



**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, MAY 24, 2022 – 9:00 A.M.**

BOARD MEMBERS PRESENT:

Clifford Brown
Kimberly Clayson
Linda Forte
Damon Hodge
Chris Jackson
Kwaku Osei
Jonathan Quarles
Thomas Stallworth

BOARD MEMBERS ABSENT:

Marsha Bruhn
Antoine Bryant (Ex-Officio)
John Naglick (Ex-Officio)

**SPECIAL DIRECTORS
PRESENT:**

None

**SPECIAL DIRECTORS
ABSENT:**

Emily Black (I-94 Industrial Park Project)
Melwood Brown (NDC Project No. 1)
Tim Schacht (NDC Project No. 1)
Marvin Thomas (I-94 Industrial Park Project)

OTHERS PRESENT:

Cora Capler (DEGC/EDC)
Cleveland Dailey III (DEGC/EDC)
Gay Hilger (DEGC/EDC)
Malinda Jensen (DEGC/EDC)
Kevin Johnson (DEGC/EDC)
Paul Kako (DEGC/EDC)
Jennifer Kanalos (DEGC/EDC)
Glen Long, Jr. (DEGC/EDC)
Rebecca Navin (DEGC/EDC)
Orza Robertson (DEGC/EDC)
Lexi Shaw (DEGC/EDC)
Kelly Shovan (DEGC/EDC)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226
TUESDAY, MAY 24, 2022 – 9:00 A.M.**

GENERAL

Call to Order

Chairperson Forte called the regular 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 April 26, 2022 regular Board meeting. Hearing none, Ms. Forte called for a motion.

Mr. Osei made a motion approving the minutes of the April 26, 2022 regular Board meeting, as written. Mr. Brown seconded the motion. All were in favor with none opposed.

EDC Resolution Code 22-05-02-360 was unanimously approved.

Receipt of Treasurer's Report

Ms. Shovan reviewed the Treasurer's Report of Receipts and Disbursements for the month of April 2022. With there being no questions, Ms. Forte called for a motion.

Mr. Brown made a motion to approve the April 2022 Treasurer's Report, as presented. Mr. Osei seconded the motion. All were in favor with none opposed.

EDC Resolution Code 22-05-03-274 was unanimously approved.

PROJECTS

Ms. Forte advised that there was a mix-up in the order of Project items in the book, and that she would take the items listed on the agenda in the following order: Project No. II, III, I and IV.



Sherwood Road Reconstruction Project: Request to Approve Professional General Construction Contract with Major Contracting Group, Inc.

Mr. Robertson advised that he had two items relating to the Sherwood Road Reconstruction Project and presented the Request to Approve Professional General Construction Contract with Major Contracting Group, Inc.

The Economic Development Corporation of the City of Detroit (“EDC”) assembled a bid package to obtain competitive solicited bids for general construction services for the Sherwood Road Reconstruction Project (the “Project”). The Project seeks to improve the Sherwood Street pavement from Georgia Street to approximately 450 feet south containing approximately 1,336 square yards of 10-inch-thick non-reinforced concrete pavement with integral curb on a 12-inch aggregate base.

The services include but are not limited to the reconstruction/upgrade and/or replacement of sidewalks, curbs, street pavement, driveways, drainage systems, fire hydrants, existing utility adjustments and traffic signalization, landscaping and the installation of road signage in accordance with approved contract drawings and specifications (collectively, the “Services”).

In connection with the Project, EDC staff issued a Request for Proposals (“RFP”) on April 15, 2022 for the Services.

The EDC staff received proposals from two (2) contractors; however, only one bid was received timely. The second proposal was disqualified because of late submission and was not evaluated.

Bidder	Location	Base Bid Price
Major Contracting Group, Inc	Detroit	\$ 506,520.16

The EDC staff reviewed the proposal submitted by Major Contracting Group, Inc. (the “Contractor”) and determined that the Contractor’s proposal was responsive, and the price was reasonable and comparable for the requested Services based on previous bids and estimates received by the EDC for a similar scope of work. EDC staff is further confident in the Contractor’s ability to perform the Services given the Contractor’s past work experience with the EDC.

The Contractor proposed a **not to exceed amount** of Five Hundred Six Thousand Five Hundred Twenty and 16/100 (\$506,520.16.00) Dollars for the performance of the services.



EDC staff requested that the EDC Board of Directors authorize the execution of an agreement with the Contractor to provide the Services for the not to exceed price of Five Hundred Six Thousand Five Hundred Twenty and 16/100 (\$506,520.16.00) Dollars.

EDC staff also recommended that an owner's contingency of approximately twenty percent (20%) of the contract value or One Hundred One Thousand Three Hundred Four and 00/100 (\$101,304.00) Dollars be established to be dispersed upon the authorization of any two Officers, or any one of the Officers and any of the Authorized Agents or any two Authorized Agents of the EDC.

A resolution was included in the Board book for consideration.

Ms. Forte called for a motion. Mr. Stallworth made a motion and Mr. Brown seconded the motion.

Ms. Forte opened the floor to questions/comments.

Mr. Brown asked how much the bid was for the submission that came in late. Mr. Robertson replied that it was \$45,000 to \$50,000 less.

Mr. Brown supported the 20% contingency. He felt that based on changes in construction costs, it absolutely made sense.

Mr. Stallworth asked if Major was a minority-owned contractor. Mr. Robertson replied that it was not. Mr. Stallworth questioned if the other bid that was submitted late was from a minority-owned contractor. Mr. Robertson stated that it was not, however, both contractors were Detroit based.

Ms. Navin reminded the Board, based on Mr. Stallworth's questions, that as a public entity in the state of Michigan, no minority preference, just location preference, can be given in the selection of a contractor. A wide net is cast so that we do advertise to a range of minority contractors.

Mr. Brown added that with the costs rising and income not rising proportionally, we need to get the contractors to use a Detroit workforce using Detroit subcontractors.

Mr. Hodge asked about the timeframe of the project. Mr. Robertson answered that the project would be started in roughly 30 days, and it will take approximately 60 days to complete.

Mr. Stallworth stated that he understood the guardrails that were laid out by Ms. Navin, but just wanted to assess if our net is broad enough, and whether we are getting responses from minority and female-owned companies, which is anecdotal but is helpful.



Ms. Forte made another comment along those lines. She stated that she doesn't know if there are objectives that have us look at whether our contractors are using subcontractors that can provide some of the community benefits that Director Brown just mentioned. Jobs, too, but also some of the business opportunities that ready other businesses for stepping into those shoes, so it is just something that has merit that this body must be cognizant of.

Mr. Jackson stated that he thinks along the same lines that Ms. Forte just mentioned. In contracts like this, from his experience serving on the Detroit Building Authority Board, this is an opportunity for us to get innovative and do one layer a little deeper to make sure everybody is included.

Ms. Forte asked if there were any other questions/comments. Hearing none, the Board took the following action:

Mr. Stallworth made a motion to approve the Professional General Construction Contract with Major Contracting Group, Inc., as presented. Mr. Osei seconded the motion. All were in favor with none opposed.

EDC Resolution Code 22-05-12-61 was unanimously approved.

Sherwood Road Reconstruction Project: Request to Approve Professional Construction Engineering & Inspection Contract with Mannik & Smith Group, Inc.

Mr. Robertson presented the second item relative to the Sherwood Road Reconstruction Project: Request to Approve Professional Construction Engineering & Inspection Contract with Mannik & Smith Group, Inc.

The Economic Development Corporation of the City of Detroit ("EDC") assembled a bid package to obtain competitive solicited bids for Construction Engineering and Inspection ("CE&I") Services for the Sherwood Street Road Reconstruction Project (the "Project"). The Project seeks to improve the Sherwood Street pavement from Georgia Street to approximately 450 feet south containing approximately 1,336 square yards of 10-inch-thick non-reinforced concrete pavement with integral curb on a 12-inch aggregate base. The CE&I services are related to the oversight of the general contractor's construction agreement with the EDC for the Project.

This CE&I Services to be performed for the Project are included in Exhibit A attached hereto and will include but are not limited to the following: daily work reports, pay applications, verification of quantity of materials coming in or leaving the Project site, preparation of any Michigan Department of Transportation style project reports, EDC progress reports, exception or quality reports, or project close out reports (collectively, the "Services").



In connection with the Project, EDC staff issued a Request for Proposals (“RFP”) on April 15, 2022, for the Services. The respondents to the RFP submitted proposals, which were reviewed by EDC Staff to determine the most responsive firm to provide a future cost proposal for the Services.

The EDC received two (2) responses to the RFP

Bidder	Location	Base Bid Price
DLZ	Detroit	\$ 92,000.00
Mannik and Smith Group	Detroit	\$ 82,000.00

The EDC staff reviewed the proposals and determined that the proposal submitted by Mannik & Smith Group, Inc. (the “Contractor”) to be most responsive. EDC staff determined that the Contractor’s proposal to be the most qualified proposal received based on the following reasons:

- Price comparable for requested scope
- Previous work experience with EDC

The Contractor proposed a **not to exceed amount** of Eighty-Two Thousand and 00/100 (\$82,00.00) Dollars for the performance of the services.

