



**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, JULY 23, 2019 – 8:30 A.M.**

BOARD MEMBERS PRESENT: Marsha Bruhn
Kimberly Clayson
Damon Hodge
Chris Jackson
Jonathan Quarles
Thomas Stallworth

BOARD MEMBERS ABSENT: Maurice Cox (Ex-Officio)
Linda Forte
John Naglick (Ex-Officio)
Kwaku Osei
Vacancy

**SPECIAL DIRECTORS
PRESENT:** None

**SPECIAL DIRECTORS
ABSENT:** Jonathan Newton (East Riverfront)

OTHERS PRESENT: Pierre Batton (DEGC/EDC)
Charlotte Fisher (DEGC)
Catherine Frazier (DEGC/EDC)
Ryan Foster (FleishmanHillard)
Amanda Hanlin (DEGC)
Gay Hilger (DEGC/EDC)
Kaci Jackson (DEGC/EDC)
Darryl James (SmithGroup)
Malinda Jensen (DEGC/EDC)
Kevin Johnson (DEGC)
Paul Kako (DEGC/EDC)
Jennifer Kanalos (DEGC/EDC)
Glen Long, Jr. (DEGC/EDC)
Andrew Lucco (DEGC/EDC)
Rebecca Navin (DEGC/EDC)
Mariangela Pledl (DEGC/EDC)
Kelly Shovan (DEGC/EDC)
William Smith (Biltmore Development Group)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, JULY 23, 2019
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200
8:30 A.M.**

CALL TO ORDER

Noting that a quorum was present, Vice Chairperson Quarles called the Regular meeting of the Economic Development Corporation Board of Directors to order at 8:35 a.m.

GENERAL

Approval of Minutes

Mr. Quarles asked if there were any additions, deletions or corrections to the minutes of the June 25, 2019 Regular Board meeting. Hearing none, the Board took the following action:

On a motion by Mr. Hodge, seconded by Mr. Jackson, Resolution Code EDC 19-07-02-317 was unanimously approved.

Receipt of Treasurer's Report

Ms. Shovan reviewed the Treasurer's Report of Receipts and Disbursements for the month of June 2019 for the benefit of the Board and responded to questions. Subsequent to the discussion, the Board took the following action:

On a motion by Mr. Jackson, seconded by Mr. Hodge, Resolution Code EDC 19-07-03-241 was unanimously approved.

PROJECTS

Authorization to Enter into Development Agreement for 1977 Woodbridge

Ms. Jackson reported that The City of Detroit Economic Development Corporation (the "EDC") acquired the buildings located at 1977 Woodbridge (the "Property") to support development in the East Riverfront district. This area of the riverfront is set to undergo massive transformation over the next three years with over \$100 million investment in residential and commercial developments within a half mile radius of the Property. Key developments include the construction of approximately 1,200 residential units, the Stone Soap, Riopelle & Atwater site development, and the 43,000 SF Meijer project on Jefferson Ave. To further support the growing district, in March 2019, the EDC released a Request for Proposals ("RFP") for the purchase and development of the Property. The RFP established certain selection criteria, including proposer capacity, project financials and development plan. Further, the EDC sought a development



proposal for the site which would create a destination retail or commercial location to support existing investments on the East Riverfront.

In connection with the issuance of the RFP, the EDC received five (5) responses from various development teams seeking to develop the Property. An evaluation committee which included City staff and EDC staff reviewed the responses and identified those which aligned with the EDC's goals and visions for the Property and the district. Following such review, the EDC selected Biltmore Development Group, LLC (the "Developer") to develop the Property.

The Developer has proposed purchasing the Property for \$500,000 and developing the Property into a minimum 4,000 square foot commercial use property with current proposed uses to include a cigar bar, a conference room, and a barber shop. Currently, it is estimated that \$1,500,000 will be invested into the Property with construction commencing in the Spring of 2020. The sale and development of the Property will be contingent upon the execution of a development agreement between the EDC and Developer consistent with the terms contained in the term sheet attached hereto as Exhibit A (the "Term Sheet").

EDC staff is seeking the Board's approval to execute the Term Sheet with the Developer in as substantially the form of Exhibit A included in the Board material, and to negotiate, execute and consummate a development agreement consistent with the terms and conditions described in the Term Sheet.

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

Mr. Jackson questioned the land cost, stating it seemed a bit high to him. The developer, Mr. Will Smith, who was present, advised that they had set the cost of the property as part of the overall project. He was involved in the construction of the Riverwalk and felt that it was a fair market value price for the property.

