



**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, APRIL 9, 2025 – 3:00 P.M.**

BOARD MEMBERS PRESENT: Charles Beckham
David Blaszkiewicz
Ehrlich Crain
Melvin Hollowell
James Jenkins
John Naglick
Steve Ogden

BOARD MEMBERS ABSENT: Hassan Beydoun
Austin Black
Marvin Beatty
Richard Hosey

OTHERS PRESENT: Cora Capler (DEGC/DDA)
Derrick Headd (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)
Nasri Sobh (DEGC/DDA)
Sierra Spencer (DEGC/DDA)
Jared Fleisher (Rock)
Emmett Moten (150 Bagley)
Ed Saenz (ODM)
Brian Watkins
JC Reindl
Eric
Gage Minkley



**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226
WEDNESDAY, APRIL 9, 2025 – 3:00 P.M.**

GENERAL

Call to Order

Acting Chairperson Blaszkiewicz called the regular meeting of the Downtown Development Authority Board of Directors to order at 3:19 p.m. Roll call was conducted, and a quorum was established.

GENERAL

Approval of Minutes

Mr. Blaszkiewicz asked if there were any additions, deletions, or corrections to the minutes of the January 22, 2025, Regular Board meeting.

Hearing none, the Board took the following action:

Mr. Jenkins made a motion approving the January 22, 2025, minutes as written.
Mr. Hollowell seconded the motion. All were in favor with none opposed.

DDA Resolution Code 25-04-02-670 was unanimously approved.

Receipt of Treasurer's Reports

Mr. Long reviewed the Treasurer's Report of Receipts and Disbursements for December 2024, January 2025 and February 2025.

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

Mr. Ogden made a motion to approve the Treasurer's Report of Receipts and Disbursements for the months of December 2024, January 2025 and February 2025, as presented. Mr. Jenkins seconded the motion. All were in favor with none opposed.

DDA Resolution Codes 25-04-03-565, 25-04-03-566, and 25-04-03-567 were unanimously approved.



PROJECTS

Monroe Blocks: Request for Approval of Development Plan and Amendment to Development Agreement

Ms. Navin stated that in November 2016, the City of Detroit Downtown Development Authority (the “**DDA**”) approved the sale of several properties including the surface parking lot at Farmer and Monroe and the former Bates Garage (collectively, the “**Property**”) to Rosko Development Company LLC (“**Rosko**”). In January, 2019, the DDA and Monroe Phase I LLC and Monroe Phase II LLC (collectively, “**Developer**”), as successors-in-interest to Rosko, closed on the Property under a Development Agreement (the “**Development Agreement**”) relating to the development of a mixed use project comprised primarily of commercial uses on the surface parking lot at Farmer and Monroe and primarily residential and retail on the balance of the site (the “**Project**”).

In February 2023, the DDA Board approved a revised development plan for the Property, consisting of three phases to include a theatre and market hall, office and retail and parking, and residential, with construction on the first phase to commence on or before September 1, 2024. In August, 2024, the commencement deadline was extended to May 1, 2025, in anticipation of a revised development plan, still to include a theatre and food hall concept as its first phase.

In November, 2024, Developer and Cosm, a Los Angeles based immersive technology, media and entertainment venue operator, announced plans for Cosm’s 4th shared reality live sports and entertainment concept to be located downtown Detroit at the Property.

Developer has submitted for formal approval by the DDA a revised development plan for the Property which includes, as its first phase, Cosm Detroit, featuring seating for 700 under its shared reality dome, as well as an adjacent dining hall, lounge, and outdoor deck, with a total venue capacity of approximately 1,500. Under the revised plan, Phase 2 of the Project remains residential and structured parking, with a construction commencement date of October 1, 2026. Each phase has a construction timeline of approximately 36 months.

The proposed revised development plan (the “**Proposed Plan**”), set forth in the term sheet was attached as **Exhibit A** (the “**Proposed Terms**”). DDA staff was supportive of the Proposed Plan and the Proposed Terms and recommended the Board’s approval.

A resolution was attached for the Board’s consideration.

Mr. Fleisher reviewed the provided deck to the DDA Board noting that the development is now called Development at Cadillac Square.

