



**ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS REGULAR MEETING  
TUESDAY, MAY 25, 2021 – 9:30 A.M.**

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

**BOARD MEMBERS ABSENT:** Jonathan Quarles  
Thomas Stallworth  
John Naglick (Ex-Officio)  
Katy Trudeau (Ex-Officio)

**SPECIAL DIRECTORS  
PRESENT:** None

**SPECIAL DIRECTORS  
ABSENT:**

**OTHERS PRESENT:** Jennifer Kanalos (DEGC/EDC)  
Cora Capler (DEGC/EDC)  
Malinda Jensen (DEGC/EDC)  
Paul Kako (DEGC/EDC)  
Jennifer Kanalos (DEGC/EDC)  
Glen Long (DEGC/EDC)  
Lexi Mabry (DEGC/EDC)  
Rebecca Navin (DEGC/EDC)  
Kelly Shovan (DEGC/EDC)  
Drew Lucco (DEGC/EDC)  
Pierre Batton (DEGC/EDC)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS REGULAR MEETING  
MAY 25, 2021  
HELD VIA ZOOM VIRTUAL MEETING  
9:30 A.M.**

**GENERAL**

**Call to Order**

Chairperson Forte called the meeting of the Economic Development Corporation Board of Directors to order at 9:30 a.m. Roll call was conducted, and a quorum was established.

**Approval of Minutes**

Ms. Forte asked if there were any additions, deletions, or corrections to the minutes of the May 11, 2021 Regular Board meeting. Hearing none, Ms. Forte called for a motion:

Ms. Bruhn made a motion approving the minutes of the May 11, 2021 Regular Board meeting, as presented. Mr. Osei seconded the motion.  
EDC Resolution Code 21-05-02-346 was approved.

**Receipt of Treasurer's Report**

Ms. Shovan reviewed the Treasurer's Report of Receipts and Disbursements for the month of April 2021. With there being no questions or discussion, Ms. Forte called for a motion.

Ms. Clayson made a motion approving the April 2021 Treasurer's Report, as presented. Mr. Hodge seconded the motion.  
EDC Resolution Code 21-05-03-263 was approved.

**PROJECTS**

**EDC Green Grocer Loan Funds– 7 Mile Foods- Loan Discounted Payoff**

Ms. Mabry presented the EDC Green Grocer Loan Funds– 7 Mile Foods- Loan Discounted Payoff.

On July 18, 2012, the Economic Development of the City of Detroit (“EDC”) provided a loan in the amount of \$200,000.00 (the “Loan”) to 7 Mile Foods, Inc (the “Borrower”) via the Green Grocer Project Revolving Loan Fund for a store renovation project. The Borrower's grocery store is located at 8139 East 7 Mile. It is a full-service, basic-format grocery store. The renovation included upgrading the exterior and interior of the store and replacing refrigeration and freezer equipment thru out the store.

The terms and conditions of the Loan included a 3% interest with a 10-year amortization and a maturity date of July 2019. The collateral was a UCC filing and Personal Guarantees. EDC served



as a subordinated lender to Local Initiatives Support Corporation (“LISC”). LISC loan funds were disbursed in 2013 in the amount of \$773,000.00.

The Borrower’s grocery store operates in a very viable part of Detroit’s Northeast area. The Borrower has endured the economic ups and downs of the City of Detroit through the years. EDC has served as an advocate in the process by providing various loan modifications. These modifications include adjustments to loan payments, modifications to the amortization schedules, and extensions to the maturity dates; thereby easing some of the Borrower’s financial burdens.

Even though certain structures and adjustments were made, the Borrower could not meet financial obligations and fell behind in remitting payments to EDC and LISC. Following the lead of LISC, in August 2018, default letters were issued. The Borrower responded to the letters with a plan of action which would have included a re-amortization of the loans and extended maturity dates; however, ultimately the modification was not approved by the EDC. After initial modification discussions, Borrower only made sporadic payments on the Loan. In an effort to receive continuous loan payments, EDC staff would reach out to the Borrower to remedy the issue, but neither the EDC nor LISC were able to collect monthly loan payments from the Borrower.

