Welcome to THE DISTRICT DETROIT

COMMUNITY BENEFITS MEETING





AGENDA

Welcome & Introductions

Neighborhood Advisory Council (NAC) Introductions + Roles

Economic Benefit and Tax Incentives for District Detroit

NAC Discussion

District Detroit Project Presentation

NAC Discussion

General Q & A

ANTICIPATED PUBLIC CBO MEETING SCHEDULE Meetings Nov 2022 Dec 2022 Jan 2023 WK 1 WK 2 WK 3 - 6 WK 7 WK 8 WK 9 WK 10 Meeting 1 - Introduction to CBO and Tier 1 Project 29-Nov

6-Dec

December

12, 2022 -

January

6th 2023

*Please note that this schedule might change and will be updated as we progress.

10-Jan

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Meeting 2 - NAC Selection (2 members selected

Winter Recess - Confirm Council and PDD NAC

selections . NAC Orientation takes place in this

Meeting 3 - Developer Project Presentation and

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on Community Benefits Agreement

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proposed agreement

by the public)

period

Feb 2023

WK 11

WK 12

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CITY OF DETROIT CBO WEBSITE

THE CBO
WEBSITE IS
UPDATED
REGULARLY
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MEETING TIMES,
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PRESENTATIONS
+ THE SIGNED
COMMUNITY
BENEFITS
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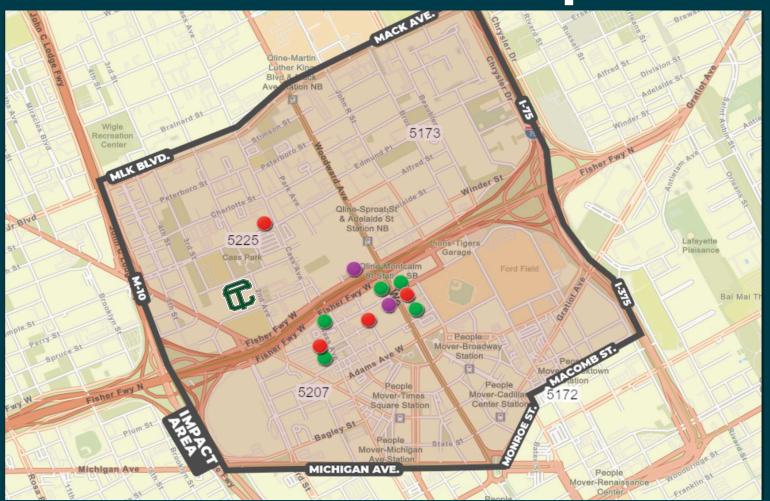


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NEIGHBORHOOD ADVISORY COUNCIL (NAC)

The District Detroit CBO Impact Area



CBO TIER 1 PROCESS Neighborhood Advisory Council (NAC) Selection - 9 Members

COMMUNITY **APPOINTED APPOINTED BY SELECTIONS BY COUNCIL PLANNING & MEMBERS DEVELOPMENT** *** ***

*Appointed by 2 At-Large Members and the Council Member whose district contains the largest portion of the Impact Area

NAC SELECTION - ROLES & RESPONSIBLITIES

ELIGIBILITY

- Resident of the impact area.
- At least 18 years of age.
- o No agents or employees / affiliates of the Developer or involved City Departments / Agencies.
- MUST BE NOMINATED AT THE PUBLIC CBO MEETING.

REQUIRED DUTIES

- Must attend all scheduled CBO meetings.
- Develop NAC impact list.
- o Review Community Benefits Report written by the Planning and Development.
- o Develop a letter of consensus of the proposed Community Benefits.
- o Compliance: Review biannual compliance report to monitor progress and status of project.
- o Compliance: Attend annual meeting to discuss the status of the project.

RESPONSIBILITIES

- o You cannot use this position for personal gain and must declare any conflicts of interest.
- You are agreeing to represent your fellow residents.
- You are agreeing to provide feedback for the community.
- You are agreeing to work together with fellow NAC members to make official recommendations to mitigate any negative impacts of the project.
- You are advising the City of Detroit and City Council on how best to mitigate impacts.