Mr. Blaszkiewicz called for questions.

Mr. Jenkins asked if there would be opportunities for children in Detroit to visit Cosm free of cost. Mr. Fleisher explained that Cosm would be announcing something for the children that he believed would be what Mr. Jenkins would be hoping for. Mr. Fleisher added that Rock is the landlord, that Cosm is the business and will be the one to speak to that opportunity.



Mr. Crain asked how the proposed development would impact any prior arrangements between the DDA and Rosko Development, specifically regarding financing. Ms. Navin explained that for this site, the DDA was only the seller, meaning that the DDA had no monetary investment in the site, and therefore, there were no changes. Ms. Navin advised that the Board was being asked to approve the modification of the development plan and the amended terms.

Mr. Ogden suggested that Mr. Fleisher explain to the Board what the original plan for the site was and why there was a need to shift the original concept. Mr. Fleisher explained that in 2018, the plan called for eight hundred and fourteen thousand square feet (814,000 sqft) of office space, but after the COVID-19 pandemic, that was no longer needed in the downtown area. Mr. Fleisher continued that the need shifted to entertainment, and the plan had evolved into a music hall, but shortly after, the Music Hall had announced their plan for the new Music Hall. Mr. Fleisher stated through a connection with the Cleveland Cavaliers, Cosm had been introduced, and after several meetings, he and his team knew that Cosm was the right fit for the space.

Mr. Blaszkiewicz called for further questions. Hearing none, he called for a motion.

Mr. Crain made a motion to approve the Monroe Blocks: Request for Approval of Development Plan and Amendment to Development Agreement, as presented. Mr. Jenkins seconded the motion. Mr. Ogden recused himself from the vote.

DDA Resolution Code 25-04-112-24 was unanimously approved.

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. Blaszkiewicz stated that this matter had come to the DDA Finance Committee prior to the current meeting. He continued that because two (2) members of the Board were affiliated with the project, additional time was required before a vote could be made on the matter, and a super quorum would be needed to vote on the item. He asked the DDA Board to anticipate attending the April 23, 2025, Board meeting to achieve the super quorum.



Mr. Blaskiewicz called for questions.

Mr. Crain asked for clarification on the Community Development Block Grant funds. Mr. Howell stated that one million dollars (\$1,000,000.00) had been approved but had not been funded at the current time. Mr. Howell added that under the current loan agreement, these funds were part of the DDA's repayment sources; however, staff is requesting that the Board approve that these funds be applied towards the project rather than the DDA loan to close the financing gap for the project.

Mr. Crain asked if the development team was comfortable with material costs and construction and if any issues had resolution.

Mr. Blaskiewicz advised that Mr. Moten was online and available to answer questions. Mr. Hollowell stated that there had been mediation related to Mr. Crain's question, and the numbers presented to the Board today came out of that mediation. Mr. Hollowell continued that The United States Department of Housing and Urban Development (HUD) agreed with the same numbers being presented and that materials imports had been worked out and that the trade questions that have been roiling the markets should not affect the project. Mr. Crain added that the Board wants to see the project completed and that no further impediments are expected to get to that goal. Mr. Blaskiewicz reminded the Board that the resolution would have to be deliberated at the next DDA Board meeting. Accordingly, DDA Resolution Code DDA 25-04-93-39 was tabled.

Mr. Hollowell clarified what the super quorum would require. Ms. Navin explained that the full Board, excluding the interested parties, would need to vote on the item.

Mr. Moten thanked the Board for reviewing the project.

ADMINISTRATIVE

None.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

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. Blaskiewicz adjourned the meeting at 4:02 p.m.



