



**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, NOVEMBER 23, 2021 – 9:00 A.M.**

BOARD MEMBERS PRESENT: Clifford Brown
Marsha Bruhn
Kimberly Clayson
Linda Forte
Chris Jackson
Kwaku Osei

BOARD MEMBERS ABSENT: Antoine Bryant (Ex-Officio)
Damon Hodge
Jonathan Quarles
John Naglick (Ex-Officio)
Thomas Stallworth

**SPECIAL DIRECTORS
PRESENT:** None

**SPECIAL DIRECTORS
ABSENT:** None

OTHERS PRESENT: BW
Gay Hilger (DEGC/EDC)
Kaci Jackson (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)
Lexi Shaw (DEGC/EDC)
Paul Warner



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
NOVEMBER 23, 2021 – 9:00 A.M.
ZOOM VIRTUAL MEETING**

GENERAL

Call to Order

Chairperson Forte called the Regular meeting of the Economic Development Corporation Board of Directors to order at 9:05 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 November 9, 2021 Regular Board meeting. Hearing none, Ms. Forte called for a motion.

Mr. Osei made a motion approving the minutes of the November 23, 2021 Regular Board meeting, as written. Ms. Bruhn seconded the motion. All were in favor with none opposed.

EDC Resolution Code 21-11-02-354 was unanimously approved.

Receipt of Treasurer's Report

Mr. Long reviewed the Treasurer's Report of Receipts and Disbursements for the Month of October 2021. With there being no questions, Ms. Forte called for a motion.

Mr. Osei made a motion to approve the October 2021 Treasurer's Report, as written. Mr. Jackson seconded the motion. All were in favor with none opposed.

EDC Resolution Code 21-11-03-269 was unanimously approved.

PROJECTS

Proposed EDC Loan Fund Loan Request for LJO LLC d/b/a Slyde

LOAN PURPOSE AND DEVELOPMENT DESCRIPTION

LJO LLC doing business as Slyde (the "Borrower") is a farm-to-table, eco-friendly, fast casual dining experience that provide a new twist on the American classic, the slider. The Borrower is owned and managed by Lawrence and Jennifer Nelson, with 61% ownership, Dana Frost, with 18% ownership, and Anitrah Hurley, with 15% ownership, and two



additional partners with 3% ownership are tentatively under contract. The Borrower will lease a building with a total of 3,250 square feet of space at the property located at 7968 Kerchavel, Detroit MI 48216 (the “Property”) located on the border of West Village and Islandview area.

The Property previously housed Detroit Body Garage Gym and is currently being redeveloped into eco-friendly dining experience that promotes world climate change awareness. The Borrower intends to hold 60 seats indoor. Alongside the redevelopment of the building, the patio will receive an upgrade with its outdoor bar that will hold an additional 40 seats. In managing the design and construction of the restaurant, the Borrower has contracted with Smith A+D, a Detroit-based business, to be the architect and, Artisan Contracting Company, a Detroit-based business, to serve as the contractor for the project.

The Borrower’s business will be overseen by the Lawrence Nelson, Owner and CEO, Jennifer Nelson, Restaurant Manager and CFO, and Anitrah Hurley, COO and sister of Lawrence Nelson. Lawrence graduated from Eastern Michigan University in 2004 with a degree in Industrial Distribution. He also received a Master’s certificate in Business Leadership and Management from Michigan State University and a Master’s certificate in Sales Growth and Conflict Resolution from Cornell University. Antirah Hurley graduated from Michigan State University in 2001 with a degree in Advertising. Anitrah had the pleasure of receiving 5 years’ experience for a full-service advertising agency and managed media budgets from \$5 million to \$20 million national accounts such as La-Z-Boy, BF Goodrich and American Kennel Club. Jennifer Nelson graduated from Central Michigan University in 2003 with a Bachelor of Science in Elementary Education and obtained a Master’s degree in the Art of Teaching from Marygrove College in 2008. She has obtained 12 years of teaching experience, and while Jennifer is off on her summer break, she will be shadowing a part owner of 13 locally owned Jimmy Johns. She will gain experience in management, restaurant system implementation and inventory control. They anticipate creating 12 jobs all with a top priority to hire Detroit residents as well as minorities.