EDC staff requested that the EDC Board of Directors authorize the execution of an agreement with the Contractor to provide the requested Services for the not to exceed price of Eighty-Two Thousand and 00/100 (\$82,00.00) Dollars.

EDC staff also recommended that an owner’s contingency of approximately twenty percent (20%) of the contract value or Sixteen Thousand Four Hundred and 00/100 (\$16,400.00) Dollars be established to be dispersed upon the authorization of any two Officers, or any one of the Officers and any of the Authorized Agents or any two Authorized Agents of the EDC.

A resolution was included in the Board book for consideration.

Ms. Forte called for a motion. Mr. Stallworth made a motion and Mr. Osei seconded the motion. Ms. Forte asked if there were question or comments.

Mr. Osei asked how many proposals typically are received for projects of this type, and what are our tactics to get the word out. Mr. Robertson explained that an RFP for this



project was issued last year, and we were not able to move forward. On the construction side, we received six bids, and on the CE&I side, five bids were received. During that timeframe, all of the numbers came out, so when the RFP was reissued this year, not as many bids were expected. Five or six bids are typically received for a project like this. Advertisement is made in the Chronicle and sometimes the local newspapers, and direct advertisement is made to contractors we have worked with in the past. Advertisement is also done on BidNet, which is the broad net that is cast, and Cam Construction book as well.

Mr. Stallworth noted that these are pretty smart apps. There is a lot of construction going on in the state and these two are small contracts. Some of the contractors are going after the bigger contracts.

Ms. Forte asked if there were any additional comments/questions. Hearing none, the Board took the following action:

Mr. Stallworth made a motion to approve the Professional Construction Engineering & Inspection Contract with Mannik & Smith Group, Inc., as presented. Mr. Osei seconded the motion. All were in favor with none opposed. EDC Resolution Code 22-05-12-62 was unanimously approved.

Neighborhood Development Corporation Project No. 1: Jefferson Village Harding Canal – Design and Facilitator Services

Mr. Dailey presented the NDC Project No. 1 Jefferson Village Harding Canal – Design and Facilitator Services to the Board.

The Economic Development Corporation of the City of Detroit (the “EDC”) and its subsidiary corporation, The Neighborhood Development Corporation of the City of Detroit (the “NDC”) provide services to the City of Detroit (the “City”) in connection with Neighborhood Development Corporation Project #1 (“NDC Project No. 1”). These services include but are not limited to engineering and survey services (the “Services”).

The Harding Canal has become a potential source of flooding for the NDC Project area due to proposed changes in floodplain elevations by the Federal Emergency Management Agency (FEMA).

To mitigate the source of flooding the EDC/NDC staff is working on potential flood mitigation measures for the canal to obtain a Conditional Letter of Map Revision (the “CLOMAR”) and finally a Letter of Map Revision (the “LOMAR”) from FEMA. The LOMAR would remove the Project area from the proposed floodplain.



A Request for Proposal (RFP) was issued by the EDC/NDC staff for the purpose of soliciting proposals from engineering firms qualified to provide design and engineering services, in addition to construction facilitator services, in the NDC No. 1 project area.

The RFP was publicly advertised, inviting experienced and qualified consultants to submit electronic proposals.

The EDC/NDC staff has received proposal from (2) Consulting Firms. One bid was received timely. The second proposal was disqualified because of late submission.

Staff recommends the selection of Giffels Webster, a Detroit Headquartered firm, with a well-documented work history in providing design and engineering services.

The EDC/NDC Staff requested Board authorization to execute a contract agreement between Giffels Webster and the EDC/NDC in a not to exceed contract amount of Three Hundred Ninety-Two Thousand Six Hundred Dollars and 00/100 (\$392,600.00) Dollars.

EDC/NDC Staff further requested that the Board authorize an Owner's contingency of 20% of the contract value or Seventy-Eight Thousand Five Hundred Twenty Dollars and 00/100 (\$78,520.00) for purpose of addressing possible unknown conditions.

A resolution was included in the Board book for consideration.

Ms. Forte called for a motion. Mr. Hodge made a motion and Ms. Clayson seconded the motion. Ms. Forte asked if there were question or comments.

Mr. Brown asked if there have been any issues with Giffels Webster. Mr. Dailey answered no and added that Giffels has been working on this project for a number of years, almost from the beginning of the project. Mr. Brown asked if Mr. Dailey knew why only two bids were received. Mr. Dailey stated that he thought that it was because it is well known that Giffels has been working on this project for a long time and would have an edge against other bidders because of their knowledge of the project.

Mr. Osei asked how much the other bid was. Mr. Dailey said that typically they do not look at bids that were not received on time.

Mr. Hodge asked what generally causes a change over time in the floodplain. He is asking because he is trying to gauge what the duration will be of what is being asked and is this somehow being affected by climate change. Mr. Dailey responded that FEMA would shoot the grades from the air and the grade elevation will determine where flooding happens. So, we are going to be raising the grade about three to five feet.



Mr. Brown asked if the grade is deteriorating or is the sea level rising. Mr. Dailey informed that what FEMA is saying is that, due to climate change or whatever, as the water flows, this is where the low point is, and that water will come across that line.

Mr. Hodge asked if we know if what we are doing now could potentially change again in the future. Mr. Dailey answered that we do know that what we are doing to mitigate the changes now, as the global climate changes, in ten years or so, we may come across this issue again. Mr. Hodge asked if there was a long-term solution. Mr. Dailey responded no, not unless we were to go super high with the elevation.

Ms. Forte asked if there were any other questions. Hearing none, the Board took the following action:

Mr. Hodge made a motion to approve the Design and Facilitator Services Contract with Giffels Webster, as presented. Ms. Clayson seconded the motion. All were in favor with none opposed.

EDC Resolution Code 22-05-13-98 was unanimously approved.

Casino Loan Program: Proposed Loan to the Jeda Investment Group LLC

Ms. Shaw presented the Casino Loan Program Proposed Loan to the Jeda Investment Group LLC to the Board.

The Jeda Investment Group LLC (the “Developer”) is a Detroit-based development company that is comprised of Jerold Graham and Darryl Brown, two African American men. The Developer was established in November 2015 with a core focus in redeveloping commercial buildings in the Grand River/Greenfield corridor. Jerold Graham is a systems operations supervisor at DTE Energy. Darryl Brown is a systems operation supervisor at DTE Energy, a Wayne County Deputy Sheriff, and is a recently retired police commissioner at the Detroit Police Department. Both Jerold and Darryl are born and raised in Detroit, and Darryl currently resides in Detroit. The Developer is seeking to redevelop 15725 Grand River (the “Property”), formerly the St. Vincent De Paul Thrift Store, into a fully rentable development for tenants. The Property is composed of 9,828 sf of commercial/retail space that sits on a 0.38-acre site. The Developer has an executed lease agreement for the retail/commercial space with Go Puff, a digital consumer goods and food delivery service that will use the Property as a fulfillment center.

The Developer has made a significant contribution to this commercial area with several other developments that they have accomplished over the years and have successfully stabilized. They first purchased 20130-34 Plymouth in 2015, which was vacant at the time, where they made repairs to this 3-unit retail storefront and now has the following tenants-Jackson Hewitt, Dee’s T-Shirts, and Computers, Eclectic Cafe. 15920-24 Grand River was purchased in 2016 where it was leased to a tenant and was briefly used as the



Detroit campaign headquarters for Bernie Sanders in 2020. 15749-51 Grand River is currently being redeveloped for tenancy with the help of EDC's Motor City Match Program and Detroit Development Fund. The Developer has remained consistent with its objective and has an important anchor to this commercial corridor and to the neighborhood. Construction on the project has commenced and the tenant has taken possession of the Property to complete its tenant improvements. The Developer expects that the project will be completed within 3 months following the receipt of additional funding to complete outstanding tasks. As of today, the project has created 12 skilled labor construction jobs and 8 non-skilled labor jobs and, upon completion, it is anticipated that the tenant will create between 40 to 50 jobs, with an intent to market to Detroit residents. The construction of the project has been overseen by the general contractor, Shaw Construction and Management.

To facilitate the completion of the project and to assist in filling the \$200,000 financing gap, the Developer has approached the EDC for a loan from the Casino Development Fund Program in the amount of \$200,000 (the "Loan"). The Loan funds will be used to pay for various construction costs including, but not limited to, the construction of the parking lot of approximately 6,800 sq ft that will provide 18 parking spots, the construction of new façade paneling, and the installation of new windows for the Property. In addition to the Loan, the Borrower received funding in July 2021 from the Superior National Bank for a line of credit in the amount of \$300,000 and received approval to increase the line of credit to \$400,000 in December 2021.

EDC staff recommended the approval of the Loan to Borrower based on the terms and conditions below.