NAC - CONFLICT OF INTEREST DISCLOSURE

- Any person who is an agent, employee, or official of the developer, or an employee of a City department or authority directly involved in the development, must disclose such relationship
- If a conflict exists, the person is prohibited from serving on the Neighborhood Advisory Council.
- A conflict of interest for this purpose means any financial interest held personally or by an immediate family member in the Tier 1 Development Project developer entity

NEIGHBORHOOD ADVISORY COUNCIL (NAC)

- Terrance "T.R." Reid Elected by Impact Area Residents
- Henry Allen Williams Jr. Elected by Impact Area Residents
- Barbrie Logan Appointed by Council Member Gabriela Santiago-Romero
- Jonathan C. Kinloch Appointed by Council Member Coleman A. Young II
- Deirdre Jackson Appointed by Council Member Mary Waters
- Michael Essian II Appointed by Planning & Development
- Eddie Hall III Appointed by Planning & Development
- Chris Jackson Appointed by Planning & Development
- Rogelio Landin Appointed by Planning & Development
- Steven Hawring
 Non-voting Alternate appointed by Planning & Development

NAC MEMBER ROLES / POSITIONS

CHAIRPERSON

- Facilitates and guides the conduct of NAC meetings and activities
- Works with PDD staff to develop agenda and action items for NAC meetings
- Ensures effective participation of all NAC members

VICE-CHAIRPERSON

- Assist the Chairperson in the above noted duties
- Facilitate and guide NAC activities in the Chairperson's absence

SECRETARY / NOTETAKER

- Record notes, decisions, and action items at meetings or activities of the NAC
- Receive and respond to correspondence addressed to the NAC
- Maintain records and resources for the NAC

THE DISTRICT DETROIT ECONOMIC BENEFIT AND TAX INCENTIVES - DEGC





The District Detroit

TABLE OF CONTENTS

- WHO IS THE DEGC
- WHAT ARE INCENTIVES
- DEGC "BUT-FOR" ANALYSIS
- BROWNFIELD TAX INCREMENT FINANCING (TIF)
- 05 HOW DOES THIS PROJECT IMPACT DETROIT



DISTRICT DETROIT | EXECUTIVE SUMMARY

- 10 buildings being developed in Downtown Detroit
- 695 new residential units (139 affordable units / wages \$31,000 year)
- 1.2 Million SF of office space and 140,000 SF of retail space

INCENTIVES OVERVIEW:

- ☐ Property Tax Abatements [Neighborhood Enterprise Zone + Commercial Rehabilitation Act]
- Transformational Brownfield Plan
- DDA Funding to support Affordable Housing and Public Infrastructure
- No City of Detroit General Fund Revenues will be used.

ECONOMIC AND FISCAL BENEFITS

\$1.5B
Estimated
Investment

6,000 Permanent Jobs 12,000 Construction Jobs \$751M City of Detroit Net Benefit (Over 35-yrs)

Deeply Affordable Units

139



WHO IS THE DEGC?



What is the Detroit Economic Growth Corporation (DEGC)?

- Established in 1978 by Mayor Coleman Young as a private, non-profit organization
- Lead economic development organization supporting small businesses, real estate development, business attraction & retention in the City of Detroit
- Staff public authorities, including: Downtown Development Authority (DDA) and Detroit Brownfield Redevelopment Authority (DBRA)

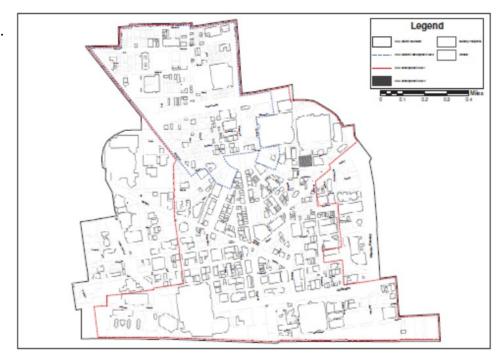
Why is DEGC here?

- Review the development finances to confirm:
 - Request for incentives is necessary ("but-for") and
 - Incentives are in the City's financial interest (fiscal benefits)



What is the Downtown Development Authority (DDA)?

- DDA TIF district was established by City in 1978 under state law, with strong advocacy from Mayor Coleman A. Young Jr.
- Designed to increase economic activity downtown.
- While the property taxes generated in the DDA District can only be used in the Downtown, the income tax revenues generated go to the City's General Fund and are used citywide.
- The DDA supports investments & business growth through:
 - loans
 - sponsorships
 - grants
 - infrastructure
 - additional programs





WHAT ARE INCENTIVES?



