



**DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING  
WEDNESDAY, MAY 8, 2024 – 3:00 P.M.**

**BOARD MEMBERS PRESENT:** Charles Beckham  
Ehrlich Crain  
James Jenkins  
David Blaszkiewicz  
John Naglick  
Hassan Beydoun  
Steve Ogden  
Austin Black

**BOARD MEMBERS ABSENT:** Marvin Beatty  
Richard Hosey  
Melvin Hollowell

**OTHERS PRESENT:** Rebecca Navin (DEGC/DDA)  
Jennifer Kanalos (DEGC/DDA)  
Glen Long (DEGC/DDA)  
Nasri Sobh (DEGC/DDA)  
Sierra Spencer (DEGC/DDA)  
Kevin Johnson (DEGC/DDA)  
Medvis Jackson (DEGC/DDA)  
Jarrod Smith (Dykema)  
Kayla MacEwen (Masterson Advisors LLC)  
Steven Kantor (Masterson Advisors LLC)  
John Carter (Siebert Williams Shank)  
Adam Lorbert  
Louella Pizzuti  
JC Reindl  
P. Pham



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING  
DETROIT ECONOMIC GROWTH CORPORATION  
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226  
WEDNESDAY, MAY 8, 2024 – 3:00 P.M.**

**GENERAL**

**Call to Order**

Chairperson Beydoun called the regular meeting of the Downtown Development Authority Board of Directors to order at 3:00 p.m. Roll call was conducted, and a quorum was established.

**GENERAL**

**Approval of Minutes**

Mr. Beydoun asked if there were any additions, deletions, or corrections to the minutes of the March 27, 2024, Regular Board meeting.

Hearing none, the Board took the following action:

Mr. Blaszkiewicz made a motion approving the March 27, 2024 minutes, as written.  
Mr. Ogden seconded the motion. All were in favor with none opposed.

DDA Resolution Code 24-05-02-663 was unanimously approved.

**Receipt of Treasurer's Reports**

Mr. Long reviewed the Treasurer's Report of Receipts and Disbursements for March 2024.

Mr. Beydoun called for additional questions. Hearing none, Mr. Beydoun called for a motion.

Mr. Jenkins made a motion to approve the Treasurer's Report of Receipts and Disbursements for the month of March 2024, as presented. Mr. Jenkins seconded the motion. All were in favor with none opposed.

DDA Resolution Code 24-05-03-556 was unanimously approved.

**PROJECTS**



## **Catalyst Development Project – Selection of Financial Institutions for 2024 Bonds**

With a recommendation from DDA staff, Mr. Beydoun stated that agenda item two (II) would precede agenda item one (I).

Mr. Long stated that as the Board is aware, the DDA has undertaken the financing and development of a “catalyst development project” (as defined in the DDA Act), including the development of the Little Caesars Arena (the “LCA”). In December 2014, the DDA and the Michigan Strategic Fund issued tax-exempt bonds of \$250,000,000.00 (the “2014A Bonds”) to finance a portion of the development costs of the LCA and in August 2017, the DDA issued tax-exempt bonds of \$36,000,000.00 (the “2017 Bonds” and together with the 2014A Bonds, the “Outstanding Bonds”) for additional development costs to assist with the relocation of the Detroit Pistons to the LCA. The 2014A Bonds and the 2017 Bonds were subject to a mandatory remarketing prior to January 1, 2019, so in 2018, the DDA issued the following refunding bonds: 1) \$287,425,000 Tax Increment Revenue Refunding Bonds, Series 2018A (Catalyst Development Project) and 2) \$24,105,000 Subordinate Tax Increment Revenue Refunding Bonds, Series 2018B (together, the “2018 Bonds”). In order to achieve interest rate and/or other savings, DDA intends to issue its remarketing/refunding bonds (“2024 Bonds”) pursuant to a Trust Indenture dated as of July 1, 2024 to refinance the 2018 Bonds on or prior to July 1, 2024, to reduce debt service costs and eliminate certain restrictive covenants applicable to the 2018 Bonds.

DDA staff issued a request for proposals for underwriting services to issue the 2024 Bonds. DDA staff received seven proposals to provide underwriting services for the 2024 Bonds and elected to interview four potential underwriters: JP Morgan Securities, LLC, Jefferies LLC (“Jefferies”), Siebert Williams Shank (“Siebert”), and Ramirez & Co., Inc. (“Ramirez”).