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

On a motion by Mr. Jackson, seconded by Ms. Clayson, Resolution Code EDC 19-07-52-13 was unanimously approved.

Motor City Match Recommendation to Update Previously Approved Awardee Addresses

Mr. Lucco advised that since June 1, 2015, the EDC's Motor City Match program began accepting applications for the Business Owner "Cash" Award Track. The "Cash" Award Track awards businesses who have a business plan, a secured space, and funds available to invest in their project a grant up to \$100,000 to assist in the business' project.

Upon submission of an application for the "Cash" Award Track and the subsequent approval of an award to selected Motor City Match awardees (the "Awardees"), Awardees are required to identify the location of their business. Three Awardees, the Upperow, Grind Grind LLC, and Blessed and Highly Favored Juice Bar, have changed their locations since the EDC Board's approval of an award to each Awardee. The EDC Board approved the Upperow's "Cash" award



on April 24, 2018. The EDC Board approved Grind Grind LLC and Blessed and Highly Favored's awards on August 7, 2018.

In order for the Awardees to complete their project and use the funding under their respective "Cash" grant awards, EDC staff recommends that the Awardee business addresses be updated in accordance with the following:

Awardee	Round	Original Location	New Location
Upperow	11	5734 Woodward, Detroit, MI 48202 (Midtown, District 5)	3031 West Grand Boulevard Suite 180, Detroit, MI 48202 (District 5)
Grind Grind LLC	12	18931 West 7 Mile Rd., Detroit, MI 48219 (Avenue of Fashion, District 2)	1805 Franklin Street, Detroit, MI 48207 (District 5)
Blessed and Highly Favored Juice Bar	12	18999 Livernois, Detroit, MI 48207 (Avenue of Fashion, District 2)	19001 Livernois, Detroit, MI 48221 (District 2)

A resolution approving the staff's recommendation to update the Awardee business addresses as stated herein was included in the Board material for consideration.

Mr. Stallworth questioned if these businesses had been assisted with selection of the original location. Mr. Lucco explained that they were helped, in a sense, and explained the reasons why they decided to change the location. Mr. Stallworth expressed concern about the cost of changing locations and questioned what changes are being made to ensure the issues awardees have encountered with their landlord do not come up in the future. Mr. Lucco stated that they are implementing measures in the application process so that the businesses are ready to move forward as soon as possible upon receipt of the grant, by making sure that design drawings and financing are in place.

Mr. Jackson suggested that the Board have a brief discussion regarding the businesses on Livernois that are being affected by the construction, and if DEGC or Motor City Match can play a role in assisting these businesses. Mr. Quarles suggested that a vote be taken on this item and discussion regarding the Livernois construction be raised under Other Business.

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

On a motion by Ms. Bruhn, seconded by Mr. Jackson, Resolution Code EDC 19-07-91-95 was unanimously approved.

Small Business and Commercial Corridor Revitalization Program: Authorization to Amend the Community Development Block Grant Subrecipient Agreement.

Mr. Batton stated that as the Board is aware, at the request of the City of Detroit (the "City") Mayor's Office, the Economic Development Corporation of the City of Detroit ("EDC") is



administering small business and commercial corridor revitalization programs known as Motor City Match and Motor City Re-Store (the “Programs”). In connection therewith, the EDC and the City entered into a subrecipient agreement (the “Agreement”) transferring Community Development Block Grant (“CDBG”) funds from the City to the EDC for the Program.

In December 2018, the EDC board approved an amendment to the Agreement (the “First Amendment”) which allocated additional CDBG funding to further support the Programs in the amount of One Million Five Hundred Thousand 00/100 Dollars (\$1,500,000.00) and additional funds from the City’s General Fund budget in the amount of Six Hundred Seventy-Three Thousand One Hundred Forty-One and 96/100 Dollars (\$673,141.96). The EDC and the City now seek to amend the Agreement allowing for the City to provide additional funding for the Programs. EDC staff is seeking authorization to accept Two Million Seven Hundred Thousand and 0/100 Dollars (\$2,700,000.00) from the City’s General Fund Budget. The EDC and City also seek to reallocate the funds provided in the First Amendment as follows: Five Hundred Thousand and 00/100 Dollars (\$500,000.00) to be provided from CDBG funds and One Million Six Hundred Seventy-Three Thousand One Hundred Forty-One and 96/100 Dollars (\$1,673,141.96) to be provided from the City’s General Fund Budget.

Staff of the EDC recommended the EDC Board of Directors authorize the execution of an amendment to the Agreement consistent with the terms herein. A resolution was included for the Board’s consideration.