The proposed Loan terms and sources and uses are as follows:

Sources and Uses

Sources:

Superior National Bank	\$400,000.00
EDC	\$200,000.00
Equity	<u>\$132,101.00</u>
Total	\$732,101.00

Uses:

Property Acquired	\$157,983.00
Parking Lot Construction	\$123,355.00
Demolition of 15729 Grand River	\$163,004.00
Front Window Installation	\$49,200.00
Façade Design and Build	\$38,059.00
HVAC and other Building Improvements	\$77,164.00



Architectural and Engineering Fees	\$72,928.00
Leasing Fees, Insurance, and Finance Fees	\$50,408.00
Total	\$732,101.00

Terms of Loan:

Borrower:	The Jeda Investment Group LLC
Amount:	\$200,000.00
Interest Rate:	4%
Term:	7 years with a balloon payment upon maturity.
Amortization:	12 months interest only. Principal and interest payments commence on month 13 and will be amortized for a period of 9 years.
Guaranty:	Personal Guaranty of Jerold Graham and Darryl Brown.
Security:	Subordinate lien position on Borrower's fixtures, furniture and equipment; subordinated mortgage on the Property.
Conditions:	Issuance of a Loan Policy of Title Insurance at closing, Receipt, review, and approval of any and all information requested by EDC staff.

The EDC Finance Committee recommended approval of the proposed Loan to the EDC Board of Directors and EDC staff requested approval of the Loan consistent with the terms noted above. Ms. Shaw corrected information given previously to the Finance Committee. She stated the project would be completed in three months, but due to the waiting period for the glass for the windows, it will take four to six months to complete.

A resolution was included in the Board book for consideration.

Ms. Forte called for a motion. Mr. Osei made a motion and Ms. Clayson seconded the motion. Ms. Forte asked if there were question or comments.

Mr. Brown asked how we got to the four percent interest rate and asked if it is possible to offer a more competitive interest rate like three percent. Ms. Shaw responded that within the loan guidelines, she has not seen a loan under four percent.

Mr. Long advised that this loan program was set up to ensure that the loan funds get replenished for the program to go on, and four percent is the floor that we use. Mr. Brown asked if that four percent was based on the cost of capital that we are incurring. Mr. Long responded that when we received the funding from City Council, we had to put together a whole loan program, and those are the guidelines that were put together.

Mr. Brown asked how often the guidelines were looked at and maybe we can have a discussion offline. Mr. Long advised that a discussion can certainly take place online, and that changing the guidelines would require an act, but we could go through some of



our other products and talk about where we can achieve things through that, but he doesn't believe there is much room for wiggle.

Mr. Stallworth supported taking a look at the loan programs again and opined that sometimes change is good. The fact that it requires Council approval and work does not negate the fact that we may want to do something more progressive. It has been in place for an extended period, and it is time to revisit it.

Mr. Hodge stated that the term cost of capital was mentioned, and in any review, it would be helpful to know how that four percent was derived, where does it come from, and is it somehow market based or is it tied to any sort of index. That history of how that four percent was derived would be helpful.

Mr. Jackson stated that there is no cost of capital. This money comes from the three casinos. When they were established, they were required to put money into this fund that was initially for minority businesses in the casino zone to establish to do business with the casinos and casino vendors to help them develop a vendor pool. Over time, that has expanded. Mr. Jackson said that he is not sure of how the interest rate was established, but interest rates change and fluctuate, and he would support a review.

Ms. Forte stated that these are all great questions, and it is just pushing at how this Board would like a review of how the interest rate was established. She mentioned that this fund was intended to exist in perpetuity. In other words, as the funds are repaid, the funds become available, and in any loan situation, there is the potential for non-payments to occur. So that is a bit of a cost that must be taken into consideration.

Mr. Brown added that out of respect to staff, he certainly has an appreciation of the work required, and this is not borne out of being a developer, this is based on 30 years of banking and pricing financing for credit.

Ms. Forte asked if there were any other comments or questions. Hearing none, the Board took the following action:

Mr. Osei made a motion to approve the loan to Jeda Investment Group LLC, as presented. Ms. Clayson seconded the motion. All were in favor with none opposed.

EDC Resolution Code 22-05-74-51 was unanimously approved.

ADMINISTRATION

EDC Budget for FY 2022-2023

Ms. Kanalos presented the EDC Budget for FY 2022-2023 to the Board.



A resolution adopting EDC's operating budget for FY 2022-2023 (Exhibit A) was included in the Board book.

The EDC Finance Committee has reviewed the FY 2022-2023 Budget and has recommended its approval to the EDC Board of Directors.

Ms. Forte called for a motion. Mr. Osei made a motion and Mr. Hodge seconded the motion. Ms. Forte asked if there were question or comments.

Ms. Clayson for clarification on the two legal services items in the budget. Ms. Kanalos stated one was for internal legal counsel and the other was for outside legal counsel.

Ms. Forte asked if there were any other questions or comments. Hearing none, the Board took the following action:

Mr. Osei made a motion to approve the EDC Budget for FY 2022-2023, as presented. Mr. Hodge seconded the motion. All were in favor with none opposed. EDC Resolution Code 22-05-01-221 was unanimously approved.

City of Detroit/EDC and DEGC/EDC Contracts Authorization

Ms. Kanalos advised that the Economic Development Corporation's (the "EDC") agreement (the "City Agreement") with the City of Detroit (the "City") and the Professional Services Agreement (the "DEGC Agreement") with the Detroit Economic Growth Corporation (the "DEGC") will expire on June 30, 2022.

Staff is requesting authorization to extend the DEGC Agreement ("Exhibit A") and execute a new City Agreement together with such changes recommended or required by counsel for either party, for the period of July 1, 2022 to June 30, 2023.

With respect to the City Agreement, City Council is anticipated to approve a budget allocation in the amount of \$275,000.00. \$20,000.00 of the City Agreement will be used to operate the Next Michigan Development Corporation. EDC staff expects the City Agreement to be substantially the same as it has been last 40 years, but if there is significant variation, staff will provide to the EDC Board for review prior to its execution.

The DEGC Agreement will be for a base compensation of \$800,000.00 funded primarily from the City Agreement allocation of \$255,000.00, \$350,000.00 from EDC's Trizec Annuity, and \$195,000.00 from EDC's Loan repayment account, plus such additional amounts authorized by the DEGC Agreement.



A resolution was included in the Board book for consideration authorizing the execution of the City Agreement and the DEGC Agreement.

Ms. Forte called for a motion. Mr. Osei made a motion and Mr. Hodge seconded the motion. Ms. Forte asked if there were question or comments.

Mr. Jackson asked staff if they were happy with this agreement and if the City is paying enough administrative fees for all that DEGC does. He also asked if there is anything the Board could do.

Mr. Long responded that the contract has been “stuck” at this level for quite a while probably due to availability of funds by the City. The City is not here to defend themselves and, therefore, this will not turn into any kind of thing other than the contract and the history of it. Mr. Long stated that once upon a time, the contract was at \$300,000 per year, they dropped it down to \$250,000, and now it is up to \$275,000. We are going to need to address this in the future because it cannot keep functioning on only that amount. It will be all right this year and probably next year, but long term, that is not enough for the EDC to keep functioning.

Mr. Long was asked by Mr. Osei what he felt was a more appropriate number for the contract. Mr. Long answered that he was not prepared to respond at this time. Mr. Long stated that we can make it work with \$275,000 this year. If you will look at the budget, the sources are the city funds and there are some administrative fees. And then there is also some declining balance fees from loan repayments that were reprogrammed to supplement the operations of the EDC. That was a lump sum we hoped, with wise investments, to get 18 years out of, and we are on the 21st year.

Mr. Long explained the line items on the revenue side of the budget and stated that the EDC should be okay for another three years but will need to address the issue in the future.

Mr. Brown stated to Mr. Jackson’s point, that he thinks part of their role as a Board is to support the staff and they all want to be supportive of this team. Mr. Long thanked Mr. Brown and stated that there certainly is a case to be made. The City gets a lot of bang for its buck with the EDC and he will have to go over materials that have been used in the past with the City.

Mr. Brown stated that the Board can all roll up their sleeves and pitch in and start to think through strategically, in conjunction with the larger DEGC, how this Board can support this conversation.



Ms. Forte asked staff to summarize the values of the EDC that can be shared broadly with the Board so that they can begin to think about where the value is and how we would evaluate and assess that value relative to the City.

Mr. Brown added that he thinks it is important to begin discussions with the City sooner rather than later.

Ms. Forte asked if there were any other questions or comments. Hearing none, the Board took the following action:

Mr. Osei made a motion to approve the City of Detroit/EDC and DEGC/EDC Contracts for FY 2022-2023, as presented. Mr. Hodge seconded the motion. All were in favor with none opposed.

EDC Resolution Code 22-05-01-222 was unanimously approved.

Election of Officers

Ms. Kanalos stated that the EDC Act 338 of Michigan Acts 1974, as amended, requires that the Officers of the Board of Directors be elected at its annual meeting.

The current officers are as follows:

Linda Forte, Chairperson
Jonathan Quarles, Vice Chairperson
Marsha Bruhn, Secretary
Thomas Stallworth, Treasurer

Staff proposed that the Ms. Forte open the floor to nominations.