For District Detroit, we'll look at...

Tax Abatements - temporary coupon on new property taxes for up to 15 years

Brownfield Tax
Increment Financing
(TIF) - reimburses
the developer using
new tax revenues
from the project



Property Tax Abatements



State laws that limit future tax increases for a certain period of time



Business Expansion



New construction of commercial property on vacant land



Rehabilitates
blighted,
contaminated
+ obsolete
structures



Brings more affordable housing units + home ownership to market



The District Detroit



"But for" test

Demonstrated need based on underwriting:

ie. Would the project happen without the incentives?



Economic benefits

Job Creation

6,000 permanent

12,000 construction



Fiscal benefits

Net Benefit

\$751M in net fiscal benefit to the City of Detroit over 35 years



Strategic benefits

Enable deeply affordable housing

Activation of Vacant Land

Reuse of historic assets





DOES NOT take City money and give that money to developers. Developers pay less in taxes as they build.



ONLY recommended if there is a net benefit to the City.



ARE NOT granted without accountability or oversight.



DO NOT deliver benefits until developments are completed.



DEGC "BUT-FOR" ANALYSIS



Could the project happen without incentives?

THE PROJECT WOULD NOT HAPPEN BECAUSE:

1. The project would not be able to receive financing without the incentives.

2. The project would not be worth investing in without the incentives.



How does this project compare to other projects that received incentives?

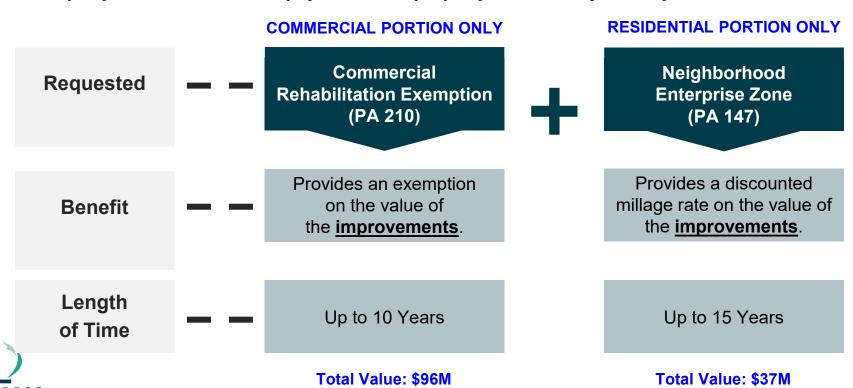
In 2021 and 2022 City Council voted to approve incentives on \$2.0 billion in mixed-use projects:

	Average Return	District Detroit
2021	4.3%	4.4%
2022	7.1%	



The District Detroit Tax Abatements

Property owner continues to pay all current property taxes to City, County, and schools.



27

BROWNFIELD TAX INCREMENT FINANCING (TIF)



Brownfield Act



In 1996, Act 381 of the State of Michigan allowed a "Qualified Local Governmental Unit" to establish a Brownfield Redevelopment Authority (BRA)



Detroit is a Qualified Local Governmental Unit



In 1998, the Detroit
Brownfield
Redevelopment
Authority (DBRA) was
established



Eligibility for Brownfield



Facility

A property formally recognized as contaminated per the Natural Resources & Environmental Protection Act (NREPA), Michigan PA 451 of 1994



Historic Resource

A property located in a City, State and/or Federal Historic District



Functionally Obsolete / Blighted

Must also be accompanied by written confirmation from City Assessor

Public nuisance, utilities removed/destroyed, tax reverted, buried subsurface demolition material

