



**ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS SPECIAL MEETING  
TUESDAY, MARCH 31, 2020 – 8:30 A.M.**

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

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

**SPECIAL DIRECTORS PRESENT:** None

**SPECIAL DIRECTORS ABSENT:** None

**OTHERS PRESENT:** Pierre Batton (DEGC/EDC)  
Keyra Cokley (DEGC/EDC)  
Michelle Matthews (DEGC/EDC)  
Gregoire Eugene-Lewis (DEGC/EDC)  
Cora Capler (DEGC/EDC)  
Paul Kako (DEGC/EDC)  
Malinda Jensen (DEGC/EDC)  
Jennifer Kanalos (DEGC/EDC)  
Glen Long (DEGC/EDC)  
Kevin Johnson (DEGC/EDC)  
Rebecca Navin (DEGC/EDC)  
Helen Broughton (DEGC/EDC)  
Kelly Shovan (DEGC/EDC)  
Ja Lisia Melendez (DEGC/EDC)  
Medvis Jackson (DEGC/EDC)  
Denise Hundley (DEGC/EDC)  
Lexi Mabry (DEGC/EDC)  
Brian Vosburg (DEGC)  
Amanda Hanlin (DEGC/EDC)  
Sarah Pavelko (DEGC/EDC)  
Terry Jordan (DEGC/EDC)



Kenyetta Bridges (DEGC)  
Charlotte Fisher (DEGC)  
Drew Lucco (DEGC/EDC)  
Maria Mastej (City of Detroit)  
Mike Essian (American Community Developers)  
Julie Schneider (City of Detroit)  
Christina Peltier (City of Detroit)  
Sandra Stahl (City of Detroit)  
Megan Elliott (City of Detroit)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS SPECIAL MEETING  
TUESDAY, MARCH 31, 2020  
HELD VIA ZOOM VIRTUAL MEETING  
8:30 A.M.**

**GENERAL**

**Call to Order**

Noting that a quorum was present, Chairperson Forte called the meeting of the Economic Development Corporation Board of Directors to order at 8:34 a.m.

**Approval of Minutes**

Ms. Forte asked if there were any additions, deletions or corrections to the minutes of the February 25, 2020 Board meeting. Hearing none, the Board took the following action:

Mr. Osei made a motion approving the minutes of the February 25, 2020 Board meeting, as presented. Mr. Stallworth seconded the motion. A roll call vote was conducted with the following result:

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

Nays: None.

EDC Resolution Code 20-03-02-329 was approved.

**Receipt of Treasurer's Report**

Ms. Shovan reviewed the Treasurer's Report of Receipts and Disbursements for the month of February 2020 for the benefit of the Board. Seeing no discussion, the Board took the following action:

Mr. Brown made a motion accepting the Treasurer's Report of Receipts and Disbursements for the month of February 2020, as presented. Mr. Osei seconded the motion. A roll call vote was conducted with the following result:

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

Nays: None.

EDC Resolution Code 20-03-03-249 was approved.

**PROJECTS**

Ms. Forte stated that there was a request to move the Small Business Relief Program item to the first of the Projects.

**Establishment of Detroit EDC Small Business Covid-19 Relief Grant Fund**

Mr. Batton advised that recently, Governor Gretchen Whitmer activated the State Emergency Operations Center to maximize coordination with state, local and federal agencies, as well as private partners, to help prevent the spread of COVID-19. Since then, Governor Whitmer issued Executive Order 2020-20 mandating closure of certain businesses that are considered places of



public accommodation and limiting industry businesses to carry-out only. She then issued Executive Order 2020-21 which instituted a shelter in place restriction for all Michigan residents and ceased all in person non-essential business operations in the State of Michigan.

Staff has identified certain funds in current programs administered by the Economic Development Corporation of the City of Detroit (“EDC”) that, following appropriate approvals, could be reprogrammed in order to establish a grant fund to fund working capital grants in amounts up to \$10,000 to qualifying businesses located in the City of Detroit (the “Relief Grant Fund”).

Specifically, staff has identified the following funding sources (the “Proposed Reallocation”):

- Up to \$800,000 from Motor City Match (“MCM”) and Motor City Re-Store (“MCRS”) programs. This funding is available through previously awarded grants and technical assistance awards which have since expired. EDC staff have estimated that approximately \$604,000 in funds are currently available and estimate that the balance will be available by the end of June. These funds would be used to fund grants to MCM and MCRS awardees that are open in the location for which the MCM and MCRS awards were made. The proposed reprogramming is subject to approval by the City’s Housing and Revitalization Department.
- Up to \$2.3 Million from EDC’s revolving Casino Loan Fund programs. In June 2017, subject to City Council approval, the EDC Board approved a reprogramming of the programs to modify certain eligibility criteria and to create a loan program targeted at small businesses. Following the proposed allocation of up to \$2.3 Million for the Relief Grant Fund, approximately \$1.5 Million in unencumbered funds would remain to be used across all programs of the EDC’s Casino Loan Fund. The proposed reprogramming is subject to City Council approval.