DDA staff, together with DDA’s financial advisor, Masterson Advisors, LLC (“Masterson”) and bond counsel Dykema reviewed the proposals and attended the underwriter interviews. DDA staff and Masterson recommend the selection of three different firms for the 2024 Bonds for different roles, with Jefferies as the book running manager, and Ramirez and Siebert as co-senior managers. Each of the three firms and/or their primary contacts for the 2024 Bonds, have extensive knowledge of the DDA’s finances and have prior experience with the 2014, 2017 and/or 2018 Bonds.

At its meeting held on May 8, 2024, the DDA Finance Committee recommended approval of the selection of Jefferies as the book running manager and Ramirez and Siebert as co-senior managers.

A resolution was attached for the Board’s consideration.

Mr. Beckham asked which three firms had been selected. Mr. Long responded that the firms were Siebert, Jefferies, and Ramirez.

Mr. Crain asked Mr. Long to discuss the three firms and asked about the percentages agreed upon. Mr. Long explained that Siebert has been asked to work with the rating agencies as they have prior experience, and the goal is to receive a good rating. Mr. Long continued that the primary contact for Ramirez is a creative who served with prior bond restructuring and has great



ideas on how to achieve the best deal. Mr. Long stated that Jefferies is the entity that sold the bonds previously and therefore has a relationship with the individuals who bought these specialized bonds. Mr. Long concluded that Jefferies would receive sixty percent (60%) while Ramirez and Siebert would both receive twenty percent (20%).

Mr. Ogden stated that the DDA Finance Committee discussed how the firms received the news that this would be a joint venture rather than any of the three firms receiving the entire scope of work and stated that he was satisfied with the response given by staff that each firm was happy to be included. Mr. Ogden explained that he had previously been concerned that smaller percentages would result in the firms sending their junior partners but had been given some assurances that each firm would have their best partners working on the project.

Mr. Naglick advised the Board that it is typical to have more than one underwriter, and the City of Detroit usually has two (2) or three (3) underwriters working on any given bond issue. Mr. Naglick explained that the two (2) firms who hold the second and third chair in the deal would usually work hard with the piece of the deal given to them to prove that they could be the primary underwriter. Mr. Naglick stated that Siebert worked for the Great Lakes Water Authority (GLWA) to get rating agencies to understand the turnaround of Detroit. Mr. Naglick explained that while the bonds are great and are well covered there is still a storied credit. Mr. Naglick continued that the firm will need to convince buyers that this is the bond they want compared to other options they may have and therefore it is beneficial to work with a firm who has previous experience. Mr. Naglick added that the story of bonds needs to be told by the book-running manager in order to secure better interest rates.

Mr. Ogden stated for the record that Suzanne Shank, President and CEO of Siebert is on the Board of Directors for Rocket Companies and noted that there is no further connection that would not allow him to vote on the matter.

Mr. Beydoun called for further discussion. Hearing none, Mr. Beydoun called for a motion.

Mr. Jenkins made a motion approving the Catalyst Development Project – Selection of Financial Institutions for 2024 Bonds, as presented. Mr. Beckham seconded the motion. All were in favor, none opposed.

DDA Resolution Code 24-05-123-76 was unanimously approved.

### **Catalyst Development Project – Rating Agency Contracts for 2024 Bonds**

Mr. Long stated that as the Board is aware, the DDA has undertaken the financing and development of a “catalyst development project” (as defined in the DDA Act), including the development of the Little Caesars Arena (the “LCA”). In December 2014, the DDA and the Michigan Strategic Fund issued tax-exempt bonds of \$250,000,000.00 (the “2014A Bonds”) to finance a portion of the development costs of the LCA and in August 2017, the DDA issued tax-exempt bonds of \$36,000,000.00 (the “2017 Bonds” and together with the 2014A Bonds, the “Outstanding Bonds”) for additional development costs to assist with the relocation of the Detroit Pistons to the LCA. The 2014A Bonds and the 2017 Bonds were subject to a mandatory



remarketing prior to January 1, 2019, so in 2018, the DDA issued the following refunding bonds: 1) \$287,425,000 Tax Increment Revenue Refunding Bonds, Series 2018A (Catalyst Development Project) and 2) \$24,105,000 Subordinate Tax Increment Revenue Refunding Bonds, Series 2018B (together, the “2018 Bonds”). In order to achieve interest rate and/or other savings, DDA intends to issue its remarketing/refunding bonds (“2024 Bonds”) pursuant to an amended Trust Indenture to refinance the 2018 Bonds on or prior to July 1, 2024, to reduce debt service costs and eliminate certain restrictive covenants applicable to the 2018 Bonds.