In an effort to collect payments on the Loan, the EDC and LISC recently took steps to declare a default on each party’s loan and enforce the liens on the Borrower’s collateral. Because the EDC is in a subordinate position to LISC, and therefore any proceeds received from the enforcement of the EDC’s and LISC’s liens on the collateral would first be payable to LISC, EDC staff continued to communicate with the Borrower to resolve this matter and collect a portion of the outstanding Loan balance.

The Borrower has now approached the EDC and is requesting a discounted loan payoff. To date, the Borrower has paid interest in the amount of \$23,928.42 and principal in the amount of \$68,077.45. The remaining principal balance of the Loan is \$131,922.97 and \$16,490.36 in interest and other fees remains outstanding. The current Loan balance is \$148,413.33. The Borrower has proposed a discounted payoff in the amount of \$66,000.00 to be paid over six (6) consecutive months with payments in the amount of \$11,000 after which the remaining balance of the Loan will be forgiven (the “Proposed Modification”).

The Borrower has recently gained a revenue in sales during the COVID-19 pandemic and is committed to this option. The Borrower has maintained proper communication in effort to come to a solution regarding its Loan obligation. By accepting the Proposed Modification, the EDC will be able to collect and realize a substantial payment on the Loan which has experienced payment and collectability issues over the years. For this reason, EDC staff finds it reasonable to accept the discounted loan payoff in the amount of \$66,000.00. In addition, LISC has approved the Proposed Modification, as required by the subordination agreement between LISC and EDC.

The EDC Finance Committee has reviewed the Proposed Modification and has recommended its approval to the EDC Board of Directors.

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



Ms. Clayson asked what the terms are if the Borrower does not make the payments as proposed. Ms. Mabry stated that the EDC Staff has not discussed those terms and are confident that the Borrower is willing to accept the Proposed Modification. Ms. Navin added that if the Borrower defaults on the Proposed Modification, then the amount that was to be forgiven under the Proposed Modification will no longer be forgiven until the default is rectified.

Ms. Clayson asked what the status of the loan with LISC is. Ms. Mabry stated that LISC has allowed the Borrower to pay \$56,000 back in loan back payments and approximately \$35,000 in back taxes and the Borrower will have monthly payments until 2024.

Ms. Forte asked if any part of the LISC loan will be forgiven. Ms. Mabry stated that EDC Staff has not been made aware if any part of the LISC loan will be forgiven.

Mr. Jackson asked for clarification on who the Borrower is. Ms. Mabry stated that the Borrower is Seven Mile Foods.

Mr. Jackson asked if the Borrower has any other financial obligations to the EDC. Ms. Mabry stated that the Borrower does not have any other financial obligations to the EDC.

Mr. Hodge stated that the EDC Finance Committee had a number of questions about this Proposed Modification and whether or not the EDC should approve the Proposed Modification based on the payment history of the Borrower and the subordinated position of the EDC and asked if LISC is aware of and in support of the Proposed Modification and if LISC's approval is required for the Proposed Modification. Ms. Mabry stated that LISC is in support of the Proposed Modification and LISC's approval is required for the Proposed Modification.

With there being no further questions or discussion, Ms. Forte called for a motion.

Mr. Osei made a motion approving the EDC Green Grocer Loan Funds— 7 Mile Foods- Loan Discounted Payoff, as presented. Mr. Hodge seconded the motion. EDC Resolution Code 21-05-80-07 was approved.

### **Transfer of UDAG Funds**

Ms. Navin presented the Transfer of UDAG Funds.

Pursuant to the terms of certain transfer agreements between the City of Detroit, acting through its Community and Economic Development Department, now known as the Housing and Revitalization Department ("HRD") and the Economic Development Corporation of the City of Detroit (the "EDC"), the EDC is in possession of certain funds through the Urban Development Action Grant program ("UDAG"). These UDAG proceeds were received by the EDC as repayments of loans and/or other advances made by the EDC using UDAG grants and/or proceeds of UDAG grants. As such, these proceeds are now available for certain economic development purposes, subject to the provisions of the original UDAG grants and transfer agreements.