Ms. Forte asked if there were any nominations.

Mr. Hodge made a motion to nominate and elect the current slate of Officers to serve another year. Mr. Osei seconded the motion. All were in favor with none opposed.

EDC Resolution Code 22-05-01-223 was unanimously approved.

Schedule of Regular EDC Board Meetings for FY 2022-2023

Ms. Kanalos advised that a resolution was included in the Board book adopting a schedule of the EDC Board's regular meetings for the fiscal year 2022-2023 as follows:



<u>2022</u>	<u>2023</u>
July 12, 2022	January 10, 2023
July 26, 2022	January 24, 2023
August 9, 2022	February 14, 2023
August 23, 2022	February 28, 2023
September 13, 2022	March 14, 2023
September 27, 2022	March 28, 2023
October 11, 2022	April 11, 2023
October 25, 2022	April 25, 2023
November 8, 2022	May 9, 2023
November 22, 2022	May 23, 2023
December 6, 2022*	June 13, 2023
December 13, 2022*	June 27, 2023

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

Ms. Forte called for a motion. Mr. Brown made a motion and Mr. Hodge seconded the motion. Ms. Forte asked if there were question or comments. Hearing none, the Board took the following action:

Mr. Brown made a motion to approve the Schedule of Regular EDC Board Meetings for FY 2022-2023, as presented. Mr. Hodge seconded the motion. All were in favor with none opposed.

EDC Resolution Code 22-05-01-224 was unanimously approved.

OTHER MATTERS

Mr. Osei asked what the procedure would be to propose an agenda item or talking point for a future meeting. Ms. Jenson said to just let her know and it can be added to the agenda.

PUBLIC COMMENT

None.

ADJOURNMENT

On a motion by Mr. Brown, seconded by Mr. Osei, Ms. Forte adjourned the meeting at 10:03 a.m.



CODE EDC 22-05-02-360

APPROVAL OF MINUTES OF APRIL 26, 2022 REGULAR MEETING

RESOLVED, that the minutes of the Regular meeting of April 26, 2022 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.

May 24, 2022



CODE EDC 22-05-03-275

RECEIPT OF TREASURER'S REPORT FOR APRIL 2022

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending April 30, 2022, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

May 24, 2022



CODE EDC 22-05-12-61

**I-94 INDUSTRIAL PARK: SHERWOOD ROAD RECONSTRUCTION PROJECT--
REQUEST TO APPROVE PROFESSIONAL GENERAL CONSTRUCTION CONTRACT
WITH MAJOR CONTRACTING GROUP, INC. FOR THE SHERWOOD ROAD
RECONSTRUCTION PROJECT**

WHEREAS, The Economic Development Corporation of the City of Detroit (“EDC”) is undertaking work related to the improvement of Sherwood Street pavement from Georgia Street to approximately 450 feet south containing approximately 1,336 square yards of 10-inch thick non-reinforced concrete pavement with integral curb on a 12-inch aggregate base (the “Project”); and

WHEREAS, in furtherance of the Project, EDC staff determined that it is necessary to obtain general construction services including, but not limited to, reconstruction/upgrade and/or replacement of sidewalks, curbs, street pavement, driveways, drainage systems, fire hydrants, existing utility adjustments and traffic signalization, landscaping and the installation of road signage in accordance with approved contract drawings and specifications (collectively, the “Services”) and on April 15, 2022, EDC staff issued a Request for Proposals (“RFP”) for such Services; and

WHEREAS, EDC staff received and reviewed 1 timely submitted bid and has determined that Major Contracting Group, Inc. (the “Contractor”) provided a responsive bid; and

WHEREAS, EDC staff is requesting the authorization to enter into an agreement with the Contractor at a not-to exceed amount of Five Hundred Six Thousand Five Hundred Twenty and 16/100 (\$506,520.16.00) Dollars for the performance of the Services; and

WHEREAS, EDC staff is also recommending that a contingency of approximately twenty (20%) percent of the total value of the agreement, or One Hundred One Thousand Three Hundred Four and 00/100 (\$101,304.00) Dollars be established; and

WHEREAS, the EDC Board determined that the staff recommendation is reasonable and consistent with the scope of work for the Project.

NOW, THEREFORE BE IT RESOLVED that the EDC Board of Directors hereby authorizes the negotiation and execution of an agreement with the Contractor to perform the Services for the Project in a manner consistent with the RFP for a **not to exceed**



amount of Five Hundred Six Thousand Five Hundred Twenty and 16/100 (\$506,520.16.00) Dollars.

BE IT FURTHER RESOLVED that the EDC Board of Directors hereby authorizes establishment of an owner's contingency in the amount of (20%) percent of the total value of the agreement, or One Hundred One Thousand Three Hundred Four and 00/100 (\$101,304.00) Dollars, to address requirements for unforeseen conditions and to be expended at the direction of any two Officers or any one of the Officers and any of the Authorized Agents or any two Authorized Agents of the EDC.

BE IT FURTHER RESOLVED that the EDC Board of Directors hereby authorizes any two Officers, or any one of the Officers and any of the Authorized Agents or any two Authorized Agents of the EDC to negotiate and execute any and all documents necessary to implement the provisions and intent of this resolution, including but not limited to change orders for use of owner's contingency funds.

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 execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

May 24, 2022



CODE EDC 22-05-12-62

**I-94 INDUSTRIAL PARK: SHERWOOD ROAD RECONSTRUCTION PROJECT--
REQUEST TO APPROVE PROFESSIONAL CONSTRUCTION ENGINEERING &
INSPECTION CONTRACT WITH MANNIK & SMITH GROUP, INC. FOR THE
SHERWOOD ROAD RECONSTRUCTION PROJECT**

WHEREAS, The Economic Development Corporation of the City of Detroit (“EDC”), has engaged a contractor for the improvement of Sherwood Street pavement from Georgia Street to approximately 450 feet south containing approximately 1,336 square yards of 10-inch-thick non-reinforced concrete pavement with integral curb on a 12-inch aggregate base (the Project”); and

WHEREAS, in support and furtherance of the Project, EDC staff determined that it is necessary to obtain the Construction Engineering & Inspection services described on Exhibit A attached hereto (the “Services”) and on April 15, 2022, EDC staff issued a Request for Proposals (“RFP”) for such services; and

WHEREAS, EDC staff received and reviewed 2 bids and has identified that the Mannik & Smith Group, Inc. (the “Contractor”) as the lowest, most responsive bidder; and

WHEREAS, EDC staff is requesting the authorization to enter into an agreement with the Contractor at a not-to exceed amount Eighty-Two Thousand and 00/100 (\$82,00.00) Dollars for the performance of the Services; and

WHEREAS, EDC staff is also recommending that a contingency of approximately twenty (20%) percent of the total value of the agreement, or Sixteen Thousand Four Hundred and 00/100 (\$16,400.00) Dollars be established; and

WHEREAS, the EDC Board determined that the staff recommendation is reasonable and consistent with the scope of work for the Project.

NOW, THEREFORE BE IT RESOLVED that the EDC Board of Directors hereby authorizes the negotiation and execution of an agreement with the Contractor to perform the Services for the Project in a manner consistent with the RFP for a **not to exceed** amount of Eighty-Two Thousand and 00/100 (\$82,00.00).

BE IT FURTHER RESOLVED that the EDC Board of Directors hereby authorizes establishment of an owner’s contingency in the amount of (20%) percent of the total value of the agreement, or Sixteen Thousand Four Hundred and 00/100 (\$16,400.00) Dollars, to address requirements for unforeseen conditions and to be expended at the direction of



any two Officers or any one of the Officers and any of the Authorized Agents or any two Authorized Agents of the EDC.

BE IT FURTHER RESOLVED that the EDC Board of Directors hereby authorizes any two Officers, or any one of the Officers and any of the Authorized Agents or any two Authorized Agents of the EDC to negotiate and execute any and all documents necessary to implement the provisions and intent of this resolution, including but not limited to change orders for use of owner's contingency funds.

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 execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

May 24, 2022



EXHIBIT A – Scope of Services

2. SCOPE OF WORK

The Professional Engineer shall provide and perform the Basic Services as required in this scope of services, and to assist the EDC to solicit & procure the street and infrastructure improvements from a General Contractor, within the Project Area.

The Engineer Work Product will include Daily Work Reports, pay applications, Quantity of materials coming in or leaving, any MDOT style project reports, Owner progress, exception or quality reports, or project close out reports. The project documents and construction administration will be produced under the MDOT road construction standards, with all the City of Detroit required special provisions, but is not an MDOT project procured or managed by MDOT. The Professional Engineer shall assure that its Services and Documents comply with all governing authority requirements, codes, ordinances, licenses, and the standard of care appropriate to a registered professional engineer in the State of Michigan.

The Professional Engineer shall, based on the Professional Engineer's experience and evaluation of the Project, provide the professional hours and Services required and necessary to thoroughly and competently oversight the Work, and to prepare and produce the specified Reports and Documents.

