



**ECONOMIC DEVELOPMENT CORPORATION  
FINANCE COMMITTEE MEETING  
FRIDAY, JUNE 5, 2020 – 10:15 A.M.**

**MEMBERS PRESENT:** Linda Forte, Chair  
Damon Hodge  
Kwaku Osei

**MEMBERS ABSENT:** Thomas Stallworth

**OTHERS PRESENT:** Malinda Jensen (DEGC/EDC)  
Jennifer Kanalos (DEGC/EDC)  
Cora Capler (DEGC/EDC)  
Gay Hilger (DEGC/EDC)  
Paul Kako (DEGC/EDC)  
Rebecca Navin (DEGC/EDC)  
Denise Hundley (DEGC/EDC)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION  
FINANCE COMMITTEE MEETING  
FRIDAY, JUNE 5, 2020  
HELD VIA ZOOM – 10:15 A.M.**

**CALL TO ORDER**

Noting that a quorum was present, Chairperson Forte called the meeting of the Finance Committee of the Economic Development Corporation to order at 10:21 a.m.

**APPROVAL OF MINUTES**

Ms. Forte asked if there were any additions, deletions or corrections to the minutes of the May 8, 2020 Finance Committee meeting. Hearing none, the Committee took the following action:

Mr. Hodge made a motion approving the minutes of the May 8, 2020 Finance Committee meeting, as presented. Mr. Osei seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Hodge, Mr. Osei and Ms. Forte

Nays: None.

The minutes of the May 8, 2020 Finance Committee meeting were approved.

**PROJECTS**

**Loan Modification-Millender Center Food Plaza -Casino Loan Program– Non-Affiliated Retail/Restaurant**

Ms. Hundley reported that in 2013, the Economic Development Corporation of the City of Detroit (“EDC”) provided a loan from the Casino Loan Program to Millender Center Food Plaza, Inc. (the “Borrower”) in the amount of \$200,000.00 (the “Loan”). The Borrower is the owner and operator of the Millender Center Food Plaza, which was renamed to City Market and is located at 575 Brush Street in the Millender Center. The market lease space contains 3,025 square feet of retail space and 603 square feet of storage space. Jason and Paul Kado are the owner operators of the market. The Loan has a 7-year term with an interest rate of 4%. The EDC’s collateral for the Loan includes an assignment of lease and rents, an all asset UCC filing, and personal guarantees of Andrew, Paul and Jason Kado. The Borrower remains current with monthly principal and interest payments in the amount of \$2,916.11 and the current outstanding balance of the Loan is \$30,438.53.

The COVID-19 pandemic and associated shutdown has caused numerous issues for the city of Detroit and its business owners. The Borrower has been negatively impacted with the “shelter in place” protocol and City Market has experienced a steady decline in foot traffic which aligned with a decline in profits. Unlike suburban and neighborhood grocery stores, City Market’s clientele depends a great deal on the employees that work downtown as well as customers from events and activity that happens within the vicinity.



EDC staff has maintained constant communication with the Borrower. The Borrower had requested relief in remitting its Loan payments. Given the unprecedented difficulties this crisis has presented to the Borrower, EDC staff found it to be pragmatic to provide the Borrower with relief in the form of a 3-month loan payment deferral from April 1st, 2020 to July 1st, 2020. The loan documents and the amortization schedule will be amended accordingly.

EDC staff believes this current response is practical and the staff requested that the EDC Finance Committee recommend this loan modification to the EDC Board of Directors for its approval.

Ms. Forte questioned if the City Market filed a Cares Act application. Ms. Hundley answered no, that they had not filed for any type of assistance. Ms. Forte stated that since they did have employees, this type of application would have a forgiveness portion of the loan and it is a shame that they have not taken advantage of it. Ms. Hundley stated that the son has not had time to look into the Covid-19 assistance that is available. He has been filling in for his father who has been ill. The father is the responsible party for the finances of the business.

Ms. Forte added that she believes they also would have been eligible for one of the EDC Small Business assistance loans. She does not know how we can help at this late date and maybe this is something that staff could counsel with them.

Mr. Hodge asked if the father who was ill had returned to work. Ms. Hundley stated that he had not at this point but is ready to come back soon. Mr. Hodge stated that he wants him to be aware that there is assistance out there. Ms. Hundley stated that she would reach out to him.

Mr. Osei asked what the collateral is. Ms. Hundley responded that the EDC has the assignment of lease and rents, the UCC filing, and the personal guaranties.

Ms. Forte stated that she worries that they have missed opportunities here that could have solidified the business.

Mr. Osei advised that there are still some emergency grants available out there. One that comes to mind is Alice and he will send a link that can be forwarded. They are doing \$10,000 emergency grants. Ms. Hundley thanked Mr. Osei and said she will call the borrower today and send the link to them.

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

Mr. Hodge made a motion to recommend the proposed Millender Center Food Plaza loan modification to the EDC Board of Directors for approval, as presented. Mr. Osei seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Hodge, Mr. Osei and Ms. Forte

Nays: None.

The Committee recommended approval of the Millender Center Food Plaza loan modification to the EDC Board of Directors.



## **ADMINISTRATION**

### **EDC Budget for FY 2020-2021**

Mr. Long reviewed the proposed EDC FY 2020-21 budget which was included in the Finance Committee material, advising that it basically was a continuation budget with very few changes.

Ms. Forte called for questions from the Committee.

Mr. Hodge asked about the income on Motor City Match and is it based on the amount of requests we receive. Mr. Long explained that it is based on the amount of staff activity that is expected. Because of Covid, we don't expect to have as much staff time to bill.

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

Mr. Osei made a motion to recommend the proposed EDC FY 2020-21 budget, to the EDC Board of Directors for approval, as presented. Mr. Hodge seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Hodge, Mr. Osei and Ms. Forte

Nays: None.

The Committee recommended approval of the EDC FY 2020-21 budget to the EDC Board of Directors.

## **OTHER MATTERS**

None.

## **PUBLIC COMMENT**

None.

## **ADJOURNMENT**

With there being no other business to come before the Committee, on a motion by Mr. Osei, seconded by Mr. Hodge, Chairperson Forte adjourned the meeting at 10:37 a.m.