



**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, JUNE 12, 2019 – 3:00 P.M.**

BOARD MEMBERS PRESENT: Austin Black
David Blaszkiewicz
Ehrlich Crain
Charity Dean
Sonya Delley
Melvin Hollowell
James Jenkins
Thomas Lewand
John Naglick
Steve Ogden

BOARD MEMBER ABSENT: Marvin Beatty
Richard Hosey
David Massaron

OTHERS PRESENT: Gay Hilger (DEGC/DDA)
Daryl James (SmithGroup)
Paul Kako (DEGC/DDA)
Jennifer Kanalos (DEGC/DDA)
John Lauve (Public)
Glen Long, Jr. (DEGC/DDA)
Rebecca Navin (DEGC/DDA)
Sarah Pavelko (DEGC/DDA)



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, JUNE 12, 2019
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD STREET, SUITE 2200 – 3:00 P.M.**

GENERAL

Call to Order

Noting that a quorum was present, Mr. Lewand, the Chairman's Representative, called the Regular meeting of the Downtown Development Authority Board of Directors to order at 3:02 p.m.

Approval of Minutes

Mr. Lewand asked if there were any additions, deletions or corrections to the minutes of the May 22, 2019 Regular Board meeting. Ms. Dean advised that she was present at that meeting and is not listed as being present. Noting the correction, the Board took the following action:

On a motion by Mr. Blaszkiewicz, seconded by Ms. Delley, Resolution Code EDC 19-06-02-617 was unanimously approved.

PROJECTS

Request to Fund Riverfront Asset Plan for Hart Plaza

Ms. Pavelko reported that in 2017, the Economic Development Corporation of the City of Detroit (the "EDC") sold land located in the EDC's Waterfront East Project Plan Area to the Michigan Department of Natural Resources. In connection with the sale of land, the City of Detroit (the "City") and the EDC agreed to grant the sale proceeds totaling \$4,300,000 to the City of Detroit Downtown Development Authority (the "DDA") under the condition that the funds be provided as a forgivable loan to support capital improvements for the City's Hart Plaza.

The City's General Services Department ("GSD") has recently requested the assistance of the EDC and the DDA to utilize this funding to support a comprehensive Riverfront Asset Plan (the "Planning Study") it hopes to undertake in 2019. The Planning Study will include Hart Plaza, Aretha Franklin Amphitheater (formerly Chene Park), Erma Henderson Park/Marina and adjacent public land including Jefferson village. In particular, GSD would like the EDC to administer and manage the contract for the Planning Study with funding, in part, from the DDA. The purpose and scope of the Planning Study is further described in the attached Exhibit A.

The total cost of the Planning Study, including contingency and administrative costs, is estimated to cost \$1,263,760. The DDA is being asked to provide the EDC with funds equal to half of the costs associated with the Planning Study, specifically costs associated with Hart Plaza, with the other half being funded by City. Therefore, DDA's financial stake amounts to \$631,880 (the "DDA Funds"), of which \$450,000 of the DDA Funds will be allocated to the Planning Study and



\$181,880 of the DDA Funds will be allocated to administrative costs over a period of 3 years. Given the size and complexity of Hart Plaza, the DDA Funds will be funded from the sale proceeds received from the EDC's sale of property referenced herein and reserved for Hart Plaza. The transfer of the DDA Funds to the EDC and the EDC's use and administration of the DDA Funds will be governed by a funding agreement entered into between the DDA and the EDC

Staff is requesting the DDA enter into a funding agreement with the EDC with respect to the DDA Funds to fund the Planning Study as contemplated herein. A resolution is attached for the Board's consideration.

Mr. Hollowell stated that he is very familiar with the condition of Hart Plaza. There was a Jazz festival there last year and engineering looked at it to see if it could sustain the weight of multiple stages. He was also there last weekend and noticed that the condition of Hart Plaza is deplorable. He asked if this would be enough money. Ms. Pavelko responded that this money is only for planning and not engineering. Once the assessment is made, there will be a significant amount of funding that will be required just to get to the engineering and construction documents.

Mr. Hollowell also raised life and safety issues. The question of whether we can hold these kinds of events there needs to be considered.

