



**DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING  
WEDNESDAY, JULY 28, 2021 – 3:00 P.M.**

**BOARD MEMBERS PRESENT:** Marvin Beatty  
Austin Black  
David Blaszkiewicz  
Ehrlich Crain  
Sonya Delley  
Melvin Hollowell  
Richard Hosey  
James Jenkins  
John Naglick  
Steve Ogden

**BOARD MEMBER ABSENT:** Nicole Sherard-Freeman

**OTHERS PRESENT:** Kenyetta Bridges (DEGC/DDA)  
Cora Capler (DEGC/DDA)  
Jennifer Dimmer (Crossfit Detroit)  
Dave Finlay (Crossfit Detroit)  
Gay Hilger (DEGC/DDA)  
Malinda Jensen (DEGC/DDA)  
Kevin Johnson (DEGC/DDA)  
Paul Kako (DEGC/DDA)  
Glen Long, Jr. (DEGC/DDA)  
Lexi Mabry (DEGC/DDA)  
Roseann (Public)  
Nevan Shokar (DEGC/DDA)



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING  
WEDNESDAY, JULY 28, 2021  
ZOOM VIRTUAL MEETING – 3:00 P.M.**

**GENERAL**

**Call to Order**

Vice Chair Blaszkiewicz 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.

**Approval of Minutes**

Mr. Blaszkiewicz asked if there were any exceptions, additions, deletions, or corrections to the minutes of the June 30, 2021 Special Board meeting. Hearing none, the Chair called for a motion.

Mr. Hollowell made a motion approving the June 30, 2021 minutes, as written. Mr. Hosey seconded the motion. All were in favor with no opposition. DDA Resolution Code 21-07-02-638 was unanimously approved.

**PROJECTS**

**XLR8 Athletix (DBA Crossfit Detroit) Lease Modification**

Mr. Shokar shared his screen showing a map of the location and photographs of the interior of Crossfit Detroit. Mr. Shokar went on to report that on September 26, 2014, the City of Detroit Downtown Development Authority (“DDA”) and XLR8 Athletix, LLC (the “Tenant”) entered into a lease agreement (the “Lease”) for the ground level retail space located at 150 Michigan Ave. (the “Property”). The Lease has an initial term of 10 years with the option for the Tenant to extend the term of the Lease by two additional five-year periods. The Tenant operates its CrossFit business at the Property and has brought world class training techniques to the City of Detroit with the vision of a leaner, stronger, faster and happier community. The Tenant has invested nearly \$1 million into the renovations, furnishings, IT, and office equipment in the location. Prior to the Covid-19 pandemic, Crossfit had over 250 active members and supported various local non-profits with different youth and athletic programs.

The onset of the pandemic devastated the Tenant’s business’s bottom-line. As businesses were shut down in the Spring of 2020, gyms and movie theaters were hit with prolonged closures. The majority of the Tenant’s membership base, which was working



in downtown offices, moved to remote working and since paused or canceled their memberships. Additionally, those who were renting from a Bedrock apartment building or working in a Bedrock property, were granted free access to the corporation's workout facilities. To mitigate these losses, the Tenant sought support from various pandemic-related programs and resources and received some financial support from the Paycheck Protection Program.

As a result of the pandemic, through the Force Majeure provision provided in the Lease, the DDA deferred seven months of rent from March 2020 through September 2020. On September 9, 2020, the Tenant reopened the CrossFit gym at 25% capacity and required employees and members to wear masks. Since the reopening, because only a fraction of the Tenant's members has returned to in person work at downtown offices, the Tenant has been unable to regain all the canceled memberships caused by the pandemic.

In light of the foregoing and in order to further support the Tenant, DDA staff is recommending that the Lease be modified to reflect six additional months of rent relief from May 2021 through October 2021. During this period, no payments of the outstanding rent shall be due or payable, unless Tenant defaults on any obligations or covenants contained in the Lease. Payment of monthly rent shall commence in November 2021 at the amount stated in the Lease and shall continue for the remainder of the term. In addition to the foregoing, provided that Tenant remains in compliance with the Lease and no default has occurred or is occurring, on the date that is two years from the date that Tenant resumed normal operations of its business (i.e., September 9, 2022), the DDA shall forgive the amounts of deferred rent payments from March 2020 through September 2020 and May 2021 and October 2021 (collectively, the "Proposed Modification").

