



**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, OCTOBER 26, 2021 – 9:00 A.M.**

BOARD MEMBERS PRESENT: Clifford Brown
Marsha Bruhn
Linda Forte
Damon Hodge
Chris Jackson
Kwaku Osei
Jonathan Quarles

BOARD MEMBERS ABSENT: Antoine Bryant (Ex-Officio)
Kimberly Clayson
John Naglick (Ex-Officio)
Thomas Stallworth

**SPECIAL DIRECTORS
PRESENT:** None

**SPECIAL DIRECTORS
ABSENT:** None

OTHERS PRESENT: Erika Barker
Pierre Batton (DEGC/EDC)
Mike Curis (Curis Enterprises, Inc.)
Gay Hilger (DEGC/EDC)
David Howell (DEGC/EDC)
Kaci Jackson (DEGC/EDC)
Malinda Jensen (DEGC/EDC)
Kevin Johnson (DEGC/EDC)
Paul Kako (DEGC/EDC)
Jennifer Kanalos (DEGC/EDC)
Glen Long (DEGC/EDC)
Andrew Lucco (DEGC/EDC)
Rebecca Navin (DEGC/EDC)
Mariangela Pledl (DEGC/EDC)
Lexi Shaw (DEGC/EDC)
Kelly Shovan (DEGC/EDC)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
OCTOBER 26, 2021 – 9:00 A.M.
ZOOM VIRTUAL MEETING**

GENERAL

Call to Order

Chairperson Forte called the Regular meeting of the Economic Development Corporation Board of Directors to order at 9:00 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 September 28, 2021 Regular Board meeting. Hearing none, Ms. Forte called for a motion.

Ms. Bruhn made a motion approving the minutes of the September 28, 2021 Regular Board meeting, as written. Mr. Osei seconded the motion. All were in favor with none opposed.

EDC Resolution Code 21-09-02-353 was unanimously approved.

Receipt of Treasurer's Report

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

Mr. Osei made a motion approving the September 2021 Treasurer's Report, as presented. Mr. Quarles seconded the motion. All were in favor with none opposed.

EDC Resolution Code 21-10-03-268 was unanimously approved.

PROJECTS

CDBG Green Grocer Revolving Loan Fund: Loan Request for Twin Value, LLC

Ms. Pledl reported that on June 22, 2021, the Board of Directors of The Economic Development Corporation of the City of Detroit (the "EDC") approved Program Guidelines for new loans to be made from approximately \$400,000 in loan repayment proceeds from the Green Grocer Revolving Loan Fund originally operated by the EDC from 2012-2014 (the "Loan Fund"). On June 25, 2021, EDC staff issued an RFP seeking proposals for



loans to qualified grocers in the City of Detroit. EDC staff received 5 responses and selected 3 projects for consideration by the EDC Board for loans from the Loan Fund. Twin Value, LLC (“Borrower”) has been doing business in the city of Detroit at 18330 W. Chicago since 2004 under the name of Seaway Marketplace. Seaway Marketplace is a full-service supermarket with fresh produce, fresh meats and dairy. There is a pharmacy located in the store. It was originally purchased by the Aboona family’s three brothers, though since 2014, it has been owned 95% by Eddi Aboona and 5% by his son Brandon.

Eddi Aboona has worked in the supermarket business since 1983. He has operated the Seaway Marketplace in Detroit since 2004 and also operates the Seaway Marketplace in Toledo. Other supermarkets Eddi Aboona is involved with include Public Foods on East Warren and Americana Food Store on Plymouth Road, both in Detroit.

Currently, Borrower owns vacant land adjacent to the existing Seaway Marketplace supermarket. Borrower would like to increase store operations by expanding to the west and increasing the size of the building by approximately 5,000 square feet. This would allow the supermarket to offer more fresh produce, meat, dairy and prepared foods.

In addition to the store expansion, Borrower seeks to replace and upgrade its trade fixtures and equipment by adding additional refrigerated counters for produce, meat, prepared foods and juices as well as new equipment for bakery and hot prepared food items (the “Project”). Seaway Marketplace currently has 20 employees (12 full-time and 8 part-time) of which 11 are Detroit residents. The expanded store expects to create 5 new full-time jobs, increasing overall store staffing to 25. The Borrower has committed to seeking and hiring qualified Detroit residents for these new jobs.

EDC staff seeks to provide the Borrower with a \$150,000 loan (the “Loan”) to support the Project and finds this proposal to be supported by the projected sales of the Borrower’s business. EDC staff recommends the approval of the Loan to Borrower through the Loan Fund based on the following terms and conditions.