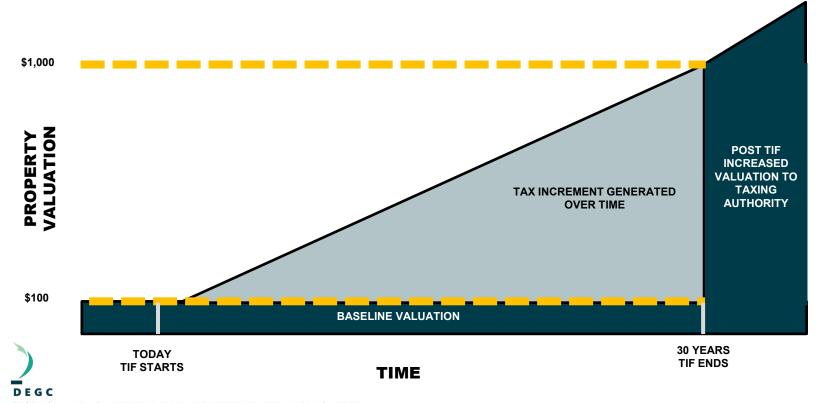


Adjacency

Parcels directly adjacent to an eligible property



Tax Increment Financing (TIF) How It Works



Transformational Brownfield Plan (TBP) Amendments



In 2017,
State of Michigan amended
Act 381 to authorize
"transformational
brownfield plans" (TBP)



Enables new TIF structure to help fund high construction costs of extraordinary projects



TBP TIFs also capture certain State income and sales tax revenues



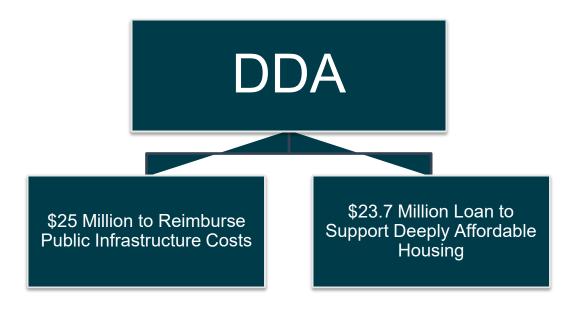
TBP Request

TOTAL DEVELOPMENT COST	TOTAL TBP (OVER 35 YEARS)	IN TODAY'S DOLLARS [1]
\$1.5 B	\$616 M	\$256 M



[1] Reflects Today's Value of the 35-Year Total of the TBP Incentive based on NPV $\,$

The DDA Investment





HOW DOES THIS PROJECT IMPACT DETROIT?





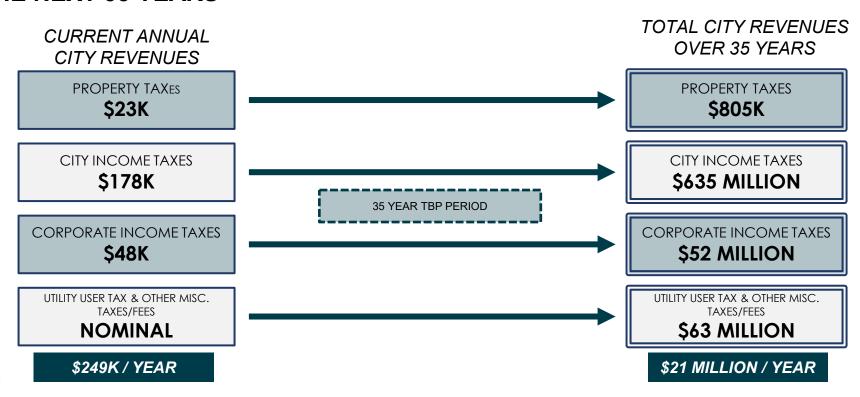
Annual Taxes Currently Received By City of Detroit

Today, Detroit receives approximately \$249,000 per year from the properties included in the proposed development project

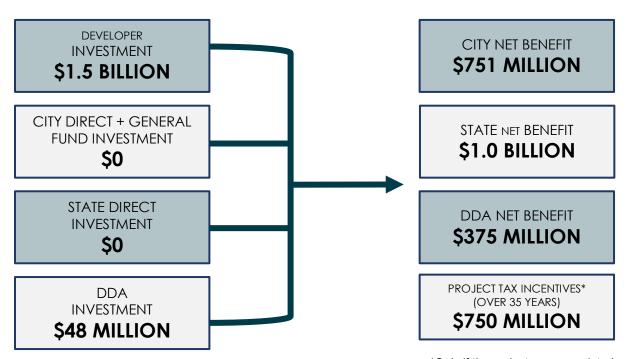
\$23,000	General Fund Share of City Property Taxes remain "grandfathered" before the creation of the DDA. By state law, new property tax revenues, after the creation of the DDA, go to the DDA and not to the City general fund.
\$211,000	Employee and Corporate City Income Taxes from the Fox Office Building.
\$15,000	Employee and Corporate City Income Taxes from the Hockeytown Café.
\$249,000	Annual Total



