



**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, OCTOBER 25, 2022 – 9:00 A.M.**

BOARD MEMBERS PRESENT:

Marsha Bruhn
Kimberly Clayson
Damon Hodge
Chris Jackson
Jonathan Quarles

BOARD MEMBERS ABSENT:

Clifford Brown
Antoine Bryant (Ex-Officio)
Linda Forte
John Naglick (Ex-Officio)
Kwaku Osei
Thomas Stallworth

**SPECIAL DIRECTORS
PRESENT:**

None

**SPECIAL DIRECTORS
ABSENT:**

None

OTHERS PRESENT:

Cora Capler (DEGC/EDC)
Sean Gray (DEGC/EDC)
Gay Hilger (DEGC/EDC)
Malinda Jensen (DEGC/EDC)
Kevin Johnson (DEGC/EDC)
Paul Kakos (DEGC/EDC)
Jennifer Kanalos (DEGC/EDC)
Glen Long, Jr. (DEGC/EDC)
Monika McKay-Polly (DEGC/EDC)
Rebecca Navin (DEGC/EDC)
Kelly Shovan (DEGC/EDC)
Lauren Virzi (Kotz Sangster)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226
TUESDAY, OCTOBER 25, 2022 – 9:00 A.M.**

GENERAL

Call to Order

Vice Chair Quarles called the regular meeting of the Economic Development Corporation Board of Directors to order at 9:09 a.m. Roll call was conducted, and a quorum was established.

Approval of Minutes

Mr. Quarles asked if there were any additions, deletions, or corrections to the minutes of the August 30, 2022, Special Board meeting. Hearing none, Mr. Quarles called for a motion.

Ms. Bruhn made a motion to approve the minutes of the August 30, 2022, Special Board meeting, as written. Mr. Jackson seconded the motion. All were in favor with none opposed.

EDC Resolution Code 22-10-02-364 was unanimously approved.

Receipt of Treasurer's Reports



Ms. Shovan reviewed the Treasurer's Reports of Receipts and Disbursements for the months of August and September 2022. Mr. Quarles asked if there were any questions. Hearing none, he called for a motion.

Ms. Clayson made a motion to approve the Treasurer's Reports of Receipts and Disbursements for the months of August 2022 and September 2022, as presented. Mr. Hodge seconded the motion. All were in favor with none opposed.

EDC Resolution Codes 22-10-03-278 and 22-10-03-279 were unanimously approved.



PROJECTS

Casino Loan Fund: Settlement with Guarantor Benjamin Mantica Regarding Loan to Detroit Galley, LLC

Ms. Navin recommended that the Board call a Closed Session to consider material exempt from disclosure under the Open Meetings Act, and to consult with attorneys regarding a privileged and confidential memorandum titled Economic Development Corporation of the City of Detroit et al. v Detroit Galley, LLC et al., and to discuss an Offer of Settlement in the case of the Economic Development Corporation et al. v Detroit Galley LLC, Galley Group Inc., and Benjamin Mantica (Case No 21-010196-CB) as described in such memorandum.

ADJOURNMENT TO CLOSED SESSION

Ms. Clayson made a motion to adjourn the meeting to a Closed Session. Mr. Hodge seconded the motion and Mr. Quarles adjourned the EDC Regular Board meeting to a Closed Session at 9:14 a.m.

RECALL TO ORDER

Mr. Quarles recalled the meeting to order at 9:33 a.m.

Casino Loan Fund: Settlement with Guarantor Benjamin Mantica Regarding Loan to Detroit Galley, LLC

Mr. Hodge made a motion to approve the resolution presented in the Closed Session regarding Settlement with Guarantor, Benjamin Mantica, with the condition that the Finance Committee/Board be informed of and afforded review of further options/actions that may become available. Ms. Clayson seconded the motion. All were in favor with none opposed.

EDC Resolution Code 22-10-74-52 was unanimously approved.


ADMINISTRATION

EDC Audited Financial Statements and Management Report as of June 30, 2022

Ms. Kanalos advised that an electronic copy of the above-referenced material was sent to each Board member under separate cover on October 10, 2022.