Project Sources	
GGP CDBG Loan	\$ 150,000.00
Owner Equity	\$ 400,000.00
	\$ 550,000.00



Project Uses

Construction	\$	250,000.00
FF&E	\$	200,000.00
Leasehold Improvements	\$	50,000.00
Inventory	\$	50,000.00

Total Expansion Expenses	\$	550,000.00
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Use of GGP CDBG Loan

FF&E	\$	150,000.00
Total GGP CDBG Loan	\$	150,000.00

Borrower Name: Twin Value LLC
 Borrower Business Location: 18330 W. Chicago
 Loan Amount: \$150,000
 Interest Rate: 3%
 Term: 8 Years, Seven-year amortization
 Repayment: 96 months, interest only months 1-12, principal and interest begin month 13, balance forgivable upon grocery store being open and in good standing for 18 months and minimum of 5 full time jobs created.
 Security: Lien on all business assets of Borrower, Subordinate mortgage on existing real estate located at 18330 West Chicago, subject to senior lender consent requirements.
 Guaranty: Personal Guaranty of Eddi Aboona, and his living trust, if any.
 Conditions: Satisfactory review and acceptance of standard due diligence items. Execution of mutually agreeable loan documents.
 Additional Conditions: Receipt, review and approval of any and all information requested by EDC staff. Evidence satisfactory to EDC that Borrower has secured all necessary funds for the completion of the Project and proof of initial equity investment for the construction of the Project prior to the disbursement of the Loan.



The EDC Finance Committee has recommended the approval of the proposed Loan to the EDC Board of Directors and EDC staff requested approval of the Loan consistent with the terms noted above. A resolution was included for the Board's consideration.

Ms. Forte asked if there was a motion. Mr. Osei made a motion, which was supported by Mr. Brown.

Ms. Forte called for questions/comments. Hearing none, the Board took the following action:

Mr. Osei made a motion approving the Green Grocer Loan to Twin Value LLC, as presented. Mr. Brown seconded the motion. All were in favor with none opposed. EDC Resolution Code 21-10-80-08 was unanimously approved.

Proposed CDBG Green Grocer Revolving Loan Fund Loan Request for Riverbend Market.

Ms. Pledl advised that Jason Kado, owner of Riverbend Market (the "Borrower"), is seeking a \$200,000 loan (the "Loan") from the Loan Fund for the establishment of a full-service grocery store at 13208 E. Jefferson (the "Project"). To facilitate this Project, Borrower will lease 8,000 square feet of space at the property located in the Riverbend Shopping Plaza in the Jefferson Chalmers neighborhood. The Loan will support the purchase of equipment. Borrower aims to service this community with fresh food options and superb experience.

Jason Kado and his brother Paul Kado own City Market at 575 Brush Street in the Millender Center. Prior to its current operations, the Millender Center Food Plaza at 575 Brush Street first operated as a small service grocery store, which over the years evolved into a full-service liquor store. Brothers, Paul and Jason Kado sought to take the store in a new direction and the current City Market was converted from a full-service liquor and convenience store to its present urban format full-service grocery store with fresh produce, meat, dairy, frozen foods and an extensive line of prepared foods. The store has also been awarded Metro Times "Best Specialty Market."

Building on the successful City Market model, Jason Kado will bring the same quality, customer service and fresh food options to Riverbend Market. Riverbend Market, a unique grocery experience will have a wide selection of fresh, frozen and prepared foods. This community grocery store will create 30 jobs (18 full-time employees and 12 part-time employees) and Jason Kado will strive to hire Detroit and neighborhood residents for this Project. Currently at City Market there are 12 employees, of which 8 are Detroit residents.

EDC staff seeks to provide the Borrower with financing to support the Project and finds this proposal to be supported by the projected sales of the Borrower's business. EDC



staff recommends the approval of the Loan to Borrower through the Loan Fund based on the terms and conditions below.

Project Sources

Landlord	\$	400,000.00
GGP CDBG Loan	\$	200,000.00
Spartan Nash Contribution	\$	200,000.00
Owner Equity	\$	600,000.00
Total Start-Up Expenses	\$	1,400,000.00

Project Uses

Equipment Purchase and Installation	\$	800,000.00
Inventory	\$	400,000.00
Landlord Improvements (property costs: (electrical, mechanical, plumbing)	\$	200,000.00
Total Start-Up Expenses	\$	1,400,000.00

Use of GGP CDBG Loan

Meat Fresh/Frozen Equipment	\$	108,000.00
Deli Equipment	\$	25,000.00
Produce Cooler	\$	67,000.00
Total GGP CDBG Loan	\$	200,000.00

Borrower Name: Riverbend Market (exact borrower name to be determined)
 Borrower Business Location: 13208 E. Jefferson
 Loan Amount: \$200,000
 Interest Rate: 3%
 Term: 8 years, Seven-year amortization
 Repayment: 96 months, interest only months 1-12, principal and interest begin month 13, balance forgivable upon grocery store being open and in good standing for 18 months and minimum of 6 full time jobs created.
 Security: First priority lien on all business assets of Borrower.
 Guaranty: Personal Guaranty of Jason Kado, and his living trust, if any.



Conditions: Satisfactory review and acceptance of standard due diligence items. Execution of mutually agreeable loan documents, including a landlord waiver. Execution of a lease for the premises located at 13208 E. Jefferson.

Additional Conditions: Receipt, review and approval of any and all information requested by EDC staff. Evidence satisfactory to EDC that Borrower has secured all necessary financing for the completion of the Project

The EDC Finance Committee has recommended the approval of the proposed Loan to the EDC Board of Directors and EDC staff is requesting approval of the Loan consistent with the terms noted above. A resolution was included for the Board’s consideration.

Ms. Forte asked if there was a motion. Mr. Brown made a motion to approve, which was supported by Mr. Hodge.

