



**ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS REGULAR MEETING  
TUESDAY, DECEMBER 15, 2020 – 9:00 A.M.**

**BOARD MEMBERS PRESENT:** Clifford Brown  
Marsha Bruhn  
Kimberly Clayson  
Linda Forte  
Damon Hodge  
Chris Jackson  
Kwaku Osei  
Jonathan Quarles  
Thomas Stallworth

**BOARD MEMBERS ABSENT:** Arthur Jemison (Ex-Officio)  
John Naglick (Ex-Officio)

**SPECIAL DIRECTORS  
PRESENT:** None

**SPECIAL DIRECTORS  
ABSENT:** None

**OTHERS PRESENT:** Kenyetta Bridges (DEGC/EDC)  
Charlotte Fisher (DEGC/EDC)  
Gay Hilger (DEGC/EDC)  
Malinda Jensen (DEGC/EDC)  
Kevin Johnson (DEGC/EDC)  
Paul Kako (DEGC/EDC)  
Jennifer Kanalos (DEGC/EDC)  
Glen Long (DEGC/EDC)  
Rebecca Navin (DEGC/EDC)  
Julie Schneider (City of Detroit HRD)  
Bernard Parker (Detroit Chamber)  
Kelly Shovan (DEGC/EDC)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS REGULAR MEETING  
DECEMBER 15, 2020  
HELD VIA ZOOM VIRTUAL MEETING  
9:00 A.M.**

**GENERAL**

**Call to Order**

Chairperson Forte called the meeting of the Economic Development Corporation Board of Directors to order at 9:01 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 December 8, 2020 Regular Board meeting. Hearing none, Ms. Forte called for a motion:

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

Ayes: Mr. Brown, Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles, Mr. Stallworth, and Ms. Forte.

Nays: None.

EDC Resolution Code 20-12-02-340 was approved.

**PROJECTS**

**Support of City of Detroit Choice Neighborhoods Initiative Implementation Grant**

Ms. Navin reported that in 2019, the City of Detroit's Planning and Development Department launched the Corktown Framework Planning process to direct City investment and priorities in the Corktown neighborhood including the development priorities for the remaining parcel at the former Tiger Stadium site. The preservation and expansion of affordable housing in Corktown has been identified as a top priority particularly given recent planned investments from Ford Motor Company. As a result, the City of Detroit's Housing and Revitalization Department ("HRD") intends to submit a CHOICE Neighborhood Implementation Grant ("CHOICE") to the U.S. Department of Housing and Urban Development to preserve the affordable units at an existing facility in Corktown, Clement Kern, in partnership with the owners, American Community Developers (the "Developer"). To support the CHOICE application, the EDC and the Developer entered into a development agreement pursuant to which Developer has agreed to develop the remaining parcel at the site of the former Tiger Stadium into approximately 100 residential units of which at least 48 will be reserved as affordable for 30 years (the "Development Agreement").

As part of the community engagement surrounding the Corktown Framework planning process, residents at Clement Kern expressed a desire for assistance for existing and potential entrepreneurs in the community, as well as more licensed home-based childcare options in order



to enable residents to pursue employment, entrepreneurship and/or educational opportunities. To support these goals, HRD has requested, and EDC staff recommends, that the EDC pledge the land sale proceeds under the Development Agreement, estimated at \$500,000, as follows:

- Up to \$400,000 of small business assistance through Motor City Match or other similar program to help small business owners and entrepreneurs grow their business in the Greater Corktown neighborhood, which may include:
  - Business planning technical assistance
  - Real estate advisory services
  - Grants to entrepreneurs to fund the establishment or expansion of their business
- Technical assistance through the DEGC District Business Liaison program to assist unlicensed, home-based childcare providers in the Detroit Choice Neighborhood become licensed with the City of Detroit, which DEGC staff support is estimated at a value of \$120,000 annually, or \$4,000 per Choice Neighborhood provider, for 30 providers.