THE CITY IS PROJECTED TO SEE A NET BENEFIT OF \$751 MILLION OVER THE NEXT 35 YEARS



NET BENEFIT FOR ALL





*Only if the projects are completed

THE END



NAC Discussion



Comment cards also available for audience members

THE DISTRICT DETROIT PROJECT PRESENTATION

THE DISTRICT DETROIT

WHERE DETROIT
COMES TOGETHER













NEIGHBORHOOD PROJECT BENEFITS

- CONSTRUCTION JOBS
- AFFORDABLE HOUSING
- OFFICE, RETAIL, AND HOTEL JOBS
- SHOPPING & DINING
- DEVELOPMENT OF SURFACE LOTS
- REVITALIZATION OF HISTORIC BUILDINGS

RESIDENTIAL

NEW CONSTRUCTION

HISTORIC RENOVATION

ACADEMIC / BUSINESS INCUBATOR

NEW CONSTRUCTION

HISTORIC RENOVATION

OFFICE

NEW CONSTRUCTION

HISTORIC RENOVATION

HOTEL

NEW CONSTRUCTION

HISTORIC RENOVATION



NEW AND RENOVATED HISTORIC PROJECTS

1.2M+ SF OF OFFICE

146K SF OF RETAIL

467 HOTEL ROOMS

865 | MIXED-INCOME RESIDENTIAL UNITS

26% EARMARKED AT 60% OF THE AREA MEDIAN INCOME (AMI) AND BELOW

Rents as low as \$627/month for a 1-person household earning \$25,080 Rents not exceeding \$1,007/month for 3-person household earning \$40,300

*Represents 2022 figures. Can change over time.

RESIDENTIAL

NEW CONSTRUCTION



ACADEMIC / BUSINESS INCUBATOR

NEW CONSTRUCTION

HISTORIC RENOVATION

OFFICE

NEW CONSTRUCTION



HOTEL

NEW CONSTRUCTION

HISTORIC RENOVATION



HISTORIC PRESERVATION AND RENOVATION OF AN ENTIRE SEVEN BUILDING BLOCK

RENT PROTECTION FOR EXISTING RESIDENTS

HENRY STREET REDEVELOPMENT

.

245 CONSTRUCTION JOBS

170 TOTAL UNITS

BY THE | 9 K | S F COMMUNITY HUB

f 8 m 4 AFFORDABLE UNITS STARTING AT 30% AMI

Rents as low as \$627/month for a 1-person household earning \$25,080 Rents not exceeding \$1,007/month for 3-person household earning \$40,300

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BEFORE



SURFACE PARKING LOT CONVERTED TO VERTICAL DEVELOPMENT

2200 WOODWARD

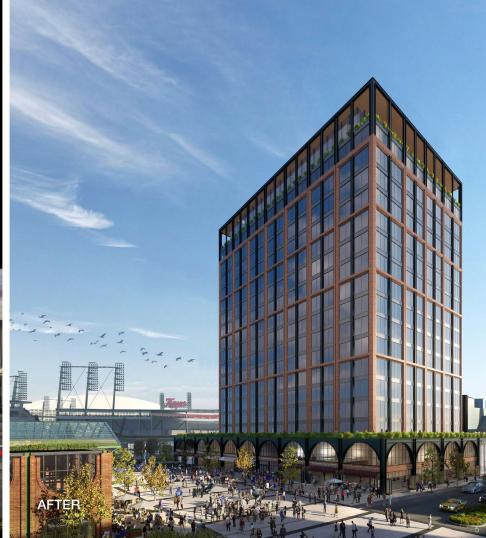
BY THE NUMBERS

2 K CONSTRUCTION JOBS

2 K PERMANENT JOBS

493K SF OFFICE SPACE





NEW CONSTRUCTION MIXED-USE, MIXED-INCOME IN THE HEART OF DOWNTOWN

2250 WOODWARD

BY THE NUMBERS

2 CONSTRUCTION JOBS

240 PERMANENT JOBS

287 RESIDENTIAL UNITS

5 8 DEEPLY AFFORDABLE UNITS RANGING FROM 40-50% OF AREA MEDIAN INCOME

Rents as low as \$627/month for a 1-person household earning \$25,080 Rents not exceeding \$1,007/month for 3-person household earning \$40,300

27K SF SHOPS AND DINING

*Represents 2022 figures. Can change over time.





