



**ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS REGULAR MEETING  
TUESDAY, JUNE 11, 2019 – 8:30 A.M.**

**BOARD MEMBERS PRESENT:** Marsha Bruhn  
Kimberly Clayson  
Linda Forte  
Damon Hodge  
Kwaku Osei  
Matthew Roling  
Thomas Stallworth

**BOARD MEMBERS ABSENT:** Maurice Cox (Ex-Officio)  
Chris Jackson  
Jonathan Quarles  
John Naglick (Ex-Officio)

**SPECIAL DIRECTORS  
PRESENT:** None

**SPECIAL DIRECTORS  
ABSENT:** None

**OTHERS PRESENT:** Cora Capler (DEGC/EDC)  
Maria Galazara (GSD)  
Gay Hilger (DEGC/EDC)  
Althea Jackson (Documenters)  
Paul Kako (DEGC/EDC)  
Jennifer Kanalos (DEGC/EDC)  
John Lauve (Public)  
Glen Long, Jr. (DEGC/EDC)  
Rebecca Navin (DEGC/EDC)  
Kit Parks (Documenters)  
Sarah Pavelko (DEGC/EDC)  
Joanne Warwick (Public)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS REGULAR MEETING  
TUESDAY, JUNE 11, 2019  
DETROIT ECONOMIC GROWTH CORPORATION  
500 GRISWOLD, SUITE 2200  
8:30 A.M.**

**CALL TO ORDER**

Noting that a quorum was present, Chairperson Forte called the Regular meeting of the Economic Development Corporation Board of Directors to order at 8:42 a.m.

**GENERAL**

**Approval of Minutes**

Ms. Forte asked if there were any additions, deletions or corrections to the minutes of the May 28, 2019 Regular Board meeting. Hearing none, the Board took the following action:

On a motion by Mr. Hodge, seconded by Mr. Osei, Resolution Code EDC 19-06-02-315 was unanimously approved.

**PROJECTS**

**DDA FUNDING, CITY GENERAL FUND AND BOND FUND REQUEST: RIVERFRONT ASSET PLAN AND ADMINISTRATION**

Ms. Pavelko advised that in 2017, the Economic Development Corporation of the City of Detroit (the "EDC") sold land located in the Waterfront East Project Plan Area to the Michigan Department of Natural Resources. In connection with the sale of land, the City of Detroit (the "City") and the EDC agreed to grant the sale proceeds totaling \$4,300,000 million to the City of Detroit Downtown Development Authority (the "DDA") under the condition that the funds be provided as a forgivable loan to support capital improvements for the City's Hart Plaza.

The City's General Services Department ("GSD") has recently requested the assistance of the EDC and the DDA to support a comprehensive Riverfront Asset Plan (the "Planning Study") it hopes to undertake in 2019. The Planning Study will include Hart Plaza, Aretha Franklin Amphitheater (formerly Chene Park), Erma Henderson Park/Marina and adjacent public land including Jefferson village. In particular, GSD would like the EDC to administer and manage the contract for the Planning Study. The purpose and scope of the Planning Study is further described in the attached Exhibit A.

The City has estimated that the total cost of the Planning Study, including contingency and administrative costs for management and implementation efforts, to be \$1,263,760. It is proposed such costs be split 50/50 between the City and the DDA.



In connection with the EDC's administration and management of the contract for the Planning Study, GSD has identified \$631,880 in funds from the City (the "City Funds") for the Planning Study. The City Funds are comprised of \$181,880 of City general funds to be allocated for administrative expenses and \$450,000 of City bond proceeds to be allocated towards the Planning Study. The remaining portion of the costs for the Planning Study totaling \$631,880 is to be funded by the DDA through its reserved funds for Hart Plaza (the "DDA Funds").