Pursuant to the land transfer agreement between the EDC and the City for the former Tiger Stadium site, the EDC has the right to recoup its investment in the site from land sale proceeds. In this case, the EDC previously invested approximately \$1.3 Million into the site for demolition, engineering, security and related costs using UDAG loan proceeds. Consequently, under this request, following the receipt of the sale proceeds, the EDC would use these further recycled UDAG loan proceeds for these purposes, subject to the written consent of the Director of HRD.

A draft resolution was included in the Board material for its consideration.

Ms. Forte asked what the process is of proving that these are recycled UDAG funds. Ms. Navin answered that Mr. Long does that through his accounting. The funds that were put into this project were UDAG funds because that was the source used for the cash outlay for the demolition of Tiger Stadium. Under the Land Transfer Agreement EDC has with the City, the EDC can get reimbursed for its costs as the funds are generated from the land sales. As the funds come in, they go back to that line item in the EDC budget. Mr. Long confirmed that was correct.

Mr. Stallworth stated that he wanted to be clear where these funds were coming from. Ms. Navin explained that the UDAG funds were spent in 2007-2008, and we have just been waiting to recoup that investment. When we sell the final remaining parcel of land at the Tiger Stadium site to American Community Developers for their affordable project that this Board approved back in the spring, those funds will be a partial reimbursement of that initial \$1.3 outlay in 2007-2008.

Mr. Hodge questioned what the alternative use for these funds would be if they were not reallocated for this project. Ms. Navin advised that the funds would be held until another eligible program came along and gave examples of past use of recycled UDAG funds.

Mr. Hodge asked about the assistance to Motor City Match and if the money would be used for the general program. Ms. Navin advised that the \$400,000 would be specifically allocated to the Clement Kern community.



Mr. Jackson inquired about the Motor City Match Program and if it would continue, since these funds will be available to this community. Ms. Navin replied not necessarily, and that they were careful to specify that the funds will go to Motor City Match “or a similar program.” The funds will not be available until a year from now, and the future of the Motor City Match Program has not been determined by the City at this time. If necessary, a program will be formulated specifically for these funds.

Mr. Jackson asked if the residential units will be for sale or rentable. Ms. Navin advised that these are rental units, and out of the approximately 100 units, a minimum of 48 units will be reserved as affordable at 80 percent AMI. Ms. Schneider added that the units that would be reserved as affordable would be funded through the low-income tax credits and that because of the support of this Board earlier this year, the developer was able to secure low income housing tax credits, which was really important for the City’s grant submittal. At the bare minimum, they would be at 60 percent of AMI or lower, but a portion would actually be served through rental assistance, which would allow service to households with an even lower income. Additionally, there will be some 80 percent units, and there will be market rate units at left field site as well.

Mr. Stallworth requested more information on the technical assistance for licensing of home-based childcare providers and asked if this is really considered a strategic effort in support of the neighborhood. Ms. Schneider advised there are approximately 900 early childhood education age children in the area and zero childcare facilities available. The City does plan on constructing a new early education childcare facility in the area which will support a portion of the children, but it will not be available for a few years. As learned through working with the community education system and Hope Starts Here, a good early childcare education system provides opportunities at multiple levels, including home-based care in smaller group settings. There are certainly several households in the area that are providing this already, and HRD would like to expand that. It is also an opportunity for employment creation for families as well. What is being asked here is support and assistance in walking through the licensing process for those individuals or households who are interested in starting a licensed home-based care system for early childhood education.

Ms. Bruhn asked if part of the thinking was that more people would be able to obtain childcare services and thus be able to seek employment. Ms. Schneider stated that yes, absolutely, but there is also the need to increase the school age readiness for the youngest children at Clement Kern Gardens in the neighborhood, and this would help to serve that.

Mr. Stallworth advised that he is not buying the strategic value here based on what he has heard. There are lot of constraints and issues associated with home-based childcare, and particularly if we are talking about using that as a viable vehicle for early childhood education.

