



**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, JUNE 24, 2025 – 9:00 A.M.**

BOARD MEMBERS PRESENT:

Marsha Bruhn
Linda Forte
Damon Hodge
Kwaku Osei
Thomas Stallworth
Clifford Brown (9 :08)
Chris Jackson (9:08)

BOARD MEMBERS ABSENT:

Kimberly Clayson
Alexa Bush (Ex-Officio)
John Naglick (Ex-Officio)

**SPECIAL DIRECTORS
PRESENT:**

None

OTHERS PRESENT:

Jennifer Kanalos (DEGC/EDC)
Sierra Spencer (DEGC/EDC)
Glen Long, Jr. (DEGC/EDC)
Rebecca Navin (DEGC/EDC)
Nasri Sobh (DEGC)
Lexi Shaw (DEGC)
Madison Schillig (DEGC)
Justin's



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226
TUESDAY, JUNE 24, 2025 – 9:00 A.M.**

GENERAL

Call to Order

Noting that a quorum was present, Chairperson Forte called the regular meeting of the Economic Development Corporation Board of Directors to order at 9:01 a.m.

Approval of Minutes

Ms. Forte asked if there were any additions, deletions, or corrections to the minutes of the April 22, 2025, regular Board meeting.

Ms. Bruhn noted that the election of officer's resolution listed Ms. Forte as Chairperson and Secretary. DEGC staff noted the Scribner's error and stated the minutes would be correct to list Ms. Bruhn as Secretary.

Mr. Hodge made a motion to approve the minutes of the May 27, 2025, regular Board meeting, as amended. Mr. Osei seconded the motion. All were in favor with none opposed.

EDC Resolution Code 25-06-02-392 was unanimously approved.

ADMINISTRATION

EDC Amended Budget for FY 2024-2025

Ms. Kanalos reviewed the amended budget for Fiscal Year 2024-2025.

Ms. Forte advised the Board that the Finance Committee reviewed the amended budget and recommended its approval.

Ms. Forte called for questions. Hearing none, she called for a motion.

Mr. Stallworth made a motion to accept the amended EDC Budget for FY 2025-2026, as presented. Mr. Osei seconded the motion. All were in favor with none opposed.

EDC Resolution Code 25-06-01-247 was unanimously approved.

PROJECTS

Gap Financing Loan Fund: Modification Request for Speramus Partners, LLC



Ms. Shaw stated that Speramus Partners, LLC (the “Borrower”) is a Detroit-based development team formed in 2015 comprised of Detroit residents Chase Cantrell and Jason Headen. The Borrower will be redeveloping the blighted property located at 7400 W. McNichols (the “Property”) into two bar and restaurant retail spaces. To facilitate the development, the Borrower received approval in September 2020 for a \$275,000 loan from the Economic Development Corporation of the City of Detroit (“EDC”) Economic Development Gap Financing Loan Fund (the “EDC Loan”). The EDC Loan supported a \$2.8 MM redevelopment of the 7,000 square foot single-story building located on the Property into restaurant and bar retail spaces (the “Project”).

In March 2021, EDC approved a modification request to close Invest Detroit’s construction loan and the SNF grant for this Project and complete final analysis and underwriting. Invest Detroit came to the EDC requesting a modification in the terms of the EDC Loan in order to satisfy the New Market Tax Credit true debt analysis for the Project. Consequently, EDC agreed to resubordinate the EDC Loan and to extend the maturity date to match the maturity of any takeout/refinance loans (“Refi Loans”) that are put in place to refinance the original loans senior to EDC (“Senior Debt”) or any subsequent refinances of the Refi Loans, provided that certain conditions are met which were satisfied by the Borrower and EDC.

Following the previous modification, the Project was completed, leases were executed by tenants, and the Borrower remitted timely payments. The Borrower is now requesting further modification due to the failure of the original master lease tenant to fulfill their obligations. Despite executing the lease, the tenant never remitted any rent payments, and the Borrower formally ended the relationship as of November 2023.

