

**RULES OF PROCEDURE OF THE
CITY OF DETROIT DOWNTOWN DEVELOPMENT AUTHORITY
AS AMENDED
(March 14, 2018)**

These Rules of Procedure are hereby adopted subject to and in conformance with the authority and power given to the City of Detroit Downtown Development Authority (Authority) by P.A. No. 197 of 1975, as amended.

**ARTICLE I
Offices**

Section 1. Registered Office. The City of Detroit Downtown Development Authority (Authority) shall have and continuously maintain in the State of Michigan a registered office. The registered office may be, but need not be, identical with the Authority's principal office in the State of Michigan, and the address of the registered office may be changed from time to time by the Board of Members by a duly adopted resolution. Unless and until so changed, the registered office of the Authority is 500 Griswold, Suite 2200, Detroit, Michigan 48226.

Section 2. Other Offices. The Authority may have such other offices as the Board of Members may determine, or the affairs of the Authority may require from time to time.

**ARTICLE II
Board of Members**

Section 1. General Powers. The affairs of the Authority shall be managed by its Board of Members in conformance with the provisions of Act 197 of 1975, as amended.

Section 2. Regular Meetings. Regular meetings of the Board of Members (Board) shall be held on the second and fourth Wednesday of each month at 3:00 o'clock P.M., or at such other time and place as the Board shall designate. All meetings shall be held at the DDA's offices at 500 Griswold, Suite 2200 Detroit, Michigan, or at such other place or places as the Board thereof or its authorized Officers may from time to time designate. Said meetings may be adjourned by action of the Board from time to time to a definite fixed place, date and time.

The Authority shall keep minutes of each meeting showing the date, time, place, members present, members absent, any decisions made at a meeting and the purpose or purposes for which a closed session is held. The minutes shall include all roll call votes taken at the meeting. Corrections in the minutes shall be made not later than the next meeting after the meeting to which the minutes refer. Corrected minutes shall be available no later than the next subsequent meeting after correction. The corrected minutes shall show both the original entry and the correction. Minutes shall be public

records open to public inspection and shall be available at the address designated on posted public notices pursuant to Section 5 herein. Copies of the minutes shall be available to the public at the reasonable estimated cost for printing and copying or sent via electronic communication, free of charge. Proposed minutes shall be available for public inspection not more than eight (8) business days after the meeting to which the minutes refer. Approved minutes shall be available for public inspection and on a website or webpage maintained by or on behalf of the DDA, if any, no later than five (5) business days after the meeting at which the minutes are approved by the public body.

Section 3. Special Meetings. Special meetings of the Board of Members may be called by or at the request of the Chairman, or any three members.

Section 4. Notice of Special Meetings. Written notice of special meetings of the Board shall be either:

(a) served personally on each member of the Board or left at his or her usual place of employment or residence not less than twenty-four (24) hours prior to the time of the Special Meeting;

(b) given personally by telephonic or electronic communication to each member of the Board not less than eighteen (18) hours prior to the time of the Special Meeting; however, in every case where telephone notice is given, an affidavit shall be filed with the secretary of the Authority, signed by the person giving said notice, that notice was given to the Member by such means; or

(c) given by first class mail to each member of the Board not less than seventy-two (72) hours prior to the time of the Special Meeting.

Section 5. Public Notice. Public notice of all regular, special or rescheduled regular or Committee Meetings of the Authority, shall be given pursuant to the applicable provisions of Act 267 of the Public Acts of Michigan, 1976, MCLA §15.264, as amended (the Open Meetings Act)

All DDA meeting agendas shall be published on a website or webpage maintained by or on behalf of the DDA, if any, as soon as practicable following the release of an agenda to the Board but in any event within 5 business days after such release.

Section 6. Waiver. Any member may waive notice of any meeting either before or after such meeting. Attendance of a member at a meeting constitutes waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless otherwise required by these Rules of Procedure.

Section 7. Closed Sessions. The Authority may meet in a closed session only for the purposes and in the manner designated in the Open Meetings Act (MCLA §15.268). A two-thirds (2/3) roll call vote of Board members elected or appointed and serving shall be required to call a Closed Session, except when it involves personal matters relative to an Authority officer, employee, staff member or individual agent, if the named person requests a Closed Session, and where the session involves strategy or negotiation connected with the negotiations of a collective bargaining agreement, if either party requests a closed session.

When a closed session of the Authority Board is held pursuant to the provisions of the Open Meetings Act, a separate set of minutes shall be taken by a clerk or secretary of the Authority at a closed session. These minutes shall be retained by the Authority, and shall not be available to the public. These minutes shall not be made available to the public. These minutes shall only be disclosed to the public if required under Sections 10, 11 or 13 of the Open Meetings Act.