CODE DDA 25-04-02-670

APPROVAL OF MINUTES OF JANUARY 22, 2025

RESOLVED that the minutes of the Regular meeting of January 22, 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 9, 2025



CODE DDA 25-04-03-565

RECEIPT OF TREASURER'S REPORT FOR DECEMBER 2024

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

April 9, 2025



CODE DDA 25-04-03-566

RECEIPT OF TREASURER'S REPORT FOR JANUARY 2025

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

April 9, 2025



CODE DDA 25-04-03-567

RECEIPT OF TREASURER'S REPORT FOR FEBRUARY 2025

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending February 28, 2025, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

April 9, 2025



CODE DDA 25-04-112-24

MONROE BLOCKS: REQUEST FOR APPROVAL OF DEVELOPMENT PLAN AND AMENDMENT TO DEVELOPMENT AGREEMENT

WHEREAS, in November 2016, the City of Detroit Downtown Development Authority (the “**DDA**”) approved the sale and redevelopment of several properties approved the sale of several properties including the surface parking lot at Farmer and Monroe and the former Bates Garage (collectively, the “**Property**”) to Rosko Development Company LLC (“**Rosko**”); and

WHEREAS, in January, 2019, the DDA and Monroe Phase I LLC and Monroe Phase II LLC (collectively, “**Developer**”), as successors-in-interest to Rosko, closed on the Property under a Development Agreement (the “**Development Agreement**”) relating to the development of a mixed use project comprised primarily of commercial uses on the surface parking lot at Farmer and Monroe and primarily residential and retail on the balance of the site (the “**Project**”); and

WHEREAS, in February, 2021, in recognition of ongoing market changes and uncertainties, the DDA Board approved certain amended terms for the Project, including a requirement that Developer submit a revised proposed development plan for the Property (the “**Proposed Plan**”) on or before February 24, 2023; and

WHEREAS, in February 2023, the DDA Board approved a revised development plan for the Property, consisting of three phases to include a theatre and market hall, office and retail and parking, and residential, with construction on the first phase to commence on or before September 1, 2024; and

WHEREAS, in August, 2024, the commencement deadline was extended to May 1, 2025 in anticipation of a revised development plan, still to include a theatre and food hall concept as its first phase; and

WHEREAS, Developer has submitted a further revised development plan (the “**Proposed Plan**”) and proposed terms of an amendment to the Development Agreement for the implementation of the Proposed Plan, as set forth in the term sheet attached as **Exhibit A** hereto (the “**Proposed Terms**”); and

WHEREAS, the DDA Board of Directors has determined that it is in the best interests of the DDA, the downtown district, and the Project to approve the Proposed Plan and Proposed Terms.

NOW, THEREFORE, BE IT RESOLVED, that the DDA Board of Directors does hereby approve the Proposed Plan and the Proposed Terms.



BE IT FURTHER RESOLVED that any two Officers, any two of the Authorized Agents of the DDA, or any one of the Officers and any one of the Authorized Agents of the DDA, shall hereafter have the authority to negotiate and execute an amendment to the Development Agreement in accordance with the Proposed Terms and other modifications to the Development Agreement as deemed appropriate by such Authorized Agents and counsel which are not inconsistent with this resolution and do not alter the substance of the Proposed Terms.

BE IT FURTHER RESOLVED that any two Officers, any two of the Authorized Agents of the DDA, or any one of the Officers and any one of the Authorized Agents of the DDA, shall hereafter have the authority to negotiate and execute any and all other 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 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 9, 2025



EXHIBIT A
Proposed Terms

SECOND AMENDMENT TO TERM SHEET
FOR THE
AMENDMENT AND RESTATEMENT OF THE MONROE BLOCKS DEVELOPMENT
AGREEMENT

This Second Amendment to Term Sheet ("Second Amendment") is made and entered by and between The City of Detroit Downtown Development Authority (the "DDA") and Monroe Phase I LLC and Monroe Phase II LLC (collectively, "Developer"), as successors-in-interest to Rosko Development Company LLC, as of this ____ day of _____, 2025, based upon the following:

A. The DDA and Developer entered into that certain Term Sheet, effective as of February 25, 2021 (the "Term Sheet"), regarding the principal terms of a proposed amendment and restatement of the existing Agreement to Purchase and Develop Land dated January 9, 2019, between the DDA and Developer (as amended and assigned, the "Existing Agreement").

B. The DDA and Developer entered into that certain First Amendment to the Term Sheet on or about March 31, 2023 ("First Amendment").

