



**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS SPECIAL MEETING
WEDNESDAY, APRIL 30, 2025 – 3:00 P.M.**

BOARD MEMBERS PRESENT: Marvin Beatty (3:22)
Charles Beckham
Hassan Beydoun
Austin Black
David Blaszkiewicz
Ehrlich Crain
Melvin Hollowell
Richard Hosey
James Jenkins
John Naglick
Steve Ogden

BOARD MEMBERS ABSENT: None.

OTHERS PRESENT: Cora Capler (DEGC/DDA)
David Howell (DEGC/DDA)
Lanard Ingram (DEGC/DDA)
Kaci Jackson (DEGC/DDA)
Medvis Jackson (DEGC/DDA)
Kevin Johnson (DEGC/DDA)
Jennifer Kanalos (DEGC/DDA)
Glen Long (DEGC/DDA)
Rebecca Navin (DEGC/DDA)
Stennett Nyekanyeka (DEGC/DDA)
Nasri Sobh (DEGC/DDA)
Sierra Spencer (DEGC/DDA)
Ed Saenz (ODM)
John Lauve



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS SPECIAL MEETING
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226
WEDNESDAY, APRIL 30, 2025 – 3:00 P.M.**

GENERAL

Call to Order

Chairperson Beydoun called the special meeting of the Downtown Development Authority Board of Directors to order at 3:12 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 April 9, 2025, Regular Board meeting.

Hearing none, the Board took the following action:

Mr. Jenkins made a motion approving the April 9, 2025, minutes as written.
Mr. Blaszkiewicz seconded the motion. All were in favor with none opposed.
Mr. Beatty was not present for the vote.

DDA Resolution Code 25-04-02-671 was unanimously approved.

Receipt of Treasurer's Reports

Mr. Long reviewed the Treasurer's Report of Receipts and Disbursements for March 2025.

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

Mr. Hollowell made a motion to approve the Treasurer's Report of Receipts and Disbursements for the month of March 2025, as presented. Mr. Blaszkiewicz seconded the motion. All were in favor with none opposed. Mr. Beatty was not present for the vote.

DDA Resolution Code 25-04-03-568 was unanimously approved.

ADMINISTRATIVE

DDA Operating Budget for FY 2025-2026



Ms. Kanalos stated that pursuant to Article 228(1) of Michigan Public Act 57 of 2018, DDA staff has prepared the attached DDA Operating Budget for FY 2025-2026 for review prior to its submission to City Council for approval.

A resolution was enclosed for the Board's review authorizing DDA staff to submit the DDA Operating Budget for FY 2025-26 to City Council for its approval, in accordance with Section 228(1) of Michigan Public Act 57 of 2018, prior to its adoption by the DDA Board.

Mr. Beydoun called for questions.

Mr. Ogden asked Ms. Kanalos to provide some insight to the budget approval process. Ms. Kanalos explained that with approval for the DDA Board at the current meeting, the budget would then be submitted to the City Council where it would be referred to the Budget, Finance and Audit Standing Committee and after then be submitted to City Council for approval and finally come back to the DDA Board for formal adoption.

Mr. Ogden advised the Board that regardless of the review at the committee level, the Board does not have the power to approve the budget without the processes done with City Council.

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

Mr. Blaszkiewicz made a motion to approve the DDA Operating Budget for FY 2025-2026, as presented. Mr. Jenkins seconded the motion. All were in favor, with none opposed.

DDA Resolution Code 25-04-18-80 was unanimously approved.

PROJECTS

Paradise Valley Business and Entertainment District: Request to Increase Docuseries Contract

Mr. Howell stated that in the first half of the 20th Century, a thriving business, cultural, and residential community known as "Paradise Valley" existed in what was then known as Detroit's "Black Bottom." It was a sixty-six-square-block area on the near-east side of Detroit's downtown, and from the 1920s through the 1950s, it was where the vast majority of Detroit's African American population lived. The needs of the residents were generously met by more than 350 black-owned businesses in Paradise Valley, ranging from drugstores, beauty salons, and restaurants to places of leisure such as nightclubs, bowling alleys with bars, theaters, and mini-golf courses.

In 2015, the Downtown Development Authority (the "DDA") issued a Request for Proposals for several DDA-owned assets within the area formally identified as Harmony Park, and that is now recognized as the Paradise Valley Cultural and Entertainment District (the "PVCED"). The mission of the PVCED is to recover some of what the City lost and honor, revive, restore, evoke, continue, and maintain Paradise Valley's rich cultural, economic, and historical heritage in a manner that celebrates its thriving nature at its prime.