Section 8. Quorum. A majority of the members of the Authority's Board shall constitute a quorum and all proceedings of the Board shall require a vote of a majority of the quorum for favorable action, unless the vote of a larger number of members is required herein or by law. Presence in person for both quorum and voting shall include electronic communication by which the member can be both seen and heard in compliance with the Open Meetings Act. In determining the number of members required for a quorum, any Board seats which are vacant, as defined in Section 12 below, shall not be counted in determining the number of members required for a quorum, however, in no circumstances shall the number of Board members required for a quorum ever be less than five (5). Any meeting at which all members of the Board are present shall be a legal meeting for the conduct of the Authority's business, notwithstanding the fact that notice of the meeting was not given in the manner set forth above; provided, however, that notice of such meeting was given in accordance with the provisions of the Open Meetings Act.

Section 9. Open Meetings. Notwithstanding anything herein to the contrary, all meetings, proceedings, notices and actions of the Authority, shall comply with the Open Meetings Act. In the event of any conflict between the provisions of these Rules of Procedure and the Open Meetings Act, the provisions of the Open Meetings Act shall apply.

Section 10. Procedure. The order of business and all other matters of procedure at every Board meeting may be determined by the Chairperson or other presiding member. However, the Board shall act by resolution or motion only. Roberts Rules of Procedure may be employed by the Chairperson or other presiding member in the conduct of any meeting.

Section 11. Officers. On an annual basis or in the event of a vacancy, the Board shall, by an affirmative vote of a majority of its members, elect a Chairperson, and may

elect a Vice Chairperson, a Secretary and a Treasurer, to serve for one year. Officers shall automatically hold over year to year until replaced or resign.

(a) The Chairperson shall be elected by the Board. He or she shall have and exercise general charge and supervision of the affairs of the Authority, and shall perform such other duties as may be assigned to him or her by the Board. The Chairperson may designate an alternate to act in his or her stead in his or her absence or disability.

(b) The Vice Chairperson shall perform those duties as may be assigned to him or her by the Board and may be designated by such title or titles as the Board may determine.

(c) The Secretary shall maintain custody of the official seal and of records, books, documents, or other papers not required to be maintained by the Treasurer. The Secretary shall keep a record of its proceedings, and shall perform such other duties delegated by the Board (the Board may employ and fix the compensation of a secretary; that is, this position need not be filled by a Board member. In such case, the secretary would be a staff person of the Authority, and not an Officer of the Authority.)

(d) The Treasurer shall keep the financial records of the Authority and who, together with the Director of the Authority, shall approve all vouchers for the expenditure of funds of the Authority. The Treasurer shall perform such other duties as may be delegated to him or her, and shall furnish a bond in an amount as prescribed by the Board. (The Board may employ and fix the compensation of a treasurer; that is, this position need not be filled by a Board member. In such case, the treasurer would be a staff person of the Authority and not an Officer of the Authority.)

Section 12. Terms and Qualifications of Members. The Board of Members shall consist of the person serving as Mayor of the City of Detroit (Mayor) and not less than eight (8) or more than twelve (12) members, which shall include three (3) the Directors (as hereinafter defined). "Directors" shall be defined as directors of City of Detroit departments that have interest in the activities of the Authority and persons who supervise such department directors, including but not limited to the Chief Operating Officer and Group Executives. All members of the Board except the Mayor (Appointed Members) shall be appointed by the Mayor, subject to the approval of the Detroit City Council (City Council). From time to time The Mayor may designate a person to represent the Mayor on the Board, including exercising the Mayor's voting rights as a member of the Board. Each Appointed Member shall serve for a term of four (4) years; provided, that a person who is a Director or employee of the City shall serve for a term of four (4) years or until that person ceases to be a Director or employee of the City, whichever period is shorter. The person serving as the Mayor shall cease to be a member of the Board immediately upon ceasing to be the Mayor. Not less than a majority of the members shall be persons having an interest in property located in the City's downtown district or officers, members, trustees, principals or employees of a legal entity having an interest in property located in the City's downtown district. At least one (1) of the members shall be a resident of the City's downtown district and such residency shall be certified annually.

Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

An Appointed Member whose term of office has expired shall continue to hold office until the member has been reappointed or member's successor has been appointed by the Mayor with the approval of the City Council. If a vacancy on the Board is created by death, resignation, removal, or any other reason, a successor shall be appointed by the Mayor for the unexpired term only. In the event that a vacancy reduces Board membership below that mandated by law, the Mayor shall fill the vacancy within thirty (30) days.

