommends a PSA with James Feagin for 730 hours (average of 17 hours per week) at \$125 per hour for a not-to-exceed total contract cost of \$91,250 for the term of March through December 2018. EDC Staff will report outreach and engagement outcomes to the EDC Board of Directors on a quarterly basis to closely monitor the allocation of outreach resources and investment.

A resolution was included in the Board material for review and approval.

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

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On a motion by Mr. Stallworth, seconded by Mr. Jackson, Resolution Code EDC 18-02-91-59 was unanimously approved.

Small Business and Commercial Corridor Revitalization Program: Marketing and Communications Services

Ms. Fisher reported that the Economic Development Corporation (EDC) of the City of Detroit currently administers programs to revitalize Detroit's commercial corridors and grow neighborhood business investment using Community Development Block Grant ("CDBG") funds from the City of Detroit. The EDC entered into a sub-recipient agreement with the City (Contract #2899173) to manage and implement these programs for a term ending December 31, 2019.

The first part of this initiative is Motor City Match, which connects new or expanding businesses with Detroit's vacant commercial real estate. The program provides competitive grants, loans and counseling to both building owners and business owners through a quarterly application process. A second program, Motor City Re-Store that was approved in 2017 addresses the physical improvement needs of existing businesses in the City of Detroit. Together these programs are a critical component to success and sustainability of Detroit's small business ecosystem.

The EDC solicited bid proposals based on federal procurement policies set forth in 24 CFR 85.36 in January 2018 for submission by February 14, 2018 for communications, branding and website services for Motor City Match, Motor City Re-Store and the Market Retail Study, as follows (the "Services"):

- Message development
- Graphics, logos, branding elements
- Event management
- Metric and evaluation
- Website management
- Media relations
- Paid media (advertising)
- Media monitoring
- Collateral development
- Crisis management.

The EDC staff received two (2) proposals. The EDC Staff reviewed the proposals and recommended Fleishman Hillard (the "Firm") to provide the Services, as the most responsive bidder. Fleishman Hillard is a full-service communication firm that serves clients in all areas of communications and marketing. Fleishman Hillard has both global and local experience in message development, event management, advertising, media relations, digital, and measurement and analysis. Locally, Fleishman Hillard has a Detroit location and has worked with the City of Detroit, the Great Lakes Water Authority, M-1 Rail, the Downtown Detroit Partnership and others to address communications and outreach needs. Fleishman Hillard is an integrated communications firm with a wide range of capabilities that will help Motor City Match and Motor City Re-Store engage high-potential prospects into both programs, and well as gain local, regional and national media coverage.

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The EDC staff requested authorization from the Board to enter into a Contract between Firm and EDC for a one-year period concluding February 28, 2019 in an amount not to exceed Three Hundred Fifty Thousand and 00/100 (\$350,000.00) to provide the Services.

A resolution was included for the Board's review and approval.

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

On a motion by Mr. Roling, seconded by Mr. Stallworth, Resolution Code EDC 18-02-91-60 was unanimously approved.

ADMINISTRATION

Report of Actions Taken Under the Delegation of Authority Resolution

Ms. Jensen advised that pursuant to the Delegation of Authority resolution approved by the Board at the January 30, 2018 meeting, she created a spreadsheet providing information on contracts and change orders signed during January under the resolution. Ms. Jensen asked the Board if there were any recommended changes to the format of the spreadsheet and if there were any questions. The Board approved of the format and thanked Ms. Jensen for the information.

OTHER MATTERS

PUBLIC COMMENT

ADJOURNMENT

With there being no further business to come before the Board, Mr. Quarles adjourned the meeting at 9:53 a.m.