In 2016, the DDA selected developers to acquire and develop the DDA-owned properties within the PVCED. Since the issuance of the RFP and the selection of developers, tremendous progress



has been made in reestablishing the district, including forming the Paradise Valley Entertainment District Conservancy. The redevelopment of the PVCED has played a major role in promoting significant economic and cultural benefits to the City of Detroit.

To date, the following properties have been successfully redeveloped:

- 311 E. Grand River Avenue (Restaurants and Event Space)
- 1407 Randolph (Bar and Office Space)
- 1435 Randolph (Office and Restaurant)
- 1502 Randolph (Cigar Bar)

Moreover, several African American-owned businesses have moved into the PVCED, including Fixins Soul Food Restaurant, Vinyl Society, Real Times Media, Develop Detroit, and Summit Realty. The park has also been significantly renovated.

REQUEST

In January 2025, DDA Staff engaged Pitch Black, a wholly owned subsidiary of Real Times Media, to produce a docuseries about the historical significance of Paradise Valley and the DDA's efforts to redevelop the PVCED. This docuseries shows how public investment catalyzes private development and how partnerships create opportunities for minority entrepreneurs. It intends to illustrate that development isn't just about brick and mortar. It's about people, creating spaces where culture thrives, and continuing Detroit's legacy. The docuseries will be comprised of seven short clips. Three of the seven have been produced and released, with the fourth in post-production.

The original contract was for \$48,500, and we executed pursuant to the Delegation of Authority previously approved by the Board. DDA staff requests Board approval for \$14,952.50 for additional production services. At the conclusion of the series, DDA staff also intends to host an event to air the docuseries and include a question-and-answer session with the PVCED developers and DDA representatives.

A resolution was attached for the Board's consideration.

Mr. Howell presented the first video of the docuseries to the Board.

Mr. Beydoun called for questions.

Mr. Ogden asked what the overall goal or vision for the docuseries was and asked if the additional funding being requested was to finish the series or to complete another episode. Mr. Howell stated that this is a seven (7) episode docuseries and with the additional funding the entire docuseries could be completed. Mr. Howell added that the overall goal is to tell the story of Paradise valley and market the downtown area to those outside of the City.

Mr. Beydoun asked where Pitch Black was based. Mr. Howell responded that Pitch Black is a Detroit based company.

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



Mr. Hollowell made a motion to approve the Paradise Valley Business & Entertainment District: Request to Increase Docuseries Contract, as presented. Mr. Jenkins seconded the motion. All were in favor, with none opposed.

DDA Resolution Code 25-04-110-73 was unanimously approved.

Monroe Blocks: Request for Approval of Development Plan and Amendment to Bagley Development Group LLC: Proposed Additional Loan and Modified Loan Terms

Mr. Howell stated that Bagley Development Group, LLC, (the “Developer”) is a development team formed in 2015 led by Emmet Moten. The Developer is redeveloping the United Artists Building located at 150 Bagley into a mixed-use commercial development. (the “Project”). The Project will consist of 148 residential units, of which 20% or 30 units will be income-restricted for residents with incomes at or below 80% of the Area Median Income (“AMI”). The Project will also feature approximately 10,500 square feet of ground-floor retail.

In March, 2022, Developer closed on financing for the Project, which included a \$14.1 million loan from the Downtown Development Authority (“DDA”), of which \$7.0 million was funded by a participating loan from the Michigan Strategic Fund (the “2022 Developer Loan”), a \$1.4 million loan from the DDA to the Developer’s managing member (the “DDA MM Loan”), a senior loan funded by U.S. Department of Housing and Urban Development (“HUD”), \$2.0 million from the City of Detroit’s (the “City”) Community Development Block Grant (“CDBG”) funds, as well as equity from the sale of historic tax credits. In May 2022, the DDA approved a deferral of interest on the 2022 Developer Loan and the DDA MM Loan through the construction period.

Current Status and Developer’s Request

On December 4, 2024, the Developer’s contractor, The Brinker Group (the “Contractor”), issued a work stoppage due to a disagreement with the Developer regarding increased costs and change orders. Through a mediation process, the Developer and Contractor reached an agreement that provided for a \$6.3 million increase in construction costs. Additionally, other soft costs and financing expenses, as well as a downward adjustment to the historic tax credit equity due to delays in the Project, have increased the total development costs from \$76.6 million to \$85.1 million. Therefore, a gap has been created in the project’s sources and uses of capital, amounting to \$ 8.5 million. The Developer approached the DDA, Invest Detroit, HUD, the City, MSF, and Olympia Development of Michigan (“ODM”) to assist in either loaning additional funds to the Project and/or, restructuring existing loan repayment terms, or, in the case of ODM, ground lease payments. In addition, Developer has committed to contributing an additional \$607,384 to the Project.