Ms. Bruhn requested more information about how this project arose and who in the Corktown area was asking for this. Ms. Schneider responded that the Community and Education Center asked that this be included in this grant so that they can work with the households to find a pathway to licensing.

Mr. Stallworth said that he agreed with Board Member Bruhn that more information is needed. One of the things that concerned him was there are a lot of stakeholders involved in early



childhood education and care and he has not seen homecare promoted by anyone as an effort that needs expansion. This is a policy issue, and if the Board is going to support home-based childcare for this community, then it will likely face questions going forward from other communities for similar efforts.

Mr. Brown stated that the Superintendent has said that only one percent of children show up in kindergarten at grade level and his question is, does increasing the number of home-based childcare providers increase the one percent or does it exacerbate the problem. Ms. Schneider answered, as she stated earlier, there is the need in the greater Corktown area for about 900 seats of various types, and because the providers would be licensed to provide that service, they would receive training and preparedness through the strong network of the Community Education Commission as well as Hope Starts Here, and she believes the quality of education would be increased and expanded through this program.

Ms. Forte advised that as she was listening to the discussion she doesn't have any questions about the need for additional childcare services in that area, but is on pause a little bit with respect to the "how" through home-based childcare centers, even if licensed, that connects with the policies, and expressed concern about this piece of the puzzle.

Ms. Bruhn said that it seems like there are some serious concerns and reluctance on the part of the Board members and asked if this is something that needs to be voted on today. Ms. Navin answered that this is a very time-sensitive matter. The City was supposed to submit their grant request yesterday but delayed until today because they wanted a letter of support from this Board. Ms. Navin suggested an amendment to the resolution and the letter of support that we are going to sign. Under the childcare piece, she suggested that it would just say that support would be subject to the DBLs putting together a program and presenting it to the Board on how this technical assistance would be provided. That would give us more time to work with the Administration and the Community Education Council to flush out exactly how the program can be tailored to be most impactful.

Ms. Forte added that would also give more time to figure out how it is aligned with policy pieces from the State of Michigan and Hope Starts Here.

Mr. Brown asked if the Board would be better served by getting more information about how this would be rolled out or just removing the piece about childcare.

Ms. Forte stated that on the former, she believes that is what Ms. Navin is recommending.

Ms. Schneider advised that the grant is due today and emphasized that this was recommended by both Hope Starts Here and the Community Education Commission as important to provide services in the area. What is being asked for here is in-kind support for business liaisons to assist providers through the licensing process. If this is something the Board is uncomfortable with due to the language of the application, anything that is subject to Board approval would not be able to count as a provided service within the application and the Motor City Match would be extremely important.



Mr. Stallworth advised that he checked with the Governor's policy director on this and it sounds like the modification that was proposed would be acceptable to them.

Ms. Navin stated she wanted to clarify with Ms. Schneider what she understood her to say—if we have to include in the letter that this piece is subject to a further action or approval by the Board, that it wouldn't be helpful at this juncture and would not provide the level of support that they need to make the City's application the strongest application. Ms. Navin added that staff can come back to present to the Board and what this piece will look like, but that cannot be included in the letter.

Ms. Schneider confirmed that Ms. Navin was correct.

Mr. Brown suggested making the language vague in terms of the Board's approval. Ms. Schneider stated that if the letter were revised so that the business liaisons would provide support for entrepreneurs in the licensing process, that would be fine. It would shift from being able to be counted in the education portion of the grant to primarily just the workforce and self-sufficiency portion of the grant.

Ms. Navin suggested a hybrid-type revision to the language and informed the Board that DEGC and the EDC Motor City Match Program, through the relief grant programs, have assisted dozens of childcare facilities in the past, some of which have been home based, and asked if the letter stated just generalized childcare instead of home-based childcare, would that: 1) ease some of the Board's concern; and, 2) assist with the grant application and be able to count on the education piece.

Ms. Forte asked for a response from Ms. Schneider and she stated that she believed that would be fine.