Staff seeks the Board’s approval of the draft program guidelines for the Relief Grant Fund as attached in **Exhibit A** (the “Program Guidelines”), which are summarized below:

**Eligible Businesses:**

A business located in the city of Detroit that meets all the following requirements:

(i) is either:

- (A) in an industry referenced in Executive Order 2020-20 or a subsequent order of similar intent (“EO 2020-20”), **OR**
- (B) demonstrates it is otherwise adversely affected by the COVID-19 outbreak;

(ii) **and** meets **all** the following:

- (A) has 50 employees or less **or** is an open business that received an award from Motor City Match or Motor City Re-Store and is operating in the location for which the award was made; **AND**
- (B) operated in a commercial space in Detroit prior to March 16, 2020; **AND**
- (C) has had \$1 million or less in net income in each of the prior 3 years; **AND**



- (D) demonstrates need for working capital to support its payroll expenses, rent, mortgage payments, utility expenses, or other similar expenses that occur in the ordinary course of its business; **AND**
- (E) demonstrates an income loss as a result of EO 2020-20, or the COVID-19 outbreak.

**Eligible Uses:**

Payment of the following regularly occurring costs:

- Payroll for employees
- Rent/mortgage
- Utilities
- Other similar expenses that occur in the ordinary course of the recipient's business

In addition, in order to ensure the expeditious processing and awarding of grants, EDC staff seeks approval to accept and review applications for such grant awards and to delegate EDC staff the authority to approve eligible applicants for grants in an amount not to exceed \$10,000, based on the scoring criteria set forth in the Program Guidelines. Any proposed awards that deviate from the Program Guidelines would require Board approval.

A resolution approving (i) the establishment of the Grant Relief Fund consistent with the Program Guidelines substantially in the form attached as **Exhibit A**, (ii) the Proposed Reallocation, and (iii) a delegation of authority to staff to approve grant awards in conformance with the Program Guidelines was attached for the Board's consideration.

Mr. Osei asked if the Relief Grant Fund was in conjunction with the small business relief fund created by Tech Town or if the Relief Grant Fund was an additional, separate fund. Mr. Batton stated that the Relief Grant Fund is a separate fund from the one created by Tech Town and the EDC Staff has been working with Tech Town on the fund created by them.

Ms. Bruhn asked why the EDC Staff would have the authority to distribute funds from the Grant Relief Fund without EDC Board approval being required. Ms. Navin stated that rationale behind giving the EDC Staff the authority to distribute funds from the Grant Relief Fund without EDC Board approval required was due to the amount of each grant being less than \$10,000, the immediate need of the funds by small business owners, the expected volume of awards, and the extremely objective criteria to receive funds from the grant Relief Fund.

Ms. Forte asked if there is a plan to provide regular updates to EDC Board members including the number of awards, the recipients and the results of their application scoring so that the EDC Board can have a sense of the progress of the Grant Relief Fund. Ms. Navin stated that the EDC Staff would be happy to provide updates to the EDC Board as regularly as the EDC Board would like. Ms. Bruhn suggested that updates on the Grant Relief Fund be provided to the EDC Board on a monthly basis.



Ms. Clayson asked if the EDC Staff has heard from small business owners already and what the outreach process will be regarding the Grant Relief Fund. Mr. Batton stated that the EDC Staff has received inquiries from small business owners regarding the \$1.6 million in funds received from the Michigan Economic Development Corporation as part of the joint application with Wayne County for the Grant Relief Fund and the EDC Staff has set up a Google Form to collect contact information from small business owners interested in the Grant Relief Fund and about 1,700 small business owners, approximately 700 of which own small businesses in the City of Detroit, have added their contact information to the Google Form in order to be contacted about the Grant Relief Fund. Mr. Batton added that there is an article to be published by the Michigan Chronicle regarding the Grant Relief Fund, EDC Staff will be holding virtual meetings using Zoom to provide information to small business owners who are interested in the Grant Relief Fund, the District Business Liaisons will be reaching out to small business owners in their districts to inform them of the Grant Relief Fund, and the EDC Staff has been working with other organizations such as Invest Detroit, Tech Town, Accounting Aid Society, The Build Institute, Design Core, and others to make the availability of the Grant Relief Fund known.

Mr. Quarles asked if small business owners who apply for a loan from the Small Business Association Disaster Relief Fund would be able to apply for and receive funding from the Grant Relief Fund as well. Mr. Batton stated that a small business owner who receives funding through the Small Business Association Disaster Relief Fund would not be eligible to receive funds from the MEDC portion of the Grant Relief Fund because they were able to acquire outside financing and access to loan funding from other sources and is part of the scoring for the application for the Grant Relief Fund.

Mr. Long stated that the grant disbursements will also be shown in the monthly Treasurer's Reports in addition to the monthly updates on the Grant Relief Fund requested by the EDC Board.

Mr. Osei stated that he appreciates the effort of the EDC Staff to establish the Grant Relief Fund and asked what other initiatives are being contemplated for after the Covid-19 crisis. Mr. Batton stated that the EDC Staff is focusing on emergency action to assist small business owners during the Covid-19 crisis and to prepare small business owners through technical assistance and to prepare them to receive the funding opportunities made available through approximately \$350 billion in Small Business Association funding as part of the \$1 trillion stimulus package.

Mr. Stallworth asked if there is a way to leverage the resources in order to be able to measure the impact of the Grant Relief Fund on the small business community. Mr. Batton stated that the way to measure the success of the Grant Relief Fund is a question being addressed by the EDC Staff currently and the number of unknowns associated with the Covid-19 crisis makes it very difficult to come up with metrics to measure the success of the Grant Relief Fund. Mr. Batton added that the technical assistance services provided by EDC Staff will be a main focus of the long-term strategy to help small business owners through the Covid-19 crisis.

Mr. Stallworth asked if the main intent of the Grant Relief Fund is to provide emergency funds to small business owners to cover expenses for businesses in the short term. Mr. Batton confirmed



that the main intent of the Grant Relief Fund is to provide emergency funds to small business owners to cover expenses for businesses in the short term.