In order to achieve more favorable interest rates and other terms for the 2024 Bonds, DDA’s Municipal bond Advisors recommend seeking updated credit ratings from at least 2 agencies. Kroll Bond Rating Agency, LLC (“Kroll”), the agency that currently rates the 2018 Bonds, proposes an \$80,000 fee for the rating, plus \$5,000 annual fee for ongoing surveillance post-bond issuance. S&P Global Ratings (“S&P”) proposes a minimum \$50,000 for a non-published indicative rating (with each additional hypothetical scenario at \$7,500). In addition, we estimate a published rating, if elected by DDA, to cost approximately \$150,000. Accordingly, DDA staff seeks the Board’s approval to execute contracts with Kroll for \$80,000 plus the cost of annual surveillance and S&P for an amount not to exceed \$200,000, plus the cost of annual surveillance.

At its meeting held on May 8, 2024, the DDA Finance Committee recommended approval of the DDA to enter to execute contracts with Kroll and S&P in connection with the 2024 Bonds.

A resolution was attached for the Board’s consideration.

Mr. Naglick stated that the City uses Moody’s Rating and S&P, noting that recently S&P had upgraded the City two (2) notches to investment grade. Mr. Naglick explained that S&P knows the situation and he has no doubts about the firm. Mr. Naglick added that there is no risk as this is an indicative rating meaning that it does not have to be published but it is worth the chance of getting the pedigree of an S&P rating.

Mr. Jenkins asked what would be attached to their rating. Mr. Naglick explained that rating agencies have become more transparent over the years and now publish rating scorecards. The rating scorecard for this situation will concern the dependability of the tax capture from the DDA. Mr. Naglick stated that S&P has a specific methodology that will benefit the DDA and the buyer. Mr. Jenkins asked if Mr. Naglick knew what this methodology was.

Mr. Kantor explained that this bond is specialized and because the district is downtown, there is a good history of the collected taxes, which is something S&P will look into. Mr. Jenkins asked if S&P would be looking at the development that has occurred downtown. Mr. Kantor agreed.

Mr. Naglick stated that when Siebert worked with GLWA the firm came to the City and was able to see that the numbers presented were real.

Mr. Beydoun called for further discussion. Hearing none, Mr. Beydoun called for a motion.



Mr. Ogden made a motion approving the Catalyst Development Project – Rating Agency Contracts for 2024 Bonds, as presented. Mr. Jenkins seconded the motion. All were in favor, none opposed.

DDA Resolution Code 24-03-123-75 was unanimously approved.

## **ADMINISTRATIVE**

### **DDA Budget for FY 2024-2025**

Ms. Kanalos explained that pursuant to Article 228, Act 57, DDA staff has prepared the attached DDA budget for FY 2024-2025 Downtown Development Authority's General Fund Budget for the Board's review prior to its submission to City Council for approval.

The DDA Finance Committee reviewed the FY 2024-2025 Budget at its meeting on May 8, 2024.

A resolution was enclosed for the Board's review and authorization of the DDA staff to submit the DDA budget for FY 2024-25 to City Council for its approval, in accordance with Section 228(1) of Act 57, Public Acts of Michigan, prior to its adoption by the DDA Board.

Mr. Beydoun called for questions. Hearing none, Mr. Beydoun called for a motion.

Mr. Crain made a motion approving the DDA Budget for FY 2024-2025, as presented. Mr. Blaszkiewicz seconded the motion. All were in favor, none opposed.

DDA Resolution Code 24-05-18-78 was unanimously approved.

## **OTHER BUSINESS**

None.

## **PUBLIC COMMENT**

None.

## **ADJOURNMENT**

With there being no further business to be brought before the Board, Mr. Jenkins made a motion to adjourn, which was seconded by Mr. Blaszkiewicz, Mr. Beydoun adjourned the meeting at 3:20 p.m.