In October 2018, EDC approved the transfer of \$2,500,000 of UDAG proceeds (the “UDAG Proceeds”) to the City of Detroit Local Development Finance Authority (“LDFA”) as a funding bridge which was repaid in May 2021.

Staff proposes using the reimbursed UDAG Proceeds as a short-term bridge needed by the Detroit Brownfield Redevelopment Authority (“DBRA”) in connection with the DBRA’s support of the new FCA plant at Mack and Conner (the “Project”). DBRA has substantially completed the site preparation and other construction activities that it undertook to support the project; however, due to various circumstances, in order to receive the final disbursement of Project funds from the Michigan Strategic Fund (“MSF”), the funding agreement between the DBRA and MSF must be amended. DBRA, MSF, and FCA have been working diligently towards the amendment and expect the amendment to be approved and the final disbursement to be made by the end of the summer. However, in the meantime, DBRA is requesting that EDC transfer the UDAG Proceeds to DBRA in order to satisfy outstanding payment obligations under various construction contracts; provided that, upon receipt of the final disbursement from MSF, DBRA would reimburse the UDAG Proceeds to the EDC (the “Proposed Transfer”).

The EDC Finance Committee has recommended the approval of the Proposed Transfer to the EDC Board of Directors and EDC staff now seeks approval of the Proposed Transfer consistent with the terms noted above.

A resolution was attached for the Board’s consideration.

With there being no questions or discussion, Ms. Forte called for a motion.

Mr. Hodge made a motion approving the Transfer of UDAG Funds, as presented. Ms. Clayson seconded the motion.

EDC Resolution Code 21-05-84-08 was approved.

### **Detroit Gateway Park Outlet Mall, LLC- Casino Loan National Retail/UDAG - Loan Restructure**

Ms. Mabry presented the Detroit Gateway Park Outlet Mall, LLC- Casino Loan National Retail/UDAG - Loan Restructure.

As this Board may recall, in March 2012, the Economic Development Corporation of the City of Detroit (“EDC”) Board of Directors approved a \$2,000,000.00 loan (the “Loan”) to Detroit Gateway Park Outlet Mall, LLC (the “Borrower”). The Loan consisted of \$1,500,000.00 of recycled Urban Development Action Grant funds and \$500,000.00 from the EDC’s Casino Loan fund. The Borrower utilized the Loan funds for the Detroit Gateway Park Outlet Mall Project which consists of a 340,000 square foot service-oriented retail center located at Eight Mile and Woodward (the “Project”). In addition to the Loan, the Borrower also received funding from the General Retirement System of the City of Detroit (“GRS”) and Meijer Corporation as well as tax incentives through New Market Tax Credits.

The collateral for the Loan includes a subordinate mortgage on the Project properties, assignment of lease & rents, and a UCC asset filing. The Loan had an initial term of 7 years with a maturity date in 2019 and the interest rate was 4%. Monthly loan payments were interest only (\$6,666.67)



until maturity. Upon maturity of the Loan, the Borrower requested that EDC restructure its Loan, however, prior to restructuring the Loan, the Borrower was required to complete a number of New Markets Tax Credit financial procedures. During such time, the Borrower continued to timely remit to the EDC interest only payments.

In early 2020, the "exit/unwind" financial procedures of the New Market Tax Credit financing structure were completed, and the Borrower amended the terms of the GRS and Meijer loans to extend the maturity dates of both loans to December 2024. In December 2020, the Borrower requested that this Board approve a modification of the Loan to match the terms of the Meijer loan. The modification request included the following: 1) maturity date will be extended to December 2024; 2) interest only payments (payable quarterly, in arrears) through maturity at the rate of 2.0%; and 3) one-time principal payment of 10% of the outstanding principal balance of the Loan (\$200,000.00) to be paid within 10 days of Borrower's receipt of the Summer 2020 tax increment financing revenues.