Mr. Quarles questioned how long it has been known about this grant. Ms. Schneider advised that she has been working on it about a year and explained the process. The grant is for \$30 million and is 100 pages with 200 pages of attachments, and this Board's support would strengthen the application. Ms. Navin advised that DEGC became aware of it last week.

Mr. Stallworth proposed Ms. Navin's suggested modification to the resolution of removing the word "home-based" from the language. Ms. Forte called for a second. Ms. Bruhn seconded the motion.

Ms. Forte asked if there were any further questions.

Mr. Jackson commented that it appears this Board is moving somewhat in the direction of being policy makers with this grant. A lot of work has gone into this and it sounds like there has been a lot of community engagement and collaboration of individuals who are part of this application. We provide technical assistance to small businesses and asked Ms. Schneider if she thinks that this change in language will potentially impact this grant. Ms. Schneider stated that she believes that it will be fine.

With there being no further comments or questions, the Board took the following action:



Mr. Stallworth made a motion approving the Support of the City of Detroit Choice Neighborhoods Initiative Implementation Grant, as amended. Ms. Bruhn seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Brown, Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles, Mr. Stallworth, and Ms. Forte.

Nays: None.

EDC Resolution Code 20-12-84-11 was approved, as amended.

### **ADMINISTRATION**

None.

### **OTHER MATTERS**

None.

### **PUBLIC COMMENT**

None.

### **ADJOURNMENT**

On a motion by Mr. Stallworth, seconded by Ms. Clayson, Ms. Forte adjourned the meeting at 9:47 a.m.



CODE EDC 20-12-02-340

**APPROVAL OF MINUTES OF DECEMBER 8, 2020 REGULAR MEETING**

**RESOLVED**, that the minutes of the regular meeting of December 8, 2020 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.

December 15, 2020





**CODE EDC 20-12-84-11**  
**(Amended at Table)**

**UDAG RECYCLED FUNDS: SUPPORT OF CITY OF DETROIT CHOICE NEIGHBORHOODS INITIATIVE IMPLEMENTATION GRANT**

**WHEREAS**, in support of the City of Detroit’s Housing and Revitalization Department (“HRD”) submission of a CHOICE Neighborhood Implementation Grant (“CHOICE”) to the U.S. Department of Housing and Urban Development to preserve the affordable units at an existing facility in Corktown, Clement Kern, in partnership with the owners, American Community Developers (the “Developer”), the EDC and the Developer have entered into a development agreement pursuant to which Developer has agreed to develop the remaining parcel at the site of the former Tiger Stadium into approximately 100 residential units of which at least 48 will be reserved as affordable for 30 years (the “Development Agreement”); and

**WHEREAS**, as part of the community engagement surrounding the Corktown Framework planning process that led to the CHOICE submission, residents at Clement Kern expressed a desire for assistance for existing and potential entrepreneurs in the community, as well more licensed childcare options in order to enable residents to pursue employment, entrepreneurship and/or educational opportunities; and

**WHEREAS**, to support the aforementioned goals, HRD has requested, and EDC staff recommends, that the EDC pledge the land sale proceeds under the Development Agreement, estimated at \$500,000, (the “Sale Proceeds”) as follows (the “Proposed Funding”):

- Up to \$400,000 of small business assistance through Motor City Match or other similar program to help small business owners and entrepreneurs grow their business in the Greater Corktown neighborhood, which may include:
  - Business planning technical assistance
  - Real estate advisory services
  - Grants to entrepreneurs to fund the establishment or expansion of their business
- Technical assistance through the DEGC District Business Liaison program to assist unlicensed childcare providers in the Detroit Choice Neighborhood become licensed with the City of Detroit, which DEGC staff support is estimated at a value



of \$120,000 annually, or \$4,000 per Choice Neighborhood provider, for 30 providers.

**WHEREAS**, the Sale Proceeds, once received, will constitute UDAG loan proceeds recycled from UDAG loan proceeds used by the EDC for demolition and related activities at the former Tigers Stadium site; and

**WHEREAS**, the Board has reviewed the terms of the Proposed Funding and determined that the proposed use of the Sale Proceeds for the Proposed Funding is within the best interest of the EDC and is otherwise appropriate and consistent with the EDC's statutory purposes.