PRESERVING A CITY ICON

2211 WOODWARD • THE FOX HOTEL

BY THE NUMBERS

ADAPTIVE REUSE HISTORIC BUILDING

940 CONSTRUCTION JOBS

220 PERMANENT JOBS

177 KEYS OF HOTEL ROOMS





FROM VACANCY TO VIBRANCY

2300 WOODWARD

BY THE NUMBERS

630 CONSTRUCTION JOBS

610 PERMANENT JOBS

131K SF OFFICE SPACE





ACHIEVING NEW HEIGHTS

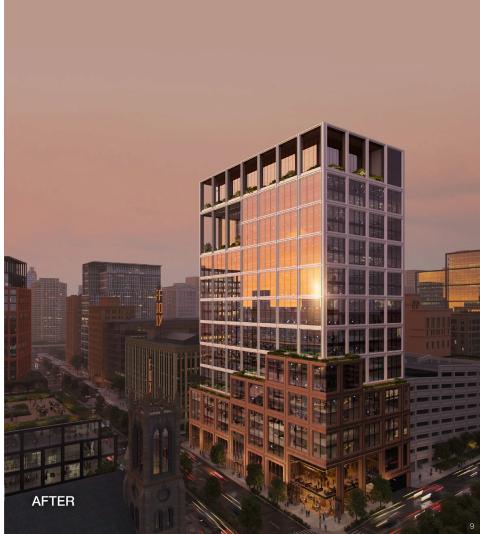
2305 WOODWARD • 2ND OFFICE A

BY THE 2 N PERMANENT SO. NUMBERS 546 K SF OFFICE SPACE

2 K CONSTRUCTION JOBS

2 K PERMANENT JOBS





NEW CONSTRUCTION OFFICE ADJACENT TO THE DCI

2300 CASS • 2ND OFFICE B

BY THE 2 N PERMANENT 30.

NUMBERS 546 K SF OFFICE SPACE

? K CONSTRUCTION JOBS

2 K PERMANENT JOBS





MEETING THE NEED OF MAJOR EVENTS

2455 WOODWARD • LITTLE CAESARS ARENA, HOTEL

BY THE NUMBERS

CONSTRUCTION JOBS

420 PERMANENT JOBS

290 KEYS OF HOTEL ROOMS





RESTORED RESIDENTIAL HISTORIC BUILDING ON CASS AVENUE

408 TEMPLE • THE AMERICAN

BY THE NUMBERS

660 CONSTRUCTION JOBS

5 0 PERMANENT JOBS

RESIDENTIAL UNITS

2 7 DEEPLY AFFORDABLE UNITS RANGING FROM 40-50% OF AREA MEDIAN INCOME

Rents as low as \$627/month for a 1-person household earning \$25,080 Rents not exceeding \$1,007/month for 3-person household earning \$40,300

5 K S F SHOPS AND DINING

*Represents 2022 figures. Can change over time.





MIXED-INCOME, NEW CONSTRUCTION ADJACENT TO THE DCI

DCI RESIDENTIAL

BY THE NUMBERS

CONSTRUCTION JOBS

8 0 PERMANENT JOBS

261 RESIDENTIAL UNITS

5 4 DEEPLY AFFORDABLE UNITS RANGING FROM 40-50% OF AREA MEDIAN INCOME

Rents as low as \$627/month for a 1-person household earning \$25,080 Rents not exceeding \$1,007/month for 3-person household earning \$40,300

9 K SF SHOPS AND DINING

*Represents 2022 figures. Can change over time.