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

On a motion by Mr. Stallworth, seconded by Ms. Bruhn, Resolution Code EDC 19-07-91-96 was unanimously approved.

Small Business and Commercial Corridor Revitalization Program: Authorization to Amend the Program Guidelines for Motor City Match and Motor City Re-Store.

Mr. Batton advised that as the Board is aware, the Economic Development Corporation of the City of Detroit (“EDC”) is administering small business and commercial corridor revitalization programs known as Motor City Match and Motor City Re-Store (the “Programs”). On June 1, 2015, the EDC began accepting applications for the Programs for various award tracks. In connection therewith, the EDC has published program guidelines (the “Program Guidelines”) that all applicants are required to abide by during their participation in the Programs. These Program Guidelines have been amended over time to accommodate changes to the Programs which staff and this Board have determined are consistent with the EDC’s goals and mission for the Programs.

After reviewing the Program Guidelines, EDC staff have determined that certain provisions regarding an applicant’s eligibility to participate in the Programs should be amended. Specifically, EDC staff believes that the eligibility provision as it prohibits program participation by certain employees, board members and other individuals affiliated with the EDC, DEGC, City and program partners should be revised to allow exceptions where appropriate and permitted by applicable laws and regulations. In collaboration with counsel, EDC staff seek approval to amend



the Program Guidelines which would allow City of Detroit employees and their spouses, among others, to apply for the Programs on the condition that all applicants disclose any potential or actual conflict of interest upon the submission of an application. Following submission, EDC staff would review such conflict and, if warranted, implement a mitigation plan to remove such conflict. EDC staffs' review of any potential conflict will seek to identify any applicants which would have significant control over the funding for the Programs and/or any conflict which would make them ineligible under federal regulations to participate in the Programs.

EDC Staff recommends the EDC Board of Directors approve an amendment to the eligibility provisions of the Program Guidelines of each of the Programs in substantially the following form:

The following individuals may not be eligible for award – As a general rule, business owners who are: (1) employees, elected officials or appointed officials or officers of the City of Detroit government (the City), (2) employees or board members of the Detroit Economic Growth Corporation (DEGC); (3) employees or board members of the Economic Development Corporation of the City of Detroit (EDC); (4) contractors affiliated with the Motor City Match/Re-Store program; (5) Motor City [Match/Re-Store]; (6) spouses and dependents of (a) employees and board members of the City, DEGC, and EDC; (b) contractors affiliated with the Motor City Match/Re-Store program; and (c) Motor City Match/Re-Store Jurors (each of (1) through (6), a “Covered Person”) may be viewed as having an actual or perceived conflict of interest which would make them ineligible for award under applicable federal regulations. Therefore, if you are, or potentially could be considered, a Covered Person, you must include with your application a written description fully disclosing all relevant facts regarding your status. If, as the result of your disclosure, you are determined by the EDC to be a Covered Person and your application is otherwise eligible for consideration for award, the EDC will attempt to work with you to see if an appropriate and acceptable mitigation plan can be implemented to permit an award.

NOTE: Failure to disclose any relevant information in your application may be grounds for rejecting your application, or if such information is disclosed or discovered thereafter, terminating your award and requiring the repayment of any disbursed award funds, whether disbursed directly to you or to a service provider on your behalf. The determination of whether an actual or perceived conflict of interest exists is solely within the discretion of the EDC and is final.

A resolution was included for the Board's consideration.

Ms. Navin advised that there is an Exhibit A that was not referenced and was inadvertently attached to your memo. It is an example of how the program guidelines for one of the sets of programs would be revised, but we are seeking the Board's approval to amend the guidelines for each of the programs to pick up these material changes.

Mr. Hodge asked what spurred the need for these changes. Ms. Navin responded that it is something that we've discussed at the Board for awhile and hadn't gotten around to doing it.



There have been instances where it has come to our attention that City employees have applied and been approved for the program, and on a case-by-case basis, we've been coming to the Board and seeking approval of their participation because there was no actual conflict of interest. An example would be one that was highlighted in a Detroit News article a couple of weeks ago of a City firefighter. In 2017, when it was brought before the Board, there was extensive discussion about how, in her position of a City firefighter, she had no meaningful involvement in the program or CDBG, so the determination was made that there was no conflict. As these cases have come up, there was discussion at the table about revising the guidelines. There are other revisions to the guidelines that staff have been reviewing and discussing over time, so this particular one kept getting postponed because we had hoped to make comprehensive changes all at one time. Through the review process that Motor City Match is undergoing now, we thought we should bring the revisions sooner rather than later to formalize the process that we have been undertaking in terms of primarily City employees, in particular, that have been awarded some level of Motor City Match support.