Mr. Lewand asked if there was a study done. Mr. Hollowell stated that a study was done at the time and there are documents that were done that shifts the liability to the promoters that can be shared with the Board.

Ms. Pavelko advised that the GSD and the DDA have done an evaluation.

Mr. Crain stated that he recalls that a New York firm was engaged to do a study of Hart Plaza and make recommendations for the greening or softening of the space and how to repurpose it.

Mr. Naglick mentioned that this project was discussed by Brad Dick at a recent cabinet meeting. A lot of people are asking why this area is not being maintained. The project is much more complicated of a project than just replacing the pavers. It is a roof over a hollow structure underneath. When there are events there, Building and Safety has to sign off on it. This Planning Study will be the first step.

Mr. Lewand asked who would be managing the study. Ms. Pavelko stated that a new staff person will be hired, and they will be working on behalf of GSD, the DDA and the Planning Department. The process is very involved and will involve community outreach and this staff person will oversee all of the this.

Ms. Navin added that the EDC will actually be accepting the funds from the GSD and the DDA and will also be managing this project. The EDC can manage a project of this scope that falls in areas anywhere in the city and DDA is just the Downtown District. The EDC will be issuing an RFP for the consultant. The person who will be hired will be on staff of the DEGC, but their primary role will be to manage this study and the implementation of what comes out of the study.

Mr. Jenkins said that he hopes that consideration will be given to a local company. Ms. Pavelko said that would be included in the RFP.



Mr. Blaszkiewicz questioned why the forgivable loan framework was used. Ms. Navin responded that when they looked at how the funds would be transferred, they decided on a forgivable loan to make sure there was accountability on the part of the DDA to make sure the funds were spent on Hart Plaza and not some other DDA efforts. Mr. Blaszkiewicz said that means a charge-off versus a write-down of the asset, so that could have a negative implication. Mr. Long responded that yes, it could, but he is not worried about the affect of this small amount.

Mr. Blaszkiewicz asked how this work relates, if at all, to the work that is being done on the rest of the riverfront and is there any relationship to the previous design work that was done by George Jackson. Ms. Pavelko replied that the East Riverfront work that has been done did not have any specifics about what was to be done with Aretha Franklin Amphitheater. This study will do that. The EDC is also doing a parking study on the East Riverfront. The previous study will be reviewed and taken into consideration, but it was done quite some time ago and the condition of Hart Plaza has deteriorated significantly. That plan also did not have a community engagement component like this one does.

Ms. Delley stated that the safety issue concerns her also. Mr. Lewand responded, as mentioned earlier, every time there is an event, two of the City's department heads, Brad Dick and Dave Bell, sign off on it before the event and make sure the event is staged in a way that is safe. He believes that the City is on top of this.

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

On a motion by Mr. Hollowell, seconded by Mr. Naglick, Resolution Code DDA 19-06-114-03 was unanimously approved.

ADMINISTRATION

Adoption of DDA Budget for FY 2019-20

Mr. Lewand advised that this item was being withdrawn from the agenda.

Renewal of DDA/DEGC Agreement for FY 2019-2020

Ms. Kanalos stated that the present term of the contract dated July 1, 2018 (the "Contract") between the Downtown Development Authority (the "DDA") and the Detroit Economic Growth Corporation (the "DEGC") will expire June 30, 2019.

Article II of the Contract provides that the Contract may be renewed and extended for additional twelve (12) month periods upon delivery of a written notice by DDA to the DEGC on or before the ninetieth (90th) day prior to the end of the Contract term, provided such renewal is accepted by DEGC prior to the end of such term.

On April 1, 2019, the DDA staff submitted a letter to DEGC offering DDA's intent to extend the above-referenced Contract an additional twelve (12) month period commencing July 1, 2019. Such offer was accepted by DEGC April 15, 2019.



Enclosed for your consideration is a resolution that authorizes execution of the attached DDA/DEGC Contract (Exhibit "A") in an amount not to exceed One Million, Nine Hundred Thousand and 00/100 (\$1,900,000.00) Dollars, to expire June 30, 2020.

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

On a motion by Mr. Hollowell, seconded by Mr. Blaszkiewicz, Resolution Code DDA 19-06-01-449 was unanimously approved.

