



**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, JUNE 9, 2020 – 9:00 A.M.**

BOARD MEMBERS PRESENT: Clifford Brown
Marsha Bruhn
Kimberly Clayson
Linda Forte
Damon Hodge
Chris Jackson
Kwaku Osei
Jonathan Quarles
Thomas Stallworth

BOARD MEMBERS ABSENT: Arthur Jemison (Ex-Officio)
John Naglick (Ex-Officio)

**SPECIAL DIRECTORS
PRESENT:** None

**SPECIAL DIRECTORS
ABSENT:** None

OTHERS PRESENT: Cora Capler (DEGC/EDC)
Gay Hilger (DEGC/EDC)
Denise Hundley (DEGC/EDC)
Paul Kako (DEGC/EDC)
Malinda Jensen (DEGC/EDC)
Jennifer Kanalos (DEGC/EDC)
Glen Long (DEGC/EDC)
Lexi Mabry (DEGC/EDC)
Rebecca Navin (DEGC/EDC)
Kelly Shovan (DEGC/EDC)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, JUNE 9, 2020
HELD VIA ZOOM VIRTUAL MEETING
9:00 A.M.**

GENERAL

Call to Order

Chairperson Forte called the meeting of the Economic Development Corporation Board of Directors to order at 9:00 a.m. Roll call was conducted, and a quorum was established.

Approval of Minutes

Ms. Forte asked if there were any additions, deletions or corrections to the minutes of the May 18, 2020 Special Board meeting.

Hearing none, Ms. Forte called for a motion:

Mr. Hodge made a motion approving the minutes of the May 18, 2020 Special Board meeting, as presented. Mr. Brown seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Brown, Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles Mr. Stallworth and Ms. Forte.

Nays: None.

EDC Resolution Code 20-06-02-332 was approved.

Receipt of Treasurer's Report

Ms. Shovan reviewed the Treasurer's Report of Receipts and Disbursements for the month ending April 30, 2020 and responded to questions.

Subsequent to the discussion, Ms. Forte called for a motion:

Mr. Stallworth made a motion approving the Treasurer's Report for April 2020, as presented. Mr. Hodge seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Brown, Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles Mr. Stallworth and Ms. Forte.

Nays: None.

EDC Resolution Code 20-06-03-251 was approved.

PROJECTS

Loan Modification-Millender Center Food Plaza -Casino Loan Program- Non-Affiliated Retail/Restaurant

Ms. Mabry introduced herself as Ms. Hundly's replacement. Ms. Mabry advised that in 2013, the Economic Development Corporation of the City of Detroit ("EDC") provided a loan from the Casino Loan Program to Millender Center Food Plaza, Inc. (the "Borrower") in the amount of \$200,000.00 (the "Loan"). The Borrower is the owner and operator of the Millender Center Food Plaza, which was renamed to City Market and is located at 575 Brush Street in the Millender Center. The



market lease space contains 3,025 square feet of retail space and 603 square feet of storage space. Jason and Paul Kado are the owner operators of the market. The Loan has a 7-year term with an interest rate of 4%. The EDC's collateral for the Loan includes an assignment of lease and rents, an all asset UCC filing, and personal guarantees of Andrew, Paul and Jason Kado. The Borrower remains current with monthly principal and interest payments in the amount of \$2,916.11 and the current outstanding balance of the Loan is \$30,438.53.

The COVID-19 pandemic and associated shutdown has caused numerous issues for the city of Detroit and its business owners. The Borrower has been negatively impacted with the "shelter in place" protocol and City Market has experienced a steady decline in foot traffic which aligned with a decline in profits. Unlike suburban and neighborhood grocery stores, City Market's clientele depends a great deal on the employees that work downtown as well as customers from events and activity that happens within the vicinity.

EDC staff has maintained constant communication with the Borrower. The Borrower had requested relief in remitting its Loan payments. Given the unprecedented difficulties this crisis has presented to the Borrower, EDC staff found it to be pragmatic to provide the Borrower with relief in the form of a 3-month loan payment deferral from April 1st, 2020 to July 1st, 2020. The loan documents and the amortization schedule will be amended accordingly.

