



**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, JANUARY 22, 2020 – 3:00 P.M.**

BOARD MEMBERS PRESENT: David Massaron
Ehrlich Crain
Sonya Delley
David Blaszkievicz
Austin Black
Nick Khouri (Chairman's Representative)
John Naglick
Steve Ogden

BOARD MEMBERS ABSENT: Richard Hosey
Melvin Hollowell
Charity Dean
Marvin Beatty
James Jenkins

OTHERS PRESENT: Malinda Jensen (DEGC/DDA)
Cora Capler (DEGC/DDA)
Jennifer Kanalos (DEGC/DDA)
Denise Hundley (DEGC/DDA)
Paul Kako (DEGC/DDA)
Glen Long, Jr. (DEGC/DDA)
Rebecca Navin (DEGC/DDA)
Catherine Frazier (DEGC/DDA)
Brandon Guest (Walbridge Real Estate)
Justin Owen (Walbridge)



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, JANUARY 22, 2020
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD STREET, SUITE 2200 – 3:00 P.M.**

GENERAL

Call to Order

Noting that a quorum was present, Chair Khouri called the regular meeting of the Downtown Development Authority Board of Directors to order at 3:00 p.m.

Approval of Minutes

Mr. Khouri asked if there were any additions, deletions or corrections to the minutes of the December 11, 2019 special Board meeting. Hearing none, the Board took the following action:

On a motion by Mr. Ogden, seconded by Mr. Naglick, Resolution Code DDA 20-01-02-622 was unanimously approved.

Receipt of Treasurer's Report for November 2019

Mr. Naglick reviewed the Treasurer's Report of Receipts and Disbursements for the Month of November 2019. With there being no questions or discussion, the Board took the following action:

On a motion by Mr. Crain, seconded by Mr. Ogden, Resolution Code DDA 20-01-03-504 was unanimously approved.

PROJECTS

DDA/EDC UDAG Loan Fund: Approval of Program Guidelines

Ms. Frazier reported that the Michigan Community Redevelopment Program ("MCRP"), administered by the Michigan Strategic Fund ("MSF") through the Michigan Economic Development Corporation ("MEDC"), provides a critical gap financing tool for eligible mixed-use development projects in areas throughout the State of Michigan and in particular in the City of Detroit. However, recent budget reductions in the MCRP have caused the available funds to economic development projects within the City of Detroit to also decrease. Although initially MCRP assistance was focused primarily on projects located in greater downtown, including Midtown and Corktown, more recently projects receiving MCRP funding have also been located within commercial corridors targeted by the City of Detroit's Strategic Neighborhood Fund.

Given decrease in the MCRP budget, staff for The Economic Development Corporation of the City of Detroit (the "EDC") is recommending that the EDC establish a gap funding program targeted primarily at projects that align with the program requirements of MCRP (the "EDC Fund"). Available funds may be available for financing in conjunction with or in place of MCRP loans. In addition, in certain circumstances, funding may be made available for site readiness activities that



would spur new employment opportunities on publicly owned industrial sites. The EDC has the statutory authority to make loans for projects throughout the City of Detroit and has historically administered similar loan programs, including the Casino Loan Fund and the Streetscape Loan Fund.

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

DDA staff recommended that available UDAG funds in an amount up to \$4,000,000.00 (the “DDA Funds”) be made available to the EDC the purposes of funding the EDC Fund pursuant to a funding agreement to be negotiated between the EDC and the DDA. The EDC would only be able to draw upon the DDA Funds for loans that have been approved by the EDC Board and comply with program guidelines established by the EDC Board as well as applicable provisions of the original UDAG grants and transfer agreements, which may include the written consent of the Director of HRD.

The DDA Finance Committee has reviewed the matter and recommends the proposed funding agreement to the Board of Directors for approval.

A resolution was included for the Board’s consideration.

Mr. Khouri asked why the amount identified for the DDA Funds is \$4,000,000.00. Mr. Long stated that the DDA Funds are in the amount of \$4,000,000.00 because that is the amount of UDAG available due to receipt of loan payoffs from the Atheneum Hotel and the Tobin Building.