BASIC SERVICES

1.1 Basic Services

1.1.1 The Professional Engineer shall provide, as a Basic Service to the Project, a review and evaluation of the construction drawings and project manual, review and confirmation of the contractor's layout of elevations, grades and alignments, material quality control, material quantity verification, arrangement of materials and compaction testing, consistent with the City Detroit standards to satisfy quality assurance, and to produce and provide reports for any City required material testing, and producing construction contractor payment applications for Owner, and any other services in a professional manner. Professional Engineer shall also review and ensure the professional implementation of the Work described in the Construction Drawings, for the Contractor's delivery of a fully completed Project (the "Services"). The Professional Engineer shall be fully licensed and registered to provide Engineering/Inspection



services in the State of Michigan. The Professional Engineer must coordinate its schedule with the working schedule of the construction contractor, and ensure that its staff and any sub consultants judiciously manage its time applied to the tasks for base services so not to exceed the total hours from Professional Engineer's proposal. All Work Products produced by the Professional Engineer shall comply with all local, state, county and federal laws, rules, regulations, and ordinances of any and all such governmental authorities and agencies having jurisdiction over the design, construction, existence or use of the Project, and requirements of, and conditions of any approvals, certifications or permits given by, any and all governmental authorities and agencies having jurisdiction over the design, construction, existence or use of the Project.

- 1.1.2 Construction Engineering and Inspection (CE & I) services shall include but are not limited to: project administration; inspection; confirmation of contractor's staking and construction layout; quality assurance testing and reporting; measurement, computation, and documentation of quantities; federal court mandated ADA ramp inspection, documentation, reporting, and record keeping for all ADA ramps installed; reporting and record keeping; and documentation to finalize and close out all projects.
- 1.1.3 As part of its base services, Consultant shall:
 - 1.1.3.1 Attend conferences and make such trips as necessary to the DPW – CED's offices and to the site of the Work to confer with representatives of the General Contractor, DPW – CED, EDC, or EDA as may be necessary in the carrying out of the Services under this contract.
 - 1.1.3.2 Have in its employ a sufficient number of qualified employees available to complete the Services in accordance with the schedule for construction and completion of the Project upon the authorization to proceed with the Services outlined herein.
 - 1.1.3.3 Show evidence of Workers' Compensation Insurance, said insurance to be as required by law.
 - 1.1.3.4 Commence work on the Project as set forth in this contract only upon receipt of written notice from the EDC that the Professional Engineer's services are desired.
 - 1.1.3.5 Submit billings to the EDC as set forth in the Professional Services Agreement.



- 1.1.3.6 Provide construction layout verification services for the Contractor daily site staking and layout. Reconcile and Document any variances reported by the Contractor, or Project Design Engineer. After a resolution on the variance is made confirm a course of action to the Contractor, provide documentation and direction back to the contractor.
- 1.1.3.7 Provide the pencil draft payment applications to the Owner for review, for the Contractor work performed. Hold a pencil draft review meeting with the Project Engineer, and Contractor to finalize the pay application. Make modifications as required.
- 1.1.3.8 Throughout the period the Contractor is performing the Work, the Professional Engineer shall attend twice-monthly meetings between the EDC, the City, and the Contractor(s). The Professional Engineer shall keep written record of all such meetings and submit period meeting minutes as may be requested by the EDC. Records of all work performed by the Professional Engineer in this phase shall be forwarded to the EDC
- 1.1.3.9 The Professional Engineer shall notify the EDC and the Project Engineer of (a) any probable delays or adverse conditions that will materially affect the ability to attain the Contractor's Work or Schedule, or (b) any favorable development or event which allow time schedule to be improved.
- 1.1.4 The Professional Engineer's principal contact is the Project Manager from the EDC. Consultant shall notify EDC first for authorization to communicate with and / or transmit all substantive communications, documentations and reports to the City Engineer or the EDA's Resident Engineer, or any other party requesting information.
- 1.1.5 The Professional Engineer agrees to demonstrate knowledge of and performance in compliance with, the standard construction practices of the city of Detroit, the Project construction contract, proposal, and plans; the Standard Specifications and Special Provisions for Construction and all applicable publications referenced within; the Michigan Construction Manual; the Materials Sampling Guide; the Materials Quality Assurance Procedures Manual; the Density Control Handbook; and other references, guidelines, and procedures manuals needed to carry out the work described herein in an appropriate manner.



The Professional Engineer basic services shall also include:

- 1.1.6 **Safety** The Professional Engineer shall perform field operations in accordance with MDOT's Personal Protective Equipment (PPE) Policy as stated in MDOT Guidance Document #10118 (available on their E-Bulletin Board System). The Professional Engineer shall perform field operations in accordance with MIOSHA regulations and accepted safety practices.
- 1.1.7 **Inspectors** Perform as the Inspector for the Project consistent with MDOT's protocol and in accordance with the Specifications, Plans, Proposal, the Michigan Construction Manual, the Materials Sampling Guide, and other applicable references, guidelines, and/or procedure manuals. The Professional Engineer shall assign a sufficient number of qualified and experienced technicians to this Project to perform the services in a quality manner to avoid any delay to the Construction. Personnel performing inspection and testing on bituminous, Portland cement, aggregate or for density must have the appropriate certifications and level for the inspection and testing performed. Perform ADA Ramp inspection in conformance with City of Detroit standards in compliance with the Settlement Order of 8-31-06 and Stipulated Order of 9-24-10 (attached). Record filed measurements on the City of Detroit provided inspection forms (sample attached) and attach records to the Inspector's Daily Report (IDR).
- 1.1.8 **Office Support and Equipment** Provide an experienced office technician knowledgeable about the Field Manager system, and procedures regarding project record documentation. Provide administrative support. Provide all computer equipment necessary to run the Field Manager system. Generate quarterly reports required by the federal court in compliance with Settlement Order of 8-31-06 and Stipulated Order of 9-24-10 (attached). Utilize the Excel spreadsheet provided by the City of Detroit (sample attached) to transfer data from the inspector's completed ADA Ramp inspection forms (referenced above) and deliver data timely to the City of Detroit.
- 1.1.9 **Meetings** Arrange and conduct conferences and meetings required for carrying out the services or as may be required by the Project Manager. Prepare and distribute minutes.
- 1.1.10 **Coordination** Provide appropriate coordination and contact, public relations, and cooperation with affected local, state, and/or federal agencies including the Economic Development Administration, other



Professional Consultants and other Consultants; the general public; utilities and railroad companies; and local police, fire and emergency services which may be affected by the Project and which are deemed to be the responsibility of the Professional Engineer by the EDC or City of Detroit.

- 1.1.11 **Soil and sedimentation control** Perform inspection of the construction site to verify that proper soil erosion and sedimentation controls are in place by the contractor. Any violation of the NPDES permit by the Construction Contractor must be immediately reported to the Project Manager. Personnel performing inspection on areas where soil and erosion control are needed, must have completed soil and erosion control training.
- 1.1.12 **Changes/Extras/Adjustments** Notify the Project Manager immediately of any unanticipated Project conditions and any Contractor proposed changes, extras, or adjustments to the contract before processing a Work Order and/or Recommendation.
- 1.1.13 **Contentious Issues** Resolve problems, issues, discrepancies, or other items brought to the attention of the Professional Engineer by the Contractor. Provide written documentation of the resolution of such issues. Keep the Project Manager informed of all such issues.
- 1.1.14 **Contractor Claims** If requested by Owner or Project Engineer, represents the Project Engineer on any and all claims for extra compensation and denied extensions of time requests filed on behalf of the Construction Contractor and/or Subcontractor on the Project against the EDC. These claims shall be represented by the Professional Engineer in accordance with Section 104.09 of the most current Standard Specification for Construction and/or MDOT's Written Claim Procedures in effect at the time the Construction Contractor files the claim.
- 1.1.15 **Professional Engineer Deliverables** Collect, properly label or identify, and deliver to the Local Agency all original diaries, logs, notebooks, accounts, records, reports, federal court required ADA Ramp compliance reports, other documents, and Project files prepared by the Professional Engineer in the performance of the Agreement, upon completion or termination of the Agreement. Return, upon completion or termination of the Agreement, all Specifications, Manuals, guides, written instructions, construction contracts and plans, unused forms, and all other documents and materials furnished by the Local Agency. The Professional Engineer may be responsible for replacing lost documents or materials at a fair and reasonable price.



1.2 **Project Construction Inspection**

1.2.1 The Professional Engineer shall provide ongoing inspection of Contractor field construction work, provide quality assurance, and confirm substantial conformance with the Specifications, Plans and Proposal. Professional Engineer shall arrange for non-compliance work to be made whole by the Contractor or notify the Owner and the Professional Engineer if the item is substantial. Inform the Project Manager of non-compliance work and trends toward borderline compliance.

As part of its construction inspection services, Consultant shall also:

1.2.2 Perform all work consistent with the Construction Drawings and the Specifications, and the requirements of the City Engineer, and at the direction of the EDC.