**CODE DDA 24-05-02-663**

**APPROVAL OF MINUTES OF MARCH 27, 2024**

**RESOLVED** that the minutes of the Regular meeting of March 27, 2024, 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.

May 8, 2024



**CODE DDA 24-05-03-556**

**RECEIPT OF TREASURER'S REPORT FOR MARCH 2024**

**RESOLVED**, that the Treasurer's Report of Receipts and Disbursements for the period ending March 31, 2024, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

May 8, 2024





**CODE DDA 24-05-123-75**

**CATALYST DEVELOPMENT PROJECT: – RATING AGENCY CONTRACTS FOR 2024 BONDS**

**WHEREAS**, the DDA has undertaken the financing and development of a “catalyst development project” (as defined in the DDA Act), including the Little Caesars Arena (the “Events Center”), along with the 2014 issuance of tax-exempt bonds of \$250,000,000 (the “2014A Bonds”), the 2017 issuance of tax-exempt bonds of \$36,000,000 (the “2017 Bonds”), and the 2018 issuance of 1) \$287,425,000 Tax Increment Revenue Refunding Bonds, Series 2018A (Catalyst Development Project) and 2) \$24,105,000 Subordinate Tax Increment Revenue Refunding Bonds, Series 2018B (together, the “2018 Bonds”); and

**WHEREAS**, in order to achieve interest rate and/or other savings, DDA intends to issue its remarketing/refunding bonds (“2024 Bonds”) pursuant to an amended Trust Indenture to refinance the 2018 Bonds on or prior to July 1, 2024; and

**WHEREAS**, in order to achieve more favorable interest rates and other terms for the 2024 Bonds, DDA’s bond Municipal Advisors recommend seeking updated ratings from at least 2 agencies; and

**WHEREAS**, the DDA has received proposals from Kroll Bond Rating Agency, LLC (“Kroll”), for an \$80,000 fee for the rating, plus \$5,000 annual fee for ongoing surveillance post-bond issuance and from S&P Global Ratings (“S&P”) for a minimum \$50,000 for a non-published indicative rating (with each additional hypothetical scenario at \$7,500), and an approximately \$150,000 for a published rating, if elected by DDA; and

**WHEREAS**, DDA staff seeks the Board’s approval to execute contracts with Kroll for \$80,000 plus the cost of annual surveillance and S&P for an amount not to exceed \$200,000, plus the cost of annual surveillance (the “Rating Agency Contracts”); and

**WHEREAS**, the DDA Board has determined that the execution of the Rating Agency Contracts for the 2024 Bonds, is consistent with the DDA’s statutory purposes and otherwise in the best interests of the DDA and the Events Center Project.

**NOW THEREFORE BE IT RESOLVED** that the DDA Board hereby approves the execution of the Rating Agency Contracts.

**BE IT FURTHER RESOLVED** that the DDA Board hereby authorizes any two of its Officers or any two of its Authorized Agents or one Officer and any one Authorized Agent negotiate and execute the Rating Agency Contracts and to take any other actions and execute any 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 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.

May 8, 2024



**CODE DDA 24-05-123-76**

**CATALYST DEVELOPMENT PROJECT: SELECTION OF FINANCIAL INSTITUTIONS FOR 2024 BONDS**

**WHEREAS**, the DDA has undertaken the financing and development of a “catalyst development project” (as defined in the DDA Act), including the Little Caesars Arena (the “Events Center”), along with the 2014 issuance of tax-exempt bonds of \$250,000,000 (the “2014A Bonds”), the 2017 issuance of tax-exempt bonds of \$36,000,000 (the “2017 Bonds”), and the 2018 issuance of 1) \$287,425,000 Tax Increment Revenue Refunding Bonds, Series 2018A (Catalyst Development Project) and 2) \$24,105,000 Subordinate Tax Increment Revenue Refunding Bonds, Series 2018B (together, the “2018 Bonds”); and

**WHEREAS**, DDA, through DDA financial advisor Masterson Advisors, LLC (“Masterson”) issued a request for proposals for underwriting services to issue refunding/remarking bonds to purchase and replace the 2018 Bonds on or prior to July 1, 2024 (the “2024 Bonds”); and

**WHEREAS**, following a review of seven proposals and interviews of 4 proposers, DDA staff and Masterson recommend the selection of three different firms for different roles for the 2024 Bonds, with Jefferies LLC (“Jefferies”) as the book running manager, and Ramirez & Co., Inc. (“Ramirez”) and Siebert Williams Shank (“Siebert”) as co-senior managers; and

**WHEREAS**, the DDA Board has determined that the selection of three different firms for different roles for the 2024 Bonds, with Jefferies as the book running manager, and Ramirez and Siebert as co-senior managers, is consistent with the DDA’s statutory purposes and otherwise in the best interests of the DDA and the Events Center Project.