Since that time, market conditions have posed a challenge in securing a new tenant for the space. At present, only 460 square feet of retail space has been leased, generating a modest \$1,138 in monthly income. Approximately 7,000 square feet remain available, with a current asking rate of \$18 per square foot. Meanwhile, ongoing operating expenses, including debt service on the EDC loan—amount to approximately \$5,000 per month. In 2024 alone, the Borrower incurred losses totaling \$78,604.

To address the situation, the Borrower retained Kishon Harbert of Encore Realty in 2024 to actively market the property. Encore Realty is currently advising the Borrower on two promising restaurant and bar tenants who have expressed strong interest in the space. However, both prospects will require additional capital for build-out and initial operations in order to move forward.

In acknowledgment of these challenges, the Borrower’s senior lender, Invest Detroit Foundation, has waived principal and interest payments through December 1, 2025. Additionally, they have committed \$300,000 in Project capital through the Strategic Neighborhood Fund to support the build-out of kitchens at the site. The Borrower believes these actions will significantly improve its ability to attract and secure a long-term, viable tenant.

To avoid a scenario in which all debt obligations resume simultaneously, placing undue financial stress on the Project, the Borrower respectfully requests the following modifications from the EDC:

- Deferral of interest from July 1, 2025, through and including November 1, 2025
- Interest-only payments from December 1, 2025, through and including March 1, 2026
- Principal and interest payments beginning April 1, 2026



The EDC Finance Committee had reviewed the proposed loan modification and has recommended the approval of a modification.

A resolution was attached for the Board's consideration.

Ms. Forte called for questions. Hearing none, she called for a motion.

Mr. Osei made a motion to accept the Gap Financing Loan Fund: Modification Request for Speramus Partners, LLC, as presented. Mr. Hodge seconded the motion. All were in favor with none opposed.

EDC Resolution Code 25-06-84-17 was unanimously approved.

Ms. Forte called for further discussion.

Mr. Stallworth asked where the project was located. Ms. Bruhn stated that the project was located at Livernois and McNichols on Prairie Street.

Motor City Match Round 25 Awards: Dollar Daze Plus Two Inc. Entity Change

Ms. Schillig stated that on January 23, 2024, the Board of Directors of The Economic Development Corporation of the City of Detroit (the "EDC") approved the Motor City Match Round 25 awardees. As part of the Round 25 awards, Dollar Daze Plus Two Inc. was selected as a Restore awardee for the facade improvement of retail space.

In preparing the grant agreement for Dollar Daze Plus Two Inc., EDC staff discovered a scrivener's error in the entity's name. The EDC staff would like to correct the entity name to Dollar Rama Inc.

A resolution approving the name change for Dollar Rama Inc. award was attached for the Board's consideration.

Ms. Forte called for questions. Hearing none, she called for a motion.

Mr. Osei made a motion to accept the Motor City Match Round 25 Awards: Dollar Daze Plus Two Inc. Entity Change, as presented. Mr. Hodge seconded the motion. All were in favor with none opposed.

EDC Resolution Code 25-06-91-165 was unanimously approved.

OTHER MATTERS

None.

PUBLIC COMMENT

None.



ADJOURNMENT

With there being no other business to come before the Board, Ms. Forte adjourned the meeting at 9:10 a.m.



CODE EDC 25-06-02-392

APPROVAL OF MINUTES OF MAY 27, 2025, REGULAR MEETING

RESOLVED, that the minutes of the regular meeting of May 27, 2025, 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.

June 24, 2025



CODE EDC 24-06-01-247

ADMINISTRATION: AMENDED EDC BUDGET FOR FY 2024-2025

WHEREAS, on October 22, 2024, the Board of Directors of the Economic Development Corporation of the City of Detroit (the “EDC”) approved a resolution whereby the EDC would approve an additional scope of services to the City contract and funding agreement of DEGA for operations of the EDC for fiscal year 2024-2025; and

WHEREAS, the EDC wishes to adopt an amended budget for its fiscal year beginning July 1, 2024 and ending June 30, 2025.

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

1. The Amended Budget of the EDC, attached as Exhibit A hereto, for the fiscal year beginning July 1, 2024 and ending June 30, 2025 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.