The EDC Finance Committee has recommended approval of the proposed loan modification to the EDC Board of Directors and EDC staff requested approval of the loan modification consistent with the terms noted above. A resolution was included for the Board's consideration.

Subsequent to the discussion, Ms. Forte called for a motion

Ms. Clayson made a motion approving the Millender Center Food Plaza LLC loan modification as presented. Ms. Bruhn seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Brown, Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles, Mr. Stallworth and Ms. Forte.

Nays: None.

Abstentions: None.

EDC Resolution Code 20-06-74-45 was approved.

ADMINISTRATION

EDC Budget for FY 2020-2021

Ms. Kanalos reviewed the proposed EDC operating budget for FY 2020-2021 and advised that the EDC Finance Committee met and reviewed the proposed budget and recommends approval by the Board.

Subsequent to the discussion, Ms. Forte called for a motion.

Mr. Hodge made a motion approving the EDC Budget for FY 2020-21 as presented. Ms. Clayson seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Brown, Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles, Mr. Stallworth and Ms. Forte.

Nays: None.



Abstentions: None.
EDC Resolution Code 20-06-01-211 was approved.

City of Detroit/EDC and DEGC/EDC Contracts Authorization

Ms. Kanalos advised that the Economic Development Corporation's (the "EDC") agreement (the "City Agreement") with the City of Detroit (the "City") and the Professional Services Agreement (the "DEGC Agreement") with the Detroit Economic Growth Corporation (the "DEGC") will expire on June 30, 2020.

Staff is requested authorization to extend the DEGC Agreement ("Exhibit A") and execute a new City Agreement together with such changes recommended or required by counsel for either party, for the period of July 1, 2020 to June 30, 2021.

With respect to the City Agreement, City Council is anticipated to approve a budget allocation in the amount of \$275,000.00. \$20,000 of the City Agreement will be used to operate the Next Michigan Development Corporation. EDC staff expects the City Agreement to be substantially the same as it has been last 40 years, but if there is significant variation, staff will provide to the EDC Board for review prior to its execution.

The DEGC Agreement will be for a base compensation of \$800,000.00 funded primarily from the City Agreement allocation of \$255,000.00, \$350,000.00 from EDC's Trizec Annuity, and \$195,000.00 from EDC's Loan repayment account, plus such additional amounts authorized by the DEGC Agreement.

A resolution authorizing execution of the City Agreement and the DEGC Agreement was included for the Board's consideration

Subsequent to the discussion, Ms. Forte called for a motion

Mr. Brown made a motion approving the City of Detroit/EDC and DEGC/EDC Contracts for FY 2020-21 as presented. Ms. Bruhn seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Brown, Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles, Mr. Stallworth and Ms. Forte.

Nays: None.

Abstentions: None.

EDC Resolution Code 20-06-01-212 was approved.

Election of Officers

Ms. Kanalos reported that the EDC Act 338 of Michigan Acts 1974, as amended, requires that the Officers of the Board of Directors be elected at its annual meeting.

The current officers are as follows:

Linda Forte, Chairperson
Jonathan Quarles, Vice Chairperson
Marsha Bruhn, Secretary
Thomas Stallworth, Treasurer



Staff proposed that the Chairperson open the floor to nominations.

Ms. Forte opened the floor to nominations for Election of Officers. Mr. Hodge stated that he would like to nominate the current slate to serve another term. Ms. Forte asked if there were any other nominations.

Hearing none, Ms. Forte called for a motion to close the floor to nominations.

Mr. Osei made a motion closing the floor to nominations. Ms. Clayson seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Brown, Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles, Mr. Stallworth and Ms. Forte.

Nays: None.

Abstentions: None.

Ms. Forte called for a motion to elect the current slate of nominees.

Ms. Bruhn made a motion electing the current slate of Officers to serve another term. Mr. Hodge seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Brown, Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles, Mr. Stallworth and Ms. Forte.

