



**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, SEPTEMBER 12, 2023 – 9:00 A.M.**

BOARD MEMBERS PRESENT:

Clifford Brown
Marsha Bruhn
Chris Jackson
Kwaku Osei
Thomas Stallworth
Linda Forte

BOARD MEMBERS ABSENT:

Antoine Bryant (Ex-Officio)
Damon Hodge
Kimberly Clayson
John Naglick (Ex-Officio)

**SPECIAL DIRECTORS
PRESENT:**

None

**SPECIAL DIRECTORS
ABSENT:**

None

OTHERS PRESENT:

Jennifer Kanalos (DEGC/EDC)
Glen Long, Jr. (DEGC/EDC)
Kevin Johnson (DEGC/EDC)
Kelly Shovan (DEGC/EDC)
Rebecca Navin (DEGC/EDC)
Nasri Sobh (DEGC/EDC)
Medvis Jackson (DEGC/EDC)
JoMeca Thomas (DEGC/EDC)
Trisha Stein (Mayor's Office)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200, DETROIT, MI 48226
TUESDAY, SEPTEMBER 12, 2023 – 9:00 A.M.**

GENERAL

Call to Order

Noting that a quorum was present, Chair Forte called the Regular meeting of the Economic Development Corporation Board of Directors to order at 9:07 a.m.

Approval of Minutes

Ms. Forte asked if there were any additions, deletions, or corrections to the minutes of the August 8, 2023, regular Board meeting. Hearing none, Ms. Forte called for a motion.

Mr. Brown made a motion to approve the minutes of the August 8, 2023, regular Board meeting, as written. Mr. Stallworth seconded the motion. All were in favor with none opposed.

EDC Resolution Code 23-09-02-373 was unanimously approved.

Ms. Bruhn asked if the Board would receive the closed session minutes from the previous Board meeting. Ms. Navin explained that typically closed session minutes are not circulated, but if requested the minutes can be reviewed by the Board at the next regular Board Meeting.

Receipt of Treasurer's Reports

Ms. Shovan reviewed the Treasurer's Report of Receipts and Disbursements for the month of July 2023.

Ms. Forte asked if there were any questions.

Mr. Jackson asked if the reflected balance for the Green Grocer Program is encumbered into the EDC budget. Mr. Long explained that the balance is restricted and was originally a revolving loan fund. Mr. Long added that since then, those two loans have been repaid and a new loan has been made that is making interest payments.

Ms. Navin reminded the Board that there was an advertisement for the pool of money in question and the Board did approve of three loan recipients. Ms. Navin noted that one of those loans closed and the other two projects are not moving forward and dissolved before any money had been



dispersed. Ms. Navin concluded that in the coming months, the money will be re-solicited for the Green Grocer Program, and the funds are restricted not encumbered.

Mr. Jackson asked for an update on the Green Grocer Program regarding what is being done in the present. Ms. Forte agreed with the request made by Mr. Jackson and DEGC staff agreed to provide the information to the Board.

Ms. Forte asked if there were any questions. Hearing none, she called for a motion.

Mr. Osei made a motion to approve the Treasurers Report of Receipts and Disbursements for the month of July 2023, as presented. Mr. Brown seconded the motion. All were in favor with none opposed.

EDC Resolution Code 23-09-03-289 was unanimously approved.

PROJECTS

FUNDING AGREEMENT WITH DETROIT ECONOMIC GROWTH ASSOCIATION – NEIGHBORHOOD SOLAR FIELDS PROGRAM

Ms. Navin and Ms. Stein explained that the City of Detroit (the “City”) is launching a community-focused program to develop parcels of 10-40 acres into solar fields (“Neighborhood Solar Fields”) with the goal of powering municipal operations with solar and increasing the overall production of renewable energy in Detroit while converting land into productive solar fields (the “Program”). Under the Program, communities where sites with neighborhood solar fields are ultimately selected for the Program will receive \$25,000 per acre for community benefits.

The Program has been designed to be community driven in that only communities that voluntarily submit an application will be considered. To that end, the City has engaged with neighborhood block clubs, community groups and similar neighborhood organizations to identify community based groups that (i) have identified an area that the City has determined meets the minimum requirements for a Neighborhood Solar Field (a “Study Area”) and (ii) wish to collaborate with the City on the design and implementation of a Neighborhood Solar Field within the Study Area (a “Community Group” or the “Community Groups”). Further, the City has identified organizations with experience in renewable energy practices (“Neighborhood Solar Partners” or “NSPs”) to assist the Community Groups within an assigned Study Area in order to provide mentorship and technical assistance to the Community Group and to assist the Community Group submit a formal application for a Neighborhood Solar Field within the assigned Study Area. NSPs will receive nominal compensation (\$2,500 per assigned Study Area and \$2,500 per application submitted) for working with the Community Groups. There are expected to be 20 Study Areas paired with NSPs.