C. The DDA and Developer desire to further amend the Term Sheet upon the terms and provisions set forth in this Second Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the DDA and Developer agree that the Term Sheet is amended as follows:

1. Defined Terms. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Term Sheet.
2. Development Plan. The DDA hereby approves of the modified Plan submitted by Developer attached hereto as Exhibit A (the "Approved Modified Plan").
3. Phasing. The Development pursuant to the Approved Modified Plan will consist of two phases (each, a "Phase" and collectively, the "Phases"), being Phase One and Phase Two, each as depicted and described on the Approved Modified Plan.
4. Commencement and Completion Deadlines
 - (a) Commencement of Construction. The deadlines for Developer to commence construction of each Phase are as follows:
 - (i) Phase One: May 1, 2025
 - (ii) Phase Two: October 1, 2026
 - (b) Completion of Construction. The deadlines for Developer to complete construction of each Phase are as follows:
 - (i) Phase One: Thirty-Six (36) months after the applicable

commencement deadline.

(ii) Phase Two: Thirty-Eight (38) months after the applicable commencement deadline.

(c) The commencement and completion deadlines will be subject to force majeure, delays caused by the City of Detroit or the DDA (other than delays relating to the approval of incentives), and delays in obtaining foundation permits, all as set forth in the Existing Agreement and Term Sheet.

5. Interim Site Activation. This section is hereby deleted.

6. Default and Remedies. The DDA's remedies for Developer's failure to timely commence construction of any Phase shall be as set forth in the Term Sheet, as modified by the First Amendment, with the exception that the terms and conditions governing the exercise thereof shall be modified to align with the Approved Modified Plan, which consists of a Phase One and Phase Two, and that any reference to a "Third Phase" or provision that contemplates more than two phases shall be deleted or otherwise modified consistent with the Approved Modified Plan.

7. Milestones: This section is hereby deleted.

8. Miscellaneous. In the event of a conflict between the terms, covenants, conditions and provisions of the Term Sheet and the terms, covenants, conditions and provisions of this Second Amendment, the terms, covenants, conditions and provisions of this Second Amendment shall govern. Except as modified by this Second Amendment, the terms, covenants, conditions and provisions of the Term Sheet shall remain in full force and effect and are hereby ratified and confirmed. This Second Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Second Amendment may be executed in any number of counterparts and may be transmitted by electronic mail of a .pdf document or signed by electronic signature technology (e.g., via DocuSign or similar electronic signature technology), each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

**[SIGNATURE PAGE TO SECOND AMENDMENT TO TERM SHEET AMONG THE CITY OF
DETROIT DOWNTOWN DEVELOPMENT AUTHORITY, MONROE PHASE I LLC AND
MONROE PHASE II LLC FOR THE AMENDMENT AND RESTATEMENT OF THE MONROE
BLOCKS DEVELOPMENT AGREEMENT]**

The parties have executed the foregoing Second Amendment to Term Sheet as of the date set forth next to their respective signatures below.

**THE CITY OF DETROIT DOWNTOWN
DEVELOPMENT AUTHORITY**, a Michigan public
authority and body corporate

By: _____
Name: _____
Its: Authorized Agent
Dated: _____, 2025

By: _____
Name: _____
Its: Authorized Agent
Dated: _____, 2025

MONROE PHASE I LLC,
a Delaware limited liability company

By: _____
Name: Kofi Bonner
Its: Authorized Representative
Dated: _____, 2025

MONROE PHASE II LLC,
a Delaware limited liability company

By: _____
Name: Kofi Bonner
Its: Authorized Representative
Dated: _____, 2025

Approved as to form only:
Counsel to DDA

By: _____
Rebecca A. Navin, Esq.
Dated: _____, 2025

EXHIBIT A

THE APPROVED MODIFIED PLAN

[Attached hereto.]

