



CODE DDA 19-05-02-616

APPROVAL OF MINUTES OF APRIL 10, 2019

RESOLVED, that the minutes of the Regular meeting of April 10, 2019 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.

May 8, 2019



**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, APRIL 10, 2019 – 3:00 P.M.**

BOARD MEMBERS PRESENT: Marvin Beatty
Austin Black
David Blaszkiewicz
Ehrlich Crain
Charity Dean
Melvin Hollowell
Richard Hosey
James Jenkins
Tom Lewand (Mayor's Representative)
David Massaron
John Naglick
Steve Ogden

BOARD MEMBER ABSENT: Sonya Delley

OTHERS PRESENT: Roger Bajmojia (Basco)
Gary Brown (DEGC/DDA)
Jason Cole (Cole Development Group/Basco)
Patricia Cole (Cole Development Group)
Joe Hooker (Basco)
Gay Hilger (DEGC/DDA)
Malinda Jensen (DEGC/DDA)
Paul Kako (DEGC/DDA)
Jennifer Kanalos (DEGC/DDA)
John Lauve (Public)
Graten Little, Jr. (Basco)
Glen Long, Jr. (DEGC/DDA)
Rebecca Navin (DEGC/DDA)
Sarah Pavelko (DEGC/DDA)
Nevan Shokar (DEGC/DDA)



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, APRIL 10, 2019
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD STREET, SUITE 2200 – 3:00 P.M.**

GENERAL

Call to Order

Noting that a quorum was present, Mr. Lewand, the Chairman's Representative, called the Regular meeting of the Downtown Development Authority Board of Directors to order at 3:00 p.m.

Mr. Lewand stated that he needed to leave at 3:30 and was going to skip to the project items on the agenda first and come back to the Approval of the Minutes and the Treasurer's Reports.

PROJECTS

Comerica Ballpark: Proposed 2019 Scheduled Repairs and Improvements

Mr. Brown advised that Article 11.1 of the Amended and Restated Concession and Management Agreement (the CMA), by and between the Detroit Downtown Development Authority (the "DDA") and the Detroit Tigers, Inc. (the "Tigers") assigns to the Tigers responsibility to maintain the Ballpark as a first-class sports and entertainment complex in good repair and operating condition. Article 11.5 of the CMA identifies the terms and conditions for making repairs and improvements to the Ballpark, which include obtaining prior consent from the DDA and Stadium Authority.

Section 11.6 if the CMA establishes a Maintenance Repair and Replacement Fund (MRRF) to assure that a reasonable amount of funds is available to reimburse approved repairs and replacements (Improvements). The DDA contributes \$250,000.00 per year to the MRRF (adjusted for inflation commencing April 1, 2001) and the Tigers contribute \$300,000.00 commencing December 31, 2006 and each year thereafter.

The Tigers submitted, for the DDA's consideration and consent under the provisions of Article 11.5 and 11.6, the attached list of proposed Scheduled Repairs and Improvements for 2019 in the total amount of \$800,000.00. The current amount of uncommitted funds in the DDA held account is \$785,010.30 (after payment of 2018 reimbursement of \$602,297.36; approximately \$650,000.00 in 2019 Tigers and DDA contributions due January & March 2019).

The DDA staff and Tiger's representatives reviewed the scope of the proposed 2019 maintenance repairs and improvements for conformance with the comprehensive Restoration Master Plan developed by TPM for the Tiger's, which includes repairs to the exterior stonework and painting of the entire ballpark over a ten-year cycle. The proposed repairs are consistent with the staff conditions reports previously reviewed by the 4.1c committee and the MLB consultant report.



Based on the review of the elements of the Tigers' proposed 2019 Scheduled Repairs and Improvements in a letter dated January 28, 2019, the DDA staff recommends the Board's consideration and consent for the Tigers to proceed with the proposed 2019 repairs and improvements in the not to exceed amount of \$800,000.00 for reimbursement from the MRRF subject to the Tigers fulfillment of the expressed requirements in section 11 relative to the performance of the Improvements and to the Tigers securing any necessary approvals and permits from the Building and Safety Engineering Department.