Mr. Jackson asked if Motor City Match and Motor City Restore awardees will be given any special consideration in the applications for the Grant Relief Fund or if there will be an outreach effort for those business owners regarding the Grant Relief Fund. Ms. Forte asked if there is any planned outreach to small business owners who receive funds from the Grant Relief Fund to gather information on the status of their business. Mr. Batton stated that a portion of the funding for the Grant Relief Fund, up to \$800,000, is sourced from expired or unused funding for the Motor City Match and Motor City Restore programs that would be available to Motor City Match and Motor City Restore awardees. Mr. Batton added that the applicants for the Grant Relief Fund will fill out a single application for funds from the Grant Relief Fund and it will be the responsibility of the EDC Staff to determine which sources of funding the applicant is eligible for in addition to the amount of funding the applicant is eligible to receive.

Ms. Bruhn asked for clarification on the eligibility requirements for the Grant Relief Fund. Mr. Batton and Ms. Navin provided clarification on the eligibility requirements for the Grant Relief Fund and each stream of funding included in the Grant Relief Fund.

Mr. Brown asked if the EDC Staff will provide a comprehensive list of resources available to small businesses in the community. Mr. Batton stated that there is a webpage as part of the DEGC website that is dedicated to providing information on the resources available to small businesses in the community.

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

Mr. Osei made a motion approving the Establishment of Detroit EDC Small Business Covid-19 Relief Grant Fund, as presented. Ms. Bruhn seconded the motion with the addition that EDC Staff provide monthly updates on the program to the EDC Board. A roll call vote was conducted with the following result:

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

Nays: None.

EDC Resolution Code 20-03-74-45/20-03-91-109 was approved.

Mr. Stallworth excused himself from the meeting at 9:25 am.

#### **Request to Accept and Transfer City Funds: Joe Louis Greenway**

Ms. Hanlin reported that the City's General Services Department ("GSD") has recently requested the assistance of the EDC to utilize Unlimited Tax General Obligation ("UTGO") bond funds to support services related to the construction of the Joe Louis Greenway (the "Greenway"). The Greenway is a 32-mile continuous loop of strategic on- and off-street bicycle and pedestrian paths linking Detroit neighborhoods from RiverWalk to Eight Mile Road with adjacent communities including Dearborn, Hamtramck, Highland Park and Ferndale. The purpose and scope of the Greenway is further described in the attached Exhibit A.



GSD would like the EDC to accept \$1,900,000 in UTGO bond funds (the “UTGO Funds”) from the City for later transfer to the Detroit Economic Growth Association (“DEGA”). In July 2017, the Ralph C. Wilson Jr. Foundation awarded the DEGA \$2,003,745 for comprehensive design and construction planning for unconstructed parts of the Greenway. The City is requesting that EDC transfer \$1,900,000 in UTGO bond funds to the DEGA to coalesce with the DEGA’s private philanthropic funds in order to support design and construction contracts for the development of the portion of the Greenway specific to a 7.5 mile off-street space utilizing a vacant Conrail line that spans from Warren/Central to Joseph Campau and McNichols. Specifically, these contracts provide services relative to development of design and construction documents for a 3-mile portion of the Conrail expanse as well as environmental and geotechnical engineering services for its entirety.

In connection with the administration of these contracts, staff is requesting the EDC Board of Directors approve the following: (i) acceptance of the UTGO Funds pursuant to a funding agreement between the EDC and the City, subject to City Council approval; and (ii) transfer of the UTGO Funds to the DEGA pursuant to the a funding agreement between the EDC and DEGA, subject to the approval of the DEGA Board of Directors.

A resolution was attached for the Board’s consideration.

Mr. Brown asked which portion of the Greenway is included for the UTGO Funds. Ms. Hanlin stated that the portion of the Greenway from Warren to Fullerton is included for the UTGO Funds.

Mr. Jackson asked if the EDC Board will be asked to review more items for approval in the future for the Greenway and in relation to the UTGO Funds. Ms. Hanlin stated that the EDC Board is being asked to transfer the UTGO Funds to the DEGA and EDC Staff can provide updates to the EDC Board on the progress of the Greenway project.

Mr. Jackson asked if the EDC Board can be provided updates on the Greenway project including the use of Detroit-based contractors on the project. Ms. Navin stated that the Greenway project is being led by the City of Detroit and the General Services Department and the EDC Staff can provide updates to the EDC Board on the progress of the Greenway project and the use of Detroit-based contractors.

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

Ms. Bruhn made a motion approving the Request to Accept and Transfer City Funds: Joe Louis Greenway, as presented. Mr. Brown seconded the motion. A roll call vote was conducted with the following result:

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

Nays: None.

EDC Resolution Code 20-03-74-45/20-03-88-10 was approved.



### **Tigers Stadium Redevelopment Project Plan: Development Agreement with American Community Developers**

Ms. Pavelko reported that In November, 2015, Detroit City Council (“City Council”) approved a Land Transfer Agreement (“LTA”) with the Economic Development Corporation of the City of Detroit (“EDC”) to transfer the Former Tiger Stadium Site support the activities contemplated in the 2007 Tiger Stadium Site Redevelopment Project Plan (the “Project Plan”). Of the Site, one parcel remains under the ownership of the EDC, Parcel 1 (the “Property”), as depicted in the attached survey as **Exhibit A**.

