



**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, JUNE 22, 2022 – 3:00 P.M.**

BOARD MEMBERS PRESENT: Marvin Beatty
Charles Beckham
David Blaszkiewicz
Ehrlich Crain
Melvin Hollowell
Richard Hosey
James Jenkins
John Naglick
Donald Rencher
Nicole Sherard-Freeman

BOARD MEMBERS ABSENT: Austin Black
Steve Ogden

OTHERS PRESENT: Amber (Public)
Kenyetta Bridges (DEGC/DDA)
Cora Capler (DEGC/DDA)
Gay Hilger (DEGC/DDA)
David Howell (DEGC/DDA)
Paul Kako (DEGC/DDA)
Jennifer Kanalos (DEGC/DDA)
Glen Long, Jr. (DEGC/DDA)
Meagan Masterson (Public)
Monika McKay-Polly (DEGC/DDA)
Rebecca Navin (DEGC/DDA)



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226
WEDNESDAY, JUNE 22, 2022 – 3:00 P.M.**

GENERAL

Call to Order

Chairperson Sherard-Freeman called the regular meeting of the Downtown Development Authority Board of Directors to order at 3:06 p.m. Roll call was conducted, and a quorum was established. Ms. Kanalos requested that the Chair skip to the United Artists Building project item first.

GENERAL

Approval of Minutes

Ms. Sherard-Freeman asked if there were any additions, deletions, or corrections to the minutes of the May 25, 2022 Regular Board meeting. Hearing none, the Board took the following action:

Mr. Blaszkiewicz made a motion approving the May 25, 2022 minutes, as written. Mr. Naglick seconded the motion. All were in favor with none opposed. DDA Resolution Code 22-06-02-647 was unanimously approved.

PROJECT

Amended Loan Terms for Proposed DDA Loan to Bagley Development Group LLC

Ms. Navin advised that this project was presented and discussed at two earlier Board meetings. Mr. Hosey disclosed that he was a member of the development team and had a pecuniary interest in the project. Mr. Hollowell also disclosed that his firm was representing the developers. The vote was tabled for a minimum of seven days, which it has been much longer as we have had trouble getting a super quorum.

Ms. Navin briefly reviewed the project and advised that a super quorum that was needed to vote on this project was present, and a roll call vote would be taken. Mr. Hosey and Mr. Hollowell would be recusing themselves from the vote.

Ms. Sherard-Freeman asked if there were additional questions/comments.



Mr. Jenkins stated that he had a comment. He came to the meeting specifically to make sure there was a quorum to vote on this project because it is so important to the community.

Ms. Sherard-Freeman asked if there were any other comments/questions. Hearing none, she called for a motion.

Mr. Jenkins made a motion to approve the Amended Loan Terms for Bagley Development Group, LLC. Mr. Beckham seconded the motion. A roll call vote was taken, and all were in favor with none opposed.

DDA Resolution Code 22-06-93-35 was approved, with Mr. Hosey and Mr. Hollowell abstaining.

GENERAL

Receipt of Treasurer's Report for May 2022

Mr. Naglick reviewed the Treasurer's Report of Receipts and Disbursements for the month of May 2022 for the benefit of the Board. With there being no questions or discussion, Ms. Sherard-Freeman called for a motion:

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

DDA Resolution Code 22-06-03-534 was unanimously approved.

ADMINISTRATION

Adoption of DDA Budget for FY 2022-23

Ms. Kanalos advised that on May 25, 2022, the DDA Board authorized staff to submit the DDA budget for FY 2022-2023 to City Council for approval. The Budget was approved on June 21, 2022 by the Detroit City Council as submitted. Therefore, the DDA Board of Directors is requested to adopt the budget as approved by City Council.

Ms. Sherard-Freeman called for a motion.

Mr. Jenkins made a motion to adopt the DDA Budget for FY 2022-2023, as approved by City Council. Mr. Hollowell seconded the motion. All were in favor with none opposed.