The City has received positive feedback from the philanthropic community regarding the Program and interest in providing the funding necessary to pay the NSPs. It is anticipated that the Detroit Economic Growth Association (“DEGA”) will act as a fiscal sponsor for those funds. However, due to timing of funding cycles, grant funding cannot be expected until after the October 31 application deadline for Neighborhood Solar Fields. Therefore, the City requested assistance from The Economic Development Corporation of the City of Detroit (the “EDC”) and the DEGA in providing funding for the Program until grant sources become available.

In 2019, the DEGA transferred on-hand philanthropic funds to the EDC to be combined with other on-hand EDC monies for the purposes of funding partially forgivable Streetscape Mitigation loans to businesses located along the Avenue of Fashion, which loans were partially forgivable. The EDC made loans of \$415,000 and has received and/or expects to receive approximately \$160,000.00 in repayment proceeds from those loans (all current and future loan proceeds, the “Loan Proceeds”). EDC staff recommends transferring the Loan Proceeds back DEGA so that the DEGA may fund the Program activities until grant sources become available.

A resolution was attached for the Board’s consideration.

Ms. Forte asked once the grant funds are received, what will happen to the funds that had already been advanced. Ms. Navin answered that those funds will be replenished and available for future projects. Mr. Jackson asked Ms. Navin if the funds would come to the EDC or stay at the DEGA. Ms. Navin responded that the funds will stay at the DEGA and because the funds are not encumbered, it is possible the funds will come back to the EDC to fund a future project.

Mr. Jackson asked if the DEGA was operating these funds as a line of credit. Ms. Navin stated that it operates similarly, as when a request for funds is given for an initiative these funds are utilized.

Ms. Forte asked Ms. Navin to confirm that there is no interest being charged. Ms. Navin confirmed there is no interest being charged and rather is bridge funding.

Mr. Stallworth asked for clarification on who the Neighborhood Solar Partners were, what they do, and what is being paid for.

Ms. Stein explained that Neighborhood Solar Partners are environmental subject experts that her team has been working with to inform the public about clean energy.

Mr. Stallworth asked if any other municipality has tried something of this nature. Ms. Stein responded that other municipalities are doing similar things to incorporate solar energy, but no other municipality is using a neighborhood approach.



Mr. Stallworth asked what the return on investment is in terms of reduced costs for Detroit residents. Mr. Stallworth continued and asked why solar power is being utilized rather than wind power.

Ms. Stein responded that solar is more desirable because of the amount of vacant available land. Ms. Stein continued that there is a return on investment being worked on to find where their solar study areas are. Ms. Stein continued that ten million (10,000,000) dollars is paid to DTE for the power of a few core facilities currently and the development would take roughly 10 years to break even.

Mr. Stallworth asked if after they break even if the cost reduction would be around nineteen million dollars (19,000,000). Ms. Stein responded that the nineteen million (19,000,000) is the total paid, while the ten million (10,000,000) is for the core facilities that aim to be powered by solar energy. Ms. Stein added that more facilities can be added but is dependent on their request for proposal (RFP).

Ms. Forte asked how much the solar energy cost would be for the core facilities. Ms. Stein stated that their estimate is modeled after what other cities have done. Ms. Stein added that all in all it would cost a hundred to a hundred and twenty million dollars (100,000,000 – 120,000,000) to develop. Ms. Forte clarified her question asking what the annual savings would be for energy by using solar power. Ms. Stein stated that her team is still using assumptions because they have not settled on a vendor.

Ms. Stein explained that her team is still in the middle of a request for information (RFI) where they ask for all options therefore making it difficult to give exact figures. Ms. Forte concluded that the cost is ten million (10,000,000) currently but the cost of using solar power remains unknown.

Ms. Stallworth asked how the current DTE bill would compare to the DTE bill using solar power. Ms. Stein explained that costs will ramp down as energy will be put back into the grid and that in approximately ten years there should be minimum payments towards electricity.

Mr. Stallworth asked if the ten million (10,000,000) that is currently paid would go away. Ms. Stein agreed and added that this would be true over time.

Mr. Jackson asked if there was no longer a need for these funds on Livernois, which was its original intent for business disruption. Ms. Navin stated there is no longer a need to mitigate the factors that caused the program.