Ms. Bruhn asked if the Board was able to waive the conflict of interest provisions so that they could get an award. Ms. Navin responded that yes, the cases that we were aware of, did come to the Board and the Board did waive the conflict of interest. Our program guidelines provided general flexibility on eligibility requirements, and we thought it was warranted building in more specific flexibility on those requirements.

Ms. Bruhn stated that she is not entirely comfortable with this change. She is sympathetic, particularly to city employees, but this is so comprehensive that it covers Board Members, all employees, the jurors, the people who review the applications. Ms. Bruhn asked if there would be a problem with just keeping it the way it is, and those applications with potential conflicts could be brought to the Board on a case-by-case basis.

Ms. Navin stated that there are a couple of issues we are trying to address. The way that the eligibility requirement reads right now, it does establish a "bright line rule" that those people are excluded. When people haven't understood, they have applied and gotten support without our knowledge that they were a City employee. There have been cases where the awardee became a City employee after the award was given but before they were able to draw down on the funds. There are a lot of different circumstances that have come up. We've had about 1,300 awardees through the Program. So, one of the reasons why we think this is very important is that we wanted to make it very clear that the onus is on the applicant. If they fail to disclose, we wanted something that very clearly stated what our remedies were as well, so that we make sure we get that up-front disclosure. Sometimes that hasn't happened in earlier rounds because the application didn't ask for that disclosure and then we corrected that as we went on in the Program. While this is a broad exception, each disclosure and each exception would be subject to the Board's concurrence and approval. When the initial disclosure is made, staff does the initial diligence, presents the case to the Board, and then ultimately it is in the Board's discretion to approve it. So, this language doesn't grant exceptions without further review, it just more explicitly spells out the case.



Ms. Bruhn asked where the language is that says it would come to the Board. Ms. Navin responded that she was correct that the resolution does not say that and we would be happy to make that amendment to the resolution at the table.

Mr. Hodge said that is a very significant piece. Usually there are many applicants the Board is considering at one time, and if there is an applicant with a conflict, that needs to be broken out and presented separately. Ms. Navin responded that it has been awhile since we have had a known conflict and perhaps it was before Board Member Hodge became a Board member, but it has been our practice that where there is a known conflict the matter is separately disclosed to the Board and discussed at the table and we would continue that practice. The disclosure and waiver are also reflected in the minutes.

At the request of Ms. Bruhn, Ms. Navin gave a couple of examples of a past conflicts that had been presented to the Board and a waiver was given.

Mr. Stallworth stated that there a couple of things he is concerned about. One is, if there is no conflict, he's good, but if there is a conflict, he doesn't understand the whole mitigation plan. Not only are we managing this process in a way that ensures those who are awarded meet all the criteria guidelines, but we are also managing perception. Part of perception is inside access, greater access, etc. and he doesn't see that being resolved. He doesn't see a mitigation plan being appropriate. Ms. Navin responded that he is absolutely right. There may be circumstances that a conflict just cannot be mitigated. In those circumstances, staff may make that determination and not even bring it to the Board.

Mr. Stallworth stated that he is leaning toward something more like, if there is a conflict, there is no mitigation process. He would rather draw a "hard line".

Mr. Jackson stated that the Board needs to be a little bit careful here. He has a problem with a "hard line" and would like to see more flexibility. There can be some circumstances that it could fall in that it can be fixed. He is a developer and he would hate to see one of his tenants being viewed as having a conflict because he sits on this Board. The Board is making a final determination and that is what the Board is for—to make a decision.

Mr. Hodge said that he appreciates what is trying to be accomplished here. He also doesn't know if a "hard line" is appropriate. He thinks it would be helpful for this body to have some framework of what this approval process would look like. He knows it is hard to give high level specific details, but just a little more "color" of what the thought process is about how we would go about mitigating some of these potential conflicts would be helpful, and maybe that could be brought back to the Board.

Ms. Navin proposed a change in the language of the resolution that was before the Board.

Ms. Bruhn asked if the Board did not take action on this item now, would it be possible to still bring exceptions to the Board for approval. Ms. Navin responded that we could, however, what we want to do is two things: (1) provide clarity to the public and applicants and potential applicants that they are not necessarily barred because their affiliation with the City; and (2) that if they fail



to disclose a potential conflict, there could be consequences to that if we later determine there was a conflict.