To further support the Project, the Borrower has had the opportunity to win a plethora of grants and awards. In January 2016, the Borrower received \$45,000 from the Economic Development Corporation of the City of Detroit (“EDC”) Motor City Match program to finance various costs for the renovation of the Property, including design services, construction and electrical work, along with permits and legal services. The Borrower has also previously utilized loan funds from the Detroit Development Fund in the amount of \$30,000. The Borrower has collectively injected \$107,000 in equity and its landlord will be providing \$46,000 in tenant improvements prior to Loan funding.



The EDC will partner with ProsperUS, Detroit Development Fund (“DDF”) and Invest Detroit to provide financing to the Borrower to complete the project. The Borrower is seeking a \$200,000 loan from the EDC Non Affiliated Restaurant/ Retail Loan Fund (the “Loan”) to fund construction costs and/or the purchase of fixtures, furniture, and equipment. EDC staff also believes this will be a great opportunity to continue to further fund the streetscape improvements along the West Village/Islandview area.

EDC staff recommends the approval of the Loan to Borrower through the EDC Loan Fund Program based on the terms and conditions below.

Please find below sources and uses and terms of loan:

Sources

Invest Detroit	\$390,000
EDC Loan	\$200,000
ProsperUS Loan	\$50,000
Detroit Development Fund	\$30,000
Equity	\$106,937
Motor City Match	\$45,000
Landlord Allowance	\$46,000
TOTAL	\$864,737

Uses

Tenant Improvements-	\$471,370
MISC-	
POS, Smallwares, Security, ETC	\$12,600
DTE Upgrades-	\$25,000
Marketing and Working Capital-	\$23,300
Kitchen Equipment-	\$106,843
Furniture and Fixtures-	\$25,000
Liquor License -	\$90,000
Hard Cost Contingency-	\$60,641
Soft Costs Contingency-	\$49,983
TOTAL	\$864,737



Proposed Terms and Conditions:

Borrower:	LJO LLC DBA Slyde
Loan Amount:	\$200,000
Interest Rate:	4%
Term:	5 years
Amortization:	Seven-year amortization period, with a balloon payment in the 5 th year. Interest only period for the first 9 months. Principal and Interest payments beginning in month 10.
Security:	Second lien position on all business assets, equipment, machinery, fixtures, and furniture of Borrower. Personal Guaranties of Lawrence Nelson, Jennifer Nelson, Antirah Hurley, and their respective trusts, if any. 3 rd position mortgage on primary real estate owned by Lawrence and Jennifer Nelson, subject to necessary consent requirements of existing mortgagee.
Disbursements:	The Loan will be funded through multiple disbursements following closing. In the event that Loan funds will be used for costs associated with the purchase of fixtures, furniture, and equipment, disbursement shall be contingent upon EDC's receipt of invoices evidencing the purchase thereof. Order of disbursements is as follows: first is equity, thereafter Landlord Allowance ProsperUS loan funds, EDC Loan funds, and then Invest Detroit loan funds.
Additional Conditions:	Receipt, review and approval of any and all information requested by EDC staff. Binding commitments for all undisbursed project loans. Execution of mutually agreeable loan documents. Borrower will provide itemized schedule and use of funds. Issuance of a Loan Policy of Title Insurance at closing.

The EDC Finance Committee has recommended the approval of the proposed Loan to the EDC Board of Directors and EDC staff requested approval of the Loan consistent with the terms noted above.

A resolution was included for the Board's consideration.



Ms. Forte asked if there was a motion. Mr. Brown made a motion which was supported by Mr. Jackson.

Mr. Forte called for questions/comments/discussion.

