



**NEIGHBORHOOD DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, AUGUST 27, 2019 – 8:45 A.M.**

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

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

OTHERS PRESENT: Pierre Batton (DEGC/NDC)
Charlotte Fisher (DEGC/NDC)
Lily Hamburger (DEGC/NDC)
Gay Hilger (DEGC/NDC)
Christine Holmes (Detroit Documenters)
Malinda Jensen (DEGC/NDC)
Paul Kako (DEGC/NDC)
Jennifer Kanalos (DEGC/NDC)
Glen Long (DEGC/NDC)
Lamar Lyons (Public)
Michelle Matthews (DEGC/NDC)
Rebecca Navin (DEGC/NDC)
Sarah Pavelko (DEGC/NDC)
Mariangela Pledl (DEGC/NDC)
Orza Robertson (DEGC/NDC)
Kelly Shovan (DEGC/NDC)



**MINUTES OF THE NEIGHBORHOOD DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, AUGUST 27, 2019
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200
8:45 A.M.**

CALL TO ORDER

Noting that a quorum was present, Chairperson Forte called the Regular meeting of the Neighborhood Development Corporation Board of Directors to order at 9:11 a.m.

GENERAL

Approval of Minutes

Ms. Forte asked if there were any additions, deletions or corrections to the minutes of the June 26, 2018 Regular Board meeting. Hearing none, the Board took the following action:

On a motion by Mr. Stallworth, seconded by Ms. Bruhn, Resolution Code NDC 19-06-02-77 was unanimously approved.

PROJECTS

First Amendment to the Development Agreement for Jefferson Village Project

Mr. Robertson reported that the Neighborhood Development Corporation of the Economic Development Corporation of the City of Detroit (the "NDC") previously engaged a developer to build houses within the Jefferson Village Project (the "Project"). The initial developer began constructing the houses but was unable to complete the Project and later defaulted under the terms of a development agreement entered into between the NDC and the original developer. Following default, the City of Detroit acquired title to 11 unfinished houses for the Project and transferred ownership of the properties to the NDC with the intent that the NDC select a new developer to complete the houses and make them available for sale to the general public.

In accordance therewith, in November 2012, the NDC entered into an agreement to purchase and develop land (the "Agreement") with Clark's Construction-Time Capital Development Group, LLC (the "Developer") to complete the Project. Under the terms of the Agreement, the Developer was to acquire title to and construct houses on properties identified as model houses and shell houses in the Agreement. The terms of the sale of each model house to the Developer was provided for in the Agreement. The sale terms for the model houses set a purchase price of \$5,000 for each model house sold to the Developer with additional compensation being provided to the NDC in the event that the sale of each model house from the Developer to a third-party owner exceeded \$317,000. The Developer has complied with the terms of the Agreement with respect to the sale



and construction of all five model houses. The NDC and Developer now seek to complete the sale and construction of the six remaining shell houses.

Pursuant to the terms of the Agreement, the sale of the shell houses to the Developer are to be agreed upon by the NDC and Developer prior to closing on the sale of a shell house and shall be memorialized in an amendment to the Agreement. Staff have proposed a purchase price of \$16,000 for each shell house and additional compensation to be paid to the NDC upon the sale of each shell house by the Developer to a third-party purchaser exceeds the projected sale price as indicated in **Table A**, the NDC and the Developer will each be entitled to receive 50% of the gross sale proceeds in excess of the projections, payable at the applicable closing to a third-party purchaser. The proposed terms of the Amendment are included in **Exhibit A** in the Board material (the "Terms").

NDC staff is seeking the Board's approval to execute an amendment to the Agreement in accordance with Terms.

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

Ms. Jensen suggested that it would be helpful to the Board if Mr. Robertson could share photos of the houses that are being sold. Mr. Robertson said that he can get that information to the Board but does not have the photos available at this time.

Mr. Robertson described the condition of the homes as shell homes with windows and doors and only Tyvek on the outside. He explained that the NDC did some concrete work and brick work to the properties to make sure they were winter tight. Mr. Brown asked how much was spent doing the work. Mr. Robertson said that it was roughly \$200,000.

Mr. Stallworth stated that this has been dragging on for years and what is the expectation for getting these homes completed? Mr. Robertson stated that there is not a target date. He explained the difficulty of getting a builder to come in to finish the job. He did an RFP and only received one bid. This builder came in and got the first seven homes done and did a very good job and he believes they will finish these homes. The goal is to get them done and get residents in them.

Ms. Forte questioned why the larger builders did not want the job. Mr. Brown stated that he could answer from a developer's perspective. Typically, they don't want to take on someone else's liability. The work has already been started and the plumbing and everything else has been done by another developer. Typically, a developer would want to start from scratch. Mr. Brown questioned if there is a larger plan for that area. Mr. Robertson answered that the EDC/City owns most of the property in Jefferson Village. Twenty-six of the lots were bought by a company in Canada and they haven't done anything with the lots. Ms. Forte questioned why a developer isn't interested in the rest of the lots. Mr. Robertson stated that they haven't marketed the property.