The Development at Cadillac Square

MODIFIED DEVELOPMENT PLAN

APRIL 2025



MODIFIED DEVELOPMENT PLAN

PHASE ONE PROGRAM	GSF
Retail and Entertainment (COSM Detroit)	70,000 GSF
Retail and Entertainment (Market Hall)	34,000 GSF
Surface Parking	0.76 Acres

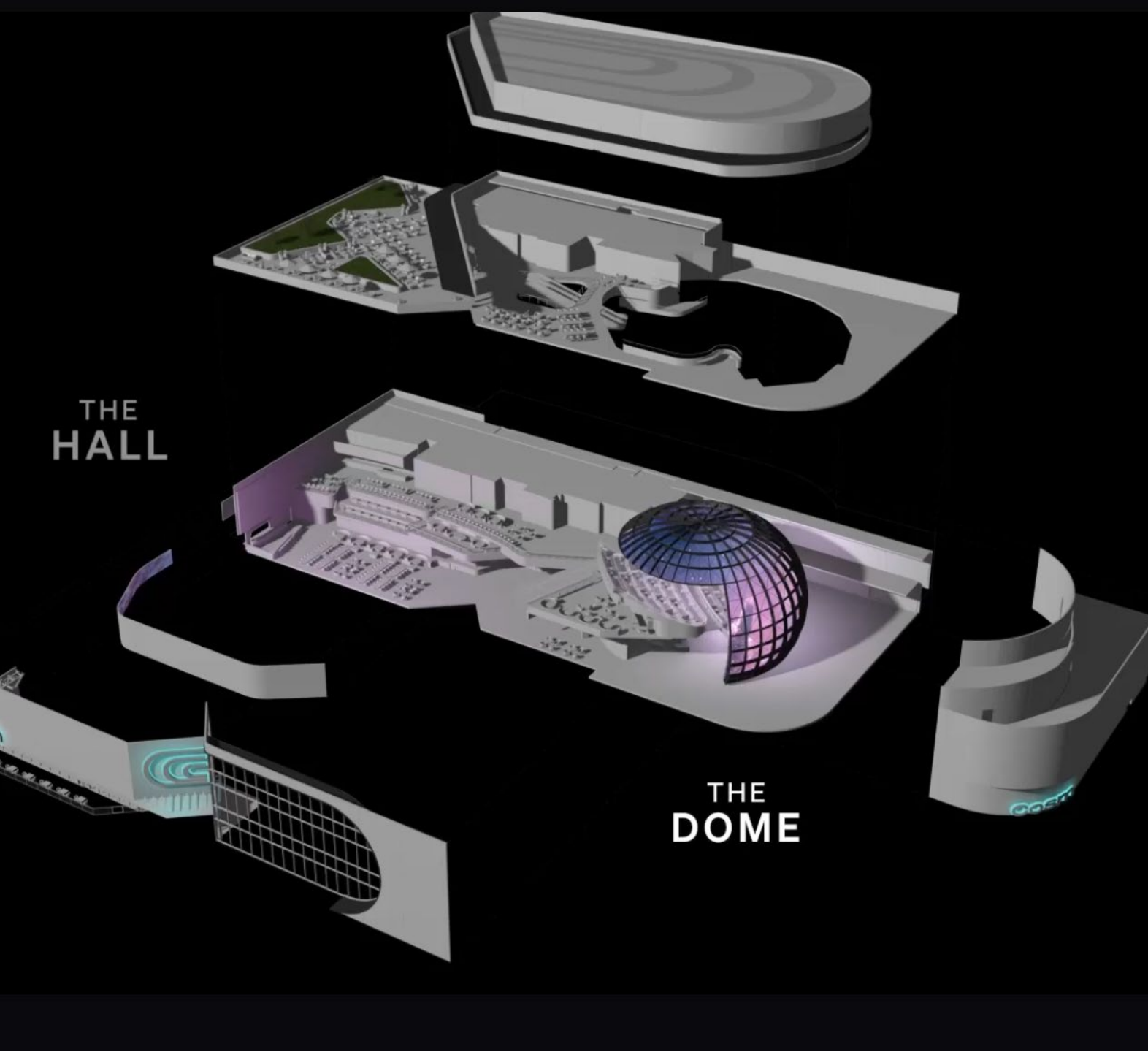
PHASE TWO PROGRAM*	GSF
Retail	42,000 GSF
Residential	230,000 GSF (250-280 units)
Structured Parking	450,000 GSF (950-1,100 stalls)

**The Modified Development Plan does not make any changes to the Phase Two program or to Developer's obligation regarding the National Theater facade as set forth in the Term Sheet.*





Conceptual Rendering, Phase One



COSM DETROIT

- COSM is the global pioneer in immersive, shared-reality entertainment experiences.
- With its revolutionary 12K LED viewing dome, COSM offers an unparalleled, immersive viewing experience for sports and entertainment.
- In addition to broadcast partnerships with major sports leagues, COSM offers cutting edge educational and cultural programming.
- Detroit will be COSM's fourth location nationally, after Los Angeles, Dallas, and Atlanta.