The EDC Finance Committee met and reviewed the material and recommended formal receipt and acceptance by the EDC Board. Ms. Kanalos noted that it was a “clean” audit.

A resolution was included in the Board book indicating the Board’s formal receipt and acceptance of the EDC Audited Financial Statements and Management Report as of June 30, 2022, with comparative totals as of June 30, 2021, as prepared by George Johnson and Company, Certified Public Accountants. 

Mr. Quarles asked if there were any questions. Hearing none, he called for a motion.

Mr. Hodge made a motion to accept the EDC Audited Financial Statements and Management Report for Fiscal Year Ending June 30, 2022.

Ms. Clayson seconded the motion. All were in favor with none opposed.
EDC Resolution Code 22-10-01-255 was unanimously approved.

OTHER MATTERS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

On a motion by Mr. Hodge, seconded by Ms. Clayson, Mr. Quarles adjourned the meeting at 9:33 a.m.



CODE EDC 22-10-02-364

APPROVAL OF MINUTES OF AUGUST 30, 2022, SPECIAL MEETING

RESOLVED, that the minutes of the Special meeting of August 30, 2022, 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.

October 25, 2022



CODE EDC 22-10-03-278

RECEIPT OF TREASURER'S REPORT FOR AUGUST 2022

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending August 31, 2022, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

October 25, 2022



CODE EDC 22-10-03-279

RECEIPT OF TREASURER'S REPORT FOR SEPTEMBER 2022

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending September 30, 2022, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

October 25, 2022



CODE EDC 22-10-74-52

CASINO LOAN FUND: SETTLEMENT WITH GUARANTOR BENJAMIN MANTICA REGARDING LOAN TO DETROIT GALLEY, LLC

WHEREAS, in December, 2018, The Economic Development Corporation of the City of Detroit (the “EDC”) made a loan through the Casino Loan Fund in the amount of \$200,000 to Detroit Galley, LLC (the “Borrower”) (the “Loan”), which Loan was guaranteed by, among other parties, Benjamin Mantica (“Guarantor”); and

WHEREAS, contemporaneously with the closing of the Loan, Invest Detroit Foundation (“IDF”) made a loan in the amount of \$300,000 (the “IDF Loan”), which loan was also guaranteed by Guarantor and other parties, and for which EDC and IDF share a pari-passu position in the security granted for the Loan; and

WHEREAS, following default on the Loan by Borrower, the EDC and IDF filed a complaint against the Borrower, the Guarantor and the other guarantors of the Loan in The Economic Development Corporation et al v Detroit Galley LLC et al (Case No. 21-010196-CB) (the “Civil Action”); and

WHEREAS, IDF, the EDC and Mantica mutually desire to finally settle and terminate the Civil Action as to the actions between and amongst themselves and compromising and discharging all claims, counterclaims, demands, liabilities and causes of action, which each party may have against the other arising out of the Loan and the IDF Loan upon the terms and conditions disclosed to the EDC Board of Directors (the “Proposed Settlement”); and

WHEREAS, the Finance Committee of the EDC has reviewed the Proposed Settlement and has recommended its approval to the Board; and

WHEREAS, the has reviewed the Proposed Settlement, determined that the Proposed Settlement is in the EDC’s best interest and is otherwise appropriate and consistent with the EDC’s statutory purposes.

NOW, THEREFORE, BE IT, RESOLVED, that the Proposed Settlement 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 the Proposed Settlement upon the terms presented to the Board, together with such other terms and conditions that are determined by EDC counsel and 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.

October 25, 2022



CODE EDC 22-10-01-225

ADMINISTRATION: EDC AUDITED FINANCIAL STATEMENTS AND MANAGEMENT REPORT AS OF JUNE 30, 2022

RESOLVED, that the Board of Directors of the Economic Development Corporation (the "EDC") hereby receives and accepts the EDC Audited Financial Statements and Management Report as of June 30, 2022, with comparative totals as of June 30, 2021, as prepared by George Johnson and Company, Certified Public Accountants.

October 25, 2022