Nays: None.

Abstentions: None.

EDC Resolution Code 20-06-01-213 was approved.

Schedule of Regular EDC Board Meetings For FY 2020-2021

Ms. Kanalos advised that a proposed schedule of regular EDC Board meeting dates for FY 2020-2021 was included in the Board material.

Unless otherwise posted, such meetings will be held on the **second and fourth Tuesday of each month at 8:30 a.m.** (with the exception of December as noted below) in the offices of the Detroit Economic Growth Corporation, 500 Griswold Street, Suite 2200, Conference Room A, as follows:

2020

July 14, 2020
July 28, 2020
August 11, 2020
August 25, 2020
September 8, 2020
September 22, 2020
October 13, 2020
October 27, 2020
November 10, 2020
November 24, 2020
December 8, 2020
December 15, 2020*

2021

January 12, 2021
January 26, 2021
February 9, 2021
February 23, 2021
March 9, 2021
March 23, 2021
April 13, 2021
April 27, 2021
May 11, 2021
May 25, 2021
June 8, 2021
June 22, 2021

* Due to the holiday, this meeting date varies from the regular schedule



Ms. Forte called for a motion to adopt the proposed schedule of Regular Board meetings.

Ms. Clayson made a motion adopting the proposed dates of the Regular board meetings.

Mr. Osei seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Brown, Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles, Mr. Stallworth and Ms. Forte.

Nays: None.

Abstentions: None.

EDC Resolution Code 20-06-01-214

OTHER MATTERS

Mr. Hodge stated that he knows the Board made an adjustment today to a repayment term of an existing loan and asked if there was a set policy due to the Covid-19 pandemic of how staff is addressing adjustment of repayment of loans. Ms. Mabry responded that they are being addressed on a case-by-case basis. The payments on the Livernois loans have not begun yet.

Ms. Forte asked if there is anything the Board should be doing or thinking about on these loans. Ms. Hundley stated that Ms. Mabry and herself have been sending emails and working with the borrowers to get a sense if there has been any change in their revenue. Based on that, they will get with staff and decide how to move forward on a case-by-case basis.

PUBLIC COMMENT

None.

ADJOURNMENT

On a motion by Mr. Osei, seconded by Mr. Brown, Ms. Forte adjourned the meeting at 9:24 a.m.



CODE EDC 20-06-02-332

APPROVAL OF MINUTES OF MAY 18, 2020 SPECIAL MEETING

RESOLVED, that the minutes of the regular meeting of May 18, 2020 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.

June 9, 2020



CODE EDC 20-06-03-251

RECEIPT OF TREASURER'S REPORT FOR APRIL 2020

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending April 30, 2020, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

June 9, 2020



CODE EDC 20-06-01-211

ADMINISTRATION: EDC BUDGET FOR FY 2020-2021

WHEREAS, on the date hereof, the Board of Directors of the Economic Development Corporation of the City of Detroit (the “EDC”) approved a resolution whereby the EDC would accept funding from the City of Detroit in the amount of \$275,000.00 for operations of the EDC for fiscal year 2020-2021; and

WHEREAS, the EDC wishes to adopt a budget for its fiscal year beginning July 1, 2020 and ending June 30, 2021.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Economic Development Corporation of the City of Detroit, as follows:

1. The Budget of the EDC, attached as Exhibit A hereto, for the fiscal year beginning July 1, 2020 and ending June 30, 2021 is hereby approved.

BE IT FURTHER RESOLVED that the EDC Board hereby authorizes any two of its Officers or any two of its Authorized Agents or one Officer and any one Authorized Agent to take any other actions and execute any other documents 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 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.