1.2.3 Provide such reports (weekly, monthly and final) and maintain such records of the Project as is determined necessary by the EDC or City Engineer, Upon request by the DPW – CED, make available thereto all notes and records relating to any and all services performed, including inspector's diaries and worksheets. Have its official seal or other identification on all data furnished to the DPW – CED.

1.2.4 Govern all Services by the applicable codes, laws, and standards of the DPW – CED, MDOT, and the FHWA.

1.2.5 be responsible for any loss or damage to test documents requested by the DPW – CED while they are in the Professional Engineer's possession. Restoration of lost or damaged documents shall be at the Professional Engineer's expense.

Review any Contractors evaluation and reports for one potential traffic signal addition, and the rail crossing signal evaluation and reports; and the MDOT rail signal evaluation and reports for the two rail spurs crossing Georgia Street. If there are any installation anomalies report these to the Contractor to repair and to the entity with jurisdiction, the EDC, and the City of Detroit,

1.3 **Testing Services**

1.3.1 The Professional Engineer shall perform and conduct field checks of Contractors materials and Work, and limited laboratory testing of materials and equipment to assure compliance with the contract specifications and requirements of MDOT and the City of Detroit. Reference is made to MDOT's 2012 Standard Specifications for Construction Manual and the Project's construction drawings.



Contractor will be required to provide complete quality control, consistent with MDOT's protocol and standards. Professional Engineer will assure that it receives Contractor's reports of all tested materials Contractor is required to provide as part of Contractor's quality controls.

- 1.3.2 The Professional Engineer's materials testing reports are to be provided as part of the Professional Engineer's base services, but invoiced consistent with the EDC approved consultant material and testing services fee schedule.
- 1.3.3 The Professional Engineer shall ensure that the Contractor provides the Professional Engineer a timely notification of Contractor's delivery of materials that have a requirement for testing, to verify suitability to the Project. Professional engineer has a responsibility to test at least one sample of materials, but no less than 20% of materials through independent assurance testing for all materials delivered on a daily basis, as prescribed in MDOT's Soils and Procedure Manual and Construction Manual. Contractor will be required to conduct quality control which compels the Contractor to provide samples and testing for 80% of the total testing requirement, and provide these results to the Professional Engineer for review and approval, ("quality control") and requires the Contractor to permit the Professional Engineer Review Contractor test results, and to pull additional sampling for up to 20% of the total project sampling required ("Quality Assurance"). Engineer shall assure that the DPW – CED, EDC, and other public agencies having an interest in the service, to be present during the time of performance of the services to allow for review and inspection of work procedures and performance.
- 1.3.4 The Professional Engineer shall sample and/or test, according to the MDOT Materials Sampling guide. Professional Engineer shall reject Contractor's work and materials not meeting the Specifications, Plans, Proposal, the Michigan Construction Manual, the Materials Sampling Guide, Materials Quality Assurance Manual, and any other applicable references, guidelines, and/or procedures manuals. If the Professional Engineer determines that materials are found to be in non-compliance, Engineer will immediately inform the Contractor, City Engineer and EDC of non-compliance work and trends toward borderline compliance.
 - 1.3.4.1 The Professional Engineer's materials testing and quality assurance is to be provided in conjunction with the Professional Engineer's performance of site inspection services.



- 1.3.4.2 The Professional Engineer's concrete testing services shall include (a) slump, (b) temperature, (c) air, (d) mix design, (e) cylinder testing, (f) sub grade and base materials compaction, (g) utility trench compaction, (h) proctor samples and density, (i) air entrainment, (j) four cylinders for compressive strength testing and one test at seven days, two at twenty-eight days, with one held. Professional Engineer shall provide granular and cohesive material compaction testing and reports.
- 1.3.4.3 Where appropriate for road transitioning, Professional Engineer shall provide asphalt testing and reports including: (a) mix design, (b) field density control, (c) sampling and recovery penetration tests, (d) temperature, (e) yield, and (f) quality assurance testing.
- 1.3.5 The Professional Engineer shall provide MDOT's Construction and Technology Division notifications in a timely manner, and to provide for independent assurance testing as prescribed in MDOT's Soils and Procedure Manual and Construction Manual. Permit the DPW – CED, MDOT and other public agencies having an interest in the service to be present during the time of performance of the Services to allow for review and inspection of work procedures and performance. If requested by the EDC.
- 1.3.6 The Professional Engineer shall Perform all work consistent with the requirements of the DPW – CED's Project Engineer
- 1.3.7 Professional Engineer shall Provide and/or review reports as they are required by the Drawings and Specifications and maintain such reports as part of the Project record.
- 1.3.8 The Professional Engineer shall assure that acceptable test reports and/or material certifications from the supplier have been received prior to the incorporation of materials in the work, for materials tested from the Project site.
- 1.3.9 Insufficient Tested Materials: Track insufficient tested materials and notify the Contractor on a bi-weekly basis.
- 1.3.10 Submit all reports to the Owner and the Project Engineer of record, with recommendations for re-drafting or acceptance as appropriate. Submit Material test reports, including but not limited to, the Inspector's Report of Concrete Placed 1174A, Aggregate Inspection Reports 1900 & 1901, Bituminous QA reports, Concrete QA reports, and the "Moisture and Density Determination, Nuclear Method",



Form 582B, etc. to the distribution list within one business day of the testing.

- 1.3.11 The Professional Engineer shall furnish off-site inspections and tests of steel, cement, bituminous mixture designs, sewer and drainage pipe, traffic signs, and other materials customarily tested in MDOT laboratories with its own forces or by statewide contracts except concrete aggregates, aggregates, and concrete cylinders. The customary testing is described in the Materials Quality Assurance Manual with exceptions noted within the Specifications, Plans and Proposal. The Professional Engineer shall be responsible for the sampling and transportation of the materials to be tested.
- 1.3.12 The Professional Engineer shall secure from the General Contractor, and review and accept the bituminous plant inspection required for Quality Assurance, review and provide a report as to the materials acceptability, and submit the reports to the to the EDC and City Engineer for review and concurrence. The Professional Engineer shall still be responsible for securing all general contractor provided on-site bituminous inspections required, including, but not limited to, locating the required Quality Assurance cores, and coordinating with the contractor regarding sampling.
- 1.3.13 The Professional Engineer and any Sub-Consultants performing density testing services will use equipment regulated by the Nuclear Regulatory Commission (NRC).
- 1.3.14 The Professional Engineer shall Possess a valid license issued by the NRC, or other agency recognized by the Local Agency, for ownership and use of sealed sources contained within portable nuclear density gauges.
- 1.3.15 The Professional Engineer shall provide the Local Agency and MDOT with a copy of the license.
- 1.3.16 The Professional Engineer shall Comply with all rules and regulations set forth by Title 10 (Energy) and 49 (Transportation).
- 1.3.17 The Professional Engineer and any Sub-Consultants shall provide the federal court required ADA ramp inspection at each ramp location, document whether the ramp is compliant or not, direct the Contractor to correct any deficiencies, maintain the inspection records, compile the data into the City provided Excel spreadsheet and report that information to the City in conformance with the Settlement Order and Stipulated Order referenced above and attached.



1.4 **Measurement, Computation and Documentation of Quantities**

The Professional Engineer shall assure the following:

- 1.4.1 **Documentation:** Measure and compute quantities and provide appropriate documentation of all materials incorporated in the work and items of work completed, and maintain an item record account using Field Manager software. The Professional Engineer must obtain and be able to use the version currently being used by MDOT of the Field Manager Suite of Software for this project.

1.5 **Reporting and Recordkeeping**

The Professional Engineer shall assure the following:

- 1.5.1 **Professional Consultant Reports:** Prepare such periodic, intermediate and final reports and records as may be required by City of Detroit and as are applicable to the Project, which may include, but are not limited to:
- A. Inspector's Daily Reports
 - B. Work Orders
 - C. Construction Item and Tested Materials Records using Field Manager
 - D. Transfer of Tested Materials
 - E. Monthly Report on Materials Inspection
 - F. Moisture and Density Determination Reports (Form 582BM)
 - G. Inspector's Report of Concrete Placed (Form 1174A-M)
 - H. NPDES Storm Water Operator Reports
 - I. ADA Ramp Reports, Forms, Spreadsheets, etc.
 - J. Labor Compliance, such as Weekly Employment & OJT Report (Form 1199)
 - K. Construction Estimate Bi-Weekly Report
 - L. Bi-Weekly Construction Progress Report & Weekly Statement of Working Days Charged
 - M. Force Accounts
 - N. Contract Modifications (Recommendations and Authorizations)