A draft resolution was included for the Board's consideration.

Mr. Hollowell questioned if Comerica was being maintained to the standard of being a first-class ballpark. Mr. Brown stated that two years ago, an outside consultant was brought in to examine the condition of the ballpark and it was rated as one of the tops in the industry.

Mr. Crain asked if the Tigers organization was utilizing Detroit and Wayne County businesses for the repairs and improvements. Mr. Lewand requested a report from the Tigers organization on the utilization of Detroit and Wayne County businesses.

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

On a motion by Mr. Hollowell, seconded by Mr. Naglick, Resolution Code DDA 19-04-83-158 was unanimously approved.

Amendment to the Development Agreement for 311 E Grand River

Mr. Shokar advised that the City of Detroit Downtown Development Authority (the "DDA") entered into a development agreement (the "Agreement") for 311 Grand River (the "Property") with 311 E Grand River, LLC (the "Developer") in April, 2017 as a result of a Request for Proposals issued by DDA staff. Under the terms of the Agreement, the Developer was to develop the Property into a boutique hotel. However, due to historical preservation constraints which impacted the feasibility of the project, the Developer requested a change in the proposed use from a hotel and event space to a restaurant, collaborative workspace and banquet facility. The DDA board approved the First Amendment to the Agreement August, 2018 formalizing such change.

Following the execution of the First Amendment, the Developer progressed with the development of the Property in accordance with the change in use. For instance, the Developer has made progress on securing tenants for the space, including negotiating a lease renewal with the basement restaurant tenant, Colors, of which the staff is largely returning citizens. However, while performing further due diligence activities in accordance with the Agreement, rising construction pricing and the cost to renovate a historic structure has resulted in additional costs to develop the Property. As a result of their due diligence, the Developer requested a reduction to the purchase price and extension to the closing schedule.

Based on the underwriting and evaluating the development project and the increasing cost of renovating historic structures, as well as the proposed returns to the Developer, DDA staff recommended a \$400,000 reduction in the purchase price from \$1,600,000 to \$1,200,000 and \$2,700,000 in project financing. The project financing includes \$1,500,000 in UDAG funding and



the land sale paid pursuant to a \$1,200,000 promissory note. In addition, the DDA staff requested extension of the closing date to July 31, 2019.

DDA staff requested the Board's approval to execute a Second Amendment to the Agreement comprising of the revised terms attached as Exhibit A (the "Revised Terms").

Mr. Naglick informed that the DDA Finance Committee has thoroughly reviewed the Revised Terms and is recommending the proposed transaction to the Board for approval.

A draft resolution was included for the Board's consideration.

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

On a motion by Mr. Crain, seconded by Mr. Jenkins, Resolution Code DDA 19-04-110-49 was unanimously approved.

Mr. Lewand advised that he had to leave and turned the chairing of the meeting over to Vice Chair Blaszkiewicz.

First Amendment to the Developer Agreement for 1468-1496 Randolph

Ms. Pavelko advised that on June 8, 2017, the City of Detroit Downtown Development Authority ("DDA") entered into an agreement ("Development Agreement") with Paradise Valley Real Estate Holdings II, LLC ("Developer") for the purchase and development of the properties located at 1468, 1480, & 1496 Randolph (collectively, the "Property"). The Property will be developed into a mixed-use project, with a minimum investment of \$26 Million, to include at least 83,000 square feet with at least 60 residential units and first floor retail space.

Subsequent to signing the Development Agreement, the Developer had sought to partner with adjacent landowners to create a larger development project and realize efficiencies for the site plan. After agreeing to a development plan and partnership structure, the adjacent landowner decided to seek alternative options. The Developer has since commenced predevelopment planning activities to carry out the originally planned project.

Based on these circumstances, the Developer has requested extensions to the Development Agreement, including an extension to the date of closing. Staff has reviewed this request and developed milestones to ensure predevelopment planning occurs expeditiously. Based on that review, DDA Staff requested the Board's approval for the execution of an amendment to the Development Agreement providing an extension to the date of closing to April 10, 2020 and all other extensions contained in Exhibit A which was provided in the Board material.