In connection with the administration of the Planning Study, staff is requesting the EDC Board of Directors approve the following: (i) acceptance of the City Funds pursuant to a funding agreement between the EDC and the City, subject to City Council approval and in accordance with the proposed terms in Exhibit B; (ii) acceptance of the and DDA Funds pursuant to a funding agreement between the EDC and DDA, subject to the approval of the DDA Board of Directors; and (iii) authorization to amend the EDC's Professional Services Agreement with the Detroit Economic Growth Corporation ("DEGC") allowing DEGC staff to provide the EDC with additional administrative services over three years totaling \$363,760 to administer the Planning Study.

A resolution was included for the Board's consideration.

Ms. Bruhn asked if the plans will come back to the Board for final approval. Ms. Pavelko responded that the EDC will be the sponsor of the plan. We will hire a staff person to manage the Plan. An RFP will be issued, and staff will have a collective review of the proposals received. Once a contractor is selected, it will be brought back to the EDC Board for approval. A presentation will be given to the Board on the Plan.

Mr. Osei asked if the EDC is acting as a pass-through. Ms. Navin stated that we are not using any EDC funds, but EDC is not just a pass-through because it will be contracting with and managing the contractor. Our staff will be involved and there will be other stakeholders involved as well, including the City because the City is partially funding it, and the DDA..

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

On a motion by Ms. Bruhn, seconded by Mr. Hodge, Resolution Code EDC 19-06-52-12 was unanimously approved

Ms. Bruhn requested that the Board be kept apprised when there are some benchmarks along the way, like when there are public meetings or if there is an interim report.

## **ADMINISTRATION**

### **EDC Budget for FY 2019-2020**

Ms. Kanalos advised that the proposed FY 2019-2020 EDC budget and resolution adopting the budget was included in the Board material for review and approval. She advised that we were unable to convene a Finance Committee meeting, but the Finance Committee Chair gave approval for the budget to be placed on the agenda.



Mr. Long reviewed the budget for the benefit of the Board and responded to questions. Subsequent to the discussion, the Board took the following action:

On a motion by Mr. Stallworth, seconded by Mr. Roling, Resolution Code EDC 19-06-01-204 was unanimously approved.

Mr. Osei asked that each of the transfers be reflected on the budget as separate line items to avoid confusion.

### **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, 2019.

Staff requested authorization to extend and/or execute a new City Agreement and DEGC Agreement together with such changes recommended or required by counsel for either party, for the period of July 1, 2019 to June 30, 2020.

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.

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

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

On a motion by Mr. Stallworth, seconded by Mr. Hodge, Resolution Code EDC 19-06-01-205 was unanimously approved.

### **Election of Officers**

Ms. Kanalos advised 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  
 Matthew Roling, Treasurer

Staff proposed that the Chairperson open the floor to nominations.

Ms. Forte asked the Board if there were any nominations. Ms. Bruhn questioned whether the current officers would be willing to serve another term. All of the current officers responded affirmatively, with the exception of Mr. Quarles who was absent.

Ms. Bruhn made a motion to nominate the current slate of officers to serve another term. Mr. Hodge seconded the motion.

Ms. Forte asked if there was a motion to approve the nominated slate of officers.

On a motion by Mr. Osei, seconded by Mr. Hodge, Resolution Code EDC 18-06-01-205 was unanimously approved.

**Schedule of Regular EDC Board Meetings for FY 2019-2020**

Ms. Kanalos advised that included in the Board material for review and approval is a resolution adopting a schedule indicating dates of the EDC Board’s regular meetings for the fiscal year 2019-2020. 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:

<b><u>2018</u></b>	<b><u>2019</u></b>
July 9, 2019	January 14, 2020
July 23, 2019	January 28, 2020
August 13, 2019	February 11, 2020
August 27, 2019	February 25, 2020
September 10, 2019	March 10, 2020
September 24, 2019	March 24, 2020
October 8, 2019	April 14, 2020
October 22, 2019	April 28, 2020
November 12, 2019	May 12, 2020
November 26, 2019	May 26, 2020
December 10, 2019	June 9, 2020
December 17, 2019*	June 23, 2020

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

With there being no objection to the proposed meeting dates, the Board took the following action:



On a motion by Mr. Hodge, seconded by Mr. Osei, Resolution Code EDC 19-06-01-206 was unanimously approved.