- O. Extension of Time and Liquidated Damages
 - P. Contractor Evaluation (From 1182)
 - Q. Reduction in Reserve
 - R. Complete Post Construction Review including Form 285-2, if required by the Project Manager
 - S. Other records and/or reports as required for the Project by the Project Manager and/or MDOT and/or as required by Specifications, Plans, Proposal, the Michigan Construction Manual, the Materials Sampling Guide, and any and all other applicable references, guidelines and/or manuals.
- 1.5.2 All reports and Project related paperwork should be maintained in the respective project file within five (5) business days of the generation date for the report or project related paperwork.
- 1.5.3 **Reports – Contractor Generated:** Review, process and/or approve Construction Contractor submittals of records and reports required by the City Engineer as applicable to the Project which may include, but not limited to:
- A. Working Drawings
 - B. Weekly Employment Reports, Certified Payrolls
 - C. Contractor’s claims for additional compensation and extension(s) of time
 - D. Other reports and records as required for the Project by the Project Manager
- 1.5.4 **Project Files:** Maintain project files in accordance with MDOT Office Manual and Local Agency’s procedures, to be located at: the Professional Engineer’s office.
- 1.5.5 **Accounting, Audit & Record Retention:** Follow standard accounting practices and permit representatives of the DPW-CED, and the EDA to audit and inspect its Project books and records in any reasonable time in the “CE&I Consultant Project Record”. Such records are to be kept available for **three (3) years** from the date of the final payment of federal aid for work conducted under this Agreement.
- 1.5.5.1 The Professional Engineer shall establish and maintain accurate records, in accordance with generally accepted



accounting principles, of all expenses incurred for which payment is sought or made under this Agreement, said records to be hereinafter referred to as the "RECORDS". Separate accounts shall be established and maintained for all costs incurred under this contract

1.5.5.2 The Professional Engineer shall maintain the RECORDS for at least three (3) years from the date of final payment. In the event of a dispute with regard to the allowable expenses or any other issue under this Agreement, the Professional Engineer shall thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.

1.5.5.3 A copy of the RECORDS should be delivered to City Engineering Division Department of Public Works, City of Detroit, located in Cadillac Tower, 65 Cadillac Square Suite 300 after the Final Records Review as described in Section 1.7 is complete.

1.5.5.4 If any part of the work is subcontracted, the Professional Engineer shall assure compliance with subsections 1.6.5.1, 1.5.5.2, and 1.6.5.3 above for all subcontracted work.

1.6 **Closing All Project Documentation**

1.6.1 **Final Inspection** Complete a final inspection of all work included in the Project, or such portions thereof eligible for acceptance, after notification by the Contractor that the work is completed or after the Professional Engineer's records show the work is completed. The final inspection shall include notifying the Contractor in writing of particular defects to be remedied if work is not acceptable to the Professional Engineer.

1.6.2 **Project Review/Certification:** Participate in and resolve items determined to be insufficient during the City Engineer review(s) of project records and/or during the City Engineer Certification Process prior to submitting the Final Estimate. Within 45 calendar days of the actual project completion date, the project records shall be ready for the Final Records Review.

1.6.3 **Final Acceptance:** Ascertain that the Project has been performed in accordance with the plans and specifications, or such modifications thereof as may have been approved, and accept the Project. Invite



the Project Manager and the City Engineer to participate in final acceptance.

1.6.4 **Final Documents:** Prepare and submit the Final Estimate, Final Quantity Sheets, Final Marked As-Constructed Plans, and the Design/Construction Package Evaluation (Form 285-2). The Final Estimate Package shall be submitted to the Project Manager within 30 days for the Final Records Review

1.7 Professional Engineer Payment

1.7.1 The Consultant shall perform ALL the required services consistent with its not to exceed contract value schedule. Such services to be billed consistent with submitted schedule of professional rates and fees attached to the Professional Services Agreement (PSA), as Exhibit XX.

1.7.2 Direct expenses will not be paid in excess of that allowed by the EDC. Supporting documentation must be submitted, with the invoice/bill, for all billable expenses.

1.7.3 The use of overtime hours is not acceptable unless prior written approval is granted by the EDC; that approval includes the executed professionals services contract based on this Scope of Services and the priced proposal –Quotation – submitted by the Professional Engineer

2.0 Additional Services

The services below (“Additional Services”) are not included in the Basic Services and shall be provided by the Professional Engineer only if elected and authorized in writing by the EDC. The Professional Engineer shall be paid by the EDC at the rates as indicated in the Professional Engineer’s Hourly Rate Schedule, attached as Exhibit A to the Professional Service Agreement, and originally provided by the Professional Engineer in its response to the RFQ, Part III A for the following:

- 2.1 Preparation for and attendance at arbitration, discovery or legal proceedings on behalf of the Economic Development Corporation, (EDC), Department of Public Works (DPW) or the Project, providing the same is not made necessary by the Professional Engineer’s default.
- 2.2 Providing professional services to make revisions to Documents due to changes inconsistent with prior written directions or written approvals received from the Economic Development Corporation, (EDC) or Department of Public Works (DPW).



The Work to be completed by the Contractor is specified in the EDC's Bid Package (the Bid Package). The Contractor shall furnish the Work on a Unit Price format basis in strict conformance with the Bid Package.

2.1 The Work shall be constructed within the City of Detroit owned public right-of-way and greenway easement(s) obtained by the City of Detroit and includes street pavements, sidewalks, street and pedestrian lighting, water mains, sanitary sewers, storm sewers and landscaping (referred to generally as Public Infrastructure).

2.2 The Work shall be provided, performed, constructed and completed in strict accordance with the Construction Plans prepared by OHM Advisors and the General Conditions, and the General Requirements as listed and identified in the Table of Contents, and the Special Requirements from the Contract Agreement.

2.3 The Contractor in completing each unit of Work shall provide all required, necessary and incidental labor, equipment, tools, material, permits, fees, taxes, insurance, bonds, inspections, notifications, services, general requirements, special requirements, construction administration, overheads, profits and supervision to properly perform all activities and complete the Work in accordance with the Construction plans and specifications and Construction Documents and according to all governing federal, state, and local laws and regulations.

2.4 The completed Construction, without regard to the estimated quantities, when completed by the Contractor shall be fully inspected, integrated and ready for turn over to the governing City Department for public use.



CODE EDC 22-05-13-98

NDC PROJECT NO. 1: JEFFERSON VILLAGE HARDING CANAL DESIGN AND FACILITATOR SERVICES—APPROVAL OF CONTRACT WITH GIFFELS WEBSTER ENGINEERING

WHEREAS, the Economic Development Corporation of the City of Detroit (the “EDC/NDC”) and its subsidiary corporation, The Neighborhood Development Corporation of the City of Detroit (the “NDC”) provides services to the City of Detroit (the “City”) with respect to the NDC Project No. 1; and

WHEREAS, the Harding Canal has become a potential source of flooding for the NDC Project area due to proposed changes in floodplain elevations by the Federal Emergency Management Agency (FEMA); and

WHEREAS, to mitigate the source of flooding the EDC/NDC staff is working on potential flood mitigation measures for the canal so as to obtain a Conditional Letter of Map Revision (the “CLOMAR”) and finally a Letter of Map Revision (the “LOMAR”) from FEMA, which would remove the Project area from the proposed floodplain; and

WHEREAS, a Request for Proposal (RFP) was issued by the EDC/NDC staff for the purpose of soliciting proposals from engineering firms qualified to provide design and engineering services, in addition to construction facilitator services, in the NDC No. 1 project area; and

WHEREAS, Staff recommends the selection of Giffels Webster Engineering, a Detroit Headquartered firm, with a well-documented work history in providing design and engineering in a not to exceed contract amount of Three Hundred Ninety-Two Thousand Six Hundred Dollars and 00/100 (\$392,600.00) Dollars

WHEREAS, the staff further recommends that the Board authorize an Owner’s contingency of 20% of the contract value or Seventy Eight Thousand Five Hundred Twenty Dollars and 00/100 (\$78,520.00) for purpose of addressing possible unknown conditions.

NOW, THEREFORE, BE IT RESOLVED, that the EDC Board of Directors hereby authorizes the execution of a professional services agreement between Giffels Webster and the EDC/NDC (the “Agreement”) to provide the requested consulting services; in a not-to-exceed amount of Three Hundred Ninety-Two Thousand Six Hundred Dollars and 00/100 (\$392,600.00) Dollars.



BE IT FURTHER RESOLVED, that the EDC Board of Directors hereby authorize an Owner's contingency in the amount of 20% of the contract value or Seventy Eight Thousand Five Hundred Twenty Dollars and 00/100 (\$78,520.00) for purpose of addressing possible unknown conditions.

BE IT FURTHER RESOLVED, that the EDC Board of Directors hereby authorizes any two Officers, or any one of the Officers and any of the Authorized Agents or any two Authorized Agents of the EDC to negotiate and execute any and all documents necessary to implement the provisions and intent of this resolution, including but not limited to change orders for use of owner's contingency funds.