Actual Image from COSM



TEXAS

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MICHIGAN M

COSM

MICHIGAN STADIUM

Actual Image from COSM



Actual Image from COSM



Actual Image from COSM



TVG MARKET HALL

- The adjoining Market Hall, being developed with London-based The Venue Group (TVG), will feature a diverse array of local restaurant concepts, local retail brands, and space for live music.
- Together with COSM, the Market Hall will offer a new amenity for residents, workers, and visitors alike and continue to make Detroit one of the most exciting places in the nation to live, work, and play.





TABLED
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.

Tabled April 9, 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.



	Year 1	Year 2	Year 3
Gross Residential Rental Income	\$3,866,571	\$3,982,568	\$4,102,045
Gross Commercial Rental Income	\$263,270	\$268,535	\$273,906
Gross Potential Rent	\$4,129,841	\$4,251,103	\$4,375,951
Vacancy Loss Residential	(\$193,329)	(\$199,128)	(\$205,102)
Vacancy Loss Commercial	(\$26,327)	(\$26,854)	(\$27,391)
Effective Gross Income	\$3,910,185	\$4,025,121	\$4,143,458
DEVELOPMENT OPERATING EXPENSES:			
Administrative Expenses	\$387,689	\$401,270	\$414,115
Utilities	\$110,596	\$113,914	\$117,332
Maintenance/Non-Capitalized Repairs	\$241,234	\$248,471	\$255,925
Real Estate Taxes	\$647,840	\$660,797	\$674,013
Tax Abatement (-)	\$583,056	\$594,717	\$606,612
Property & Liability Insurance	\$58,397	\$60,149	\$61,953
Reserve Requirements	\$56,226	\$57,912	\$59,650
Total Expenses	\$918,926	\$947,796	\$976,376
Net Operating Income	\$2,991,259	\$3,077,325	\$3,167,082
TIF Reimbursement	\$4,094	\$4,221	\$4,351
Cash Flow Before Debt Service	\$2,995,353	\$3,081,546	\$3,171,433
<i>Annual All-In Debt Coverage Ratio (Before MEDC / DDA Cash Flow Splits)</i>	<u>1.24</u>	<u>1.27</u>	<u>1.31</u>
HUD Senior Loan Annual D/S Payments			
HUD 221 (d)4	\$1,759,628	\$1,759,628	\$1,759,628
HUD 221 (d)4 TIF / Retail Loan	\$163,622	\$163,622	\$163,622
HUD 221 (d)4 \$1 M Residential Rental Rev. Increase (Priced at 3.65%)	\$47,923	\$47,923	\$47,923
Subtotal HUD Debt	\$1,971,173	\$1,971,173	\$1,971,173
ODM Base Ground Rent	\$65,000	\$65,000	\$65,000
Cash Flow Available for Second Cash Flow Priority Group	\$959,180	\$1,045,373	\$1,135,260
Second Cash Flow Priority Group			
Invest Detroit D/S (\$2.5 M @ 6% Interest Rate - 30-Yr. Amort.)	\$181,622	\$181,622	\$181,622
DEGC Loan (\$1.1 M @ 1% Interest Rate - 40 Yr. Amort.)	\$33,501	\$33,501	\$33,501
Ground Lessor Participating Rent	\$224,261	\$230,989	\$237,919
Total of Second Cash Flow Priority Group	\$439,385	\$446,112	\$453,042
Remaining Cash Flow for HTC and Partnership Distribution	\$519,796	\$599,261	\$682,218
Historic Tax Credit Pref and Promote	\$228,000	\$228,000	\$228,000
Cash Flow Available for Distribution	\$291,796	\$371,261	\$454,218
MEDC / DDA Share	\$189,667	\$241,320	\$295,242
BDG Share	\$102,129	\$129,941	\$158,976