Ms. Bruhn stated that what she is hearing is that people aren't ready to vote on this except with maybe the exception of Mr. Jackson. It was suggested that there be clearer language about the mitigation process and the fact that these would come to the Board for approval. Ms. Bruhn suggested that a revised resolution be brought back to the Board.

Mr. Stallworth stated that as long as there is a mitigation process, he plans to vote no and thinks that there is a level of discretion that creates public exposure for second guessing and you potentially undermine the credibility of the whole program on behalf of what is being called an exception.

Ms. Bruhn made a motion to table this item and asked staff to consider the comments made today and bring back another proposal. Mr. Quarles asked if there was a second. Ms. Clayson seconded the motion. The Board unanimously voted to table Resolution Code EDC 19-07-91-97.

Eastern Market Planning Study PowerPoint Presentation (For Information Only)

Ms. Frazier gave an informative PowerPoint presentation to update the Board members on the status of the Eastern Market Planning study and responded to questions.

Amendment to Professional Consultant Services Agreement for Eastern Market Comprehensive Neighborhood Framework Plan with Utile, Inc and the Nature Conservancy

Ms. Frazier advised that as this Board is aware, in June 2017, the Board of Directors of the Economic Development Corporation of the City of Detroit ("EDC") undertook certain actions to accept funds and provide project management services in connection with the Eastern Market Comprehensive Neighborhood Framework Plan (the "Project"). The total budget for the Project is \$877,910 (the "Project Funds"), which includes a 10% EDC administrative fee. The Project Funds are comprised of \$660,000 from a U.S. Department of Housing and Urban Development Community Development Block Grant and \$217,910 from The Nature Conservancy ("TNC") for a centralized stormwater management feature of the Project.

In June 2018, the EDC entered into a Contract for Services with TNC (the "TNC Agreement") whereby the EDC agreed to perform certain project management services for the Project at an amount not-to-exceed \$217,910. In connection therewith, the EDC sought the assistance of Utile, Inc ("Utile") and entered into a Professional Services Agreement with Utile (the "Utile Agreement") for the provision of consultation and management services for the Project. Pursuant to the terms of the Utile Agreement, Utile is to provide the consultation services at a cost not-to-exceed the sum of \$775,008.

During Utile's performance of the services under the Utile Agreement, Utile presented EDC staff with a revised scope for services related to the centralized stormwater management feature of the Project. The revised scope was included in the Board material as **Exhibit A**. The additional



services contained in the revised scope will be performed by Utile at a cost not-to-exceed the sum of \$55,000. However, in order for Utile to perform the additional services, it is required that the EDC receive additional Project Funds. For this reason, TNC has agreed to provide the EDC with an additional \$60,500 for the Project whereby \$55,000 will be allocated to the provision of services related to the centralized stormwater management feature of the Project and the remaining \$5,500 will be retained by the EDC as an administrative fee.

In connection with the foregoing, EDC staff recommended the Board's approval of an amendment to the TNC Agreement increasing the total compensation by \$60,500 and an amendment to the Utile Agreement increasing the total compensation by \$55,000.

A resolution approving the execution of the aforementioned amendments was included for the Board's consideration.

Mr. Quarles asked if Utile is a local company. Ms. Frazier responded that they are out of Boston, however, on their team are other local subconsultants. Ventra Group LLC is aiding in real estate development and City Form Detroit is doing community engagement, which are both Detroit-based businesses. Michigan-based PEA Inc. is providing civil engineering and environmental consulting services, and Limno Tech is leading investigations on storm water management.

Ms. Clayson asked what the change in scope was that requires the cost increase. Ms. Frazier answered that it is related to the finalization of their final report. Also, through the course of the study and investigations that were done in the area of storm water management, we looked at a system-wide plan for all new development and they came up with a number of different scenarios and so the direction was changed aimed at more phasing in at the rate of new development coming in versus over the course of the whole district all at once.

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

On a motion by Mr. Hodge, seconded by Mr. Stallworth, Resolution Code EDC 19-07-97-04 was unanimously approved.

ADMINISTRATION

Ms. Jensen advised that she has two items.

On behalf of Mr. Batton, he was going to give a quick update on the Livernois construction, but he had to go to Detroit City Council today as this is their last day before recess. This is their last day before recess so he will give an update at the next Board meeting. He is working with the Administration to put together a plan to assist the existing businesses that are impacted because of the construction on Livernois that is underway. Ms. Navin stated that they are working to identify a pool of grant funds received previously through the DEGC/DEGA and EDC that have not all been spent, as well as talking with City Council about reprogramming some of the funds that have been approved through this body, so there could be some financial assistance available.