Following the Board's approval of the revised terms, the Borrower informed EDC staff that it had continued to experience significant income shortfalls as the Borrower had provided various rent concessions to tenants within the Project. In addition, in order for Borrower to continue to operate the Project, the Borrower was required to expend cash reserves and surpluses from prior years to cover shortfalls experienced in 2020 due to the COVID-19 pandemic. For this reason, the Borrower is further requesting that EDC restructure the Loan terms. The maturity date extension previously approved by the Board will remain, however, the Borrower will pay interest-only payments at a rate of 2.0% on a monthly basis through maturity and the Borrower requests that principal payment of 10% of the outstanding principal balance of the Loan (equal to \$200,000.00) be payable in four equal installments of \$50,000.00 from the Borrower's 2021 and 2022 summer and winter tax increment financing revenues. These payments will be paid directly to the EDC from the Eight Mile Woodward Corridor Improvement Authority.

As economic development is one of EDC's primary roles, in the inception of this loan, the subordinated debt was deemed an acceptable risk. EDC will remain vigilant in maintaining loan updates from the Borrower, GRS and Meijer before loan maturity.

The EDC Finance Committee has recommended the approval of the proposed loan restructure to the EDC Board of Directors and EDC staff now seeks approval of the loan restructure consistent with the terms noted above.

A resolution was attached for the Board's consideration.

With there being no questions or discussion, Ms. Forte called for a motion.

Mr. Jackson made a motion approving the Detroit Gateway Park Outlet Mall, LLC- Casino Loan National Retail/UDAG - Loan Restructure, as presented. Mr. Hodge seconded the motion.

EDC Resolution Code 21-05-74-49 was approved.

## **ADMINISTRATION**



### **EDC Budget for FY 2021-2022**

Ms. Kanalos reviewed the proposed EDC operating budget for FY 2021-2022 and advised that the EDC Finance Committee met and reviewed the proposed budget and recommends approval by the Board.

Citing no discussion, Ms. Forte called for a motion.

Mr. Hodge made a motion approving the EDC Budget for FY 2021-22 as presented. Ms. Bruhn seconded the motion.

EDC Resolution Code 21-05-01-216 was approved.

### **City of Detroit/EDC and DEGC/EDC Contracts Authorization**

Ms. Kanalos advised that the Economic Development Corporation's (the "EDC") agreement (the "City Agreement") with the City of Detroit (the "City") and the Professional Services Agreement (the "DEGC Agreement") with the Detroit Economic Growth Corporation (the "DEGC") will expire on June 30, 2021.

Staff is requesting authorization to extend the DEGC Agreement ("Exhibit A") and execute a new City Agreement together with such changes recommended or required by counsel for either party, for the period of July 1, 2021 to June 30, 2022.

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

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

Attached for the EDC Board's consideration was a resolution authorizing execution of the City Agreement and the DEGC Agreement.

Citing no discussion, Ms. Forte called for a motion.

Mr. Hodge made a motion approving the City of Detroit/EDC and DEGC/EDC Contracts for FY 2021-22 as presented. Mr. Brown seconded the motion.

EDC Resolution Code 21-05-01-217 was approved.

### **Election of Officers**

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

The current officers are as follows:

Linda Forte, Chairperson  
Jonathan Quarles, Vice Chairperson



Marsha Bruhn, Secretary  
Thomas Stallworth, Treasurer

Staff proposes that the Chairperson open the floor to nominations.

Ms. Forte opened the floor to nominations for Election of Officers.

Mr. Hodge made a motion to nominate and elect the current slate to serve another term.

Mr. Jackson seconded the motion.

EDC Resolution Code 21-05-01-218 was approved.

### **Schedule of Regular EDC Board Meetings For FY 2021-2022**

Ms. Kanalos advised that a proposed schedule of regular EDC Board meeting dates for FY 2021-2022 was included in the Board material.

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

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

Mr. Hodge seconded the motion.