In 2019, the City of Detroit’s Planning and Development Department launched the Corktown Framework Planning process to direct City investment and priorities in this area including the development priorities for the Property. The preservation and expansion of affordable housing in Corktown has been identified as a top priority particularly given recent planned investments from Ford Motor Company. As a result, the City of Detroit’s Housing and Revitalization Department (“HRD”) intends to submit a CHOICE Neighborhood Implementation Grant (“CHOICE”) to the U.S. Department of Housing and Urban Development (HUD) to preserve the affordable units at an existing facility in Corktown, Clement Kern, in partnership with the owners, American Community Developers (the “Developer”). As a requirement to create a competitive application to HUD, HRD and Developer must have a fully funded project that will proceed regardless of the CHOICE funding.

To support the CHOICE grant application, HRD has requested that the EDC to enter into a Development Agreement for the Property (the “Agreement”) with the Developer. Staff has negotiated the terms set forth in the term sheet attached as **Exhibit B**. EDC staff is seeking the Board’s approval to enter into a development agreement reflecting the terms outlined in **Exhibit B**.

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

Mr. Brown asked if there are scaling requirements for CHOICE funding and if the Property was included in a Request for Proposal issued by the City of Detroit. Ms. Pavelko stated that the Property was not included in a Request for Proposal issued by the City of Detroit. Ms. Schneider stated that the Property is part of a larger development area that includes a significant number of proposed affordable residential units included in the application for the CHOICE funding.

With there being no further questions or discussion, the Board took the following action:

Ms. Bruhn made a motion approving the Tigers Stadium Redevelopment Project Plan: Development Agreement with American Community Developers, as presented. Mr. Brown seconded the motion. A roll call vote was conducted with the following result:  
Ayes: Mr. Brown, Ms. Bruhn, Ms. Clayson, Ms. Forte, Mr. Hodge, Mr. Jackson, Mr. Osei, and Mr. Quarles  
Nays: None.  
EDC Resolution Code 20-03-76-29. was approved.

### **ADMINISTRATION**



None.

**OTHER MATTERS**

Ms. Forte commended the EDC Staff on preparing the EDC Board meeting via Zoom and thanked the EDC Board Members for attending and being flexible under the circumstances.

**PUBLIC COMMENT**

None.

**ADJOURNMENT**

On a motion by Mr. Jackson, seconded by Mr. Hodge, Ms. Forte adjourned the meeting at 9:45 a.m.



**CODE EDC 20-03-02-329**

**APPROVAL OF MINUTES OF FEBRUARY 25, 2020 REGULAR MEETING**

**RESOLVED**, that the minutes of the regular meeting of February 25, 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.

March 31, 2020



**CODE EDC 20-03-03-249**

**RECEIPT OF TREASURER'S REPORT FOR FEBRUARY 2020**

**RESOLVED**, that the Treasurer's Report of Receipts and Disbursements for the period ending February 29, 2020, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

March 31, 2020



**EDC CODE: 20-03-74-45**  
**EDC CODE: 20-03-91-109**  
**Revised at Table**

## **ESTABLISHMENT OF DETROIT EDC SMALL BUSINESS COVID-19 RELIEF GRANT FUND**

**WHEREAS**, due to spread of the COVID-19 disease and the Governor's mandate that places of public accommodation close to occupancy or use by members of the public and members of the public shelter in place, a number of small businesses are facing financial difficulties; and

**WHEREAS**, Staff has identified certain funds in current programs administered by the Economic Development Corporation of the City of Detroit ("EDC") that, following appropriate approvals, could be reprogrammed in order to establish a grant fund to fund working capital grants in amounts up to \$10,000 to qualifying businesses located in the City of Detroit (the "Relief Grant Fund") as follows (the "Proposed Reallocation"):

- Subject to approval by the City's Housing and Revitalization Department, up to \$800,000 from Motor City Match ("MCM") and Motor City Re-Store ("MCRS") programs to fund grants to MCM and MCRS awardees that are open in the location for which their MCM and MCRS awards were made.
- Subject to City Council approval, up to \$2.3 Million from EDC's revolving Casino Loan Fund programs; and

**WHEREAS**, Staff recommends the EDC Board of Directors approve program guidelines for the Relief Grant Fund, substantially in the form attached in **Exhibit A** (the "Program Guidelines"); and

**WHEREAS**, EDC staff recommends the EDC Board of Directors delegate EDC staff the authority to approve grants for eligible applicants in an amount not to exceed \$10,000 based on the scoring criteria included in the Program Guidelines; and

**WHEREAS**, the EDC Board of Directors has reviewed the proposed Relief Grant Fund, its proposed Program Guidelines, and the Proposed Reallocation, and determined the Relief Grant Fund is appropriate, in the best interest of the EDC and the City of Detroit, and consistent with the EDC's statutory purposes.

**NOW, THEREFORE, BE IT RESOLVED**, the EDC Board of Directors hereby approves the establishment of the Relief Grant Fund, consistent with the Program Guidelines substantially in the form attached as **Exhibit A**, together with such changes as deemed necessary by EDC's counsel and / or Authorized Agents so long as such changes do not materially alter the nature or substance thereof.

**BE IT FURTHER RESOLVED**, that the Proposed Reallocation is hereby approved, subject to necessary approvals.



**BE IT FURTHER RESOLVED**, that the EDC Board of Directors hereby delegates authority to EDC staff to approve grants for eligible applicants in an amount not to exceed \$10,000 each, based on the scoring criteria included in the Program Guidelines and to submit a monthly activity report to the EDC Board for information only.