The Developer requested an additional \$1.1 million from the DDA, as well as certain modifications to the 2022 Developer Loan and the DDA MM Loan.

Following is an illustration of the Developer’s proposed additional sources and the uses of capital for the Project, which has been approved by HUD:



| Source of Capital | Amount | Explanation |
|---------------------------------|-----------------------|--|
| HUD 221 (D)(4) | \$4,518,300.00 | Increased loan proceeds due to TIF, rental rate increases and ODM ground lease subordination |
| Historic Tax Credit Adjuster | \$ (608,680.00) | HTC Investor decreased its equity due to Project delays |
| City of Detroit | \$ 400,000.00 | Increased CDBG funding |
| Downtown Development Authority | \$1,100,000.00 | Increased DDA Funding - pari passu with Invest Detroit |
| Invest Detroit | \$2,500,000.00 | Invest Detroit Loan - pari passu with DDA |
| Owner Capital | \$ 607,384.00 | Additional Owner Commitment |
| Total Sources of Capital | \$8,517,004.00 | |
| Uses of Capital | | |
| Hard Construction Costs | \$6,270,605.00 | Increased general conditions, material and equipment costs |
| Soft Construction Costs | \$ 876,568.00 | Increased A & E expenses, taxes and insurance, \$500K contingency |
| Financing Costs | \$1,369,831.00 | Additional construction interest and reserves, HUD financing costs |
| Total Uses of Capital | \$8,517,004.00 | |

The construction of the Project is 86% complete and is expected to be complete on or before August 1, 2025. Based on the following, DDA staff recommended approval of the additional \$1.1 million: 1) there is support from multiple sources to assist in mitigating the financing gap, 2) the Project is 86% complete and construction is expected to be completed in August 2025, 3) DDA staff viewed the additional loan proceeds as a necessary measure to protect the DDA's current investment of \$8.5 million. A term sheet for the additional loan and the modifications to the existing loans was attached as **Exhibit A**. A revised three-year cash flow projection was included. A resolution was attached for the Board's consideration.

Mr. Beydoun called for questions.

Mr. Ogden asked if Invest Detroit had become involved in the ongoing deal since the last meeting. Mr. Blaszkiewicz stated that this was still in progress, and because of this, he would be recusing himself from the vote.

Mr. Hollowell stated he is also a partner and would be recusing himself from the vote.

Mr. Ogden asked if, in the event that something went awry and Invest Detroit was not included in the deal, the project would have to be brought back to the Board to fill the funding gap. Mr. Beydoun responded that he believes it is an option, but it is not the only option that could be taken if this were to occur.

Mr. Jenkins asked when the project was to be completed. Mr. Howell stated the project's timeline for completion was August 2025.

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

Mr. Jenkins made a motion to approve the Monroe Blocks: Request for Approval of Development Plan and Amendment to Bagley Development Group LLC: Proposed



Additional Loan and Modified Loan Terms as presented. Mr. Crain seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Beatty, Mr. Beckham, Mr. Black, Mr. Crain, Mr. Jenkins, Mr. Naglick, Mr. Ogden, and Mr. Beydoun

Nays: None.

Recusals: Mr. Blaszkiewicz, Mr. Hollowell, Mr. Hosey

DDA Resolution Code 25-04-93-39 was approved.

Mr. Beydoun called for a roll call.

OTHER BUSINESS

None.

PUBLIC COMMENT

Mr. Lauve stated he was here because the DDA Board members were not doing their job. He referenced a photo stating that the building was in disrepair and was given funds by the DDA in 2005. Mr. Lauve showed a photo of the Detroit Light Building and stated that they have been given funds twice to repair, but nothing has been done. Mr. Lauve stated it is a big-time con, and you guys are just facilitating it. Money is being taken through capture, and the State Constitution states that education money is only for education purposes. Mr. Lauve continued that it is disgraceful to see there's no follow-up, just money shoveled. Mr. Lauve stated there are no windows in the place on Bagley and asked if the Board has seen it. Mr. Lauve stated that it is just another opportunity to convince the members to give them more money when they never finish projects for which they've been given cash. Mr. Lauve stated he did see work being done to the buildings on Henry Street, but that work was to be completed in 2009, and stated that the members do their job and have a professional operation instead of giving Ilitch whatever they wants. It is illegal and unprincipled to continue this scam.