Ms. Jensen advised that Board member Matt Roling's term expired and his appointment is not being extended. There will be a new EDC Board member, Clifford Brown, who was interviewed by City Council's Internal Operations Committee last week and is on Council's agenda today for approval.

OTHER MATTERS

PUBLIC COMMENT

ADJOURNMENT

On a motion by Ms. Bruhn, seconded by Mr. Jackson, Mr. Quarles adjourned the meeting at 9:55 a.m.



CODE EDC 19-07-02-317

APPROVAL OF MINUTES OF JUNE 25, 2019 REGULAR MEETING

RESOLVED, that the minutes of the Regular meeting of June 25, 2019 are hereby approved, and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Economic Development Corporation.

July 23, 2019



CODE EDC 19-07-03-241

ACCEPTANCE OF TREASURER'S REPORT FOR JUNE 2019

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending June 30, 2019, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

July 23, 2019



CODE EDC 19-07-52-13

EAST RIVERFRONT: AUTHORIZATION TO ENTER INTO DEVELOPMENT AGREEMENT FOR 1977 WOODBRIDGE

WHEREAS, the City of Detroit Economic Development Corporation (the “EDC”) acquired 1977 Woodbridge (the “Property”) to support development in the East Riverfront district; and

WHEREAS, given slated development underway in the East Riverfront district, EDC staff have determined that now is an opportune time for sale of the Property; and

WHEREAS, In March 2019, EDC staff released a Request for Proposals (“RFP”) for the purchase and development of the Property and the RFP established certain selection criteria, including proposer capacity, project financials and development plan; and

WHEREAS, after reviewing proposals from 5 development teams with an evaluation committee that included City staff and EDC staff, the evaluation team has determined that the response submitted by Biltmore Development Group, LLC (the “Developer”) satisfied the selection criteria set forth in the RFP; and

WHEREAS, the Developer has proposed to purchase the Property for \$500,000 and develop it into a minimum 4,000 square foot commercial use property with current proposed uses to include a cigar bar, a conference room, and a barber shop; and

WHEREAS, EDC staff is seeking the Board’s approval to execute a term sheet with the Developer in substantially the form attached as Exhibit A (the “Term Sheet”) and to negotiate, execute and consummate a development agreement (the “Development Agreement”) consistent with the terms and conditions described in the Term Sheet; and

NOW, THEREFORE, BE IT RESOLVED that the EDC Board of Directors hereby authorizes the negotiation and the execution of the Term Sheet in substantially the same form attached hereto as Exhibit A and the negotiation and execution of a Development Agreement upon the terms and conditions set forth in the Term sheet, together with the same such terms and conditions deemed reasonable by EDC’s counsel and Authorized Agents.

BE IT FURTHER RESOLVED that any two officers, any two of the Authorized Agents or any one of the Officer and any one of the Authorized Agents of the EDC, shall hereafter have the authority to negotiate and execute the Term Sheet, the Development Agreement, and 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 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, 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.

July 23, 2019



EXHIBIT A

Proposed Term Sheet **Biltmore Development Group, LLC.** ***1977 Woodbridge, Detroit MI***

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

Developer: Biltmore Development Group, LLC.
Principal of Developer: William Smith
Property: 1977 Woodbridge (the “Property”)
Purchase Price: \$500,000
EDC Approval: Estimated on or before July 23, 2019.

Minimum Requirements for Proposed Project: The Developer will develop the Property into a minimum 4,000 sf commercial use project. The Developer will make best faith efforts to maintain the center building facade, along with an effort to restore the interior mural. The Developer may determine it is necessary at its discretion to demolish two ancillary buildings and construct new structures in accordance with the minimum requirements herein. An estimated \$1,500,000 will be invested into the Property to include upgrades to the major building systems, restrooms, and the construction (“Improvements”). The project will include approximately 4,000 square feet of commercial space initially proposed to be used as a cigar bar, a reserved conference room and a small two chair barbershop.

Inspection Period: Developer will have ninety (90) days following the execution of the Agreement to conduct its due diligence of the Property, which may include physical investigations, subject to execution of a Right of Entry agreement with the EDC.

Title and Survey: Within ninety (90) days following the execution of the Agreement, Developer must order a title insurance commitment with respect to the Property and an ALTA survey of the Property, at its sole expense. Within twenty (20) days following its receipt of the title commitment and survey, Developer must submit any objections to matters disclosed thereby to EDC, and EDC will notify Developer within twenty (20) days of its receipt of such objections which objections it is prepared to cure at or prior to Closing. Any matters to which Developer does not object or EDC does not elect to cure shall be considered “Permitted Exceptions”. A title policy shall be issued in Developer’s name at Closing.