Ms. Navin disclosed that Mr. Jenkins is an equity partner in this transaction and, therefore, this item must be tabled for a minimum of seven days and brought back for a vote at the next meeting at which a super quorum, or two-thirds of the Board members, is present, excluding Mr. Jenkins.

Subsequent to a discussion the Board tabled this item.



Third Amendment to the Developer Agreement for Broadway Lofts

Mr. Shokar advised that on November 30, 2017, the City of Detroit Downtown Development Authority (“DDA”) entered into an agreement (“Development Agreement”) with Broadway Detroit Properties, LLC (“Developer”) for the purchase and development of the properties located at 1326 Broadway and 1332 Broadway (collectively, the “Property”). The Property will be developed into a 47,000 square foot mixed-use project at an estimated cost of \$11,000,000. The project will include approximately 14,700 square feet of first floor retail with office and residential space on floors 2 through 5. Six of the 30 residential units will be reserved for low income households with income at or below 80% area median income.

The Developer was impeded from proceeding with the due diligence process due to a fire at the Property in April 2017. For this reason, in April 2018 and September 2018, in accordance with the Force Majeure provisions of the Development Agreement, DDA staff executed amendments to the Development Agreement which extended the start date of the inspection period to the date that the Developer was able to access the property, rather than the effective date of the Development Agreement. The amendments also extended the dates of closing and the predevelopment milestones that were to be completed under the Development Agreement.

Upon the conclusion of the extended inspection period, the efforts to re-stabilize the building and remove the resulting debris have significantly delayed the development. For this reason, the DDA staff reviewed a new timeline for the development. This new timeline specifically identifies each predevelopment activity the Developer must complete and would amend the date of closing to allow the Developer to perform such remaining activities required under the Development Agreement. Based on this review, DDA Staff requested the Board’s approval to extend the closing date to December 31, 2019.

A draft resolution was included for the Board’s consideration.

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

On a motion by Mr. Hollowell, seconded by Mr. Jenkins, Resolution Code DDA 19-04-110-48 was unanimously approved.

GENERAL

Approval of Minutes

Mr. Blaszkiewicz questioned whether there were any additions, deletions or corrections to the minutes of the January 23, 2019 Regular Board meeting. Hearing none, the Board took the following action:

On a motion by Mr. Hollowell, seconded by Mr. Naglick, Resolution Code DDA 19-04-02-615 was unanimously approved.



Receipt of Treasurer's Report

Mr. Naglick reviewed the Treasurer's Report of Receipts and Disbursements for the Months of December 2018, and January and February 2019 for the benefit of the Board and responded to questions.

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

On a motion by Mr. Ogden, seconded by Mr. Hollowell, Resolution Codes 19-04-03-493, 19-04-03-494 and 19-04-03-495 were unanimously approved.

ADMINISTRATION

Ms. Kanalos informed that the DEGC has purchased tablets for the Board Members' use, with the goal being to go paperless by the beginning of the new fiscal year July 1. Board Administration staff researched various software programs and decided on one called Directorpoint. Board members will be receiving an invitation from Directorpoint shortly.

OTHER MATTERS

Mr. Hollowell informed the Board that the Tigers Ticket Donation Program Committee met on March 8, 2019 with representatives from the Tigers organization present. Mr. Hollowell expressed his concerns about the outcome of the meeting and requested that monthly Committee meetings be scheduled by the next Board meeting, and the Committee will continue to meet until all of the following concerns are resolved:

- a. Agreed-upon proposed plan of correction to ensure that at least 50,000 tickets are provided to children as defined by the CMA.
- b. Hard definition of who is the intended audience. It is unclear if it is Detroit and Wayne County only or is it the State of Michigan. Is it underprivileged children or does the definition include deserving children.
- c. Research and confirm sources of funding for the construction of Comerica Park.
- d. Agree upon metrics that will be regularly monitored during the season to gauge performance.
- e. Request that a senior level Ilitch representative also attend the meeting. Board members requested Chris Ilitch.