Ms. Forte called for questions/comments. Hearing none, the Board took the following action:

Mr. Brown made a motion approving the Green Grocer Loan to Riverbend Market, as presented. Mr. Hodge seconded the motion. All were in favor with none opposed.

EDC Resolution Code 21-10-80-09 was unanimously approved

Proposed CDBG Green Grocer Revolving Loan Fund Loan Request for Urban Plug L3C.

Ms. Pledl reported that Raphael Wright, owner of Urban Plug L3C (the “Borrower”) is seeking a \$50,000 loan (the “Loan”) from the Loan Fund for the establishment of a neighborhood grocery store in the Jefferson Chalmers neighborhood in a leased 6,000 square feet of space, of which 3,500 square feet will be store selling space at the property located at 500 Manistique, at the intersection of Manistique and Essex (the “Project”). The Loan will support the purchase of equipment.

Neighborhood grocery stores can anchor a community with healthy food options, jobs for neighborhood residents and a community meeting place. That is the essence of Borrower’s planned neighborhood grocery store located in the Jefferson Chalmers neighborhood. Raphael Wright, an African American entrepreneur, is committed to investing in this community to have a place with fresh produce, prepared foods, apps with new recipes, public events and an inclusive environment.



Raphael Wright comes to this project with his mind and heart. Having experienced diet-related illness at a young age and aware of health challenges in his community, he has been motivated to perfect his concept of an inclusive, healthy, vibrant neighborhood grocery store. He is devoted to learning the grocery space and has taken advantage of the wealth of technical assistance and expertise in the Detroit food ecosystem. He has completed TechTown Retail Boot Camp, Impact Challenge with University of Michigan, Fair Food Network Farmstand Small Format Grocery training, the Good Food Accelerator with Good Food Detroit, Bodega Bootcamp with Fair Food Network and the American Heart Association Power to Serve. Raphael Wright has held Sunday vegetarian dinners throughout the summer for about 20-30 people each week testing the market and recipes that will be part of the store once the prepared foods kitchen is operating in the store.

Raphael Wright is poised to open this community grocery store with three full-time employees and four part-time employees, including a store manager with over 20 years of grocery experience and an experienced produce manager, and he will strive to hire Detroit and neighborhood residents for this Project. Raphael Wright has received significant community support as evidenced by over \$250,000 in crowdfunding, of which \$180,000 is in the form of crowdfunding equity. Crowdfunding equity shares range from \$50 minimum up to \$10,000, with the average being \$80. There are currently 330 crowdfunding investors, of which 95% are Detroiters.

To further support this Project, Raphael Wright seeks to supply the grocery store with produce grown at various locations owned by Raphael within the City of Detroit. Currently this produce is being sold direct to consumers. Raphael Wright was previously approved for a DEGC DIRLF loan in the amount of \$100,000 which is included the project sources and uses and debt service analysis.

EDC staff seeks to provide the Borrower with financing to support the project and finds this proposal to be supported by the projected sales of the Borrower's business. EDC staff recommends the approval of the Loan to Borrower through the Loan Fund based on the following terms and conditions.

	Project Sources	
Crowdfunding	\$	86,975.00
Crowdfunding Equity	\$	180,000.00
DIRLF Loan	\$	100,000.00
GGP CDBG Loan	\$	50,000.00
Owner Equity	\$	50,000.00
Total	\$	466,975.00



Project Uses

Labor costs (before opening)	\$	15,000.00
Marketing expense (before open)	\$	50,000.00
Equipment Purchase	\$	280,000.00
Inventory	\$	50,000.00
Property Costs (POS, security, shelving, hardware)	\$	71,975.00
Total	\$	466,975.00

Use of DIRLF Loan

Meat/Produce Equipment	\$	34,000.00
Deli Cases	\$	6,000.00
Open Air Merchandisers	\$	50,000.00
Beverage Coolers	\$	10,000.00
Total	\$	100,000.00

Use of GGP CDBG Loan

Freezers	\$	50,000.00
Total	\$	50,000.00

Loan Amount: \$50,000
 Interest Rate: 3%
 Term: 8 Year, 7-year amortization
 Repayment: 96 months, interest only months 1-12, principal and interest begin month 13, balance forgivable upon grocery store being open and in good standing for 18 months and minimum of 2 full time jobs created.
 Amortization: Seven-year amortization period
 Security: Subordinated lien on all business assets of Borrower. Subordinated mortgage on lots owned by Raphael Wright at 2560 Chalmers, 2566 Chalmers, 2555 Marlborough, and 2581 Marlborough.
 Guaranty: Personal Guaranty of Raphael Wright, and his living trust, if any.
 Conditions: Satisfactory review and acceptance of standard due diligence items. Execution of mutually agreeable loan documents. Execution of a lease for the premises located at 500 Manistique.



Additional Conditions: Receipt, review and approval of any and all information requested by EDC staff. Evidence satisfactory to EDC that Borrower has secured all necessary financing for the completion of the Project

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

A resolution was included for the Board's consideration.

Ms. Forte asked if there was a motion. Mr. Osei made a motion and Mr. Hodge supported the motion.

Ms. Forte called for questions/comments. Hearing none, the Board took the following action:

Mr. Osei made a motion approving the Green Grocer Loan to Urban Plug L3C, as presented. Mr. Hodge seconded the motion. All were in favor with none opposed. EDC Resolution Code 21-10-80-10 was unanimously approved.