**NOW THEREFORE BE IT RESOLVED** that the DDA Board hereby approves the selection of Jefferies as the book running manager, and Ramirez and Siebert as co-senior managers for the 2024 Bonds, provided that final underwriting terms, bond authorizing resolutions and material transaction documents will be subject to further review and approval by the DDA Board.

**BE IT FURTHER RESOLVED** that the DDA 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 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 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.

May 8, 2024



**CODE DDA 24-05-18-78**

**ADMINISTRATION: APPROVAL OF BUDGET FY 2024-2025**

WHEREAS, Section 228(1) of the Recodified Tax Increment Financing Act 57, as amended, requires the City of Detroit Downtown Development Authority (the “DDA”) to prepare a budget (the “Budget”) for the operation of the DDA for each fiscal year; and

WHEREAS, said Budget must be prepared in a manner and contain the information required of the municipal departments of the City of Detroit; and

WHEREAS, said Budget must be approved by the Detroit City Council prior to its adoption by the DDA Board of Directors; and

WHEREAS, the DDA Staff has prepared the attached DDA Budget for Fiscal Year 2024-2025 (Exhibit “A”).

NOW, THEREFORE, BE IT RESOLVED, that the DDA Board of Directors hereby authorizes the DDA staff to submit the FY 2024-2025 Budget to the Detroit City Council for approval, in accordance with Section 228(1) of Act 57, Public Acts of Michigan, 2018, prior to its adoption by the DDA Board.

May 8, 2024

**DOWNTOWN DEVELOPMENT AUTHORITY  
BUDGET  
2024-2025**

	2023-24 BUDGET	2023-2024 PROJECTED ACTUAL	DIFFERENCE	2024-25 BUDGET
<b>REVENUES:</b>				
Current taxes - one mil	\$ 1,200,000	\$ 1,208,462	\$ 8,462	\$ 1,200,000
Earnings on investments	200,000	408,308	208,308	300,000
Transfer from Tax Increment Fund	750,000	750,000	-	750,000
Parking Operations	825,000	962,401	137,401	850,000
Other	15,000	79	(14,921)	10,000
From/(To) prior year balance	0	(597,177)	(597,177)	0
<b>TOTAL REVENUES</b>	<u>\$ 2,990,000</u>	<u>\$ 2,732,073</u>	<u>\$ (257,927)</u>	<u>\$ 3,110,000</u>
<b>EXPENSES:</b>				
<b>Contractual Services</b>				
Detroit Economic Growth Corp	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,000,000
Annual Audit	40,000	40,000	\$ -	40,000
<b>Sub-Total</b>	<u>\$ 2,040,000</u>	<u>\$ 2,040,000</u>	<u>\$ -</u>	<u>\$ 2,040,000</u>
<b>Professional Service Fees</b>				
Legal Services	\$ 200,000	\$ 128,328	\$ 71,672	\$ 200,000
Insurance	325,000	324,985	\$ 15	340,000
Advertising/Marketing	15,000	14,267	\$ 733	15,000
Computer Support	10,000	10,000	\$ -	15,000
<b>Sub-Total</b>	<u>\$ 550,000</u>	<u>\$ 477,580</u>	<u>\$ 72,420</u>	<u>\$ 570,000</u>
<b>Parking Lots Management</b>	\$ -	\$ -	\$ -	\$ -
<b>Special Projects &amp; Contingencies</b>	<u>\$ 400,000</u>	<u>\$ 214,493</u>	<u>\$ 185,507</u>	<u>\$ 500,000</u>
<b>TOTAL EXPENSES</b>	<u>\$ 2,990,000</u>	<u>\$ 2,732,073</u>	<u>\$ 257,927</u>	<u>\$ 3,110,000</u>