Mr. Jackson asked what the exact amount is that is being reprogrammed. Ms. Navin responded that the request is for the full balance of the loan to be moved to the DEGA.

Mr. Jackson asked what the EDC's involvement is anticipated to be. Ms. Navin stated that the EDC is not expected to have further involvement in this project.



Mr. Brown concluded that the EDC received funds from the DEGA to fund projects on Livernois, and now that the projects on Livernois do not require those funds the funds are being returned to the DEGA. Ms. Navin agreed.

Ms. Bruhn asked what amount is being transferred. Ms. Navin answered that the remaining balance was made from the repayment of the loans of around a hundred and sixty thousand dollars (160,000) and that is the amount requested by the DEGA.

Ms. Forte asked Mr. Long if he could provide an exact figure as to the remaining balance. Mr. Long stated the current balance is \$153,186.97 and because the loans aren't fully paid off the number has been rounded to 160,000.00.

Mr. Osei asked if Ms. Stein had referenced ARA funds in her presentation. Ms. Stein clarified she meant IRA funds such as tax credits available to homeowners.

Mr. Jackson asked why Detroit was the target area and not elsewhere, where there is much more available land to be used. Ms. Stein explained that those areas have deed restrictions that don't allow for the development to be on their land.

Mr. Stallworth stated he would be pushing back a bit on the assumption that Livernois does not need additional help. Mr. Stallworth added that the funds were to be used to help businesses during COVID-19 and there is evidence showing COVID-19 is on the rise. Mr. Osei clarified the funds were for Streetscape not for COVID-19.

Ms. Navin added that along with the EDC, the DEGA does fund small businesses as well. Ms. Navin stated that it is possible the funds could be used towards small business needs through the DEGA.

Ms. Bruhn asked if this program is being proposed in conjunction with community presidents, if there are any aesthetic issues surrounding the program, and what issues are brought up by the neighborhoods. Ms. Stein responded that they only engage neighborhoods that have expressed interest. Additionally, the program experts remain in contact with the neighborhoods in order to discuss options that will not disturb the neighborhood's desired aesthetics.

Mr. Brown asked that the Board be given updates on the project.

Ms. Forte called for questions. Hearing none Ms. Forte called for a motion.

Mr. Stallworth made a motion to approve the Funding Agreement with Detroit Economic Growth Association – Neighborhood Solar Fields Program, as presented. Mr. Osei seconded the motion. All were in favor with none opposed.

EDC Resolution Code 23-09-99-11 was approved.

ADMINISTRATION



EDC BUDGET AMENDMENT FOR FY 2023 – 2024

Ms. Kanalos stated that on June 13, 2023 a resolution was approved for a City of Detroit request of an Additional Scope of Services to the City/EDC Contract in connection with the Green Grocer Program. The resolution approved (i) the addition of the Additional Scope, together with its associated \$525,000 budget, to the Agreement and (ii) a funding agreement with DEGA relating to the transfer of the funds.

As such, the FY 2023-2024 EDC Budget, approved by the EDC Board on May 9, 2023, needs to be amended to reflect the increase in funding to the City/EDC Contract in the amount of \$525,000.00.

Ms. Forte called for questions. Hearing none Ms. Forte called for a motion.

Mr. Jackson made a motion to approve the EDC Budget Amendment for FY 2023 - 2024, as presented. Mr. Brown seconded the motion. All were in favor with none opposed.

EDC Resolution Code 23-09-01-232 was approved.

OTHER MATTERS

PUBLIC COMMENT

None.

ADJOURNMENT

With there being no other business to come before the Board on a motion made by Mr. Brown and seconded by Mr. Osei, Ms. Forte adjourned the meeting at 10:00 a.m.



CODE EDC 23-09-02-373

APPROVAL OF MINUTES OF AUGUST 8, 2023, REGULAR MEETING

RESOLVED, that the minutes of the regular meeting of August 8, 2023, 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.