Proposed EDC Loan Fund Loan Request for Woodborn Partners, LLC

Ms. Jackson advised that Woodborn Partners, LLC (the "Developer") is a Detroit-based development team led by Cliff Brown. The Developer is seeking to redevelop three vacant parcels located on the southwest corner of Bagley and the northeast corner of 16th Street in Southwest Detroit. The addresses of the vacant parcels are 2420 Bagley, 1725 16th and 1729 16th St. (collectively, the "Property"). The Property will be purchased from the City of Detroit and the Developer seeks to construct residential housing units and approximately 2,600 square feet of commercial space on the Property (the "Project"). The Project, estimated at \$21.1 million, will include 78 residential units and 20% will be reserved for households at 80% AMI. Furthermore, the Project is located in a southwest Detroit Strategic Neighborhood identified by the City of Detroit's Planning & Development Department.

The Developer has assembled a project team consisting of Sachse Construction as general contractor and Gensler as the Design and Architecture firm. The Developer is targeting a Q4, 2021 groundbreaking with a 24-month construction period. Upon completion, the Project will activate vacant land adding density and activity to a once blighted area. The Project will create 105 skilled labor construction jobs and it is anticipated the project will employ 3 FTE.



The Project has received a \$10,265,956 construction financing letter of interest from Mercantile Bank (the “Construction Loan”) and it is anticipated that the Project will include financing from Invest Detroit, Michigan Strategic Fund’s (“MSF”) Michigan Community Revitalization Program funds, the City of Detroit Brownfield Redevelopment Authority, and sponsor equity. In addition, the Project will utilize Brownfield TIF, a PA 210 abatement, and an EGLE grant.

To facilitate the development of the Project and to assist in filling the financing gap, the Developer is seeking financing from the Economic Development Corporation of the City of Detroit (“EDC”) in the form of a loan in the amount not to exceed \$1,111,400 (the “Loan”). As the EDC Board may recall, in September 2021, the EDC Board of Directors authorized a pay-off of a loan made. in connection with the Inn on Ferry Street project with a condition that the repayment proceeds of such loan will be used to provide financing for a project designated in writing by the City of Detroit Housing and Revitalization Department (“HRD”). HRD has designated this Project to receive the loan repayment proceeds, in the amount of \$911,400. The remaining \$200,000 of the Loan will be funded from the EDC Casino Development Loan Fund. The Loan will fund the purchase of the Property and certain construction costs incurred for the Project, an exact list of which will be agreed between EDC staff and Borrower.

The proposed Loan terms and sources and uses are as follows:

Borrower Name:	Woodborn Partners, LLC
Borrower Location:	3663 Woodward, Suite 500, Detroit, MI 48201
Request:	Not to exceed \$1,111,400
Rate:	4%
Term:	120 months, amortized over 30 years
Repayment:	The Loan will be evidence by and payable through two promissory notes. Promissory Note “A” will be in the amount of \$200,000 with interest only payments due each month for 24 months followed by principal and interest payments due each month through maturity. Promissory Note “B” will be in an amount not to exceed \$911,400 with interest only payments due each month for 36 months followed by principal and interest payments due each month through maturity. Remaining principal and interest will be due at maturity.
Security:	Subordinated Lien position on all business assets, Assignment of Leases and Rents, Subordinated Mortgage on the Property. EDC’s security interest will



Guaranty:

be subordinated to that of the senior lender and pari passu with the MSF and Invest Detroit.

Personal Guaranty of Clifford Brown, in which EDC will be subordinated to senior lender.

Eligible Uses:

Site improvements, construction, and acquisition of Property.

Disbursement:

Owner equity contributions are first, followed by Loan funds, followed by the other project lenders. The Loan will be funded through multiple disbursements following closing.

Conditions:

Satisfactory review and acceptance of standard due diligence items. Binding commitments for all project loans. Execution of mutually agreeable loan documents. Borrower will provide itemized schedule and use of funds. Issuance of a Loan Policy of Title Insurance at closing.

SOURCES AND USES

	Cost	%
Sources		
Senior Loan - Mercantile Bank	\$ 10,265,956.00	49%
EDC Loan #1	\$ 200,000.00	1%
EDC Loan #2	\$ 911,400.00	4%
Brownfield Revolving Loan Fund (loan)	\$ 632,439.00	3%
Invest Detroit SNF	\$ 1,693,408.00	8%
CRP	\$ 3,771,862.00	18%
EGLE Grant	\$ 1,000,000.00	5%
Brownfield Revolving Grant	\$ 100,000.00	0%
Deferred Developer Fee	\$ 203,484.00	1%
Cash Equity	\$ 2,323,792.00	10%
Total Sources	\$ 21,102,341.00	100%