PUBLIC COMMENT

Mr. Blaszkiewicz called for public comment and stated that two minutes would be given.

Mr. John Lauve of Holly, Michigan stated the following:

"Here is what the Tiger lease says—they are obligated to provide these tickets. And here is the solution to get this thing going that I wrote back in 2017 where you send them a letter saying they are in default. This isn't for deserving kids. It specifically says children of low-income families. So, you're going to take great people that are doing well in school and they're going to forget the kids of low-income families because we are going to put



them up on a pedestal and the rest to the curb. That is not appropriate at all. We've been talking about this for a few years and I am very happy that it has at least gotten to this level because it is so atrocious. It is their obligation. They want to masacaraed it as a donation program and they're Mr. Wonderful. No. It is an obligation, and the plan has to be approved not only by you but by the Stadium Authority. That is in the lease. So, where are we? You are right. We don't have a program. There is nothing and they want to abadaba it out, so, it's well, we're working on it. It's help us, tell us what to do. No, they have an obligation and its real simple. It's in black and white—it's children of low-income families. That means everybody that is on the school lunch program. That is the population that you talk with. They need to be encouraged to see that they are a part of it. That is what is so egregious about this. I just get sick of listening to this. I don't know what else to say but you need to write them a letter that they are in violation of the lease. It is real simple. Not that, oh, we are working real hard. They don't even tell you how many kids got the tickets."

Mr. Blaszkiewicz informed Mr. Lauve that his two minutes were up and thanked him for his comments.

ADJOURNMENT

With there being no other business to be brought before the Board, Mr. Blaszkiewicz adjourned the meeting at 3:58 p.m.

City of Detroit



Downtown Development Authority

500 Griswold, Suite 2200, 22nd Floor

Detroit, Michigan 48226

Phone: 313 963 2940

Fax: 313 963 8839

CODE DDA 19-04-83-158

COMERICA BALLPARK: RESOLUTION CONSENTING TO 2019 PROPOSED SCHEDULED REPAIRS & IMPROVEMENTS

WHEREAS, the City of Detroit Downtown Development Authority (the "DDA") and the Detroit Tigers, Inc. (the "Tigers") entered into a Concession and Management Agreement, dated December 19, 1996 as restated and amended (the "CMA"), with the approval of the Detroit/Wayne County Stadium Authority (the "Authority"); and

WHEREAS, under the terms of Article 11.5 of the CMA, the DDA and the Authority have the right to prior consent on certain Improvements made to the Ballpark during the term of the CMA; and

WHEREAS, the Tigers have provided the DDA with a proposal for scheduled repairs and improvements planned for 2019 dated January 28, 2019 attached hereto; and

WHEREAS, the DDA staff has reviewed and recommends for consent by the DDA Board the 2019 Scheduled Repairs and Improvements proposed by the Tigers (attached) contingent on the Tigers fulfillment of the expressed requirements in section 11.5 relative to the performance of the repairs and improvements and to the Tigers securing the necessary approvals and permits from the Building and Safety Engineering Department

NOW, THEREFORE, BE IT RESOLVED, that the DDA Board of Directors hereby provides its consent for the Tigers to make the proposed 2019 Scheduled Repairs and Improvements to Comerica Ballpark and receive reimbursement from the Maintenance Repair and Replacement Fund in an aggregate amount not to exceed \$800,000.00 subject to the Tigers fulfilling the conditions of Article 11 of the CMA.

BE IT FINALLY RESOLVED, that the DDA Board of Directors hereby authorizes any two of the Officers of the DDA or any two Authorized Agents of the DDA or combination thereof to execute any and all documents, contracts, or other papers necessary to implement the provisions and intent of this resolution on behalf of the DDA.