Mr. Jackson questioned if they had a liquor license, and if so, had it already been secured. Ms. Shaw responded, yes, a liquor license has been secured. Mr. Jackson asked if this is in the old bank building at Van Dyke and Kercheval and if they had parking. Ms. Shaw replied that it is in the Detroit Savings Bank building, and they have street parking and a parking lot.

Mr. Brown asked who owns the Bank. Ms. Shaw apologized that she did not know who owns the building. The Finance Committee had asked that question and she did not get that information and she will get that information before closing. Mr. Brown said that he thinks it is Ahmad Banyan. Ms. Navin advised that is correct. Mr. Brown said that there definitely is a need for food/restaurants in that area.

Ms. Forte asked if there were any other questions. Hearing none, the Board took the following action.

Ms Brown made a motion to approve the Casino Loan Request of LJO LLC doing business as Slyde, as presented. Mr. Jackson seconded the motion. All were in favor with none opposed.

EDC Resolution Code 21-11-74-50 was unanimously approved.

ADMINISTRATION

None.

OTHER MATTERS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

On a motion by Mr. Osei, seconded by Ms. Bruhn, Ms. Forte adjourned the meeting at 9:13 a.m.



CODE EDC 21-11-02-354

APPROVAL OF MINUTES OF NOVEMBER 9, 2021 REGULAR MEETING

RESOLVED, that the minutes of the Regular meeting of November 9, 2021 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.

November 23, 2021



CODE EDC 21-11-03-269

RECEIPT OF TREASURER'S REPORT FOR OCTOBER 2021

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending October 31, 2021, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

November 23, 2021



CODE EDC 21-11-74-50

**CASINO LOAN FUND--NON-AFFILIATED RESTAURANT/RETAIL LOAN FUND:
LOAN REQUEST FOR LJO LLC DOING BUSINESS AS SLYDE**

WHEREAS, LJO LLC DBA Slyde (the “Borrower”) seeks to lease a building with a total of 3,250 square feet of space at the property located at 7968 Kerchavel, Detroit MI 48216 for the operation of its farm-to-table fast casual restaurant (the “Project”); and

WHEREAS, to facilitate the development of the Project, the Borrower is seeking a loan from the Economic Development Corporation of the City of Detroit (“EDC”) Non Affiliated Restaurant/Retail Loan Fund in the amount of \$200,000.00 (the “Loan”); and

WHEREAS, EDC staff has reviewed the Borrower’s financial documentation and proposes the following terms and conditions for the Loan to the Borrower:

Loan Amount:	\$200,000.00
Interest Rate:	4%
Term	5 years, amortized over 7 years
Repayment:	Interest only period for the first 9 months. Principal and Interest payments beginning in month 10. Remaining principal and interest will be due at maturity.
Security:	Second lien position on all business assets, equipment, machinery, fixtures, and furniture of Borrower. 3rd position mortgage on primary real estate owned by Lawrence and Jennifer Nelson, subject to necessary consent requirements of existing mortgagee.
Guaranty:	Personal Guaranties of Lawrence Nelson, Jennifer Nelson, Antirah Hurley, and their respective trusts, if any.
Conditions:	Satisfactory review and acceptance of standard due diligence items. Binding commitments for all project loans. Execution of mutually agreeable loan documents. Borrower will provide itemized schedule and use of funds. Issuance of a Loan Policy of Title Insurance at closing.

; and

WHEREAS, EDC staff presented the Loan terms to the EDC Finance Committee which recommends the approval of the Loan in accordance with the terms stated herein; and



WHEREAS, the EDC Board of Directors has considered the proposed Loan and determined that the Loan, as proposed, is consistent with the EDC's goal of administering funds for business development initiatives and is consistent with the EDC's statutory purposes.

NOW, THEREFORE BE IT RESOLVED that the provision of a Loan consistent with the terms provided herein is hereby approved.

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 the Loan, 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 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.

November 23, 2021