EDC Resolution Code 21-05-01-219 was approved.

Ms. Kanalos stated that since the EDC Board has been holding meetings via Zoom the meetings have been held at 9:00 am but once the meetings are held in-person again the regular meeting time will be 8:30 am and asked if the resolution should be amended to reflect the different time.

Ms. Clayson stated that the resolution stating the meeting start time can be revisited once EDC Board meetings are expected to resume in-person. Ms. Navin agreed.

### **OTHER MATTERS**

None.

### **PUBLIC COMMENT**

None.

### **ADJOURNMENT**

On a motion by Mr. Hodge, which was seconded by Mr. Jackson, Ms. Forte adjourned the meeting at 10:04 a.m.



**CODE EDC 21-05-02-346**

**APPROVAL OF MINUTES OF MAY 11, 2021 REGULAR MEETING**

**RESOLVED**, that the minutes of the regular meeting of May 11, 2021 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.

May 25, 2021



**CODE EDC 21-05-03-263**

**RECEIPT OF TREASURER'S REPORT FOR APRIL 2021**

**RESOLVED**, that the Treasurer's Report of Receipts and Disbursements for the period ending April 30, 2021, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

May 25, 2021



**CODE EDC 21-05-80-07**

**EDC GREEN GROCER LOAN FUNDS– 7 MILE FOODS- LOAN DISCOUNTED PAYOFF**

**WHEREAS**, on July 18, 2012, the Economic Development of the City of Detroit (“EDC”) provided a loan in the amount of \$200,000.00 (the “Loan”) to 7 Mile Foods, Inc (the “Borrower”) via the Green Grocer Project Revolving Loan Fund for a store renovation project; and

**WHEREAS**, in August 2018, after the Borrower failed to remit monthly loan payments due under the Loan, the EDC in partnership with its partner lender, Local Initiatives Corporation (“LISC”), issued a default letter to the Borrower; and

**WHEREAS**, in an effort to collect payments on the Loan, the EDC and LISC recently took steps to enforce the liens on the Borrower’s collateral, however, because the EDC is in a subordinate position to LISC, and therefore any proceeds received from the enforcement of the EDC’s and LISC’s liens on the collateral would first be payable to LISC, EDC staff continued to communicate with the Borrower to resolve this matter and collect a portion of the outstanding Loan balance; and

**WHEREAS**, the Borrower has approached the EDC and is requesting a discounted loan payoff in the amount of \$66,000.00 to be paid over six (6) consecutive months with payments in the amount of \$11,000 after which the remaining balance of the Loan will be forgiven (the “Proposed Modification”); and

**WHEREAS**, to date, the Borrower has paid interest in the amount of \$23,928.42 and principal in the amount of \$68,077.45 and the outstanding Loan balance, including interest and fees, totals \$148,413.33; and

**WHEREAS**, EDC staff has reviewed the request and finds it reasonable to accept the Proposed Modification; and

**WHEREAS**, the EDC Finance Committee has reviewed the request for a Proposed Modification and recommends its approval to the Board of Directors; and

**WHEREAS**, the EDC Board has determined that approval of the Proposed Modification is in the best interests of the EDC.

**NOW, THEREFORE, BE IT RESOLVED**, that the EDC Board of Directors hereby approves the Proposed Modification.

**BE IT FURTHER RESOLVED** that any two Officers, any two of the Authorized Agents of the EDC, or any one of the Officers and any one of the Authorized Agents of the EDC, shall hereafter have the authority to negotiate and execute any and all 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 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.