DDA Resolution Code 22-06-18-75 was unanimously approved.



OTHER BUSINESS

Ms. Kanalos introduced Ms. Monika McKay-Polly to the Board and advised that she was a new DEGC employee who would be working on Tax Increment Finance and other Board Administration projects. Ms. Sherard-Freeman welcomed Ms. McKay-Polly and asked for her comments. Ms. McKay-Poly stated that she formerly was with DBA and is very happy to join the DEGC.

PUBLIC COMMENT

None.

ADJOURNMENT

With there being no further business to be brought before the Board, on a motion by Mr. Hollowell, seconded by Mr. Jenkins, Ms. Sherard-Freeman adjourned the meeting at 3:20 p.m.



CODE DDA 22-06-02-647

APPROVAL OF MINUTES OF MAY 25, 2022

RESOLVED that the minutes of the Regular meeting of May 25, 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 Downtown Development Authority.

June 22, 2022



CODE DDA 22-06-93-35

AMENDED LOAN TERMS FOR PROPOSED DDA LOAN TO BAGLEY DEVELOPMENT GROUP LLC

WHEREAS, Bagley Development Group, LLC, (the “Developer”) is seeking to redevelop the United Artists Building located at 150 Bagley into a mixed-use commercial development (the “Project”); and

WHEREAS, in March, 2022, the Downtown Development Authority (“DDA”) closed on loans the support the Project consisting of (i) a \$7.1 million loan to the Developer funded by the DDA; (ii) a \$7.0 million loan funded to the Developer by the Michigan Strategic Fund (the “MSF”), to be serviced by the DDA; and (ii) a \$1.4 million loan funded by the DDA to Developer’s managing member; and

WHEREAS, the aforementioned loans contemplate a 28-month interest only period to coincide with the Project’s construction and lease-up schedules; and

WHEREAS, Developer has submitted requests to the DDA and MSF that interest on the loans be deferred during such 28-month period, with the accrued interest to be added to the principal loan balance at the end of such period (such request as it relates solely to the DDA-funded portions of the loans, the “Modification Request”); and

WHEREAS, following presentation of the Modification Request, the DDA Finance Committee has recommended its approval to the DDA Board; and

WHEREAS, in addition, as a condition to the Modification Request, staff seeks to amend the loan documents to provide that upon admission of any new member to Developer or its managing member, such new member shall become a guarantor on the loans upon the same terms and conditions as the other members; and

WHEREAS, the DDA Board of Directors has reviewed the Modification Request and determined that its approval is in the best interest of the Project and the DDA

NOW, THEREFORE, BE IT, RESOLVED that the DDA Board of Directors hereby approves the Modification Request, subject to the condition described above.

BE IT FURTHER RESOLVED that any two Officers, or any one of the Officers and any one of the Authorized Agents or any two of the DDA’s Authorized Agents, shall hereafter have the authority to negotiate and execute all documents, contracts, or papers,



and take all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the DDA.

BE IT FINALLY RESOLVED that all of the acts and transactions of any officer or authorized agent of the DDA, in the name and on behalf of the DDA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

March 23, 2022 (Tabled)
April 13, 2022 (Tabled)
June 22, 2022



CODE DDA 22-06-03-534

RECEIPT OF TREASURER'S REPORT FOR MAY 2022

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending May 31, 2022, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

June 22, 2022



CODE DDA 22-06-18-75

BUDGET: FY 2022-2023

WHEREAS, the Downtown Development Authority (the “DDA”) Board of Directors, at its May 25, 2022 meeting, adopted a resolution authorizing staff to submit DDA’s budget for FY 2022-2023 (the “Budget”) to the City Council for approval; and

WHEREAS, City Council subsequently approved the DDA’s Budget on June 21, 2022.

NOW, THEREFORE, BE IT RESOLVED, that the DDA Board of Directors hereby adopts the DDA Budget for FY 2022-2023 (Exhibit A) as approved by City Council of the City of Detroit.

June 22, 2022