June 24, 2025

ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF DETROIT

AMENDED OPERATING BUDGET JULY 1, 2024 TO JUNE 30, 2025

	Approved Budget June 30, 2025	Amendments	Amended Budget June 30, 2025
<u>REVENUE</u>			
City of Detroit	800,000	100,000	900,000
TSF From Waterfront Reclamation	300,000	0	300,000
TSF From Motor City Match/Restore	1,000,000	0	1,000,000
TSF From Projects for DEGC Legal	180,000	0	180,000
TSF From Casino Development Fund	350,000	0	350,000
TSF From Recycled Project/Loan Funds	550,000	0	550,000
TSF From Other Projects	50,000	0	50,000
Other Revenue & Service Fees	45,000	0	45,000
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TOTAL REVENUE	3,275,000	100,000	3,375,000
	<hr/>	<hr/>	<hr/>
<u>EXPENSES</u>			
Detroit Economic Growth Corp	800,000	0	800,000
Detroit Economic Growth Corp Special Proj	600,000	0	600,000
Other Projects Administrative Fees	1,050,000	0	1,050,000
DEGA Programs Funded by the City	500,000	100,000	600,000
DEGC Legal Services	200,000	0	200,000
Legal Services	40,000	0	40,000
Audit	35,000	0	35,000
NMDC/Miscellaneous	50,000	0	50,000
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TOTAL EXPENSES	3,275,000	100,000	3,375,000
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Operating Surplus/(Shortfall)	0	0	0
Debt Service	0	0	0
(Increase)/Decrease in Reserve	0	0	0
	<hr/>	<hr/>	<hr/>
NET SURPLUS/(SHORTFALL)	0	0	0
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CODE EDC 25-06-84-17

GAP FINANCING LOAN FUND: MODIFICATION REQUEST FOR SPERAMUS PARTNERS, LLC

WHEREAS, in September 2020 and March 2021, the Economic Development Corporation of the City of Detroit (“EDC”) Board of Directors approved a loan request in the amount of \$275,000 from the Economic Development Gap Financing Loan Fund (the “Loan”) for Speramus Partners, LLC, (the “Borrower”), a Detroit-based development team which will developed the blighted property located at 7400 W. McNichols (the “Property”); and

WHEREAS, due to market challenges and other circumstances, the Borrower is now requesting that the EDC restructure the Loan as follows: deferral of interest from July 1, 2025, through November 1, 2025, and interest-only payments from December 1, 2025, through March 1, 2026 (collectively, the “Modified Terms”); and

WHEREAS, the EDC Finance Committee has reviewed the Modified Terms and recommends their approval to the Board of Directors; and

WHEREAS, the EDC Board has determined that approval of the Modified Terms is in the best interests of the EDC.

NOW, THEREFORE, BE IT RESOLVED, that the EDC Board of Directors hereby approves the Modified Terms.

BE IT FURTHER RESOLVED that any two Officers, any two of the Authorized Agents of the EDC, or any one of the Officers and any one of the Authorized Agents of the EDC, shall hereafter have the authority to negotiate and execute any and all documents, contracts, or other papers, or take any and all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the 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.

June 24, 2025



CODE EDC 25-06-91-165

MOTOR CITY MATCH ROUND 25 AWARDS: DOLLAR DAZE PLUS TWO INC. AWARD – ENTITY CHANGE

WHEREAS, on January 23, 2024 the Board of Directors of The Economic Development Corporation of the City of Detroit (the “EDC”) approved the Motor City Match Round 25 awardees, including a Restore track award to Dollar Daze Plus Two Inc. and

WHEREAS, in preparing the grant agreement for Dollar Daze Plus Two Inc., it was determined that the appropriate awardee for this grant is Dollar Rama Inc.

WHEREAS, EDC staff is seeking approval to address the issue by changing the approved project entity from Dollar Daze Plus Two Inc. to Dollar Rama Inc.

NOW, THEREFORE BE IT RESOLVED that the EDC Board of Directors approves the change of awardee in the Motor City Match Round 25 Awards from Dollar Daze Plus Two Inc. to Dollar Rama Inc.

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 other papers and to take such actions as are 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 the execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

June 24, 2025