Use of Funds

Land Acquisition	\$ 1,457,000.00	8%
Hard Costs		
Site Improvements (ROW, landscaping, fencing, site lighting, drainage, utilities)	\$ 273,825.00	1%
Demolition	\$ -	0%
Structures	\$ 12,665,701.00	68%
Earthwork	\$ 273,957.00	1%
Builder Overhead/Profit/General Requirements/Temp Facilities	\$ 2,023,211.00	11%
Permits/Tap Fees/Bond/Bost Certification	\$ 145,249.00	1%
Soft Cost Contingency	\$ 82,404.00	0%
Construction Contingency	\$ 1,614,818.00	9%
Furniture & Fixtures	\$ 220,001.00	1%
Subtotal Hard Costs	\$ 18,756,166.00	89%
 Soft Costs		
Architectural & Engineering	\$ 710,000.00	2%
Loan Fees	\$ 181,000.00	1%
Construction Interest, Taxes, and Insurance	\$ 493,904.00	2%
Title Work	\$ 20,000.00	0%
Operating Reserve, Administrative, Marketing & Leasing	\$ 107,371.00	1%
Soft Cost Contingency	\$ 82,404.00	0%
Project Management Fee	\$ 25,000.00	0%
Developer Fee	\$ 813,936.00	4%
Marketing Study	\$ 112,560.00	1%
Subtotal Soft Costs	\$ 2,346,175.00	11%
TOTAL DEVELOPMENT COSTS	\$ 21,102,341.00	100%

The EDC Finance Committee has recommended approval of the proposed Loan to the EDC Board of Directors and EDC staff requested approval of the Loan consistent with the terms noted above.

Ms. Navin advised that Mr. Cliff Brown, an EDC Board member, is a principal on the development team and has disclosed that he has a fiduciary interest in this project. State law requires that after a disclosure, there is a waiting period of seven days before the Board may take action. This project will be brought back to the Board at its next meeting for a vote. Typically, a report will not be given at that time, however, the Board will have the opportunity to ask questions.



Ms. Forte called for questions/comments.

Mr. Hodge asked if there is any stipulation or requirement for community benefits and what is the ability to hire City of Detroit residents for the construction. Ms. Jackson directed the question to Mr. Brown. Mr. Brown stated that he can't speak to statutory requirements, but he can say they have done extensive community engagement. One of the things that they have committed to is that all of their communications and marketing, not just on retail operations side, but also on the property management side and the construction side, will be bi-lingual. Their goal is to make sure that as many subcontractors as possible are exposed to their general contractor and their requirements ahead of time. They are not just going to hire as many Detroiters as possible, but also residents from this community and will be making sure that they are creating opportunities for the future.

Mr. Osei asked if there was an RFP put out for this project. Mr. Brown stated there was actually a request for qualifications in 2018, and they spent the last two years trying to get \$5 million out of the project.

Mr. Forte asked if there were any additional questions. Hearing none, Resolution Code EDC 21-10- 84-14 was tabled for a period of not less than seven days.

Motor City Match Procurement Policy

Mr. Lucco reported that in 2015, the Economic Development Corporation of the City of Detroit ("EDC") launched the Motor City Match Program (the "Program"). Since that time, the EDC Board has approved Program Business awards for 1,418 Detroit businesses and Building awards for 413 commercial spaces. These awards occurred while the Program operated uninterrupted for over 17 rounds. Currently, 130 Motor City Match awardees are operating new businesses in formerly vacant commercial spaces throughout the city of Detroit. Additionally, over 300 Motor City Match awardees have created or expanded home-based, mobile, and pop-up businesses in the city of Detroit

On June 29, 2021, the EDC Board authorized the execution of contracts with the City of Detroit to accept funding for the second phase of the Program, which includes \$2.25 million for FY 20-21 from the City of Detroit's General Fund and \$1.5 million for FY 20-21 from Department of Housing and Urban Development through Community Development Block Grants ("CDBG").

To operate the second phase of the Program, EDC Staff recommends the approval of Procurement Policy to be used for the procurement of goods and services for where Community Development Block Grant or other applicable Federal funding will be source of funding of the goods and services, including but not limited to technical assistance



services for the Program. A draft procurement policy is attached as Exhibit A (the “Procurement Policy”).

Key terms of the Procurement Policy are summarized as follows:

- MCM staff may procure goods and services totaling up to \$10,000 through a Micro-purchase process that requires the creation of an internal memo outlining the relevance to program goals and documentation verifying that the price of the goods or services to be provided is reasonable in comparison to similar goods or services that are readily available.
- MCM staff may procure goods and services totaling between \$10,001 and \$250,000 through a Small Purchase Process that requires the creation of an internal memo outlining the relevance to program goals and documentation verifying that the price of the goods or services to be provided is reasonable in comparison to similar goods or services that are readily available.
 - Additionally, the Small Purchase Process requires an informal solicitation of three competitive proposals made via email or a posting online.
- MCM staff may procure goods and services totaling up to \$50,000 without approval of the EDC Board of Directors in accordance with the delegation of authority adopted by the EDC Board of Directors.
- MCM staff may procure goods and services of any amount and must procure goods and services totaling more than \$250,000 through a Competitive Bid Process.
- The Competitive Bid Process requires Motor City Match staff to develop an advertisement (the “Advertisement”) seeking bids from qualified contractors or consultants in a manner reasonably expected to result in broad access and opportunity for qualified vendors to respond.
 - The Advertisement will be publicized on platforms that may include but is not limited to the Motor City Match official website, governmental procurement informational sites, local newspapers, Detroit-based publications, national publications, and other trade organization publications.
 - MCM Staff will prepare a “Bid Packet” for the project which will include a request for proposals/qualifications, plans, specifications, and other documents required for the submission of a proposal.
 - MCM staff may directly contact Pre-Qualified local Detroit-based vendors and provide these parties with the Advertisement.
 - MCM staff will then evaluate all proposals and identify qualifying service providers in accordance with the appropriate scoring guidelines and evaluation criteria as disclosed in the Bid Packet.
 - MCM staff shall have the discretion to select a bidder which was not identified as the most responsive bidder in the event that Federal, city of Detroit, or other project funding limitations prevent the selection of such



bidder and/or the project budget does not support the selection of such bidder.