**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 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.

March 31, 2020



## EXHIBIT A

### **DETROIT EDC SMALL BUSINESSES COVID-19 RELIEF GRANT FUND**

#### Program Guidelines

#### **1. Executive Summary**

Recently, Governor Gretchen Whitmer activated the State Emergency Operations Center to maximize coordination with state, local and federal agencies, as well as private partners, to help prevent the spread of COVID-19. Since then, Governor Whitmer issued Executive Order 2020-20 mandating closure of certain businesses that are considered places of public accommodation and limiting restaurant industry businesses to carry-out only and Executive Order 2020-21. Governor Whitmer then instituted a shelter in place restriction for all Michigan residents and ceased all in person non-essential business operations in the State of Michigan.

To mitigate barriers to accessing capital for the City of Detroit's most vulnerable businesses, the Economic Development Corporation of the City of Detroit (EDC) has established a grant fund to fund working capital grants in amounts up to \$10,000 to qualifying businesses located in the City of Detroit.

#### **2. Award Details**

Grants will be available in amounts equal to \$2,500, \$5,000, \$7,500 or \$10,000.

Grants are intended to provide funding to help eligible small businesses to replace lost revenue needed to pay for the following regularly occurring costs:

- Payroll for employees
- Rent/mortgage
- Utilities
- Other similar expenses that occur in the ordinary course of the recipient's business

#### **3. Eligibility Criteria**

A business located in located in the city of Detroit that meets all the following requirements:

(i) is either:

- (A) in an industry referenced in Executive Order 2020-20 or a subsequent order of similar intent ("EO 2020-20"), **OR**
- (B) demonstrates it is otherwise adversely affected by the COVID-19 outbreak;



(ii) **and** meets **all** the following:

- (A) has 50 employees or less or is an open business that received an award from Motor City Match or Motor City Re-Store and is operating in the location for which the award was made; **AND**
- (B) operated in a commercial space in Detroit prior to March 16, 2020; **AND**
- (C) has had \$1 million or less in net income in each of the prior 3 years; **AND**
- (D) demonstrates need for working capital to support its payroll expenses, rent, mortgage payments, utility expenses, or other similar expenses that occur in the ordinary course of its business; **AND**
- (E) demonstrates an income loss as a result of EO 2020-20, or the COVID-19 outbreak.

**IMPORTANT NOTE:** EDC will only issue grants for constructive, economic purposes and will avoid situations which might negatively impact the image of the EDC and/or the City of Detroit.

#### 4. Application Process

BEFORE YOU APPLY, please make sure you have the following information about your business ready:

- Monthly expenses (rent/mortgage, utilities, etc.)
- Forecasted monthly revenue loss for March – September 2020
- Any additional aid received (TechTown Small Business Stabilization Fund, SBA Disaster Loan, franchise assistance, etc.) or expected to receive
- Any deferred and/or abatements of rent, debt service, utilities, franchise fees or other expenses received or expected to receive due to COVID-19
- Information regarding how COVID 19 has adversely impacted their business (and ability to provide supporting documentation if requested)
- 3 years of P&L statements or as many years as they can provide (or P&L from opening to present for businesses open less than 1 year)
- Proof of business location (e.g., copy of current lease or deed, utility bill, etc.)
- Business EIN and DUNS number
- Signed W-9

To apply, please follow the steps below:

1. Click <http://www.degc.org/local-business-support-for-covid-19/>
2. Fill in all applicable fields of the application
3. Ensure that any all required documentation has been uploaded
4. Click submit



You will receive an email confirmation within 24 hours of submitting your application. Please note that staff may ask you to complete and/or submit additional documentation to support your application as well.

Applications will be available on an open-ended basis until all designated grant funds are disbursed or Program staff determines that grant funds are no longer necessary to mitigate the negative effects of the COVID-19 pandemic.

## 5. Selection Process

All applications submitted will be reviewed by the EDC staff. Initial screenings will determine business eligibility based on the above criteria and completeness of application. Eligible businesses that have completed the application will have their applications referred to a review panel comprised of EDC staff members for scoring.

Scoring criteria is set forth in **Exhibit A**.

## 6. Distribution of Funds

Once a decision has been made, the applicant will be notified regarding the approval or denial and amount of award. Upon approval of the application by the review committee, the applicant will be required to confirm the mailing address of the business and execute a grant agreement. Once this has been done, The EDC will issue a check for the approved grant amount and mail it to the confirmed mailing address within approximately 5 business days.

**IMPORTANT NOTE:** Any grant award may be considered taxable income and you will receive a 1099 for the funds at the end of this tax reporting year. Each business should consult with its tax professionals to determine whether the grant award is considered taxable income.

## 7. Use of Grant Funds

Grant recipient may use the grant funds only for the following regularly occurring costs:

- Payroll for employees
- Rent/mortgage
- Utilities
- Other similar expenses that occur in the ordinary course of the recipient's business

Grant recipient will be required to provide proof that the funds have been spent on the above approved uses as outlined in the applicant's original application within 45 calendar days from disbursement of grant funds. If the grant recipient fails to provide such proof



and/or uses the grant funds for any other purpose, the grant recipient may be required to repay the grant funds upon demand by the EDC.

