



**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, AUGUST 25, 2020 – 9:00 A.M.**

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

BOARD MEMBERS ABSENT: Marsha Bruhn
Kimberly Clayson
Arthur Jemison (Ex-Officio)
John Naglick (Ex-Officio)
Jonathan Quarles

**SPECIAL DIRECTORS
PRESENT:** None

**SPECIAL DIRECTORS
ABSENT:** None

OTHERS PRESENT: Gay Hilger (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)
Lexi Mabry (DEGC/EDC)
Rebecca Navin (DEGC/EDC)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
AUGUST 25, 2020
HELD VIA ZOOM VIRTUAL MEETING
9:00 A.M.**

GENERAL

Call to Order

Chairperson Forte called the meeting of the Economic Development Corporation Board of Directors to order at 9:03 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 July 28, 2020 Regular Board meeting.

Hearing none, Ms. Forte called for a motion:

Mr. Stallworth made a motion approving the minutes of the July 28, 2020 Regular Board meeting, as presented. Mr. Hodge seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Brown, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Stallworth and Ms. Forte.

Nays: None.

EDC Resolution Code 20-08-02-334 was approved.

Receipt of Treasurer's Report

Mr. Long reviewed the Treasurer's Report of Receipts and Disbursements for the months ending June 30, 2020 and July 31, 2020.

Ms. Forte asked if the EDC was receiving all of the scheduled receipts on time. Mr. Long responded that it is and explained that receipts for the EDC are a few different categories. The Contract Income is mostly City contracts, like Motor City Match, the DDR, and Eastern Market, and we have been billing the City and the City has been paying us within 30 days. On the General Fund, again, there is a City contract and a lot of that money is being transferred from the General Fund into the Program Fund and we are in control of that, so Receipts have not been a problem.

Subsequent to the discussion, Ms. Forte called for a motion:

Mr. Hodge made a motion approving the Treasurer's Report for June 2020 and July 2020, as presented. Mr. Brown seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Brown, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Stallworth and Ms. Forte.

Nays: None.

EDC Resolution Codes 20-08-03-253 and 20-08-03-254 were approved.



PROJECTS

Motor City Match: Recommendation to Extend Award Deadline

Mr. Lucco reported that on June 1, 2015, the EDC's Motor City Match program began accepting applications for Round 1 of the Business Owner Award Track, including the "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.

Since June 1, 2015, the EDC has awarded Cash grants to 188 businesses in the City of Detroit and, pursuant to the terms of the grant agreement executed between the EDC and the awardees, awardees are required to access their grant within one (1) year from the date of board approval to use its "Cash" award. While many awardees are able to complete their respective project within the one (1) year term, twelve (12) awardees (the "Awardees") whose grants have recently expired or will expire soon and have experienced unexpected delays, including delays compounded by the COVID-19 pandemic, which prevented the Awardees from completing their project within a year.

Anticipated timelines for all Motor City Match projects have been thrown off schedule as a result of the COVID-19 pandemic. For projects under construction, work paused temporarily or has been halted entirely. Projects attempting to finalize financing have been met with similar uncertainty. In anticipation of further delays, and in order to offer the Awardees a chance to complete their project and use the funding under their respective "Cash" grant awards, EDC staff recommends that the one- (1) year term for "Cash" awards be extended until December 31, 2020 for the Awardees identified below.

The following Awardees' grants are currently expired. EDC staff seeks an extension of the grant term as noted above.

Skinphorea LLC: Owner Jessica Stallings is opening this iteration of Skinphorea, her second location, in The Corner development at Michigan and Trumbull. Closing on financing was initially delayed by a clerical error during the closing process, and further held up as the COVID-19 pandemic increased in intensity. The owner has invested a significant amount of capital into the project and is scheduled to finalize additional financing within the next 45 days. EDC staff is committed to this project, a black-owned woman-owned business, and will continue to support it until completion.

Tabor Way LLC DBA Terri's Cakes Detroit: Terri's Cakes grew out of the inspiration owner Garnet Conerway drew from years of watching her mother Terri's mastery in the kitchen. Now Garnet operates a full-service bakery and is developing the second story of her building at 16311-15 E. Warren into residential units. After some delays and complications from the pandemic, Garnet will have her loans with Invest Detroit and the EDC closed within 60 days and will then draw down on her MCM grant.

Cabresto Tasting Room LLC DBA Toma Detroit: The vision of Toma Detroit has evolved with changing circumstances. Owners Tony Lopez, Corey McIntosh and Jose Maldonado have updated their budget and design to focus on the core of the business, serving great



tequila and great food. Those changes necessitated seeking different sources of financing. The team is now working with Chase on the final funding source.

MAC Galleries, LLC: MAC Galleries expanded the scope of its original project and required a new budget and bids from contractors. Lender Invest Detroit was on board for the changes but could not finalize the details of a funding agreement before the pandemic occurred. Owner James McKissic is currently working with Invest Detroit to finalize details on his loan and expects to close within the next 45 days.

Lacquered LLC: Owner's Paige Pearson and Sondrayne Morton moved from their initial space and found a home for their nail bar in the B. Siegel development at the corner of Livernois and 7 Mile. A loan with Detroit Development Fund was scheduled to close just as the pandemic hit. Subsequent increases in construction costs have complicated the closing process. Lacquered is currently working to refine their budget and aims to close financing within the next 60 days.