Ms. Bruhn asked if there is a reason why there are no future plans or discussion about development and who is going to make those decisions. Ms. Jensen stated that it is a policy



decision and our executive leadership will be working with the City Administration to begin the Phase II of this area.

Ms. Forte said that her concern is that it has been years since there has been any activity on that property and it appears that the EDC/City has missed the good years for real estate, particularly home building, anywhere in the city. She is concerned about looming potential recessionary conditions and that we haven't put these properties on the market.

Ms. Forte asked if there were any further question or comments. Hearing none, she called for a motion:

On a motion by Mr. Brown, seconded by Ms. Clayson, Resolution Code NDC 19-08-04-83 was unanimously approved.

ADMINISTRATION

Election of Treasurer

Ms. Kanalos advised that the Officer position of Treasurer of the Neighborhood Development Corporation is vacant and typically the NDC Board officers mirrors that of the EDC Board. Staff proposed that the Chairperson open the floor to nominations.

Ms. Forte asked if there were any nominations to serve as Treasurer. Ms. Bruhn nominated Mr. Stallworth. Ms. Forte asked if there were any other nominations. Hearing none, Ms. Forte called for a motion. On a motion by Ms. Bruhn, seconded by Mr. Jackson, Mr. Stallworth was nominated to serve as Treasurer.

Ms. Forte asked if there was a motion to elect Mr. Stallworth to the Officer position of Treasurer and the Board took the following action:

On a motion by Ms. Bruhn, seconded by Mr. Hodge, Resolution Code EDC 19-08-01-53 was unanimously approved.

OTHER MATTERS

PUBLIC COMMENT

ADJOURNMENT

On a motion by Mr. Stallworth, seconded by Mr. Hodge, Ms. Forte adjourned the meeting at 9:25 a.m.



CODE NDC 19-08-02-78

APPROVAL OF MINUTES OF JUNE 11, 2019 MEETING

RESOLVED, that the minutes of the Regular meeting of June 11, 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 Neighborhood Development Corporation.

August 27, 2019



CODE NDC 19-08-04-83

FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT FOR JEFFERSON VILLAGE PROJECT

WHEREAS, Neighborhood Development Corporation of the Economic Development Corporation of the City of Detroit (the “NDC”) was tasked to assist in the development of single-family houses within the Jefferson Village Project (the “Project”); and

WHEREAS, in November 2012, after an original developer defaulted on its obligations to construct the Project, the NDC entered into an agreement to purchase and develop land (the “Agreement”) with Clark’s Construction-Time Capital Development Group, LLC (the “Developer”); and

WHEREAS, under the terms of the Agreement, the Developer was to acquire title to and complete houses on properties identified in the Agreement as model houses and shell houses, with the terms of the sale of each model house being provided for in the Agreement; and

WHEREAS, the Developer has complied with the terms of the Agreement with respect to the sale and construction of the model houses and the NDC and Developer now seek to complete the sale and construction of the shell houses; and

WHEREAS, pursuant to the terms of the Agreement, the sale and construction of the shell houses shall be agreed upon by the NDC and Developer prior to closing on each shell house and memorialized in an amendment to the Agreement; and

WHEREAS, NDC staff is seeking the Board’s approval to execute an amendment to the Agreement in accordance with terms attached as **Exhibit A** (the “Terms”) governing the sale and construction of the shell houses; and

WHEREAS, the Board of Directors has determined that the Terms are reasonable and consistent with the NDC’s objectives for Project.

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

BE IT FURTHER RESOLVED that any two Officers, any two of the Authorized Agents of the NDC, or any one of the Officers and any one of the Authorized Agents of the NDC, shall hereafter have the authority to negotiate and execute an amendment to the Agreement consistent with the Terms, together with such other terms and conditions deemed reasonable by NDC’s counsel and Authorized Agents.



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Detroit, MI 48226

BE IT FURTHER RESOLVED that any two Officers, any two of the Authorized Agents of the NDC, or any one of the Officers and any one of the Authorized Agents of the NDC, 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 NDC.

BE IT FINALLY RESOLVED that all of the acts and transactions of any Officer or Authorized Agent of the NDC, in the name and on behalf of the NDC, 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.

August 27, 2019



CODE NDC 19-08-01-53

ADMINISTRATION: ELECTION OF TREASURER

RESOLVED that Thomas Stallworth is hereby elected to serve as Treasurer of the Board of Directors of the Economic Development Corporation of the City of Detroit:

August 27, 2019