Motor City Match staff recommended that the EDC Board of Directors approve the adoption of the Procurement Guidelines as provided in **Exhibit A** (attached). A draft resolution was included in the Board material for consideration.

Ms. Forte called for a motion. Mr. Brown made a motion which was supported by Mr. Hodge. Ms. Forte called for questions/comments.

Ms. Bruhn stated she wasn't clear as to when Board approval will be sought for these purchases and asked for clarification. Mr. Lucco answered that any contracts that are over \$50,000 will be brought to the Board for approval. Based on Federal Guidelines, the requirement for a competitive bid process does not kick in until after \$250,000, however it is likely that we will have some contracts that are under \$250,000 that will go through the competitive bid process, particularly for some of the contracts with technical assistance providers.

Ms. Navin added that the \$50,000 threshold is separate and apart from any CDBG or Federal Procurement policies and that it is consistent with the EDC's Board-approved Delegation of Authority.

Ms. Forte asked if there were any additional questions. Hearing none, the Board took the following action:

Mr. Brown made a motion approving the Motor City Match Procurement Policy, as presented. Mr. Hodge seconded the motion. All were in favor with none opposed. EDC Resolution Code 21-10-91-118 was unanimously approved

Motor City Match Additional Technical Assistance Review

Mr. Lucco advised that June 22, 2021 the Economic Development Corporation of the City of Detroit ("EDC") Board authorized Motor City Match (MCM) staff to provide up to \$150,000 in the aggregate to various past or present Motor City Match Program awardees to contract for technical assistance services. Eligible awardees were authorized to receive up to \$10,000 to fund various technical assistance services, subject to EDC staff's review and approval of a budget and scope of work for the technical assistance services and the execution of a Technical Services Agreement between the EDC, the awardee, and the technical service provider.

Program staff identified twenty-six businesses to receive technical assistance services totaling \$145,382. Program staff authorized thirty-five technical assistance service requests, eight program awardees submitted more than one request. In total, twenty-nine



service providers were contracted to provide services to program awardees. Fourteen of those services providers are Detroit-based.

A summary was attached for the Board's information.

This report was for information only and no Board action was taken.

ADMINISTRATION

EDC Audited Financial Statements and Management Report as of June 30, 2021

Ms. Forte advised that an electronic copy of the above-referenced material was sent to each Board member under separate cover.

The EDC Finance Committee met and reviewed the material and recommends formal receipt by the EDC Board.

The resolution included in the Board material indicates the Board's formal receipt and acceptance of the EDC Audited Financial Statements and Management Report as of June 30, 2021, with comparative totals as of June 30, 2020, as prepared by George Johnson and Company, Certified Public Accountants.

Mr. Forte called for a motion. Mr. Osei made a motion which was supported by Mr. Hodge.

Ms. Forte called for questions/comments.

Ms. Bruhn asked if there was a corrective action plan. Mr. Long responded that there were no findings. This is a clean audit so there is no corrective action plan. Ms. Bruhn said she thought she saw something about a corrective action plan but must have been mistaken.

Ms. Forte called for other questions. Hearing none, the Board took the following action:

Mr. Osei made a motion approving the Audited Financial Statements as of June 30, 2021, as presented. Mr. Hodge seconded the motion. All were in favor with none opposed.

EDC Resolution Code 21-10-01-220 was unanimously approved.



OTHER MATTERS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

On a motion by Mr. Osei, seconded by Mr. Hodge, Ms. Forte adjourned the meeting at 9:52 a.m.



CODE EDC 21-10-02-353

APPROVAL OF MINUTES OF SEPTEMBER 28, 2021 REGULAR MEETING

RESOLVED, that the minutes of the Regular meeting of September 28, 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.

October 26, 2021



CODE EDC 21-10-03-268

RECEIPT OF TREASURER'S REPORT FOR SEPTEMBER 2021

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

October 26, 2021



CODE EDC 21-10-80-08

GREEN GROCER REVOLVING LOAN FUND (PROGRAM): PROPOSED LOAN TO TWIN VALUE LLC

WHEREAS, on June 22, 2021, the Economic Development Corporation of the City of Detroit (“EDC”) approved Program Guidelines for new loans to be made from approximately \$400,000 in loan repayment proceeds from the Green Grocer Revolving Loan Fund originally operated by the EDC from 2012-2014 (the “Loan Fund”); and

WHEREAS, Twin Value LLC (the “Borrower”) applied to obtain financial assistance from the Loan Fund for the purchase of necessary trade equipment in a newly constructed expansion of the Borrower’s grocery market; and

WHEREAS, staff has proposed a loan in the amount of \$150,000.00 (the “Loan”) to Borrower through the Loan Fund on the terms and conditions described below:

