



**ECONOMIC DEVELOPMENT CORPORATION  
FINANCE COMMITTEE MEETING  
TUESDAY, APRIL 22, 2025 – 8:30 A.M.**

**MEMBERS PRESENT:**

Linda Forte  
Damon Hodge  
Kwaku Osei

**MEMBER ABSENT:**

Thomas Stallworth

**OTHERS PRESENT:**

Derrick Headd (DEGC/EDC)  
David Howell (DEGC/EDC)  
Kaci Jackson (DEGC/EDC)  
Jennifer Kanalos (DEGC/EDC)  
Glen Long (DEGC/EDC)  
Rebecca Navin (DEGC/EDC)  
Stennet Nyekanyeka (DEGC/EDC)  
Kelly Shovan (DEGC/EDC)  
Nasri Sobh (DEGC/EDC)  
Sierra Spencer (DEGC/EDC)  
Anthony Askew (King & Cochrane)  
Sean Tidwell (King & Cochrane)  
Marsha Bruhn  
Jason Jones



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION  
FINANCE COMMITTEE MEETING  
TUESDAY, MARCH 11, 2025 – 8:30 A.M.  
DETROIT ECONOMIC GROWTH CORPORATION  
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226**

**CALL TO ORDER**

Chairperson Forte called the meeting of the Finance Committee of the Economic Development Corporation to order at 8:42 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 March 11, 2025 Finance Committee meeting. Hearing none, the Committee took the following action:

Mr. Osei made a motion approving the minutes of the March 11, 2025 Finance Committee meeting, as written. Mr. Hodge seconded the motion. All were in favor with none opposed.

The minutes of the March 11, 2025 Finance Committee meeting were approved.

**PROJECTS**

**Proposed EDC Loan Fund Loan Request for King + Cochrane, LLC**

Ms. Jackson stated that King + Cochrane, LLC. (the “Developer”) is a Detroit-based development team led by Anthony Askew and Sean Tidwell.

The Development team is seeking to develop four vacant parcels located in North Corktown. The addresses of the vacant parcels are 3246 - 3442 Cochrane St and 1581 & 1589 Martin Luther King Jr Blvd., Detroit, Michigan. The parcels will be purchased from the Detroit Land Bank Authority. The developer currently has an option agreement with the DLBA, expiring June 2025.

This EDC loan will support a \$7.44MM new construction structure on various parcels of property. There will be 21 residential units consisting of 2 studio units (*all at 80% AMI*), 9 one-bedroom units (*6 at 80% AMI*), 2 1-bedroom units at market rates, and 10 2-bedroom units at market rates, and approximately 2,700 SF of commercial space, anticipated to be divided into 2 units (the “Project”). The Developer plans to program the commercial space as a second location for a small Detroit based wine and retail business.

To facilitate the development of the Project and to assist in filling the financing gap, the Developer is seeking a \$530,000 loan from the Economic Development Corporation (“EDC”) Gap Financing Loan Fund (the “EDC Loan”). The EDC Loan will fund site improvements, construction activities and certain soft costs for the project.



The Developer has assembled a project team consisting of Excellent Construction Group and JB Donaldson, and 4545 Architecture. The Developer is targeting a Q3, 2025 groundbreaking with an 18-month construction period.

This Project will activate vacant land adding density and activity to a once blighted area. This Project is expected to create 50 skilled labor construction jobs.

In addition to Developer's equity, the Project will utilize a senior loan from LISC, PACE financing, the proposed EDC loan, MEDC RAP 3.0 funding, and an NEZ tax abatement.

The Project sources and uses and debt service analysis is below.