Board members shall serve without salary, but may be reimbursed for actual and necessary expenses incurred in the performance of their official duties.

Pursuant to notice and after having been given an opportunity to be heard, a member may be removed from office for cause by City Council.

Section 13. Indemnification. The Board of Members of the Authority or any person executing any revenue bond or revenue note on behalf of the Authority shall not be liable personally on the revenue bond or revenue note, or be subject to any personal liability or accountability by reason of the issuance of the revenue bond or revenue note, by reason of acquisition, construction, ownership, or operation of a project, or by reason of any action taken or omitted by the Board of Members. The Authority, to the full extent permitted by law, at its expense, shall indemnify and save harmless, of, from and against, any and all claims, damages, demands, expenses to include all attorney fees and legal costs, liabilities and losses any person made, or threatened to be made, a party to any pending, threatened or completed civil, criminal, administrative or arbitrate action, suite or proceeding and any appeal therein (and any injury or investigation which could lead to such action, suit or proceeding) by reason of the fact that he or she is or was a Member, Officer or employee of the Authority, except in relation to matters as to which it shall be finally adjudged in such action, suit or proceeding that such person is liable for negligence or misconduct in the performance of his or her duties or acted in an unreasonable manner or not in good faith. Such right of indemnification shall inure to the benefit of the legal representative of such person in any such action.

ARTICLE III **Director of the Authority**

The Board of Members may employ and fix the compensation of a director, subject to the approval of the City Council. The Director shall serve at the pleasure of the Board. A member of the Board is not eligible to hold the position of director.

Subject to the approval of the Board, the director shall supervise, and be responsible for the preparation of plans and the performance of the functions of the Authority in the manner authorized by the Downtown Development Authority Act. The director shall attend the meetings of the Board, and shall render to the Board and to the

City Council a regular report covering the activities and financial condition of the Authority. If the director is absent or disabled, the Board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of his or her office the acting person shall take and subscribe to the oath, and furnish bond, as required of the director. The director shall furnish the Board with information or reports governing the operation of the Authority as the Board requires.

ARTICLE IV **Committee of Members**

The Board of Members, by resolution adopted by a majority of the members present at any meeting, may designate and appoint one or more committees to assist the Board in the discharge of its duties, each of which shall consist of at least two but less than five members, which committees shall exercise such authority as shall be granted to them by such resolution; provided such committees shall not have any power or authority reserved to the Board of Members by these Rules of Procedure, statutes, or other laws; provided, further, that said committees shall not adopt an agreement or merger or consolidation or an agreement for the sale, lease or exchange of, any of the Authority's property and assets, dissolve the Authority or amend the Rules of Procedure of the Authority. All actions by the committees shall be subject to approval by the Board of Members. The resolution establishing an advisory committee shall state the names of the committee members, their terms of office and the committee's function.

All committee meetings shall be held in accordance with the Open Meetings Act, except where permitted under Section 8 of the Open Meetings Act. However, if a matter which would normally be reviewed by a committee prior to consideration by the Board is not able to be reviewed at a committee because compliance with the Open Meetings Act was not practicable, it may, at the discretion of the chair of the Board or the chair of such committee, be considered by the Board without prior review by the committee.

ARTICLE V **Contracts, Checks, Deposits and Funds**

Section 1. Contracts. The Board of Members may authorize any two Officers, any two Authorized agents or any One Officer and any one Authorized Agent (collectively the "Designated Parties" of the Authority to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances. In the absence of such specific authorization by the Board of Members, such contract(s) or instrument(s) as are authorized for execution by the Board of Members shall be signed by the Chairman and counter-signed by the Secretary or the Treasurer of the Authority, or if such Officers have not been elected by any other Board member.

Section 2. Checks, Drafts and Bonds. All checks, drafts or orders for the payment of money, bonds, notes or other evidences of indebtedness issued in the name of the Authority, shall be signed by any two Officers, any two Authorized agents or any One Officer and any one Authorized Agent (collectively the “Designated Parties” of the Authority and in such manner as shall from time to time be determined by resolution of the Board of Members. In the absence of such determination by the Board of Members, such instrument shall be signed by the Board member holding the office of Treasurer, but if no such officer has been elected, then by the person employed by the Board to act as treasurer, or other member designated by the Board.

Section 3. Deposits. All funds of the Authority shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the Board of Members may select.

Section 4. Gifts. The Board of Members may accept on behalf of the Authority any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Authority.

Section 5. The Board of Members shall have an annual audit performed by a public accounting firm.