ADJOURNMENT

With there being no further business to be brought before the Board, Mr. Hollowell made a motion to adjourn, which was seconded by Mr. Jenkins, Mr. Beydoun adjourned the meeting at 3:47 p.m.



CODE DDA 25-04-02-671

APPROVAL OF MINUTES OF APRIL 9, 2025

RESOLVED that the minutes of the Regular meeting of April 9, 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 Downtown Development Authority.

April 30, 2025



CODE DDA 25-04-03-568

RECEIPT OF TREASURER'S REPORT FOR MARCH 2025

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending March 31, 2025, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

April 30, 2025



CODE DDA 25-04-18-80

ADMINISTRATION: APPROVAL OF BUDGET FY 2025-2026

WHEREAS, Section 228(1) of the Recodified Tax Increment Financing Public of Act 57, Public Acts of Michigan, 2018, 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 Operating Budget for Fiscal Year 2025-2026 (Exhibit “A”).

NOW, THEREFORE, BE IT RESOLVED, that the DDA Board of Directors hereby authorizes the DDA staff to submit the FY 2025-2026 Operating 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.

April 30, 2025



CODE DDA 25-04-110-73

PARADISE VALLEY BUSINESS & ENTERTAINMENT DISTRICT: REQUEST TO INCREASE DOCUSERIES CONTRACT

WHEREAS, in 2015, the Downtown Development Authority (the “DDA”) issued a Request for Proposals for several DDA-owned assets within the area formally identified as Harmony Park and is now identified as the Paradise Valley Cultural and Entertainment District , several of which have since been redeveloped by the DDA selected developers; and

WHEREAS, in January 2025, pursuant to the Delegation of Authority previously approved by the DDA Board, DDA entered into a Professional Services Agreement in the amount of \$48,500 with Pitch Black, a wholly owned subsidiary of Real Times Media, to produce a docuseries about the historic significance of the District and the DDA's efforts to redevelop the District (the “Contract”); and

WHEREAS, DDA staff requests Board approval to enter into an amendment to the Contract in the amount of \$14,952.00 for additional production services (the “Amendment”); and

WHEREAS, the DDA Board of Directors has determined that approval of the Amendment is in the best interest of the DDA.

NOW, THEREFORE, BE IT RESOLVED, that the DDA Board of Directors hereby approves the Amendment.

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 DDA’s Authorized Agents, shall hereafter have the authority to negotiate and execute the Amendment and to negotiate and execute all other documents, contracts, or papers, and take all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the DDA.

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.

April 30, 2025



CODE DDA 25-04-93-39

BAGLEY DEVELOPMENT GROUP LLC: PROPOSED ADDITIONAL LOAN AND MODIFIED LOAN TERMS

WHEREAS, Bagley Development Group, LLC, (the “Developer”) is seeking to redevelop the United Artists Building located at 150 Bagley into a mixed-use commercial development (the “Project”); and

WHEREAS, In March, 2022, Developer closed on financing for the Project, which included a \$14.1 million loan from the Downtown Development Authority (“DDA”), of which \$7.0 million was funded by a participating loan from the Michigan Strategic Fund (the “2022 Developer Loan”), a \$1.4 million loan from the DDA to the Developer’s managing member (the “DDA MM Loan”), a senior loan funded by U.S. Department of Housing and Urban Development (“HUD”), \$2.0 million from the City of Detroit’s (the “City”) Community Development Block Grant (“CDBG”) funds, as well as equity from the sale of historic tax credits; and

WHEREAS, following mediation regarding a work stoppage by Developer’s contractor due to a disagreement with the Developer due to increased costs and change orders, a Project gap has been identified in the Project’s sources and uses of capital, amounting to \$ 8.5 million; and

WHEREAS, the Developer has committed to contributing an additional \$607,384 to the Project and has approached the DDA, Invest Detroit, HUD, the City, MSF, and Olympia Development of Michigan (“ODM”) to assist in either loaning additional funds to the Project and/or, restructuring existing terms for loan repayment , or, in the case of ODM, ground lease payments; and

WHEREAS, in order to help close the identified gap, the Developer has requested \$1.1 million of additional funding from the DDA (the “DDA 2025 Loan”) and certain modifications to the 2022 Developer Loan and the DDA MM Loan upon the terms described in the term sheet attached hereto as **Exhibit A** (the “Proposed Terms”); and

WHEREAS, under the DDA Loan Fund, loans of up to \$2,000,000 are available for housing projects and loans of up to \$1,000,000 are available for retail projects; however, the DDA Plan permits the Board of Directors to waive or modify the requirements and guidelines of the DDA Loan Fund, as individual circumstances warrant and/or to approve the reallocation of funds from other Plan Table 3 line items, as authorized by Section 408.1 of the Plan; and