## **OTHER MATTERS**

### **PUBLIC COMMENT**

Ms. Forte called for public comment and informed that they would have two minutes:

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

“A couple of things here—this agenda, you don’t have any numbers on here. You should at least put the budget number and this contract number. It was hard to hear what you were saying and what the numbers were. Four hundred and fifty thousand for this contract. The thing that bothers me about this contract is why don’t you just hire an architect and have him oversee it, and then they have the resources and you don’t have to get involved in hiring somebody and creating an administration for that project. Then you’d have the depth of that architectural firm to draw on. And you don’t have the names of the people that are on the committee here. At City Council meetings, they have the names of the people that are on the Council, so that would be constructive. I am just concerned about what is happening in the city and this is an example right here. These two buildings are on Cass Avenue and Ilitch was going to tear these things down. The City Council stopped them, but you might notice that the windows are open and there is just a fence around it. So, they are not doing anything. And this is disgraceful to have a free pass for the Ilitch clan to have these blighted sites all over the city. They have the commitment to fix the Eddystone Hotel that they made. They were supposed to have it done a year after opening the Arena. They haven’t done anything except maybe clean the building. It is all open windows and they just got an extension for two years more to complete this. In the meantime, they’ve completed their Ilitch school of corruption. Now they’re building a medical facility next to the arena with a basketball court in it.”

Mr. Forte advised Mr. Lauve that his two minutes were up and thanked him for his comments.

Ms. Joanne Warwick stated the following”

“My name is Joanne Warwick and I live in the city of Detroit. I am a returning resident. I’ve taught school in the neighborhood I’m living in now. I am kind of horrified about what is going on in the city. I mean there are a lot of good things but there’s a lot. I just don’t get it. So, just a very curious thing, this real estate committee. You know there is something strange that people are telling me they don’t know what the real estate committee is, but, yet it is City documents, it is on a City web page and it says Detroit Economic Growth Corporate is a part of the committee. Now, and I find it a little strange because there are people like Melvin Hollowell who told me he didn’t know what I was talking about, Saskia Thompson, Erica Ward Gerson, and I just find that strange because I have a copy of some real estate meeting minutes from July 14, 2015 and Jana O’Hana



was there, right. So, she's the Land Bank. Jill Bryant is the Building Authority. So, this thing exists. Now, yesterday, I was told by the Mayor's office that now the real estate committee only consists of Matt Walters, whose mother, by the way, is on the Board of the Land Bank. So, anyway, to the extent that you all have anything to do with what is going on in the neighborhoods, please understand that there is a serious lack of community engagement and I just find that highly disturbing, because really a lot of what is going on violates the Detroit City Charter. The Land Bank, set up by Section 4-112, City Council is supposed to be approving the disposition of properties, not Mike Duggan or whoever it is on this real estate committee, because documents on the City's web page and the Land Bank finally say it. So, just wanted you to know that nuisance abatement that the Land Bank is doing is..."

Mr. Forte advised Ms. Warwick that her two minutes were up and thanked her for her comments.

### **ADJOURNMENT**

With there being no further business to come before the Board, on a motion by Ms. Bruhn, seconded by Ms. Clayson, Ms. Forte adjourned the meeting at 9:02 a.m.



**CODE EDC 19-06-02-315**

**APPROVAL OF MINUTES OF MAY 28, 2019 REGULAR MEETING**

**RESOLVED**, that the minutes of the Regular meeting of May 28, 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 Economic Development Corporation.