**NOW, THEREFORE, BE IT, RESOLVED**, that the use of the Sale Proceeds for the Proposed Funding is hereby approved, subject to receipt by the EDC of written approval by the Director of HRD.

**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 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 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.

December 15, 2020



December 15, 2020

Honorable Michael E. Duggan  
Mayor of Detroit  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 1126  
Detroit, MI 48226

Dear Mayor Duggan:

The Economic Development Corporation of the City of Detroit (“EDC”) is pleased to partner with the City of Detroit in the submission of the Choice Neighborhoods Initiative (“CNI”) Implementation grant application to the U.S. Department of Housing and Urban Development (“HUD”) for the transformation of Clement Kern Gardens and the Greater Corktown Neighborhood.

The EDC was established in 1978 under Michigan Public Act 338 of 1974 to, among other things, assist and retain local industrial and commercial enterprises in the city of Detroit, including through programs aimed at supporting small businesses and entrepreneurs. Further, since 2015, the EDC has administered the flagship small business development program Motor City Match, which helps entrepreneurs go from idea to open in the city of Detroit. The program offers entrepreneurs technical assistance in business planning and start up support, helps those entrepreneurs identify real estate opportunities to implement their business plan, and then provides grant funding to entrepreneurs to assist in designing building out physical space. Since 2015, the Motor City Match has aided over 120 businesses in opening in formerly vacant and blighted commercial spaces and helped to launched over 300 home-based businesses across the city of Detroit.

The EDC is currently a party to a Development Agreement dated as of May 7, 2020 (the “Development Agreement”) with Left Field 2020 Limited Dividend Housing Association L.L.C. with respect to the redevelopment of EDC-owned property located at 2610 Cochrane into 100 market and affordable housing units in the Greater Corktown Neighborhood. Under the terms of the Development Agreement, the EDC anticipates receiving net sale proceeds of up to \$500,000 (the “Sale Proceeds”).

In support of the City’s CNI application, the EDC is pleased to commit to providing comprehensive small business development services to current residents of Clement Kern Gardens who own or have developed a viable business concept through entrepreneurship training provided through implementation of the Corktown Transformation Plan. In addition, where capacity allows, opportunities will also be extended to all residents living in the Detroit Choice Neighborhood.

In particular, following the closing under the Development Agreement, the EDC commits to the following support:

- EDC will allocate a portion of the Sale Proceeds towards up to \$400,000 of small business assistance through Motor City Match or other similar program to help small business owners and entrepreneurs grow their business in the Greater Corktown neighborhood, which may include:
  - Business planning technical assistance
  - Real estate advisory services
  - Grants to entrepreneurs to fund the establishment or expansion of their business
- Through the Detroit Economic Growth Corporation's District Business Liaison program, the EDC will provide in-kind technical assistance and support to assist unlicensed childcare providers in the Detroit Choice Neighborhood become licensed with the City of Detroit. This in-kind technical assistance, working with 30 child-care providers, is estimated at a value of \$120,000 annually, or \$4,000 per Choice Neighborhood provider. Over the course of the projected 3 years needed to get all providers licensed in partnership with the Community Education Commission, the total leveraged in-kind value would be \$360,000 for this commitment.

The EDC understands that if the CNI grant is awarded, the City of Detroit, The Community Builders, and their team will implement the Transformation Plan to revitalize the Clement Kern Gardens site and the surrounding Greater Corktown neighborhood into mixed-income housing while providing economic, educational, health and other opportunities for low-income residents of Clement Kern and the surrounding neighborhood. The EDC is dedicated to work with the team to provide quality small business development service programming to the community. Please do not hesitate to contact me if you need additional information.

Sincerely,



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Malinda Jensen  
Authorized Agent



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Kenyetta Bridges  
Authorized Agent