Tiki's Treasures LLC: Teresa Singleton's attempt to transform a historic building on West Grand Boulevard into a mixed-use development has encountered a host of challenges around tenanting and financing. Through it all, Teresa has stayed true to her vision. A participant in 2020 Cohort of Capital Impact Partner's Equitable Development Initiative (EDI), Teresa now has an opportunity to bring the Tiki's Treasures project to life. Her participation in the EDI program gives her the chance to secure financing with Capital Impact and partner organization. Access to her Motor City Match grant is a necessary to allow the additional financing to be secured.

The Platinum Chef: Personal Chef & Catering Services, LLC: After switching spaces last year, owner Rhoda St. Luce began the process of purchasing her own building to house the Platinum Chef. Some delays regarding gaining title and finding investors prevented the project from coming to fruition before the pandemic. Conversation about the final pieces of funding are ongoing between Rhoda and Detroit Development Fund and Northern Initiatives.

The Millionairess LLC: The Millionairess is a design winner and cash grantee seeking to open a salon and high-end retail space on the Avenue of Fashion. Owner Arnita Parham has invested a significant amount of her own funds in the project. EDC staff would like to allow her additional time to finalize financing with ProsperUs Detroit and Michigan Women Forward to help make her project a reality.

The following grants are set to expire on November 12, 2020. EDC staff seeks an extension of the grant term in anticipation of possible delays and complications resulting from the COVID-19 pandemic.

Polished Biz LLC DBA Parker Avenue: Parker Avenue Salon is an upscale salon offering nail care, face waxing and curated related retail in the Orleans Landing development. Owner Sally Moore leveraged her successful career in corporate American to create a new black-owned, woman-owned, oasis for self-care in Rivertown. After a significant equity investment, Sally is currently working with Michigan Women Forward to secure her final piece of funding.



Esto's Garage LLC: Long time West Village resident Esteban Castro long noticed a need for fast casual dining in his neighborhood. With the help of Motor City Match, he decided to expand on his food truck and catering business and open a taco shop in the neighborhood. Esto's Garage is currently working to finalize loans with the Biz Loan fund and ProsperUs Detroit.

Ice Cream Plant LLC: Ice Cream Plant has a growing wholesale business and seeks to use their Motor City Match grant for help expanding. They are working with Invest Detroit to finalize financing for equipment and expansion. They will likely need additional time to complete their project.

Morningside Café LLC: Morningside Café grew out of owner Jeff Lewis's realization that the neighborhood was missing a vital space for coffee, casual food and gathering. Jeff grew up in and is a current resident of Morningside. The project is currently finalizing loans with the Opportunity Resource Fund and expects to begin disbursements and construction by mid-September.

A resolution approving the staff's recommendations was included for the Board's consideration.

Mr. Osei asked if the Motor City Match program will be moving forward in the future. Mr. Lucco stated that the current contract with the City expires January 31, 2021, and we will be continuing as we have in the past. We will be working with the City as to whether to extend the program beyond January 31 as is, revise the program, or if there will be a new program. Mr. Osei asked if there would be another round of grants before the January 31 expiration of this contract. Mr. Lucco answered that there would not be another round of grants.

Subsequent to the discussion, Ms. Forte called for a motion:

Mr. Osei made a motion approving the Motor City Match Extension of Award Deadlines, as presented. Mr. Brown seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Brown, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Stallworth and Ms. Forte.

Nays: None.

EDC Resolution Code 20-08-91-111 was approved.

ADMINISTRATION

None.

OTHER MATTERS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

On a motion by Mr. Osei, seconded by Mr. Stallworth, Ms. Forte adjourned the meeting at 9:17 a.m.



CODE EDC 20-08-02-334

APPROVAL OF MINUTES OF JULY 28, 2020 REGULAR MEETING

RESOLVED, that the minutes of the regular meeting of July 28, 2020 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.

August 25, 2020



CODE EDC 20-08-03-253

RECEIPT OF TREASURER'S REPORT FOR JUNE 2020

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending June 30, 2020, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

August 25, 2020



CODE EDC 20-08-03-254

RECEIPT OF TREASURER'S REPORT FOR JULY 2020

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending July 31, 2020, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

August 25, 2020



CODE EDC 20-08-91-111

MOTOR CITY MATCH: RECOMMENDATION TO EXTEND AWARD DEADLINE

WHEREAS, the following businesses have been previously awarded a Motor City Match “Cash” Grant during various award rounds: Skinphorea LLC, Tabor Way LLC DBA Terri’s Cakes Detroit, Cabresto Tasting Room LLC DBA Toma Detroit, MAC Galleries, LLC, Lacquered LLC, Tiki’s Treasures LLC, The Platinum Chef: Personal Chef & Catering Services, LLC, The Millionairess LLC, Polished Biz LLC DBA Parker Avenue Salon, Esto’s Garage LLC, Ice Cream Plant LLC, and Morningside Café LLC (collectively, the “Awardees”); and

WHEREAS, Motor City Match Cash Awardees have one year from the date of EDC Board approval to use their cash award; and

WHEREAS, due to unexpected delays in securing financing, completing the project, and other unforeseen obstacles due to the COVID-19 pandemic, the Awardees are unable to complete the project and use all of the Cash grant funds within the one-year term; and

WHEREAS, EDC staff recommends that the Awardees’ “Cash” grant term be extended to December 31, 2020; and

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

BE IT RESOLVED, EDC Board of Directors recommends that the one-year time limit the Awardees have to make full use of grant funds be extended to December 31, 2020.

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.

August 25, 2020