June 11, 2019





**CODE EDC 19-06-52-12**

**EAST RIVERFRONT: DDA FUNDING, CITY GENERAL FUND AND BOND FUND REQUEST:  
RIVERFRONT ASSET PLAN**

**WHEREAS**, the City of Detroit's General Services Department ("GSD") has requested the assistance of the Economic Development Corporation of the City of Detroit (the "EDC") to utilize certain funding to support a comprehensive Riverfront Asset Plan (the "Planning Study") whereby the EDC would administer and manage the contract for the Planning Study; and

**WHEREAS**, the purpose and scope of the Planning Study is further described in the attached Exhibit A; and

**WHEREAS**, EDC staff have estimated that the total cost of the Planning Study, including contingency and administrative costs, to be \$1,263,760 whereby GSD will provide the EDC with \$631,880 in funds from the City of Detroit (the "City Funds") and the City of Detroit Downtown Development Authority (the "DDA") will provide the EDC with the remaining \$631,880 (the "DDA Funds"); and

**WHEREAS**, in connection with the administration of the Planning Study, the Detroit Economic Growth Corporation ("DEGC") staff will provide additional administrative services to the EDC over a period of three years, at a cost of \$363,760; and

**WHEREAS**, EDC staff is recommending the Board of Directors approve the following: (i) acceptance of the City Funds and execution of a funding agreement with the City of Detroit (the "City") in accordance with the proposed terms in Exhibit B; (ii) acceptance of the and DDA Funds and execution of a funding agreement with the DDA; and (iii) authorization to amend the EDC's Professional Services Agreement with the DEGC allowing for additional administrative services over three years totaling \$363,760; and

**WHEREAS**, the EDC has the statutory authority to accept the City Funds and DDA Funds for the Planning Study; and

**NOW, THEREFORE, BE IT RESOLVED**, that the EDC Board of Directors hereby approves the recommendations contained in this resolution and the execution of the necessary agreements and amendments with the DDA, the City, and the DEGC.

**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 amendments and agreements, as applicable, and 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.

June 11, 2019



**CODE EDC 19-06-01-204**

**ADMINISTRATION: EDC BUDGET FOR FY 2019-2020**

**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 \$255,000.00 for operations of the EDC for fiscal year 2019-2020; and

**WHEREAS**, the EDC wishes to adopt a budget for its fiscal year beginning July 1, 2019 and ending June 30, 2020.

**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, 2019 and ending June 30, 2020 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 11, 2019



**CODE EDC 19-06-01-205**

**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, 2019 and ending June 30, 2020; 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, 2018 (the “DEGC Agreement”); and

**WHEREAS**, the DEGC Agreement will expire pursuant to the terms thereof on June 30, 2019, 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, 2019 and ending June 30, 2020; 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 - the EDC Vice Chairperson, the Treasurer, the Secretary, 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, 2019 and ending June 30, 2020.

**BE IT FURTHER RESOLVED** that the EDC Board of Directors hereby authorizes any two of its Vice Chairperson, Treasurer, Secretary, 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, 2019 and ending June 30, 2020, 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 11, 2019



CODE EDC 18-06-01-205

**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  
Matthew Roling, Treasurer

June 11, 2019



**CODE EDC 19-06-01-206**

**ADMINISTRATION: SCHEDULE OF REGULAR EDC BOARD MEETINGS FOR FY 2019-2020**

**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, 2019 and ending June 30, 2020. 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:

**2018**

July 9, 2019  
 July 23, 2019  
 August 13, 2019  
 August 27, 2019  
 September 10, 2019  
 September 24, 2019  
 October 8, 2019  
 October 22, 2019  
 November 12, 2019  
 November 26, 2019  
 December 10, 2019  
 December 17, 2019\*

**2019**

January 14, 2020  
 January 28, 2020  
 February 11, 2020  
 February 25, 2020  
 March 10, 2020  
 March 24, 2020  
 April 14, 2020  
 April 28, 2020  
 May 12, 2020  
 May 26, 2020  
 June 9, 2020  
 June 23, 2020

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