Schedule of Regular DDA Meetings for FY 2019-20

Ms. Kanalos advised that included in the Board material for review and approval is a resolution adopting a schedule indicating dates of the DDA Board’s regular meetings for the fiscal year 2019-20 beginning July 1, 2019 and ending June 30, 2020. Unless otherwise posted, such meetings will be held on the **second and fourth Wednesday of each month at 3:00 P.M.** in the offices of the DEGC, 500 Griswold Street, Suite 2200, Conference Room A, as follows:

<u>2019</u>	<u>2020</u>
July 10, 2019	January 8, 2020
July 24, 2019	January 22, 2020
August 14, 2019	February 12, 2020
August 28, 2019	February 26, 2020
September 11, 2019	March 11, 2020
September 25, 2019	March 25, 2020
October 9, 2019	April 8, 2020
October 23, 2019	April 22, 2020
November 13, 2019	May 13, 2020
November 20, 2019*	May 27, 2020
December 4, 2019*	June 10, 2020
December 18, 2019*	June 24, 2020

*Due to the Holiday, this meeting date varies from the regular schedule.

With there being no objection to the proposed meeting dates, the Board took the following action:

On a motion by Mr. Hollowell, seconded by Mr. Crain, Resolution Code DDA 19-06-01-450 was unanimously approved.

OTHER MATTERS

Ms. Kanalos advised that several Board members still have not activated their account for Directorpoint and requested that they take a few minutes and do that. We anticipate using Directorpoint at the next meeting. She stated that if any Board member has not received an invitation from Directorpoint, please let us know.



PUBLIC COMMENT

Mr. Lewand called for public comment.

John Lauve of Holly, Michigan stated the following:

“Two things. My question is, who watches Ilitch. The poor kids tickets, they’re still not [inaudible]. The other one is this Eddystone deal. There is no change from a month ago to the condition of it today. This is the contract. There is no start date on this thing. It doesn’t say when we start it. He has failed to honor this agreement for a year but he was able to come up with the Ilitch school of business. This building, he’s had it for a year and a half and now he gets a two-year extension. So he’s going to be right on this thing and we’ll have to stay on top of it. The other one is this neighbor to neighbor deal. There are 24,000 houses in the land bank. They sell maybe 1,000 to 1,700 a year. They’re not going to be able to get rid of these unless they do this neighbor to neighbor deal. The only people that are interested in the house next to them is the neighbors. The bureaucracy can’t deliver so they just let the whole place rot. So you have to change the position of what they do. This is a proposal I presented to the land bank. This thing is off the chart and so is Ilitch too. So I’d like to see some progress report. Maybe you need to have somebody hired to watch Ilitch because he’s done nothing in the month that he’s had this extension. I don’t know what the status is of his building. There is no date on this so I’d appreciate finding out what the date is.”

Mr. Lewand thanked Mr. Lauve for his comments.

Mr. Hollowell stated that he respects Mr. Lauve and the voice that he has, but he also asks that Mr. Lauve respect the DDA and expressed concern that he threw things at the Chairman. Mr. Lauve responded that he didn’t throw it. He tried to set it down and it fell. Mr. Lauve apologized to the Chair and said that he respects everybody here.

ADJOURNMENT

With there being no other business to be brought before the Board, on a motion by Mr. Ogden, seconded by Mr. Hollowell, Mr. Lewand adjourned the meeting at 3:29 p.m.



CODE DDA 19-06-02-617

APPROVAL OF MINUTES OF MAY 22, 2019

RESOLVED that the minutes of the Regular meeting of May 22, 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.

June 12, 2019



CODE DDA 19-06-114-03

HART PLAZA: REQUEST TO FUND RIVERFRONT ASSET PLAN FOR HART PLAZA

WHEREAS, the City of Detroit Downtown Development Authority (“DDA”) received \$4,300,000 in funds from the Economic Development Corporation of the City of Detroit (“EDC”) in connection with the EDC’s sale of land located in the EDC’s Waterfront East Project Plan Area; and

WHEREAS, the DDA’s receipt of such sale proceeds is conditional upon the DDA providing such funds as a forgivable loan to support capital improvements for Hart Plaza; and