#### SOURCES AND USES

	Cost	%
<b>Sources</b>		
Senior Loan - LISC	\$ 4,090,000.00	55%
PACE	\$ 500,000.00	7%
Developer Equity	\$ 822,540.00	11%
RAP Grant	\$ 1,500,000.00	20%
EDC Loan	\$ 530,000.00	7%
<b>Total Sources</b>	<b>\$ 7,442,540.00</b>	<b>100%</b>
<b>Use of Funds</b>		
<b>Land Acquisition</b>		
<b>Hard Costs</b>		
Site Improvements (ROW, landscaping, fencing, site lighting, drainage, utilities) and site utilities	\$ 116,396.00	2%
Public Infrastructure (roads, sidewalks, utilities, sewage, etc.)	\$ 36,942.00	1%
Structures	\$ 4,949,690.00	83%
Earthwork	\$ 72,027.00	1%
Builder Overhead/Profit/General Requirements/Temp Facilities	\$ 180,000.00	3%
Permits/Tap Fees/Bond/Bost Certification	\$ 90,000.00	2%
Construction Contingency	\$ 545,000.00	9%
<b>Subtotal Hard Costs</b>	<b>\$ 5,990,055.00</b>	<b>80%</b>
<b>Soft Costs</b>		
Architectural & Engineering	\$ 60,000.00	0.8%
Environmental Studies/Soil Testing	\$ 264,228.00	3.6%
Loan Fees	\$ 49,015.00	0.7%
Construction Interest, Taxes, and Insurance	\$ 248,283.00	3.3%
Title Work	\$ 12,400.00	0.2%
Appraisal & Consulting Fees	\$ 76,000.00	1.0%
Operating Reserve, Administrative, Marketing & Leasing	\$ 85,000.00	1.1%
Soft Cost Contingency	\$ 52,078.00	0.7%
Other Professional Fees	\$ 125,500.00	1.7%
Developer Fee	\$ 310,000.00	4.2%
Reserves	\$ 169,981.00	2.3%
<b>Subtotal Soft Costs</b>	<b>\$ 1,452,485.00</b>	<b>20%</b>
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$ 7,442,540.00</b>	<b>100%</b>



<b>Debt Service Analysis</b>						
			<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
Gross Income			\$ 607,546.00	\$ 619,476.00	\$ 631,645.00	
Total Expenses			\$ (155,685.00)	\$ (159,997.00)	\$ (164,432.00)	
Net Operating Income			\$ 451,861.00	\$ 459,479.00	\$ 467,213.00	
<b>Debt Service</b>						
Sr. Loan   LISC	(24 months I/O, then P&I)		\$ (300,677.00)	\$ (329,336.00)	\$ (357,995.00)	
PACE	(24 months I/O, then P&I)		\$ (37,500.00)	\$ (44,339.00)	\$ (44,339.00)	
EDC Loan (\$530K)	(36 months I/O, then P&I)		\$ (20,456.00)	\$ (20,456.00)	\$ (20,546.00)	
Leveraged Cash Flow			\$ 93,228.00	\$ 65,348.00	\$ 44,333.00	
Total Debt Service Coverage Ratio			1.26	1.17	1.10	



### **Exhibit A**

#### **Proposed EDC Loan Terms**

<b>Borrower Name:</b>	King and Cochrane LLC.
<b>Project Location:</b>	3246 - 3442 Cochrane St and 1581 & 1589 Martin Luther King Jr Blvd
<b>Request:</b>	\$530,000
<b>Rate:</b>	1%
<b>Term:</b>	60 months, amortized over 30 years with one 12-month extension conditioned upon a corresponding extension of the senior loan.
<b>Repayment:</b>	Interest Only payments for the first 36 months. Thereafter monthly P & I payments thereafter until maturity, with a balloon payment due at maturity.
<b>Security:</b>	Subordinated Lien position on all business assets, Assignment of Leases and Rents, Subordinated Mortgage on the Property. EDC's security interest will be subordinated to that of the senior lender.
<b>Guaranty:</b>	Personal Guaranty of Anthony Askew and Sean Tidwell in which EDC will be subordinated to senior lenders.
<b>Eligible Uses:</b>	Site improvements, construction and eligible soft costs.
<b>Disbursement:</b>	Owner equity contributions are first, followed by EDC loan funds, followed by other funding sources. The EDC loan will be funded through multiple disbursements following closing.
<b>Conditions:</b>	Satisfactory review and acceptance of standard due diligence items. Binding commitments for all project loans and grants. Execution of mutually agreeable loan documents. Issuance of title policy insuring EDC's mortgage interest. Borrower will provide an itemized schedule and use of funds. Approval by City of Detroit Housing and Revitalization Department Director of EDC loan.

Based on the above financial analysis, EDC staff recommended to the EDC Board the approval of the Developer's request for a \$530,000 loan upon the loan terms described on **Exhibit A**.

EDC staff requested the Finance Committee's recommendation of the proposed EDC Loan to the Board of Directors.