September 12, 2023



CODE EDC 23-09-03-289

RECEIPT OF TREASURER'S REPORT FOR JULY 2023

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending July 31, 2023, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

September 12, 2023



CODE EDC 23-09-99-11

**FUNDING AGREEMENT WITH DETROIT ECONOMIC GROWTH ASSOCIATION –
NEIGHBORHOOD SOLAR FIELDS PROGRAM**

WHEREAS, the City of Detroit (the “City”) is launching a community-focused program to develop parcels of 10-40 acres into solar fields (“Neighborhood Solar Fields”) with the goal of powering municipal operations with solar and increasing the overall production of renewable energy in Detroit while converting land into productive solar fields (the “Program”); and

WHEREAS, under the Program, organizations with experience in renewable energy practices (“Neighborhood Solar Partners” or “NSPs”) will assist the community groups within a specified geographic area in order to provide mentorship and technical assistance to the community group and to assist the community group submit a formal application for a Neighborhood Solar Field within the assigned Study Area;

WHEREAS, the City requested assistance from The Economic Development Corporation of the City of Detroit (the “EDC”) and the Detroit Economic Growth Association (“DEGA”) in providing funding for the Program until philanthropic grant sources become available; and

WHEREAS, in 2019, the DEGA transferred on-hand philanthropic funds to the EDC, to be combined with other on-hand EDC monies for purposes of funding approximately \$415,000 in partially forgivable Streetscape Mitigation loans to businesses located along the Avenue of Fashion, from which EDC has received and/or expects to receive approximately \$160,000.00 in repayment proceeds from those loans (all current and future loan proceeds, the “Loan Proceeds”), which Loan Proceeds EDC Staff recommends transferring back to DEGA so that DEGA fund the Program’s activities until grant sources become available.

WHEREAS, the EDC Board has reviewed the funding request and finds it reasonable and otherwise consistent with its statutory powers and purposes.

NOW, THEREFORE, BE IT RESOLVED, that the EDC Board of Directors hereby authorizes the transfer of the Loan Proceeds to the DEGA.

BE IT FURTHER RESOLVED, that any one of the officers and any one of the Authorized Agents of the EDC or any two of the Authorized Agents of the EDC shall hereafter have the authority to negotiate and execute all documents, contracts, or other papers, and take such other 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.

September 12, 2023



CODE EDC 23-08-01-232

ADMINISTRATION: EDC BUDGET AMENDMENT FOR FY 2023-2024

WHEREAS, on May 9, 2023, the Board of Directors of the Economic Development Corporation of the City of Detroit (the “EDC”) approved a resolution adopting the Operating Budget of the EDC for fiscal year beginning July 1, 2023 and ending June 30, 2024; and

WHEREAS, on June 13, 2023, the EDC approved a resolution for a City of Detroit request of an Additional Scope of Services to the City/EDC Contract in connection with the Green Grocer Program. The resolution approved (i) the addition of the Additional Scope, together with its associated \$525,000 budget, to the Agreement and (ii) a funding agreement with DEGA relating to the transfer of the funds; and

WHEREAS, the EDC wishes to adopt an Amended Budget for its fiscal year beginning July 1, 2023 and ending June 30, 2024 to reflect the additional funding of \$525,000.00 for the Green Grocer Program.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Economic Development Corporation of the City of Detroit, as follows:

1. The Amended Budget of the EDC, attached as Exhibit A hereto, for the fiscal year beginning July 1, 2023 and ending June 30, 2024 is hereby approved.

BE IT FURTHER RESOLVED that the EDC 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 other 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 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.

September 12, 2023

**ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF
DETROIT
AMENDED OPERATING BUDGET
JULY 1, 2023 TO JUNE 30, 2024**

	Adopted Budget June 30, 2024	Amendments	Amended Budget June 30, 2024
<u>REVENUE</u>			
City of Detroit	275,000	525,000	800,000
TSF From Waterfront Reclamation	300,000	0	300,000
TSF From Motor City Match/Restore	900,000	0	900,000
TSF From Projects for DEGC Legal	180,000	0	180,000
TSF From Casino Development Fund	350,000	0	350,000
TSF From Repaid Loans	550,000	0	550,000
TSF From Other Projects	150,000	0	150,000
Other Revenue & Service Fees	25,000	0	25,000
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TOTAL REVENUE	2,730,000	525,000	3,255,000
	<hr/>	<hr/>	<hr/>
<u>EXPENSES</u>			
Detroit Economic Growth Corp	800,000	0	800,000
Detroit Economic Growth Corp Special Proj	600,000	0	600,000
Other Projects Administrative Fees	1,050,000	0	1,050,000
DEGA Green Grocer Program	0	525,000	525,000
DEGC Legal Services	200,000	0	200,000
Legal Services	10,000	0	10,000
Audit	30,000	0	30,000
NMDC/Miscellaneous	40,000	0	40,000
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TOTAL EXPENSES	2,730,000	525,000	3,255,000
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Operating Surplus/(Shortfall)	0	0	0
Debt Service	0	0	0
(Increase)/Decrease in Reserve	0	0	0
	<hr/>	<hr/>	<hr/>
NET SURPLUS/(SHORTFALL)	0	0	0
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