APPROVAL OF MINUTES OF JANUARY 30, 2018 SPECIAL MEETING

RESOLVED, that the minutes of the Special meeting of January 30, 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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ACCEPTANCE OF TREASURER'S REPORT FOR JANUARY 2018

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

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FIFTH AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH LARSON REALTY FOR THE TIGER STADIUM SITE

WHEREAS, in January, 2016, the Economic Development Corporation of the City of Detroit ("**EDC**") approved a Development Agreement (as amended, the "**Agreement**") with Tiger Stadium Partners, LLC (the "**Developer**") for the redevelopment of the portions of the old Tiger Stadium site, relating to the development of a 4-story building along Michigan (Parcel 4) with approximately 25,000 square feet of ground floor retail and 102 residential units (the "**Mixed Use Project**") and a minimum of 24 townhomes along Trumbull Ave (Parcel 3) (the "**Townhouse Project**" and together with the Mixed Use Project, the "**Project**"); and

WHEREAS, the Developer has experienced additional delays in the closing of the financing for the Project and has requested the following amendment (the "**Proposed Amendment**"):

Closing Date for Mixed Use and Townhouse projects is extended to March 29, 2018. Developer may not close on the purchase of Parcel 3 and/or 4 from the EDC prior to closing on all financing and equity transactions for the Mixed-Use Project or Townhouse Project.

WHEREAS, the EDC Board of Directors has reviewed the Proposed Amendment 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 Proposed Amendment is hereby approved.

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 Development Agreement, 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 AND COMMERCIAL CORRIDOR REVITALIZATION PROGRAM:
PERSONAL SERVICES AGREEMENT WITH JAMES FEAGIN FOR OUTREACH
SERVICES**

WHEREAS, The Economic Development Corporation of the City of Detroit ("EDC"), has developed a small business and commercial corridor revitalization program (the "Program") at the request of the City of Detroit (the "City") Mayor's Office.

WHEREAS, the EDC entered into a subrecipient agreement with the City (Contract #2899173) to manage administer and implement the Program for a term ending December 31, 2017 pursuant to EDC Board approval on October 14, 2014 (Resolution # 14-10-91-01); and

WHEREAS, through a Personal Service Agreement ("PSA"), James Feagin has provided outreach and engagement services for the Program since the Program's inception, which agreement expires on February 28, 2018; and

WHEREAS to implement 2018 outreach and engagement activities for Motor City Match and Motor City Re-Store, EDC staff recommends a new PSA with James Feagin for 730 hours (average of 17 hours per week) at \$125 per hour for a not-to-exceed total contract cost of \$91,250 for the term of February through December 2018; and; and

WHEREAS, the EDC Board of Directors has determined that Staff's recommendation is appropriate and within the best interests of the Program.

NOW THEREFORE BE IT RESOLVED, that the EDC Board of Directors hereby authorizes the negotiation and execution of a PSA with James Feagin to provide the requested services for the not-to-exceed amount of Ninety-One Thousand Two Hundred Fifty 00/100 (\$91,250.00).

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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DEGC SMALL BUSINESS SERVICES (SBS): MARKETING AND COMMUNICATIONS SERVICES

WHEREAS, The Economic Development Corporation of the City of Detroit ("EDC"), has developed a small business and commercial corridor revitalization program (the "Program") at the request of the City of Detroit (the "City") Mayor's Office.

WHEREAS, the EDC and the City are parties to a subrecipient agreement pursuant to which the EDC administers the Program; and

WHEREAS, in January 2018, EDC solicited bid proposals based on federal procurement policies set forth in 24 CFR 85.36 in January 2018 for submission by February 14, 2018 for communications, branding and website services for the Program, as follows (the "Services"):

- Message development
- Graphics, logos, branding elements
- Event management
- Metric and evaluation
- Website management
- Media relations
- Paid media (advertising)
- Media monitoring
- Collateral development
- Crisis management.

WHEREAS to implement the Services of \$350,000 for the term of March 1, 2018 through February 28, 2019; and;

WHEREAS, the EDC Board of Directors has determined that Staff's recommendation is appropriate and within the best interests of the Program.

NOW THEREFORE BE IT RESOLVED, that the EDC Board of Directors hereby authorizes the negotiation and execution of a Contract with Fleishman Hillard to provide the Services for the not-to-exceed amount of Three Hundred Fifty Thousand 00/100 (\$350,000.00).

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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