June 9, 2020



CODE EDC 20-06-01-212

ADMINISTRATION: AUTHORIZATION OF CITY OF DETROIT/EDC AND DEGC/EDC CONTRACTS

WHEREAS, the City of Detroit (the “City”) and the Economic Development Corporation (the “EDC”) have previously entered into a services agreement (the “City Agreement”) pursuant to which the EDC renders economic development services to the City and which City Agreement funds a portion of EDC’s operating expenses; and

WHEREAS, the City Council is anticipated to authorize City Agreement in the amount of \$275,000.00 for the period beginning July 1, 2020 and ending June 30, 2021; and

WHEREAS, a contract for Professional Services was heretofore entered into between the EDC and Detroit Economic Growth Corporation (the “DEGC”) as of July 1, 2019 (the “DEGC Agreement”); and

WHEREAS, the DEGC Agreement will expire pursuant to the terms thereof on June 30, 2020, but may be extended in accordance with Section 12 of such DEGC Agreement; and

WHEREAS, the EDC and the DEGC desire to extend the term of the DEGC Agreement for the period commencing July 1, 2020 and ending June 30, 2021 and

WHEREAS, pursuant to Section 5 of the DEGC Agreement, the EDC would pay to the DEGC a base compensation equal to Eight Hundred Thousand and 00/100 (\$800,000.00) Dollars, plus such additional amounts authorized by the DEGC Agreement, for services or activities for or on behalf of the EDC to be rendered by DEGC during such extension period pursuant to the DEGC Agreement.

NOW, THEREFORE, BE IT RESOLVED that the EDC Board of Directors hereby authorizes any two of the following – its Officers or the Authorized Agents - to have full power and authority to execute the City Agreement in such form as required by the City and approved by EDC’s counsel, for the period beginning July 1, 2020 and ending June 30, 2021.

BE IT FURTHER RESOLVED that the EDC Board of Directors hereby authorizes any two of its Officers or designated Authorized Agents to have full power and authority to execute a new DEGC Agreement, in substantially the form attached hereto as Exhibit A, together with such changes recommended or required by counsel for either party, for the period beginning July 1, 2020 and ending June 30, 2021, for a base compensation of \$800,000.00 funded primarily from the City Agreement allocation of \$255,000.00, \$350,000.00 from EDC’s Trizec Annuity, and \$195,000.00 from EDC’s Loan repayment account, plus such additional amounts authorized by the DEGC Agreement.



BE IT FURTHER RESOLVED that the EDC Board hereby authorizes any two of its Officers or any two of its Authorized Agents or one Officer and any one Authorized Agent to take any other actions and execute any other documents 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 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.

June 9, 2020



CODE EDC 20-06-01-213

ADMINISTRATION: ELECTION OF OFFICERS

RESOLVED that the following are hereby elected as Officers of the Board of Directors of the Economic Development Corporation of the City of Detroit:

Linda Forte, Chairperson
Jonathan Quarles, Vice Chairperson
Marsha Bruhn, Secretary
Thomas Stallworth, Treasurer

June 9, 2020



CODE EDC 20-06-01-214

ADMINISTRATION: SCHEDULE OF REGULAR EDC BOARD MEETINGS FOR FY 2020-2021

RESOLVED that the Board of Directors of the Economic Development Corporation of the City of Detroit (the “EDC”) hereby adopts the following as its schedule of regular meetings for its fiscal year beginning July 1, 2020 and ending June 30, 2021. Unless otherwise posted, such meetings will be held on the **second and fourth Tuesday of each month at 8:30 a.m.** (with the exception of December as noted below) in the offices of the Detroit Economic Growth Corporation, 500 Griswold Street, Suite 2200, Conference Room A, as follows:

<u>2020</u>	<u>2021</u>
July 14, 2020	January 12, 2021
July 28, 2020	January 26, 2021
August 11, 2020	February 9, 2021
August 25, 2020	February 23, 2021
September 8, 2020	March 9, 2021
September 22, 2020	March 23, 2021
October 13, 2020	April 13, 2021
October 27, 2020	April 27, 2021
November 10, 2020	May 11, 2021
November 24, 2020	May 25, 2021
December 8, 2020	June 8, 2021
December 15, 2020*	June 22, 2021

* Due to the holiday, this meeting date varies from the regular schedule.

June 9, 2020