Loan Amount:	\$150,000.00
Interest Rate:	3%
Repayment:	96 months; interest only months 1-12, principal and interest begin month13, balance forgivable upon grocery store being open and in good standing for 18 months and minimum of 5 full time jobs created.
Term:	8 years, Seven-year amortization
Security:	First priority lien on all business assets of Borrower.
Guaranty:	Personal Guaranty of Eddi Aboona, and his living trust, if any.
Conditions:	Satisfactory review and acceptance of standard due diligence items. Execution of mutually agreeable loan documents.
Additional Conditions:	Receipt, review and approval of any and all information requested by EDC staff. Evidence satisfactory to EDC that Borrower has secured all necessary funds for the completion of the Project and proof of initial equity investment for the construction of the Project prior to the disbursement of the Loan, and

WHEREAS, EDC staff presented the Loan terms to the EDC Finance Committee which recommends the approval of the Loan in accordance with the terms stated herein; and



WHEREAS, the EDC Board of Directors has considered the proposed Loan and determined that the Loan, as proposed, is consistent with the objectives of the Loan Fund and is consistent with the Program Guidelines.

NOW, THEREFORE BE IT RESOLVED that the provision of a Loan consistent with the terms provided herein is hereby approved.

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

October 26, 2021



CODE EDC 21-10-80-09

GREEN GROCER REVOLVING LOAN FUND (PROGRAM): PROPOSED LOAN TO RIVERBEND MARKET

WHEREAS, on June 22, 2021, the Economic Development Corporation of the City of Detroit (“EDC”) approved Program Guidelines for new loans to be made from approximately \$400,000 in loan repayment proceeds from the Green Grocer Revolving Loan Fund originally operated by the EDC from 2012-2014 (the “Loan Fund”); and

WHEREAS, Riverbend Market (the “Borrower”) applied obtain financial assistance from the Loan Fund for the purchase of necessary trade equipment for Borrower’s grocery market; and

WHEREAS, staff has proposed a loan in the amount of \$200,000.00 (the “Loan”) to Borrower, or such other legal entity to be established by Borrower for the operation of its business and acceptance of the Loan, through the Loan Fund on the terms and conditions described below

Loan Amount:	\$200,000.00
Interest Rate:	3%
Repayment:	96 months; interest only months 1-12, principal and interest begin month13, balance forgivable upon grocery store being open and in good standing for 18 months and minimum of 6 full time jobs created.
Term:	8 years, Seven-year amortization
Security:	First priority lien on all business assets of Borrower.
Guaranty:	Personal Guaranty of Jason Kado, and his living trust, if any.
Conditions:	Satisfactory review and acceptance of standard due diligence items. Execution of mutually agreeable loan documents, including a landlord waiver. Execution of a lease for the premises located at 13208 E. Jefferson.
Additional Conditions:	Receipt, review and approval of any and all information requested by EDC staff. Evidence satisfactory to EDC that Borrower has secured all necessary financing for the completion of the Project; and



WHEREAS, EDC staff presented the Loan terms to the EDC Finance Committee which recommends the approval of the Loan in accordance with the terms stated herein; and

WHEREAS, the EDC Board of Directors has considered the proposed Loan and determined that the Loan, as proposed, is consistent with the objectives of the Loan Fund and is consistent with the Program Guidelines.

NOW, THEREFORE BE IT RESOLVED that the provision of a Loan consistent with the terms provided herein is hereby approved.

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

October 26, 2021



CODE EDC 21-10-80-10

GREEN GROCER REVOLVING LOAN FUND (PROGRAM): PROPOSED LOAN TO URBAN PLUG L3C

WHEREAS, on June 22, 2021, the Economic Development Corporation of the City of Detroit (“EDC”) approved Program Guidelines for new loans to be made from approximately \$400,000 in loan repayment proceeds from the Green Grocer Revolving Loan Fund originally operated by the EDC from 2012-2014 (the “Loan Fund”); and

WHEREAS, Urban Plug L3C (the “Borrower”) applied to obtain financial assistance from the Loan Fund for purchase of necessary equipment for the Borrower’s grocery market; and

WHEREAS, staff has proposed a loan in the amount of \$50,000.00 (the “Loan”) to Borrower through the Loan Fund on the terms and conditions described below:

Loan Amount:	\$50,000.00
Interest Rate:	3%
Repayment:	96 months; interest only months 1-12, principal and interest begin month13, balance forgivable upon grocery store being open and in good standing for 18 months and minimum of 2 full time jobs created.
Security:	Subordinated lien on all business assets of Borrower. Subordinated mortgage on lots owned by Raphael Wright at 2560 Chalmers, 2566 Chalmers, 2555 Marlborough, and 2581 Marlborough.
Term:	8 years, Seven-year amortization
Guaranty:	Personal Guaranty of Raphael Wright, and his living trust, if any.
Conditions:	Satisfactory review and acceptance of standard due diligence items. Execution of mutually agreeable loan documents, including a landlord waiver. Execution of a lease for the premises located at 500 Manistique.
Additional Conditions:	Receipt, review and approval of any and all information requested by EDC staff. Evidence satisfactory to EDC that Borrower has secured all necessary financing for the completion of the Project; and



WHEREAS, EDC staff presented the Loan terms to the EDC Finance Committee which recommends the approval of the Loan in accordance with the terms stated herein; and

WHEREAS, the EDC Board of Directors has considered the proposed Loan and determined that the Loan, as proposed, is consistent with the objectives of the Loan Fund and is consistent with the Program Guidelines.