ARTICLE VI **Books and Records**

The Authority shall keep accurate and complete books and records of accounts and shall also keep minutes of the proceedings of the Board of Members and committees having any of the authority of the Board of Members, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Authority may be inspected by any member, or his or her agent or attorney for any proper purpose at any reasonable time.

ARTICLE VII **Fiscal Year**

The fiscal year of the Authority shall begin on the first day of July and end on the last day of June of each year.

ARTICLE VIII **Seal**

The Board of Members shall provide a seal, which shall be the official seal of the Authority

ARTICLE IX
Conflicts of Interest and Disclosure

Section 1. Except as provided in Section 2 and 3 of this article IX and in accordance with Act No. 317 of 1968, as amended, a member, Officer, or employee of the Authority shall not:

(a) Be a party, directly or indirectly, to any contract between himself or herself and the Authority; or

(b) Directly or indirectly solicit any contract between the Authority and (1) himself or herself; (2) any firm (meaning a co-partnership or other unincorporated association) of which he or she is a partner, member or employee; (3) any private corporation in which he or she is a stockholder owning more than one percent of the total outstanding stock of any class where such stock is not listed on a stock exchange or stock with a present total market value in excess of \$25,000 where such stock is listed on a stock exchange or of which he or she is a director, officer or employee; or (4) any trust of which he or she is a beneficiary or trustee; nor shall he or she take any part in the negotiation for such contract or renegotiation thereof or amendment thereto for the approval thereof; nor shall he or she represent either party in the transaction.

Section 2. The restrictions of Section 1 of this Article shall not apply to a member, Officer or employee of the Authority who is paid for working an average of twenty-five (25) hours per week or less for a public entity, as that term is defined in MCLA §15.321.

Section 3. A contract involving the Authority and a member, Officer or employee of the Authority described in Section 1(a) of this Article IX shall meet all of the following requirements:

(a) The member, Officer or employee shall promptly disclose any pecuniary interest in the contract to the Authority, which disclosure shall be made a matter of record in its official proceedings;

(b) The contract is approved by a vote of not less than two-thirds (2/3) of the full Board of the Authority in open session, where the interested party is a Board member, said approval must be by a two-thirds (2/3) vote of the full Board excluding the said interested member; and

(c) The official body discloses the following summary information in its official minutes:

(i) The name of each party involved in the contract.

(ii) The terms of the contract, including duration, financial entity included in the contract, and the nature and degree of assignment of employees of the public entity for fulfillment of the contract.

(iii) The nature of any pecuniary interest.

This Section and Section 1 hereof shall not prevent a Board member from making or participating in making a Board decision to the extent that the Board member's participation is required by law. If two-thirds (2/3) of the members are not eligible under this section to vote on a contract or to constitute a quorum, a member may be counted for purposes of a quorum and may vote on the contract if the member will directly benefit from the contract in an amount less than \$250.00 and less than 5% of the public cost of the contract and the member files a sworn affidavit to that effect with the Authority. The affidavit shall be made a part of the public record of the official proceedings.

Section 4. Pursuant to Section 4 of P.A. No. 317 of 1968, the prohibitions of this Article shall not apply to:

(a) contracts between public entities;

(b) contracts awarded to the lowest qualified bidder, other than a public servant, pursuant to notice of letting of the contract and receipt of sealed bids therefor;

(c) contracts for public utility service where the rates therefore are regulated by the State or Federal government

ARTICLE X

Reporting, Public Access to Records

Section 1. The Authority shall prepare and submit an annual report not more than 180 days after the conclusion of the fiscal year of the Authority to the Detroit City Council which report shall fully describe the activities of the Authority including a statement of all revenues and expenditures since the previous report.

Section 2. The financial records, accountings, audit reports, and other reports of public monies under the control of the Authority shall be public records and open to inspection.

Section 3. The Authority shall publish in a newspaper of general circulation in the City of Detroit, not more than 180 days after the conclusion of the Authority's fiscal year a statement of all its revenue and expenditures for the year and shall distribute copies of the report upon request.

ARTICLE XI
Amendments to Rules of Procedure

The Board shall have the power to amend, revise, or repeal these Rules of Procedure of the Authority, in whole or in part, by a majority vote of the members of the Board then in office at any regular or special meeting, provided that at least five (5) days written notice of such amendment, revision or repeal is given to members of the Board, along with a copy of the amendment, revision, or repeal. Pursuant to Section 14-2-6 of the Detroit City Code, these Rules of Procedure and every amendment, revision, or repeal of these Rules of Procedure, adopted by the Board, shall immediately be forwarded to City Council and shall be immediately effective and shall remain in effect unless otherwise disapproved by City Council in accordance with law within sixty (60) days of their adoption.

Amended by DDA Board
on
March 14, 2018