Mr. Naglick informed the Board that the DDA Finance Committee met, reviewed the proposal for the DDA Funds, and recommends the proposed funding agreement to the Board of Directors for approval.

Mr. Khouri asked if the gap created by the budget restrictions for MCRP was the motivation for making the DDA Funds available to a wider set of projects in the City. Ms. Frazier confirmed that the gap created by the budget restrictions for MCRP was the motivation for making the DDA Funds available to a wider set of projects in the City and that the DDA Funds could be used in conjunction with funds from MCRP on a project.

Mr. Khouri asked what would happen if the MSF restores the funding for MCRP. Mr. Long stated that this resolution is only to make the DDA Funds available to the EDC for use on economic development projects and each project will have to be approved by the EDC Board and the director of the City of Detroit Housing and Revitalization Department, and should the DDA Funds be no longer needed for projects through the EDC, the DDA Funds would remain with the DDA.



Mr. Blaszkiewicz stated that the DDA Finance Committee requested that once the program guidelines are created for the DDA Funds, DDA staff will provide a presentation to the DDA Board and that making the DDA Funds available to the EDC for use on economic development projects will open the DDA Funds up to be available to a wider set of projects in the City without being restricted by the geography of the DDA.

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

On a motion by Mr. Blaszkiewicz, seconded by Mr. Ogden, Resolution Code DDA 20-01-122-07 was unanimously approved.

ADMINISTRATION

OTHER MATTERS

PUBLIC COMMENT

ADJOURNMENT

On a motion by Mr. Crain, seconded by Mr. Blaszkiewicz, Mr. Khouri adjourned the meeting at 3:10 p.m.



CODE DDA 20-01-02-622

APPROVAL OF MINUTES OF DECEMBER 11, 2019

RESOLVED that the minutes of the Special meeting of December 11, 2019 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Downtown Development Authority.

January 22, 2020



CODE DDA 20-01-03-504

RECEIPT OF TREASURER'S REPORT FOR NOVEMBER 2019

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending November 30, 2019, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

January 22, 2020



CODE DDA 20-01-01-122-07

AUTHORIZATION TO TRANSFER AVAILABLE UDAG LOAN PROCEEDS TO ECONOMIC DEVELOPMENT CORPORATION

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

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

WHEREAS, Staff proposes authorizing the transfer of up to \$4.0MM of on-hand UDAG proceeds (the “DDA Funds”) to the Economic Development Corporation of the City of Detroit (the EDC) for the establishment by the EDC of a gap funding program targeted primarily at (i) projects that align with the program requirements of Michigan Community Redevelopment Program, administered by the Michigan Strategic Fund and (ii) in certain circumstances, site readiness activities that would spur new employment opportunities on publicly owned industrial sites (the “EDC Fund”), which DDA Funds would only be drawn upon for loans that have been approved by the EDC Board and comply with program guidelines established by the EDC Board as well as applicable provisions of the original UDAG grants and transfer agreements, which may include the written consent of the Director of HRD; and

WHEREAS, the DDA Board of Directors has reviewed the proposed transfer of DDA Funds and determined that they are consistent with the DDA’s statutory purposes.

NOW, THEREFORE, BE IT RESOLVED, that the DDA Board of Directors hereby authorizes the proposed transfer of the DDA Funds, upon the terms and conditions outlined above.

BE IT FURTHER RESOLVED that the DDA Board of Directors hereby authorizes any two of its Officers or any two of its Authorized Agents or any one Officer and any one Authorized Agent to negotiate and execute funding or similar agreements necessary or appropriate to effectuate the proposed transfer as deemed appropriate by such Authorized Agents and counsel which are not inconsistent with this resolution and do not adversely affect the rights and/or obligations of the DDA hereunder.

BE IT FURTHER RESOLVED the DDA Board of Directors hereby authorizes any two of its Officers or any two of its Authorized Agents or any one Officer and any one Authorized Agent to execute and all other documents, contracts and papers and take such other actions necessary or appropriate to implement the provisions and intent of this resolution on behalf of the DDA.

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

January 22, 2020