WHEREAS, the City of Detroit’s General Services Department (“GSD”) has requested the assistance of the EDC to administer and manage contracts for a comprehensive Riverfront Asset Plan (the “Planning Study”), as further described in Exhibit A; and

WHEREAS, GSD and the EDC have requested that the DDA provide Six Hundred Thirty One Thousand Eight Hundred Eighty and 00/100 (\$631,880.00) Dollars (the “DDA Funds”) to the EDC to fund fifty (50%) percent of the Planning Study, including administrative costs over 3 years; and

WHEREAS, the DDA Funds will be funded from the sale proceeds received from the EDC’s sale of property referenced herein and reserved for Hart Plaza with \$450,000 of the DDA Funds being allocated for the Planning Study and \$181,880 of the DDA Funds will be allocated for administrative costs over a period of 3 years; and

WHEREAS, DDA staff is requesting the authorization to execute a funding agreement between the DDA and EDC governing the transfer and use of the DDA Funds; and

WHEREAS, the DDA Board of Directors has reviewed the staff’s recommendations and determined that they are consistent with the DDA’s goal for the revitalization of the Downtown and are otherwise appropriate and consistent with the DDA’s statutory purposes

NOW, THEREFORE, BE IT RESOLVED, that the DDA Board of Directors hereby approves of the transfer of the DDA Funds to the EDC and the execution of a funding agreement between the DDA and EDC.

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 DDA’s Authorized Agents, shall hereafter have the authority to negotiate and execute the funding agreement, 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 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.

June 12, 2019



CODE DDA 19-06-01-449

ADMINISTRATION: RENEWAL OF DDA/DEGC PROFESSIONAL SERVICES AGREEMENT FOR 2019-20

WHEREAS, the present term of the professional services contract (the "Contract"), dated July 1, 2018, by and between the Detroit Economic Growth Corporation (the "DEGC") and the City of Detroit Downtown Development Authority (the "DDA") will expire on June 30, 2019; and

WHEREAS, on April 1, 2019 the DDA staff submitted a letter to DEGC offering DDA's intent to extend the above-referenced Contract for an additional twelve (12) month period commencing July 1, 2019. Such offer was accepted by DEGC on April 15, 2019; and

WHEREAS, the DDA desires to extend the term of the Contract for an additional renewal term of twelve (12) months, commencing on July 1, 2019 and expiring on June 30, 2020.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the DDA hereby approves the execution of a contract (the "Contract") substantially in the form of Exhibit "A" attached hereto for FY 2019-2020 and further authorizes any two of the DDA Officers or any one Officer and any one Authorized Agent to execute the Contract for an amount not to exceed One Million, Nine Hundred Thousand and 00/100 (\$1,900,000.00) Dollars and extending its term from July 1, 2019 through June 30, 2020.

BE IT FINALLY RESOLVED that the DDA Treasurer is hereby authorized to pay to DEGC, out of the General Fund, up to One Million, Nine Hundred Thousand and 00/100 (\$1,900,000.00) Dollars for the proper performance of the services under the terms of the Contract.

June 12, 2019



CODE DDA 19-06-01-450

ADMINISTRATION: SCHEDULE OF REGULAR DDA MEETINGS FOR FY 2019-20

RESOLVED that the Board of Directors of the Downtown Development Authority (the “DDA”) hereby adopts the following as its schedule of regular meetings for its fiscal year beginning July 1, 2019 and ending June 30, 2020. Unless otherwise posted, such meetings will be held on the **second and fourth Wednesday of each month at 3:00 P.M.** in the offices of the DEGC, 500 Griswold Street, Suite 2200, Conference Room A, as follows:

2019

July 10, 2019
July 24, 2019
August 14, 2019
August 28, 2019
September 11, 2019
September 25, 2019
October 9, 2019
October 23, 2019
November 13, 2019
November 20, 2019*
December 4, 2019*
December 18, 2019*

2020

January 8, 2020
January 22, 2020
February 12, 2020
February 26, 2020
March 11, 2020
March 25, 2020
April 8, 2020
April 22, 2020
May 13, 2020
May 27, 2020
June 10, 2020
June 24, 2020

*Due to the Holiday, this meeting date varies from the regular schedule.

June 12, 2019