April 10, 2019

City of Detroit



Downtown Development Authority

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Detroit, Michigan 48226

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CODE DDA 19-03-110-49

PARADISE VALLEY BUSINESS & ENTERTAINMENT DISTRICT: AMENDMENT TO DEVELOPMENT AGREEMENT--311 E GRAND RIVER

WHEREAS, on April 12, 2017 the City of Detroit Downtown Development Authority ("DDA") and 311 E Grand River, LLC (the "Developer") executed a development agreement (the "Agreement") for the redevelopment of 311 Grand River (the "Property"); and

WHEREAS, in August 2018, the DDA Board of Directors approved an amendment to the Agreement amending the development of the Property from the originally intended hospitality use to a mixed-use development after due diligence activities revealed that the hospitality use to be no longer feasible; and

WHEREAS, further due diligence activities resulted in additional costs due to rising construction pricing and the cost to renovate a historic structure and for such reasons, Developer has requested an extension to the date of closing to July 31, 2019 and a \$400,000 reduction in the purchase price; and

WHEREAS, DDA staff seeks the Board's approval of the revised terms set forth on Exhibit A hereto (the "Revised Terms"), which will be incorporated into an amendment to the Agreement; and

WHEREAS, the Board of Directors has determined that the Revised Terms are reasonable and consistent with the DDA's objectives for development in the Downtown District.

NOW, THEREFORE, BE IT RESOLVED, that the DDA Board of Directors hereby approves the Revised Terms.

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 Agreement consistent with the Revised Terms, together with such other terms and conditions deemed reasonable by DDA's counsel and Authorized Agents.

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 the 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.

April 10, 2019

City of Detroit



Downtown Development Authority
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CODE DDA 19-04-110-48

PARADISE VALLEY BUSINESS & ENTERTAINMENT DISTRICT: THIRD AMENDMENT TO THE DEVELOPER AGREEMENT FOR BROADWAY LOFTS

WHEREAS, in November 2017, the City of Detroit Downtown Development Authority ("DDA") entered into an agreement ("Development Agreement") with Broadway Detroit Properties, LLC ("Developer") for the purchase and development of the properties located at 1326 Broadway and 1332 Broadway (collectively, the "Property"); and

WHEREAS, because a fire at the Property prevented Developer from proceeding with the due diligence process, the DDA and Developer executed amendments to the Development Agreement which extended the start date of the inspection period and the date of closing; and

WHEREAS, the required ongoing efforts to re-stabilize the building and remove the resulting debris will prevent the Developer from completing the project in accordance with the current completion date set forth in the Development Agreement; and

WHEREAS, DDA staff has reviewed a new timeline and is recommending the Board's approval of an extension to the closing date to December 31, 2019 which would allow the Developer to complete the remaining predevelopment activities required under the Development Agreement; and

WHEREAS, the DDA Board of Directors has determined that such extension it is consistent with the DDA's goal of redeveloping Paradise Valley and the surrounding area and it is consistent with the DDA's statutory purposes.

NOW, THEREFORE, BE IT, RESOLVED, that the extension to the date of closing 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 DDA'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 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.

April 10, 2019

City of Detroit



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CODE DDA 19-04-02-615

APPROVAL OF MINUTES OF JANUARY 23, 2019

RESOLVED, that the minutes of the Regular meeting of January 23, 2019 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.

April 10, 2019

City of Detroit



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CODE DDA 19-04-03-493

RECEIPT OF TREASURER'S REPORT FOR DECEMBER 2018

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending December 31, 2019, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

April 10, 2019

City of Detroit



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CODE DDA 19-04-03-494

RECEIPT OF TREASURER'S REPORT FOR JANUARY 2019

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending January 31, 2019, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

April 10, 2019

City of Detroit



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CODE DDA 19-04-03-495

RECEIPT OF TREASURER'S REPORT FOR FEBRUARY 2019

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending February 28, 2019, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

April 10, 2019

TIGER LEASE

2000 TIGERS GET FREE HOME

2019 NO PLAN (FOR KIDS) TICKETS

(ZIP, ZERO, NONE)

“to be approved by the DDA and the Authority”

SEC 21.2

50,000 KIDS TICKETS (Low Income)

MISSING DATA

_____ # OF KIDS @ ballpark

_____ # of low income kids

13,000 # of unused tickets 2018

_____ unused total since 2000

\$ 416,000

Amount owed for unused kids tickets @ \$32 ea