A HOME FOR DETROIT-BASED ENTREPRENEURS

DCI INCUBATOR

BY THE NUMBERS

ADAPTIVE REUSE HISTORIC BUILDING

420 CONSTRUCTION JOBS

350 PERMANENT JOBS

83K SF OFFICE SPACE





A NEW DETROIT LIFE

2210 PARK • DETROIT LIFE, RESIDENTIAL

BY THE NUMBERS

RESTORED RESIDENTIAL REUSE HISTORIC BUILDING

220 CONSTRUCTION JOBS

30 PERMANENT JOBS

16 RESIDENTIAL UNITS





\$1.4B PRIVATE INVESTMENT TO DRIVE:

6

NEW PROJECTS

2 MIXED-INCOME RESIDENTIAL BUILDINGS 3 COMMERCIAL OFFICE BUILDINGS

1 HOTEL

18K

JOBS

12K CONSTRUCTION JOBS **6K** ONGOING JOBS AFTER CONSTRUCTION

FENOVATED HISTORIC PROJECTS

3 RESIDENTIAL PROJECTS

1 OFFICE BUILDING

1 HOTEL

865

MIXED-INCOME <u>Resi</u>dential units

26% EARMARKED AT 60% OF THE AREA MEDIAN INCOME (AMI) AND BELOW









PLANNED FIVE YEAR TRANSFORMATION PLAN 5053 2024 2025 5056 2027 5058 PROJECT Q1 Q2 Q3 Q4 Henry St. Redevelopment Affordable Residental 2200 Woodward Office DCI Academic Building 2210 Park Detroit Life Residential 2205 Cass DCI Residential RESIDENTIAL NEW CONSTRUCTION 2455 Woodward Little Caesars Arena Hotel ## HISTORIC RENOVATION 2250 Woodward Residential **ACADEMIC / BUSINESS INCUBATOR NEW CONSTRUCTION** 2115 Cass DCI Business Incubator ### HISTORIC RENOVATION 2300 Woodward Mixed-Use **OFFICE** NEW CONSTRUCTION 2211 Woodward **###** HISTORIC RENOVATION Fox Hotel 408 Temple The American Residential HOTEL NEW CONSTRUCTION 2300 Cass/2305 Woodward **### HISTORIC RENOVATION** Office - Flexible Site

JOB OPPORTUNITIES

Office

- Loan Officers
- Tellers
- Loan Interviewers and Clerks.
- Customer Service Representatives
- Claims Adjuster
- Insurance Claims Clerks
- Sales Agents
- Software Developers
- Computer Systems Analysts
- Mechanical Engineers
- Management Analysts
- Office Clerks

Property Management

- Maintenance and Repair Workers
- Office Clerks
- General Operations Managers
- Landscaping and Groundskeeping Workers

Hotel

- Concierge
- Housekeeping Cleaners
- Maintenance and Repair Workers
- Waiters
- Cooks
- General Operations Managers

Retail

- Salespersons
- Supervisors
- Cashiers
- General Operations Managers
- Customer Service Representatives
- Stockers
- Office Clerks

Food and Beverage

- Waiters
- Cooks
- Supervisors
- Hosts
- Cashiers
- Dishwashers
- Bartenders
- General Operations Managers

Construction

- Construction Laborers
- Carpenters
- Construction Managers
- First-line Supervisors
- Painters
- Office Clerks

NAC Discussion



General Q & A



One minute per question Comment cards also available

CBO TIER 1 PROCESS Identifying Project Impacts and Mitigations



THE
NEIGHBORHOOD
ADVISORY
COUNCIL (NAC)
9 RESIDENTS
FROM THE
IMPACT AREA

THE NAC MEETS
WITH PLANNING &
DEVELOPMENT,
THE DEVELOPER,
AND COMMUNITY
TO IDENTIFY
PROJECT IMPACTS

THE NAC
DEVELOPS
SUGGESTIONS
TO IDENTIFIED
IMPACTS AND
THE
DEVELOPER
RESPONDS

THE CITY AND DEVELOPER GENERATE AN AGGREEMENT IN RESPONSE TO THE IMPACTS WITH THE NAC'S SUPPORT

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What Comes Next

Next CBO Meeting: Tuesday January 17th at 6pm

Doors at 5:30 for Registration and Refreshments

- NAC Working Session
- In-person meeting at: Cass Technical HS-2501 Second Ave. Detroit 48201
- Remote access via Zoom
- Meeting registration at: https://bit.ly/DistrictDetroitCBO
- All project notices and documents will be available at <u>www.detroitmi.gov/DistrictDetroit</u>

