



**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, MAY 12, 2021 – 3:00 P.M.**

BOARD MEMBERS PRESENT: Marvin Beatty
Sonya Delley
David Blaszkiewicz
Richard Hosey
John Naglick
Ehrlich Crain

BOARD MEMBERS ABSENT: Austin Black
Steve Ogden
James Jenkins
Nicole Sherard-Freeman
Melvin Hollowell

OTHERS PRESENT: Jennifer Kanalos (DEGC/DDA)
Cora Capler (DEGC/DDA)
Kenyetta Bridges (DEGC/DDA)
Charlotte Fisher (DEGC/DDA)
Rebecca Navin (DEGC/DDA)
Glen Long, Jr. (DEGC/DDA)
Nevan Shokar (DEGC/DDA)
Paul Kako (DEGC/DDA)
Hiram Jackson
Michael Poris
Ross Hoekstra



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, MAY 12, 2021
ZOOM VIRTUAL MEETING – 3:00 P.M.**

GENERAL

Call to Order

Vice-Chairperson, Mr. Blaszkiewicz, called the regular meeting of the Downtown Development Authority Board of Directors to order at 3:01 p.m. Roll call was conducted, and a quorum was established.

Approval of Minutes

Mr. Blaszkiewicz asked if there were any additions, deletions, or corrections to the minutes of the April 28, 2021 Regular Board meeting. Hearing none, the Board took the following action:

Mr. Naglick made a motion approving the April 28, 2021 minutes, as written. Mr. Hosey seconded the motion. DDA Resolution Code 21-05-02-635 was approved.

PROJECTS

Extension of the Development Agreement for 1468-1496 Randolph

Mr. Shokar presented the Extension of the Development Agreement for 1468-1496 Randolph.

On June 8th, 2017, the City of Detroit Downtown Development Authority (“DDA”) entered into an agreement (“Development Agreement”) with Paradise Valley Real Estate Holdings II, LLC (“Developer”) for the purchase and development of the properties located at 1468, 1480, & 1496 Randolph (collectively, the “Property”). The Property will be developed into a mixed-use project, with a minimum investment of \$26 Million, to include at least 83,000 square feet with at least 60 residential units and first floor retail space (the “Project”).

In April, 2019, the DDA Board of Directors approved an extension of closing to April 2020. Due to the onset of the Covid-19 pandemic, staff agreed that Developer was entitled to a 6-month force majeure extension and Developer subsequently exercised extension rights for an additional 6-months as permitted under the Development Agreement.

Since the last extension granted by the Board, the development team has experienced attrition among certain of its equity investors, due to economic and other personal circumstances. Nonetheless, Hiram Jackson, the development team lead, has remained committed to the Project, investing his personal funds in pre-development activities relating to the Project in order to advance the Project and identify additional equity and debt participants in the Project. In fact, in November 2020, Developer sought and received City Planning Commission and City Council approval to change the zoning from B4 to B5 to accommodate the Project. Further, the Project



is scheduled for a public hearing on May 12, 2021 in front of the Historic District Commission for necessary approvals.

In light of the foregoing, Developer has requested, and Staff recommends Board approval, of forbearance on rights DDA may have to enforce the terms of the Development Agreement for Project delays until November 19, 2021, to allow Developer to request a formal amendment to the Development Agreement before that date. The request for a formal amendment shall include a revised Project timeline, any proposed changes to the Project, and an updated equity structure and must be supported by a financing plan and project proforma demonstrating the viability of the Project.

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

Mr. Hosey disclosed to the Board that he has been working as a consultant to the Developer for this project and in consideration of the monetary payment he may receive in the future for his services provided in a consultant capacity he will be abstaining from voting on this matter. Ms. Navin confirmed that Mr. Hosey should abstain from voting on this matter and that the seven-day waiting period for voting is not required for this item because of the nature of Mr. Hosey's current involvement in the project.

Citing no questions or comments, Mr. Blaszkiewicz called for a motion regarding the Extension of the Development Agreement for 1468-1496 Randolph. The Board took the following action:

Mr. Beatty made a motion approving the Extension of the Development Agreement for 1468-1496 Randolph, as presented. Ms. Delley seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Beatty, Mr. Blaszkiewicz, Mr. Crain, Ms. Delley, and Mr. Naglick.

Nays: None.

Abstentions: Mr. Hosey

DDA Resolution Code 21-05-110-62 was approved.

ADMINISTRATION

None.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

On a motion by Ms. Delley, Mr. Blaszkiewicz adjourned the meeting at 3:11 p.m.



CODE DDA 21-05-02-635

APPROVAL OF MINUTES OF APRIL 28, 2021

RESOLVED that the minutes of the regular meeting of April 28, 2021 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.

May 12, 2021



CODE DDA 21-05-110-62

PARADISE VALLEY BUSINESS & ENTERTAINMENT DISTRICT: EXTENSION OF DEVELOPMENT AGREEMENT FOR 1468-1496 RANDOLPH

WHEREAS, on June 8th, 2017, the City of Detroit Downtown Development Authority (“DDA”) entered into an agreement (“Development Agreement”) with Paradise Valley Real Estate Holdings II, LLC (“Developer”) for the purchase and development of the properties located at 1468, 1480, & 1496 Randolph (collectively, the “Property”); and

WHEREAS, in April, 2019, the DDA Board of Directors approved an extension of closing to April, 2020; and

WHEREAS, due to the onset of the Covid-19 pandemic, staff agreed that Developer was entitled to a 6-month force majeure extension and Developer subsequently exercised extension rights for an additional 6-months as permitted under the Development Agreement; and

WHEREAS, Developer has experienced attrition among certain of its equity investors and other delays but has continued to advance the Project, including seeking appropriate zoning and historic district commission approvals; and

WHEREAS, Developer has requested, and Staff recommends Board approval of, forbearance on rights DDA may have to enforce the terms of the Development Agreement for Project delays until November 19, 2021, to allow Developer to request a formal amendment to the Development Agreement before that date; provided that the request for a formal amendment shall include a revised Project timeline, any proposed changes to the Project, and an updated equity structure and must be supported by a financing plan and project proforma demonstrating the viability of the Project; and

WHEREAS, the DDA Board of Directors has determined that the approval of the requested forbearance is consistent with the DDA’s goal of redeveloping Paradise Valley and the surrounding area and it is consistent with the DDA’s statutory purposes.

NOW, THEREFORE, BE IT RESOLVED, that, subject to Developer’s formal request for a Development Agreement amendment being considered by the DDA Board of Directors prior to November 19, 2021, such amendment being consistent with the foregoing recitals, the DDA Board of Directors does hereby approve the forbearance of its rights to enforce its rights under the Development Agreement due to Project delays until November 19, 2021.

BE IT FURTHER RESOLVED that any two Officers, any two of the Authorized Agents of the DDA, or any one of the Officers and any one of the Authorized Agents of the DDA, shall hereafter have the authority to negotiate and execute an amendment and/or 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 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.

May 12, 2021