Development Plan: Development Plan for the Property, including the site plan and conceptual drawings and elevations must be submitted to EDC and the City’s Planning and Development Department for approval prior to expiration of the Inspection Period.



Construction Plans and Schedule, Sources and Uses and Financing Plan: Final Construction Plans and Schedule and Financing Plan must be submitted to EDC for approval prior to Closing, with appropriate project financing in place at or prior to Closing. Anticipated sources and uses, which may change, are set forth below, with final Financing Plan, which shall include commitment letters from debt and equity sources, to be subject to approval by EDC's authorized agents:

SOURCES	Total \$
Permanent Financing	\$1,070,000
Developer Equity	\$484,240
Total Sources	\$1,554,790
USES	
Acquisition of 1977 Woodbridge	\$500,000
Hard Costs	\$936,790
Soft Costs	\$118,000
Total Costs	\$1,554,790

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

Closing: Closing to occur within two hundred seventy-five (275) days following the expiration of the Inspection Period, upon delivery by EDC to Developer of a quit claim deed for the Property, subject to the Permitted Exceptions, Developer's ongoing obligations under the Agreement, current tenant leases, if any, and all applicable zoning and building restrictions. EDC staff may grant extensions of any of the Inspection Period and/or Closing without further Board approval, provided that all such extensions, in the aggregate, shall not exceed three (3) months. Upon the delivery of the deed, Developer will assume all of EDC's rights and obligations under any existing leases for any portion of the Property.

Prorations and Closing Costs: In the event that the Property, or any portion thereof, is on the tax rolls as of the date of Closing, all taxes and assessments which have become a lien upon the Property as of the date of Closing shall be paid by the EDC, provided that current taxes shall be prorated and adjusted to the date of Closing on a due date basis, as if paid in advance. In the event that the Property, or any portion thereof, is not on the tax rolls as of the date of Closing, Developer will pay to the EDC at Closing an amount equal to the ad valorem taxes which would have been levied had the Property been on the tax rolls, calculated on the basis of 50% of the Purchase Price, prorated to the date of Closing. Developer shall be responsible for any and all third-party costs associated with the Closing, including but not limited to recording costs, transfer taxes, if any, title insurance premiums, and any closing fees charged by the title company. In addition, at Closing, the EDC shall be entitled to reimbursement of legal fees relating to the negotiation and consummation of the Agreement.



Construction Commencement Date: Thirty (30) days following Closing.

Construction Completion Date: Twelve (12) months following commencement of construction; liquidated damages in the amount of \$500.00 per day if construction is not complete within eighteen (18) months.

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

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

Conditions to Effectiveness:

- Approval of terms and conditions contained herein by EDC Board of Directors
- Execution by the EDC and Developer of a mutually acceptable Agreement including the above terms, the terms described in the 1977 Woodbridge RFP issued by the EDC on or about March 1, 2019, and other terms as a customary in a Development Agreement and not inconsistent with the foregoing.

[Signatures follow.]



Executed this _____ day of _____, 2019

ECONOMIC DEVELOPMENT CORPORATION FOR THE CITY OF DETROIT

By: _____
Its: Authorized Agent

By: _____
Its: Authorized Agent

Approved as to form only:

Rebecca Navin, Esq., Counsel to EDC

BILTMORE DEVELOPMENT GROUP, LLC

By: _____
Its: _____



CODE EDC 19-07-91-95

MOTOR CITY MATCH: PREVIOUSLY APPROVED AWARDEE RECOMMENDATION TO CHANGE ADDRESS AND TO EXTEND AWARD DEADLINE

WHEREAS, the following businesses have been previously awarded a Motor City Match “Cash” Grant during various award rounds: the Upperow, Grind Grind LLC, and Blessed and Highly Favored Juice Bar (collectively, the “Awardees”); and

WHEREAS, Motor City Match Cash Awardees are required to identify the location of their business prior to the EDC Board’s approval of their cash award; and

WHEREAS, the Awardees have updated their business location whereby Upperow will now be located at 3031 West Grand Boulevard Suite 180, Grind Grind LLC at 18931 West 7 Mile Rd, and Blessed and Highly Favored Juice Bar at 18999 Livernois; and

WHEREAS, EDC staff recommends the approval of the updated Awardee business locations, allowing Awardees to utilize the previously awarded “Cash” grant awards.

THEREFORE, BE IT RESOLVED the EDC Board of Directors approves the updated Awardee addresses as sated herein.

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 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.