NOW, THEREFORE BE IT RESOLVED that the provision of a Loan consistent with the terms provided herein is hereby approved.

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

October 26, 2021



CODE EDC 21-10-84-14
TABLED

UDAG RECYCLED FUNDS: PROPOSED EDC LOAN FUND LOAN REQUEST FOR WOODBORN PARTNERS, LLC

WHEREAS, Woodborn Partners, LLC (the “Developer”) seeks to redevelop three vacant parcels located at 2420 Bagley, 1725 16th and 1729 16th St. (collectively, the “Property”) into an estimated \$21.1 million mixed use development (the “Project”); and

WHEREAS, to facilitate the development of the Project, the Developer is seeking financing from the Economic Development Corporation of the City of Detroit (“EDC”) in the form of a loan in the amount not to exceed \$1,111,400.00 (the “Loan”); and

WHEREAS, a portion of the Loan in an amount not to exceed \$911,400.00 will be funded through proceeds the EDC has received from a pay-off on a prior loan made by the EDC, which have been designated by the City of Detroit Housing and Revitalization Department to be used for this Project, and the remaining \$200,000.00 of the Loan will be funded from the EDC Casino Development Loan Fund; and

WHEREAS, EDC staff has reviewed the Borrower’s financial documentation and proposes the following terms and conditions for the Loan to the Borrower:

Loan Amount:	Not to exceed \$1,111,400.00
Interest Rate:	4%
Term	120 months, amortized over 30 years
Repayment:	The Loan will be evidence by and payable through two promissory notes. Promissory Note “A” will be in the amount of \$200,000 with interest only payments due each month for 24 months followed by principal and interest payments due each month through maturity. Promissory Note “B” will be in an amount not to exceed \$911,400 with interest only payments due each month for 36 months followed by principal and interest payments due each month through maturity. Remaining principal and interest will be due at maturity.
Security:	Subordinated Lien position on all business assets, Assignment of Leases and Rents, Subordinated Mortgage on the Property. EDC’s security interest will be subordinated to that of the senior lender and pari passu with the MSF and Invest Detroit.



Guaranty: Personal Guaranty of Clifford Brown, in which EDC will be subordinated to senior lender.

Conditions: Satisfactory review and acceptance of standard due diligence items. Binding commitments for all project loans. Execution of mutually agreeable loan documents. Borrower will provide itemized schedule and use of funds. Issuance of a Loan Policy of Title Insurance at closing.

; and

WHEREAS, EDC staff presented the Loan terms to the EDC Finance Committee which recommends the approval of the Loan in accordance with the terms stated herein; and

WHEREAS, the EDC Board of Directors has considered the proposed Loan and determined that the Loan, as proposed, is consistent with the EDC's goal of administering funds for business development initiatives and is consistent with the EDC's statutory purposes.

NOW, THEREFORE BE IT RESOLVED that the provision of a Loan consistent with the terms provided herein is hereby approved.

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

October 26, 2021 (TABLED)



CODE EDC 21-10-91-118

MOTOR CITY MATCH: PROCUREMENT POLICY

WHEREAS, in 2015, the Economic Development Corporation of the City of Detroit (“EDC”) launched the Motor City Match Program (the “Program”); and

WHEREAS, in June, 2021, pursuant to a request for proposal issued by the City of Detroit, the EDC was selected to be the program administrator of the second phase of the Program; and

WHEREAS, the EDC and the City have executed contracts funding for the Program, which includes \$2.25 million from the City of Detroit’s General Fund and \$1.5 million from Department of Housing and Urban Development through Community Development Block Grants (“CDBG”); and

WHEREAS, in order to operate the second phase of the Program, EDC staff recommends the approval of a Procurement Policy for the Program, substantially in the form attached as **Exhibit A** (the “Procurement Policy”); and

WHEREAS, the EDC Board of Directors has determined that staff’s recommendation is appropriate and in the best interests of the EDC and the Program.

NOW, THEREFORE BE IT RESOLVED, that the EDC Board of Directors hereby approves Procurement Policy in substantially the form as attached hereto as **Exhibit A** with such modifications which are necessary or appropriate for compliance with City and/or Federal requirements, and/or due to minor inaccuracies contained in the Procurement Policy, unforeseen events or circumstances, or technical matters, as determined by counsel or Authorized Agents of the EDC, provided that such changes do not alter the intent of this resolution.

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 documents, contracts, or other papers necessary to implement the Program and to take such actions as are 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 the execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

October 26, 2021



Exhibit A

Motor City Match Procurement Policy (see attached)



CODE EDC 21-10-01-220

ADMINISTRATION: EDC AUDITED FINANCIAL STATEMENTS AND MANAGEMENT REPORT AS OF JUNE 30, 2021

RESOLVED, that the Board of Directors of the Economic Development Corporation (the “EDC”) hereby receives and accepts the EDC Audited Financial Statements and Management Report as of June 30, 2021, with comparative totals as of June 30, 2020, as prepared by George Johnson and Company, Certified Public Accountants.

October 26, 2021