A resolution approving the Proposed Modification was included in the Board material for consideration.

Mr. Blaszkiewicz called for questions or comments.

Mr. Hollowell thanked the owner for hanging in there during an incredibly difficult period and for the investment he has made downtown Detroit. Mr. Finlay responded that they are grateful for the help that they have received and are eagerly anticipating the return of downtown office workers so that they can get back to business as usual.

Mr. Jenkins also thanked Mr. Finlay for believing in Detroit and for opening his business downtown contributing to the health of Detroiters.

Ms. Delley stated she feels the same way and echoed the comments of her colleagues.

Mr. Blaszkiewicz said it appears Board members are favorable to this lease modification and called for a motion.



Mr. Ogden made a motion approving the XLR8 Athletix Rent Concession. Mr. Hosey seconded the motion. All were in favor with no opposition. DDA Resolution Code 21-07-44-54 was unanimously approved.

Mr. Blaszkiewicz thanked Mr. Finlay and Ms. Dimmer for “hanging in there” and that he looks forward to hearing their “tunes” again. Mr. Finlay advised that they are open for business and invited the Board members to stop by.

### **ADMINISTRATION**

Ms. Jensen advised that she wanted to give an update on the Open Meetings Act and the meetings being held electronically, which is set to expire at the end of this month. She advised the Board members to watch for a notice of the meetings being held in person in the DEGC offices.

Mr. Naglick stated that the City of Detroit Pension Board meetings are being held electronically through the end of the year under a Wayne County order. Ms. Jensen said that she believes that order specifically excludes the City of Detroit but will look into it.

### **OTHER BUSINESS**

Mr. Hollowell inquired about the status of the Michigan Theater project. Ms. Jensen advised that our General Counsel, Ms. Navin, is not on the meeting today, but she was working on this project last week. Mr. Beatty said that he is also interested in getting an update. Ms. Jensen stated that staff would send to the Board under separate cover an update on the project sometime next week.

### **PUBLIC COMMENT**

None.

### **ADJOURNMENT**

On a motion by Mr. Beatty, which was seconded by Mr. Hosey, Mr. Blaszkiewicz adjourned the meeting at 3:20 p.m.



**CODE DDA 21-07-02-638**

**APPROVAL OF MINUTES OF JUNE 30, 2021**

**RESOLVED** that the minutes of the Special meeting of June 30, 2021, 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.

July 28, 2021



**CODE DDA 21-07-44-54**

**150 MICHIGAN AVENUE: XLR8 ATHLETIX (DBA CROSSFIT DETROIT) LEASE MODIFICATION**

**WHEREAS**, on September 26, 2014, the City of Detroit Downtown Development Authority (“DDA”) and XLR8 Athletix, LLC (the “Tenant”) entered into a lease agreement (the “Lease”) for the ground level retail space located at 150 Michigan Ave. (the “Property”); and

**WHEREAS**, the Tenant experienced financial hardship due to COVID-19 pandemic as businesses were shut down in the Spring of 2020 and the majority of the Tenant’s membership base which was working in downtown offices, moved to remote working and since paused or canceled their memberships; and.

**WHEREAS**, as a result of the pandemic, through the Force Majeure provision provided in the Lease, the DDA deferred seven months of rent from March 2020 through September 2020; and

**WHEREAS**, in order to further support the Tenant, DDA staff is recommending that the Lease be modified as follows: (i) Tenant will be provided with six additional months of rent relief from May 2021 through October 2021; and (ii) provided that Tenant remains in compliance with the Lease and no default has occurred or is occurring, on the date that is two years from the date that Tenant resumed normal operations of its business (i.e. September 9, 2022), the DDA shall forgive the amounts of deferred rent payments from March 2020 through September 2020 and May 2021 and October 2021 (collectively, the “Proposed Modification”); and

**WHEREAS**, the DDA Board of Directors has determined that the Proposed Modification is reasonable and consistent with the DDA’s goals and the DDA’s statutory purposes.

**NOW, THEREFORE, BE IT RESOLVED**, that the DDA Board of Directors hereby approves the Proposed Modification.

**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 Lease incorporating the Proposed Modification and 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.

July 28, 2021