WHEREAS, following presentation of the Proposed Terms, the DDA Finance Committee has recommended the Board’s approval of (i) the Proposed Terms and (ii) the waiver of the requirements of the DDA Loan Fund and reallocation of funds from other Plan Table 3 line items, as authorized by Section 408.1 of the Plan, as necessary to fund the DDA 2025 Loan; and



WHEREAS, the DDA Board of Directors has reviewed the Proposed Loan Terms and determined that providing the DDA 2025 Loan and modifying the 2022 Developer Loan and the DDA MM Loan, upon the Proposed Loan Terms is in the best interest of the DDA.

NOW, THEREFORE, BE IT, RESOLVED, that the DDA Board of Directors hereby approves (i) the provision of the DDA 2025 Loan to Developer upon the Proposed Terms; (ii) the modification of the 2022 Developer Loan and the DDA MM Loan upon the Proposed Terms; and (iii) the waiver of the requirements of the DDA Loan Fund and reallocation of funds from other Plan Table 3 line items, as authorized by Section 408.1 of the Plan, as necessary to fund the DDA 2025 Loan.

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 DDA's Authorized Agents, shall hereafter have the authority to negotiate and execute the DDA 2025 Loan and amendments modifying the 2022 Developer Loan and the DDA MM Loan upon the Proposed Terms, together with such other terms and conditions that are determined by such Authorized Agents and/or Officers to be customary or appropriate and not inconsistent with this resolution, and to negotiate and execute all other documents, contracts, or papers, and take all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the DDA.

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.

April 30, 2025



EXHIBIT A

Term Sheet

| | |
|--|--|
| Borrower: | Bagley Development Group, LLC (the “Developer”) |
| Loan Amount: | \$1,100,000 (“DDA 2025 Loan”) |
| Purpose: | To provide gap financing for the rehabilitation of The Residences at 150 Bagley Street, Detroit, MI (the “Project”). |
| Term: | To match HUD’s maturity (estimated to be 40 years from Repayment Commencement Date) |
| Borrowing Rate: | One (1%) percent |
| Deferred Interest: | Interest accrues and is deferred until the “Repayment Commencement Date” at which time all deferred interest shall be capitalized and added to the principal loan balance. “Repayment Commencement Date” shall be the date upon which principal and interest payments are due to commence under HUD’s Senior Loan, estimated to be 4 months following the scheduled construction completion date. |
| Repayment: | Semi-annual principal and interest payments commencing on the “Repayment Commencement Date,” calculated based on a 40-year amortization, and continuing thereafter on June 1 and December 1 of each calendar year. All accrued and unpaid interest and principal are due at maturity. Payments shall be made consistent with the payment priority outlined below. |
| Priority of Payments from Project cash flows after payment of operating expenses: | <ol style="list-style-type: none">1. HUD Senior Loan2. ODM base ground lease payment3. DDA 2025 Loan, Invest Detroit Loan, ODM participating ground lease payment (the “Second Cash Flow Priority Payments”).4. Historic Tax Credit Investor5. The remaining cash flow (“Distributable Cash Flow”) is distributed 65% to DDA for DDA’s 2022 Developer Loan and DDA MM Loan, and to Developer (35%) |
| Security/Guaranty | Subordinated lien on all business assets, subordinated Assignment of Leases and Rents, Subordinated Leasehold Mortgage on the property, on a pari-passu basis with Invest Detroit, and senior to the DDA’s 2022 Developer Loan. Guaranty of all individuals associated with Borrower. |



**Modifications to DDA
2022 Developer Loan and
DDA MM Loan:**

- Extension of deferred interest period to Repayment Commencement Date
- Extension of maturity date to match HUD's maturity (estimated to be 40 years from Repayment Commencement Date)
- Revision of definition of "Distributable Cash Flow" to account for Second Priority Cash Flow Payments
- Revision of repayment sources to exclude "Additional CDBG Loan"
- Other conforming changes to loan documents

Conditions:

Conditions to closing will include, but shall not be limited to, approval by DDA Board of Directors, credit approval by Invest Detroit and satisfactory review and acceptance of all other loan commitments, and acknowledgement and approval of other Project participants, including, but not be limited to, HUD, ODM, MSF, Historic Tax Credit Investor, City of Detroit and Invest Detroit. Execution of satisfactory loan documents and amendments, including but not limited to revised intercreditor agreements reflecting aforementioned payment and lien priorities and affirmation of guaranties of 2022 Developer Loan and DDA MM Loan.