May 25, 2021



**CODE EDC 21-05-84-08**

**TRANSFER OF UDAG FUNDS**

**WHEREAS**, Pursuant to the terms of certain transfer agreements between the City of Detroit, acting through its Community and Economic Development Department, now known as the Housing and Revitalization Department (“HRD”) and the Economic Development Corporation of the City of Detroit (the “EDC”), the EDC is in possession of certain funds through the Urban Development Action Grant program (“UDAG”); and

**WHEREAS**, these UDAG proceeds were received by the EDC as repayments of loans and/or other advances made by the EDC using UDAG grants and/or proceeds of UDAG grants and therefore, these proceeds are now available for certain economic development purposes, subject to the provisions of the original UDAG grants and transfer agreements; and

**WHEREAS**, in October 2018, EDC approved the transfer of \$2,500,000 of UDAG proceeds (the “UDAG Proceeds”) to the City of Detroit Local Development Finance Authority (“LDFA”) as a funding bridge which was repaid in May, 2021; and

**WHEREAS**, subject to the approval of HRD, staff proposes using the reimbursed UDAG Proceeds as a short-term bridge needed by the Detroit Brownfield Redevelopment Authority (“DBRA”) in connection with the DBRA’s support of the new FCA plant at Mack and Conner (the “Project”); and

**WHEREAS**, the UDAG Proceeds will be used by the DBRA to satisfy outstanding payment obligations under various construction contracts for the Project; provided that, upon receipt of a final disbursement of funds to the DBRA from the Michigan Strategic Fund for the Project, DBRA would reimburse the UDAG Proceeds to the EDC (the “Proposed Transfer”); and

**WHEREAS**, EDC staff has reviewed the request and determined that the use of the UDAG Proceeds for bridge funding to the DBRA in connection with the Project is consistent the EDC’s statutory purpose and with the transfer agreements.

**NOW, THEREFORE, BE IT RESOLVED**, that the EDC Board of Directors hereby authorizes the provision of the UDAG Proceeds to the DBRA for the Project and the Proposed Transfer.

**BE IT FURTHER RESOLVED** that the EDC Board of Directors hereby authorizes any two of its Officers or any two of its Authorized Agents or any one Officer and any one Authorized Agent to negotiate and execute a transfer agreement or similar agreements to effectuate the Proposed Transfer as deemed appropriate by such Authorized Agents and counsel which are not inconsistent with this resolution and do not alter the substance of the grant or adversely affect the rights and/or obligations of the EDC thereunder.

**BE IT FURTHER RESOLVED** the EDC Board of Directors hereby authorizes any two of its Officers or any two of its Authorized Agents or any one Officer and any one Authorized Agent to execute and all other documents, contracts and papers and take such other 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.

May 25, 2021



**CODE EDC 21-05-74-49**

**DETROIT GATEWAY PARK OUTLET MALL, LLC- CASINO LOAN NATIONAL RETAIL/UDAG  
- LOAN RESTRUCTURE**

**WHEREAS**, in March 2012, the Economic Development Corporation of the City of Detroit (“EDC”) approved a \$2,000,000.00 loan (the “Loan”) to Detroit Gateway Park Outlet Mall, LLC (the “Borrower”) which consisted of \$1,500,000.00 of recycled Urban Development Action Grant funds and \$500,000.00 from the EDC’s Casino Loan fund; and

**WHEREAS**, in addition to the Loan, the Borrower also received funding from the General Retirement System of the City of Detroit (“GRS”) and Meijer Corporation as well as tax incentives through New Market Tax Credits.; and

**WHEREAS**, in December 2020, the Borrower requested that the EDC Board approve a modification of the Loan to match the terms of the Meijer loan as follows: 1) extend the maturity date to December 2024; 2) interest only payments (payable quarterly, in arrears) through maturity at the rate of 2.0%; and 3) one-time principal payment of 10% of the outstanding principal balance of the Loan (\$200,000.00) to be paid within 10 days of Borrower’s receipt of the Summer 2020 tax increment financing revenues; and

**WHEREAS**, the Borrower recently informed EDC staff that it had continued to experience significant income shortfalls as the Borrower had provided various rent concessions to tenants within the Project and that due to the COVID-19 pandemic, the Borrower was required to expend cash reserves and surpluses from prior years to cover shortfalls it experienced in 2020; and