## **8. Applicant/Grant Recipient Information**

Except as noted below, the EDC will not share an applicant's or grant recipient's proprietary and confidential data with any third parties except as needed during the grant review, disbursement and monitoring process and as required by applicable law. The EDC is a governmental body and documents in the EDC's possession are subject to disclosure under the Michigan Freedom of Information Act ("FOIA"). EDC will endeavor to not disclose any information of an applicant or grant recipient it believes to be exempt under the FOIA; however, notwithstanding anything stated otherwise herein, the EDC cannot guarantee the confidentiality of an applicant's or grant recipient's submissions and specifically does not warrant that any documents submitted in connection with the grant application or the grant are exempt from disclosure under the FOIA. Applicants and grant recipients should clearly mark such information as proprietary and confidential. Applicant and grant recipient data will not be sold.

The information contained herein is subject to the actual grant agreement and the written terms and conditions contained therein, as the same may be amended from time to time. EDC also reserves the right to make the final determination of any person's or organization's eligibility and/or qualifications for program benefits, and to make allocation of program benefits as it may, in sole discretion deem appropriate.

## **9. Additional Information**

- Additional Information regarding application assistance or small business covid-19 related resources may be found by visiting <http://www.degc.org/local-business-support-for-covid-19/> .



## **EXHIBIT A** **Scoring Criteria**

First, staff will verify business eligibility based on self-reported data submitted in the application for the eligibility criteria set forth in the Program Guidelines.

Second, at least 3 staff members will review eligible applications based upon 6 criteria. Staff scores will be averaged and result in overall score.

1. Percentage of lost revenue
2. Age of business
3. Profitability
4. Total number of employees the last 3 years
5. Current employees (including independent contracts that work in establishment full time)
6. Location

All applications will be scored on a scale of 0-100. Each of the six criteria is worth a maximum of 16 or 20 points to contribute to the 100-point score. Up to 10 additional points can be added to an applicant's overall score based a business's community impact as determined by the review committee. Selection criteria are weighted as follows:

### **Percentage of lost revenue**

- 0 – 24% revenue loss: 4 points
- 25 – 49% revenue loss: 8 points
- 50 – 74% revenue loss: 12 points
- 75% or higher revenue loss: 20 points

### **Age of business**

- Less than 1 year: 0 points
- 1-2 years: 4 point
- 3-5 years: 8 points
- 5+ years: 16 points

### **Profitability**

- 1 of the last 3 years: 8 points
- 2 of the last 3 years: 12 points
- 3 of the last 3 years: 16 points

### **Total Number of employees the last 3 years:**

- 2-4: 4 points
- 5-10: 8 points
- 11 or more: 16 points



**Current Employees- this includes subcontractors-**

- 1-4 employees: 8 point
- 5-8 employees: 12points
- 8+ employees: 16 points

**Location**

- greater than 5 miles from a high impact commercial corridor: 0
- Within 3 and 5 miles of a high impact commercial corridor: 4
- Within 1 and 3 miles of a high impact commercial corridor: 8
- On a high impact commercial corridor: 16 points

Grant amounts will be determined based on a business's overall score rank in relation to all applications received. Applications are eligible for the following grant awards based on their overall score, subject to funding availability:

- Overall score is greater than 70: \$10,000
- Overall score is between 50-69: \$7,500
- Overall score is between 35-49: \$5,000
- Overall score is between 25-34: \$2,500
- Scores less than 25: not eligible

Staff reserves the right to consider access to additional/outside capital and/or other COVID-19 relief assistance when determining final grant amounts. Additionally, final grant amounts will not exceed a business's financial need as determined using the following 3 factors:

- what are operating expenses for the next 90 days?
- what is projected revenue for the next 90 days?
- How much aid has the awardee already secured?
  - $(\text{Revenue} + \text{aid}) - \text{expenses} = \text{grant range}$ 
    - \$1,000, \$2,500, \$5,000, \$7,500, or \$10,000



**CODE EDC 20-03-88-10**

**REQUEST ACCEPT AND TRANSFER CITY FUNDS: JOE LOUIS GREENWAY**

**WHEREAS**, the City's General Services Department ("GSD") has recently requested the assistance of the EDC to utilize Unlimited Tax General Obligation ("UTGO") bond funds to support services related to the construction of the Joe Louis Greenway (the "Greenway").

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

**WHEREAS**, the City is requesting that EDC transfer \$1,900,000 in UTGO bond funds ("UTGO Funds") to the DEGA to coalesce with the DEGA's private philanthropic funds in order to support design and construction planning contracts for the development of a 7.5-mile off-street greenway and public recreation space utilizing a vacant Conrail line; and

**WHEREAS**, these contracts provide services relative to development of design and construction documents for a 3-mile portion of the Conrail expanse as well as environmental and geotechnical services for its entirety; and

**WHEREAS**, EDC staff is recommending the EDC Board of Directors approve the following: (i) acceptance of the UTGO Funds pursuant to a funding agreement between the EDC and the City, subject to City Council approval; and (ii) transfer of the UTGO Funds to the DEGA pursuant to the a funding agreement between the EDC and DEGA, subject to the approval of the DEGA Board of Directors.

**WHEREAS**, the EDC has the statutory authority to accept the UTGO Funds; and

**NOW, THEREFORE, BE IT RESOLVED**, that the EDC Board of Directors hereby approves the (i) acceptance of the UTGO Funds pursuant to a funding agreement between the EDC and the City, subject to City Council approval; and (ii) transfer of the UTGO Funds to the DEGA pursuant to the a funding agreement between the EDC and DEGA, subject to the approval of the DEGA Board of Directors..

**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 agreements 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.