Mr. Askew introduced himself and his development partner, Sean Tidwell, as the development team for the King & Cochrane project. Mr. Askew stated that this project was a ground-up mixed-use development in the North Corktown area with twenty-one (21) apartment units and two thousand seven hundred square feet (2,700 sq.ft.) of commercial space with nineteen (19) on-site parking spaces. Mr. Askew continued that forty percent (40%) of the units will be offered at eighty percent (80%) of the area median income (AMI), and sixteen (16) of the twenty-one (21) apartment units will be affordable or workforce housing. Mr. Askew stated that there is a lot of activity going on in the North Corktown area, specifically in the residential space, but little commercial activity, and he believes this project will be a catalyst to drive commercial



development along the corridor. Mr. Askew explained that the aesthetic goal was to mimic the existing townhomes and feature three (3) private entry units. Mr. Askew concluded that with the strong construction team behind this project and overall, he is excited about the project and thanked the committee for their consideration.

Ms. Forte asked about the timeline for the project's completion. Mr. Askew explained that his team is expecting to close on all funding sources in the upcoming summer and to begin construction shortly after in July 2025. Mr. Askew added that the construction period is expected to be eighteen (18) months.

Mr. Hodge congratulated the development team on the project and noted that the debt service ramps up in the first three years, and a twenty-four (24)month interest-only period, and asked for an explanation of the movement in the debt service. Ms. Jackson responded that the request is for a thirty-six (36)month interest-only period.

Mr. Hodge stated that these are operating projections as the project is fully leased and there is still movement in the debt service. Mr. Askew stated that there was an eighteen-month (18) construction period, and the DEGC/EDC, PACE, and LISC are all at thirty-six (36) months interest only; therefore, after construction, there will be a remaining eighteen (18) months of interest only.

Ms. Forte noted that the figure in the Board materials states a twenty-four (24)month period instead of a thirty-six (36)month period. Ms. Jackson stated that this was an error, and corrections would be made.

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

Mr. Hodge made a motion to recommend approval for the Proposed EDC Development Gap Financing Loan Request for Lee Plaza, as presented, to the EDC Board. Mr. Osei seconded the motion. All were in favor with none opposed.

### **UDAG: Release of Encumbrances**

Mr. Long stated that as the board is aware, pursuant to the terms of certain transfer agreements between the City of Detroit, acting through its Community and Economic Development Department, now known HRD, and the Economic Development Corporation of the City of Detroit ("EDC"), the EDC is in possession of certain funds through the Urban Development Action Grant program ("UDAG"). These UDAG proceeds were received by the EDC as repayments of loans and/or other advances made by the EDC using UDAG grants and/or proceeds of UDAG grants. As such, these proceeds are now available for certain economic development purposes, subject to the provisions of the original UDAG grants and transfer agreements.

In March, 2025, EDC staff reported that, following the approval of the proposed loan for the redevelopment of Lee Plaza, EDC would have no further unencumbered UDAG funds on-hand. Upon review of the UDAG accounts, staff has identified certain projects for which UDAG encumbrances were previously approved by the EDC Board, but which projects, in staff's determination, will not use such allocated UDAG funding in the future.



Specifically, staff proposes the release of the following encumbrances on UDAG funding, which would allow such funding to be reprogrammed at a future date:

Tiger Stadium Project Plan	\$1,333,196.73
Gateway Project	\$361,004.68
	<hr/>
	<b>\$1,694,201.41</b>

Ms. Forte called for questions.

Hearing no questions, Ms. Forte called for a motion to recommend to the EDC Board the release of the UDAG encumbrances.

Mr. Osei made a motion to recommend approval for UDAG: Release of Encumbrances, as presented, to the EDC Board. Mr. Hodge seconded the motion. All were in favor with none opposed.

Mr. Osei asked with this release what remaining funds were left in the UDAG fund. Mr. Long responded that there was about four million dollars (\$4,000,000.00) in the fund and two million dollars (\$2,000,000.00) of that had been encumbered for Lee Plaza which was approved by the Board at the last meeting bringing the total to about one million seven hundred thousand dollars (\$1,700,000.00) and after the approval of the loan discussed prior the total would be about one million two hundred thousand dollars (\$1,200,000.00).

#### **ADMINISTRATION**

None.

#### **OTHER MATTERS**

None.

#### **PUBLIC COMMENT**

None.

#### **ADJOURNMENT**

On a motion by Mr. Hodge, seconded by Mr. Stallworth, Mr. Osei adjourned the meeting at 8:59 a.m.