**WHEREAS**, the Borrower is now requesting that the EDC restructure the Loan as follows: 1) the maturity date extension previously approved by the Board will remain, 2) the Borrower will pay interest-only payments at a rate of 2.0% on a monthly basis through maturity, 3) the Borrower will make principal payments on 10% of the outstanding principal balance of the Loan (equal to \$200,000.00) in four equal installments of \$50,000.00 from the Borrower’s 2021 and 2022 summer and winter tax increment financing revenues, and 4) the foregoing principal payments will be paid directly to the EDC from the Eight Mile Woodward Corridor Improvement Authority (collectively, the “Modified Terms”); and

**WHEREAS**, EDC staff has reviewed the request and finds the Modified Terms reasonable; and

**WHEREAS**, the EDC Finance Committee has reviewed the Modified Terms and recommends their approval to the Board of Directors; and

**WHEREAS**, the EDC Board has determined that approval of the Modified Terms is in the best interests of the EDC.

**NOW, THEREFORE, BE IT RESOLVED**, that the EDC Board of Directors hereby approves the Modified Terms.



**BE IT FURTHER RESOLVED** that any two Officers, any two of the Authorized Agents of the EDC, or any one of the Officers and any one of the Authorized Agents of the EDC, shall hereafter have the authority to negotiate and execute any and all 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 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.

May 25, 2021



**CODE EDC 21-05-01-216**

**ADMINISTRATION: EDC BUDGET FOR FY 2021-2022**

**WHEREAS**, on the date hereof, the Board of Directors of the Economic Development Corporation of the City of Detroit (the "EDC") approved a resolution whereby the EDC would accept funding from the City of Detroit in the amount of \$275,000.00 for operations of the EDC for fiscal year 2021-2022; and

**WHEREAS**, the EDC wishes to adopt a budget for its fiscal year beginning July 1, 2021 and ending June 30, 2022.

**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, 2021 and ending June 30, 2022 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.

May 25, 2021



**CODE EDC 21-05-01-217**

**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, 2021 and ending June 30, 2022; 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, 2020 (the “DEGC Agreement”); and

**WHEREAS**, the DEGC Agreement will expire pursuant to the terms thereof on June 30, 2021, 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, 2021 and ending June 30, 2022; and

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

**NOW, THEREFORE, BE IT RESOLVED** that the EDC Board of Directors hereby authorizes any two of the following – its Officers or the Authorized Agents - to have full power and authority to execute the City Agreement in such form as required by the City and approved by EDC’s counsel, for the period beginning July 1, 2021 and ending June 30, 2022.

**BE IT FURTHER RESOLVED** that the EDC Board of Directors hereby authorizes any two of its Officers or designated Authorized Agents to have full power and authority to execute a new DEGC Agreement, in substantially the form attached hereto as Exhibit A, together with such changes recommended or required by counsel for either party, for the period beginning July 1, 2021 and ending June 30, 2022, 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.

May 25, 2021



**EXHIBIT A**

DEGC/EDC Contract



CODE EDC 21-05-01-218

**ADMINISTRATION: ELECTION OF OFFICERS**

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

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

May 25, 2021



**CODE EDC 21-05-01-219**

**ADMINISTRATION: SCHEDULE OF REGULAR EDC BOARD MEETINGS FOR FY 2021-2022**

**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, 2021 and ending June 30, 2022. Unless otherwise posted, such meetings will be held on the **second and fourth Tuesday of each month at 9:00 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:

**2021**

July 13, 2021  
 July 27, 2021  
 August 10, 2021  
 August 24, 2021  
 September 14, 2021  
 September 28, 2021  
 October 12, 2021  
 October 26, 2021  
 November 9, 2021  
 November 23, 2021  
 December 14, 2021  
 December 21, 2021\*

**2022**

January 11, 2022  
 January 25, 2022  
 February 8, 2022  
 February 22, 2022  
 March 8, 2022  
 March 22, 2022  
 April 12, 2022  
 April 26, 2022  
 May 10, 2022  
 May 24, 2022  
 June 14, 2022  
 June 28, 2022

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

May 25, 2021