March 31, 2020



**EXHIBIT A**

**PROJECT SCOPE PRESENTATION TO BE PROVIDED.**



**CODE EDC 20-03-76-29**

**TIGERS STADIUM REDEVELOPMENT PROJECT PLAN: DEVELOPMENT AGREEMENT WITH AMERICAN COMMUNITY DEVELOPERS**

**WHEREAS**, in November, 2015, the Detroit City Council (“City Council”) approved a Land Transfer Agreement (“LTA”) with the Economic Development Corporation of the City of Detroit (“EDC”) to transfer the Former Tiger Stadium Site support the activities contemplated in the 2007 Tiger Stadium Site Redevelopment Project Plan (the “Project Plan”); and

**WHEREAS**, one parcel remains under the ownership of the EDC, Parcel 1 (the “Property”), as depicted in the attached survey as **Exhibit A**.

**WHEREAS**, the Corktown Framework Plan undertaken by the City’s Planning and Development Department identifies the preservation and expansion of affordable housing in Corktown as a top priority for the area; and

**WHEREAS**, the City of Detroit’s Housing and Revitalization Department (“HRD”) intends to submit a CHOICE Neighborhood Implementation Grant (“CHOICE”) to the U.S. Department of Housing and Urban Development (HUD) to preserve the affordable units at an existing facility in Corktown, Clement Kern, in partnership with the owners, American Community Developers (the “Developer”); and

**WHEREAS**, HRD has requested the EDC to enter into a Development Agreement for the Property (the “Agreement”) with the Developer in order to satisfy HUD’s requirement for CHOICE that HRD and Developer must have a fully funded project that will proceed regardless of the CHOICE funding; and

**WHEREAS**, Staff and the Developer have negotiated a term sheet attached as **Exhibit B** setting forth proposed terms for the development of the Property (the “Proposed Terms”) and recommends the Board’s approval to enter into a development agreement reflecting the Proposed Terms.

**WHEREAS**, the Board has reviewed the Proposed Terms, determined that the Proposed Terms are consistent with the EDC’s goal of redeveloping the Tiger Stadium Site and is otherwise appropriate and consistent with the EDC’s statutory purposes.

**NOW, THEREFORE, BE IT, RESOLVED**, that the Proposed Terms are 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 a Development Agreement consistent with the Proposed Terms, 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 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.

March 31, 2020



## EXHIBIT A





## EXHIBIT B

### **Proposed term sheet** **American Community Developers** ***2610 Cochrane, Detroit MI***

The following represents the proposed terms and conditions to be contained in a Development Agreement between American Community Developers (“Developer”) and the Economic Development Corporation of the City of Detroit (“EDC”). These terms and conditions are non-binding unless and until Developer and EDC execute a mutually acceptable Development Agreement (“Agreement”) setting forth these and other terms to which Developer and the EDC may agree.

***Developer:*** American Community Developers, or an entity to be owned and formed by American Community Developers

***Property:*** 2610 Cochrane (the “Property”)

***Consideration:*** \$500,000.00

***EDC Approval:*** Estimated on or before March 17<sup>th</sup>, 2020

***Development Requirements for Proposed Project:*** The Developer will develop the Property into a residential housing development using Low-Income Housing Tax Credits (“LIHTC”) from the Michigan State Housing Development Authority (“MSHDA”) consisting of a minimum of 60 residential rental units, comprised of at least 50 apartment units and 10 townhomes with sufficient parking on-site parking (the “Minimum Requirements”). In the event that Developer receives Alternative Site Plan Approval (as defined below), the Project shall be revised to consist of at least 100 apartment units, comprised of at least 88 apartment units and 12 townhomes with sufficient on-site parking (the “Alternative Requirements”). Notwithstanding the foregoing, Developer may decrease the minimum number of units set forth in the Minimum Requirements or Alternative Requirements, as applicable, by up to 15% with EDC staff approval. With respect to the Minimum Requirements, Developer agrees that 48 of the 60 units will be set aside for households at 80% or less of AMI for a minimum of 30 years (“Affordable Units”). In the event that Developer develops the Alternative Requirements, Developer agrees that the number of Affordable Units on the site will include the greater of (a) 48 units or (b) 20% of the total units. These affordability restrictions shall run with the land and shall be recorded in Wayne County Public Records.

***Inspection Period:*** Developer will have 120 days following the execution of the Agreement to conduct its due diligence of the Property, which may include physical investigations, subject to execution of a Right of Entry agreement with the EDC.

***Title and Survey:*** Within 30 days following the execution of the Agreement, Developer must order a title insurance commitment with respect to the Property and an ALTA survey of the Property, at its sole expense. Within 20 days following its receipt of the title commitment and



survey, Developer must submit any objections to matters disclosed thereby to EDC, and EDC will notify Developer within 20 days of its receipt of such objections which objections it is prepared to cure at or prior to Closing. Any matters to which Developer does not object or EDC does not elect to cure shall be considered “Permitted Exceptions”. A title policy shall be issued in Developer’s name at Closing, at Developer’s sole expense.

**Community Engagement:** Developer will work with the City’s Planning and Development Department (“PDD”) and Department of Neighborhoods (“DON”) to engage the residents and stakeholder’s adjacent to the Property prior to submitting for Preliminary Plan Review (PPR) with BSEED, which shall include at least 1 community meeting regarding final design of buildings where input must be sought from the Greater Corktown community to ensure responsible design and development is occurring.

**Alternative Requirements Site Plan Approval:** Developer agrees to diligently pursue site plan approval from BSEED to allow the construction of the Alternative Requirements on the Property (the “Alternative Site Plan Approval”), including, without limitation, the completion of the tasks enumerated below on or before the stated completion date. Failure to complete the tasks within the time periods set forth below shall be grounds for termination of the Agreement by EDC.