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 execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

May 24, 2022



CODE EDC-22-05-74-51

CASINO LOAN PROGRAM - PROPOSED LOAN TO THE JEDA INVESTMENT GROUP LLC

WHEREAS, On April 27, 2005, the Detroit City Council passed a resolution allocating \$42,750,000 of funds in the Casino Loan Program to be administered by the EDC for business development initiatives; and

WHEREAS, The JEDA Investment Group LLC (the "Developer") seeks to redevelop the building located at 15725 Grand River (the "Property"), formerly the St Vincent De Paul Thrift Store, into a fully rentable development for tenants (the "Project"); and

WHEREAS, to facilitate the development of the Project, the Borrower is seeking a loan from the Economic Development Corporation of the City of Detroit ("EDC") Casino Loan Program in the amount of \$200,000.00 (the "Loan"); and

WHEREAS, EDC staff has reviewed the Borrower's financial documentation and proposes the following terms and conditions for the Loan to the Borrower:

Loan Amount:	\$200,000.00
Interest Rate:	4%
Term:	7 years with a balloon payment upon maturity.
Amortization:	12 months interest only. Principal and interest payments commence on month 13 and will be amortized for a period of 9 years.
Guaranty:	Personal Guaranty of Jerold Graham and Darryl Brown.
Security:	Subordinate lien position on Borrower's fixtures, furniture and equipment; subordinated mortgage on the Property.
Conditions:	Issuance of a Loan Policy of Title Insurance at closing Receipt, review, and approval of any and all information requested by EDC staff.

; and

WHEREAS, EDC staff presented the Loan terms to the EDC Finance Committee which recommends the approval of the Loan in accordance with the terms stated herein; and



WHEREAS, the EDC Board of Directors has considered the proposed Loan and determined that the Loan, as proposed, is consistent with the EDC's goal of administering funds for business development initiatives and is consistent with the EDC's statutory purposes.

NOW, THEREFORE BE IT RESOLVED that the provision of a Loan consistent with the terms provided herein is hereby approved.

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 the Loan, together with such other terms and conditions that are determined by such Authorized Agents and/or Officers to be customary or appropriate and not inconsistent with this resolution, and to negotiate and execute 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 EDC.

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 execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

May 24, 2022



CODE EDC 22-05-01-221

ADMINISTRATION: EDC BUDGET FOR FY 2022-2023

WHEREAS, on the date hereof, the Board of Directors of the Economic Development Corporation of the City of Detroit (the “EDC”) approved a resolution whereby the EDC would accept funding from the City of Detroit in the amount of \$275,000.00 for operations of the EDC for fiscal year 2022-2023; and

WHEREAS, the EDC wishes to adopt a budget for its fiscal year beginning July 1, 2022 and ending June 30, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Economic Development Corporation of the City of Detroit, as follows:

1. The Budget of the EDC, attached as Exhibit A hereto, for the fiscal year beginning July 1, 2022 and ending June 30, 2023 is hereby approved.

BE IT FURTHER RESOLVED that the EDC Board hereby authorizes any two of its Officers or any two of its Authorized Agents or one Officer and any one Authorized Agent to take any other actions and execute any other documents 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 execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

May 24, 2022

**ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF DETROIT
OPERATING BUDGET
JULY 1, 2022 TO JUNE 30, 2023**

	Projected Total June 30, 2022	Budget June 30, 2022	Variance	Proposed Budget June 30, 2023
<u>REVENUE</u>				
City of Detroit	275,000	275,000	0	275,000
TSF From Waterfront Reclamation	300,000	300,000	0	300,000
TSF From Motor City Match/Restore	668,395	900,000	(231,605)	900,000
TSF From Projects for DEGC Legal	159,692	180,000	(20,308)	180,000
TSF From Casino Development Fund	350,000	350,000	0	350,000
TSF From Repaid Loans	550,000	550,000	0	550,000
TSF From Other Projects	85,387	125,000	(39,613)	150,000
Other Revenue & Service Fees	35,638	25,000	10,638	25,000
	<u>2,424,112</u>	<u>2,705,000</u>	<u>(280,888)</u>	<u>2,730,000</u>
TOTAL REVENUE	<u>2,424,112</u>	<u>2,705,000</u>	<u>(280,888)</u>	<u>2,730,000</u>
<u>EXPENSES</u>				
Detroit Economic Growth Corp	800,000	800,000	0	800,000
Detroit Economic Growth Corp Special Proj	600,000	600,000	0	600,000
Other Projects Administrative Fees	753,782	1,025,000	271,218	1,050,000
Next Michigan Development Corp	20,000	20,000	0	20,000
DEGC Legal Services	173,717	200,000	26,283	200,000
Legal Services	5,319	10,000	4,681	10,000
Audit	30,000	30,000	0	30,000
Miscellaneous	9,960	20,000	10,040	20,000
	<u>2,392,778</u>	<u>2,705,000</u>	<u>312,222</u>	<u>2,730,000</u>
TOTAL EXPENSES	<u>2,392,778</u>	<u>2,705,000</u>	<u>312,222</u>	<u>2,730,000</u>
Operating Surplus/(Shortfall)	31,334	0	31,334	0
Debt Service	0	0	0	0
(Increase)/Decrease in Reserve	(31,334)	0	(31,334)	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET SURPLUS/(SHORTFALL)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



CODE EDC 22-05-01-222

ADMINISTRATION: AUTHORIZATION OF CITY OF DETROIT/EDC AND DEGC/EDC CONTRACTS

WHEREAS, the City of Detroit (the “City”) and the Economic Development Corporation (the “EDC”) have previously entered into a services agreement (the “City Agreement”) pursuant to which the EDC renders economic development services to the City and which City Agreement funds a portion of EDC’s operating expenses; and

WHEREAS, the City Council is anticipated to authorize City Agreement in the amount of \$275,000.00 for the period beginning July 1, 2022 and ending June 30, 2023; and

WHEREAS, a contract for Professional Services was heretofore entered into between the EDC and Detroit Economic Growth Corporation (the “DEGC”) as of July 1, 2021 (the “DEGC Agreement”); and

WHEREAS, the DEGC Agreement will expire pursuant to the terms thereof on June 30, 2022, but may be extended in accordance with Section 12 of such DEGC Agreement; and

WHEREAS, the EDC and the DEGC desire to extend the term of the DEGC Agreement for the period commencing July 1, 2022 and ending June 30, 2023; and

WHEREAS, pursuant to Section 5 of the DEGC Agreement, the EDC would pay to the DEGC a base compensation equal to Eight Hundred Thousand and 00/100 (\$800,000.00) Dollars, plus such additional amounts authorized by the DEGC Agreement, for services or activities for or on behalf of the EDC to be rendered by DEGC during such extension period pursuant to the DEGC Agreement.

NOW, THEREFORE, BE IT RESOLVED that the EDC Board of Directors hereby authorizes any two of the following – its Officers or the Authorized Agents - to have full power and authority to execute the City Agreement in such form as required by the City and approved by EDC’s counsel, for the period beginning July 1, 2022 and ending June 30, 2023.

BE IT FURTHER RESOLVED that the EDC Board of Directors hereby authorizes any two of its Officers or two designated Authorized Agents to have full power and authority to execute a new DEGC Agreement, in substantially the form attached hereto



as Exhibit A, together with such changes recommended or required by counsel for either party, for the period beginning July 1, 2022 and ending June 30, 2023, for a base compensation of \$800,000.00 funded primarily from the City Agreement allocation of \$255,000.00, \$350,000.00 from EDC's Trizec Annuity, and \$195,000.00 from EDC's Loan repayment account, plus such additional amounts authorized by the DEGC Agreement.

BE IT FURTHER RESOLVED that the EDC Board hereby authorizes any two of its Officers or any two of its Authorized Agents or one Officer and any one Authorized Agent to take any other actions and execute any other documents 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 execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

May 24, 2022



CODE EDC 22-05-01-223

ADMINISTRATION: ELECTION OF OFFICERS

RESOLVED that the following are hereby elected as Officers of the Board of Directors of the Economic Development Corporation of the City of Detroit:

Linda Forte, Chairperson
Jonathan Quarles, Vice Chairperson
Marsha Bruhn, Secretary
Thomas Stallworth, Treasurer

May 24, 2022



CODE EDC 22-05-01-224

ADMINISTRATION: SCHEDULE OF REGULAR EDC BOARD MEETINGS FOR FY 2022-2023

RESOLVED that the Board of Directors of the Economic Development Corporation of the City of Detroit (the “EDC”) hereby adopts the following as its schedule of regular meetings for its fiscal year beginning July 1, 2022 and ending June 30, 2023. Unless otherwise posted, such meetings will be held on the **second and fourth Tuesday of each month at 9:00 a.m.** (with the exception of December as noted below) in the offices of the Detroit Economic Growth Corporation, 500 Griswold Street, Suite 2200, Conference Room A, as follows:

2022

July 12, 2022
 July 26, 2022
 August 9, 2022
 August 23, 2022
 September 13, 2022
 September 27, 2022
 October 11, 2022
 October 25, 2022
 November 8, 2022
 November 22, 2022
 December 6, 2022*
 December 13, 2022*

2023

January 10, 2023
 January 24, 2023
 February 14, 2023
 February 28, 2023
 March 14, 2023
 March 28, 2023
 April 11, 2023
 April 25, 2023
 May 9, 2023
 May 23, 2023
 June 13, 2023
 June 27, 2023

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

May 24, 2022