July 23, 2019



CODE EDC 19-07-91-96

**SMALL BUSINESS AND COMMERCIAL CORRIDOR REVITALIZATION PROGRAM:
AUTHORIZATION TO AMEND THE COMMUNITY DEVELOPMENT BLOCK GRANT
SUBRECIPIENT AGREEMENT.**

WHEREAS, at the request of the City of Detroit (the “City”) Mayor’s Office, the Economic Development Corporation of the City of Detroit (“EDC”), is administering small business and commercial corridor revitalization programs known as Motor City Match and Motor City Re-Store (the “Programs”); and

WHEREAS, Community Development Block Grant (“CDBG”) funding from the City for the Programs implementation that were transferred to the EDC pursuant to Community Development Block Grant subrecipient agreements has been depleted; and

WHEREAS, in December 2018, the EDC board approved an amendment to the Agreement to accept additional funding from the City in the amount of One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000.00) in CDBG funds and Six Hundred Seventy-Three Thousand One Hundred Forty-One and 96/100 Dollars (\$673,141.96) in City General Funds to further support the Programs; and

WHEREAS, the EDC and the City now seek to execute an amendment to the Agreement (the “Amendment”) allowing for the City to provide additional funding for the Programs and reallocate the source of funds previously provided to the EDC; and

WHEREAS, EDC staff is seeking authorization to accept Two Million Seven Hundred Thousand and 0/100 Dollars (\$2,700,000.00) from the City’s General Fund Budget to support the Programs; and

WHEREAS, the EDC and City also seek to amend the Agreement to reallocate the funds previously provided as follows: Five Hundred Thousand and 00/100 Dollars (\$500,000.00) to be provided from CDBG funds and One Million Six Hundred Seventy-Three Thousand One Hundred Forty-One and 96/100 Dollars (\$1,673,141.96) to be provided from the City’s General Fund Budget

WHEREAS, the EDC Board of Directors has determined that the execution of the Amendment is appropriate and otherwise consistent with the EDC’s statutory purposes.

NOW, THEREFORE, BE IT, RESOLVED, the EDC Board of Directors hereby approves the execution of the Amendment, consistent with the terms contained in 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 the Amendment and all other documents, contracts, or papers, and take all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the EDC.

BE IT FINALLY RESOLVED, that all of the acts and transactions of any officer or authorized agent of the EDC, in the name and on behalf of the EDC, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

July 23, 2019



CODE EDC 19-07-97-04

AMENDMENT TO PROFESSIONAL CONSULTANT SERVICES AGREEMENT FOR EASTERN MARKET COMPREHENSIVE NEIGHBORHOOD FRAMEWORK PLAN WITH UTILE, INC AND THE NATURE CONSERVANCY

WHEREAS, in June 2017, the Board of Directors of the Economic Development Corporation of the City of Detroit (“EDC”) undertook certain actions to accept \$877,910 (the “Project Funds”) and provide project management services in connection with the Eastern Market Comprehensive Neighborhood Framework Plan (the “Project”); and

WHEREAS, in June 2018, the EDC entered into a Contract for Services with TNC (the “TNC Agreement”) whereby the EDC agreed to perform certain project management services for the Project at an amount not-to-exceed \$217,910; and

WHEREAS, in connection with the EDC’s obligations under the TNC Agreement, the EDC entered into a Professional Services Agreement with Utile, Inc (“Utile”) (the “Utile Agreement”) for the provision of consultation and management services at a cost not-to-exceed the sum of \$775,008; and

WHEREAS, Utile presented EDC staff with a revised scope for services related to the centralized stormwater management feature of the Project and such revised scope is attached hereto as **Exhibit A**; and

WHEREAS, the additional services contained in the revised scope requires an increase in the not-to-exceed contract amount under the Utile Agreement and additional Project Funds; and

WHEREAS, EDC staff is recommending the Board’s approval of an amendment to the TNC Agreement increasing the total compensation by \$60,500 and an amendment to the Utile Agreement increasing the total compensation by \$55,000 (collectively, the “Amendments”); and

WHEREAS, the EDC Board of Directors has determined that Staff’s recommendation is appropriate and within the best interests of the Project.

NOW, THEREFORE, BE IT RESOLVED, that the EDC Board of Directors hereby approves the execution of the Amendments, together with such modifications to the Amendments as deemed appropriate by such Authorized Agents and counsel which are not inconsistent with this resolution and do not alter the substance of the Amendments or adversely affect the rights and/or obligations of the EDC thereunder

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 Amendments and all documents, contracts, or other papers 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.

July 23, 2019