<b>Task</b>	<b>Completion Date</b>
Submit conceptual site plan for the Alternative Requirements to PDD	July 31, 2020
Participate in community meeting	September 30, 2020
Submit conceptual site plan for the Alternative Requirements, including revisions based on community meeting, to BSEED for PPR	30 days following community meeting
Submit petition to BSEED for site plan approval, including all documents required therefor	60 days following receipt of BSEED’s comments from PPR

In the event that Developer completes each of the foregoing tasks within the time periods set forth above and does not receive site plan approval for the Alternative Requirement from BSEED on or prior to March 1, 2021, and is otherwise in compliance with the Agreement, Developer shall have the option to proceed to closing and complete the Project in accordance with the Minimum Requirements. EDC staff shall have the right to grant extensions to any of the foregoing completion dates, provided that such extensions do not exceed 120 days in the aggregate.

**Construction Plans and Schedule, Sources and Uses and Financing Plan:** Developer must secure firm funding commitments from all government agencies to fund the affordable residential units within 180 days following execution of the Agreement, including an award of LIHTC from MSHDA, or the Agreement will be subject to termination by the EDC. Final construction plans and construction schedule and financing plan must be submitted to EDC for



approval prior to Closing, with appropriate project financing to be consummated at or prior to Closing on the Property. Anticipated sources and uses to complete the Minimum Requirements, which may change, are set forth below, with final Financing Plan, which shall include commitment letters from debt and equity sources, to be subject to approval by EDC’s authorized agents:

<b>SOURCES</b>	<b>Total \$</b>
Permanent Financing	\$3,450,000
HOME Funds	1,000,000
LIHTC Equity	10,885,918
Deferred Developer Fee	89,592
<b>Total Sources</b>	<b>\$15,425,510</b>
<b>USES</b>	
Acquisition	\$500,000.00
Hard Costs	11,337,705
Soft Costs	3,587,805
<b>Total Costs</b>	<b>\$15,425,510</b>

**Zoning and Governmental Approvals:** Developer shall be responsible for securing all necessary governmental approvals in connection with the Development Plan prior to Closing, including without limitation, parcel combinations, zoning, site plan approval, and other permits and approvals as may be necessary for the construction of the Improvements as described.

**Closing:** Closing to occur within 12 months following the expiration of the Inspection Period, upon delivery by EDC to Developer of a quit claim deed for the Property, subject to the Permitted Exceptions, Developer’s ongoing obligations under the Agreement, and all applicable zoning and building restrictions. EDC staff may grant extensions of any of the Inspection Period and/or Closing without further Board approval, provided that all such extensions, in the aggregate, shall not exceed 3 months. Notwithstanding, EDC acknowledges that the use of HOME funds requires National Environmental Protection Act (NEPA) Clearance related to environmental conditions. Federal requirements prohibits certain choice-limiting actions (including acquisition) from occurring prior to receiving NEPA Clearance. The Developer shall not be considered in default of the Agreement for delays related to obtaining the NEPA Clearance, provided that Developer is otherwise in compliance with the Agreement.

**Prorations and Closing Costs:** In the event that the Property, or any portion thereof, is on the tax rolls as of the date of Closing, all taxes and assessments which have become a lien upon the Property as of the date of Closing shall be paid by the EDC, provided that current taxes shall be prorated and adjusted to the date of Closing on a due date basis, as if paid in advance. In the event that the Property, or any portion thereof, is not on the tax rolls as of the date of Closing, Developer will pay to the EDC at Closing an amount equal to the ad valorem taxes



which would have been levied had the Property been on the tax rolls, through the next summer and winter tax levy dates on which the Property is expected to be placed on the tax rolls, calculated on the basis of 50% of the current land value determined by the Assessor's office, prorated to the date of Closing. Developer shall be responsible for any and all third-party costs associated with the Closing, including but not limited to recording costs, transfer taxes, if any, title insurance premiums, and any closing fees charged by the title company. In addition, at Closing, the EDC shall be entitled to reimbursement of legal fees relating to the negotiation and consummation of the Agreement.

**Construction Commencement Date:** 60 days following Closing.

**Construction Completion Date:** 24 months following commencement of construction; liquidated damages in the amount of \$500.00 per day if construction is not complete within 24 months.

**Repurchase Option:** EDC will have the right to repurchase the Property, at the purchase price paid by Developer for the Property without interest and without pursuit costs, in the event that Developer does not commence or complete construction within the required timeframes.

**Guaranty:** Guaranty of Completion and Payment from a creditworthy entity reasonably acceptable to the EDC. EDC agrees that the Guaranty of Completion of Construction acceptable to the Developer's construction lender will be acceptable to the EDC.

**Conditions to Effectiveness:**

- Approval of terms and conditions contained herein by EDC Board of Directors
- Approval of the terms and conditions contained herein by the Director of PDD
- Execution by the EDC and Developer of a mutually acceptable Agreement including the above terms and other terms as a customary in a Development Agreement and not inconsistent with the foregoing.

[Signatures follow.]



Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2020

THE ECONOMIC DEVELOPMENT  
CORPORATION FOR THE CITY OF DETROIT

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: Authorized Agent

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: Authorized Agent

Approved as to form only:

\_\_\_\_\_  
Rebecca Navin, Esq., Counsel to EDC

AMERICAN COMMUNITY DEVELOPERS

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_



**EDC**

ECONOMIC DEVELOPMENT CORPORATION

500 Griswold, Suite 2200  
Detroit, MI 48226