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November 8, 2017

HONORABLE CITY COUNCIL

**RE: Community Benefits Ordinance process analysis for the Bedrock, LLC
Monroe Block & Book Tower development projects**

BACKGROUND AND PROPOSAL

In November of 2016, the Proposal B ballot initiative passed with 53% of the vote, effectuating the enactment the City of Detroit's Community Benefits Ordinance (CBO) Ordinance 35-16. The expressed purpose of this ordinance is to garner "*outreach and engagement that promotes transparency and accountability and ensures development projects in the City of Detroit benefit and promote economic growth and prosperity for all residents.*"

Section 14-12-3, subsection (a) (5) states that, "*the City Council shall appoint a liaison from the Legislative Policy Division to monitor the community engagement process and provide updates to the City Council.*" This report has been prepared by the Legislative Policy Division (LPD) to provide an update as contemplated by the ordinance prior to Council's consideration of any financial incentives associated with this development.

The developer is seeking an Obsolete Property Rehabilitation Act Abatement for both developments, which in addition to the anticipated investment amount of \$1,141,535,460 collectively, qualifies these proposed developments as a Tier 1 development project and triggers the CBO process. Sec. 14-12-2 of the CBO Ordinance defines a Tier 1 project as follows:

"Tier 1 Development Project means a development project in the City that is expected to incur the investment of Seventy-five Millions Dollars (\$75,000,000) or more during the construction of facilities or to begin or expand operations or renovate structures where the developer of the project is negotiating public support for investment in one or both of the following forms.

- (1) Any transfer to the developer of City-owned land parcels that have a cumulative market value of One Million Dollars (\$1,000,000) or more (as determined by the City Assessor or independent appraisal) without open bidding and priced below market rates (where allowed by law) or*
- (2) Provision or approval by the City of tax abatements or other tax breaks that abate more than One Million Dollars (\$1,000,000) of City taxes over the term of the abatement that inure directly to the Development, but not including Neighborhood Enterprise Zone tax abatements.*

Additionally, Tax Increment Financing is being sought for these developments through the issuance of Transformational Brownfield Tax Credit under P.A. 46 of 2017.

Staff would also note that while Neighborhood Enterprise Zone tax abatements are exempted as being a qualifying factor for the CBO process, NEZs are being requested for both projects as well, given the residential components to the developments.

These developments are among the first of the Transformative Brownfield Development projects which Your Honorable Body will consider. While the Transformative Brownfield tax credit is among one of the largest and all-encompassing tax credits enacted in the State of Michigan, the request in and of itself does not trigger the Community Development Benefits process. In addition to the TBP tax credit, the developer is also seeking the establishment of several Obsolete Property Rehabilitation Districts, Neighborhood Enterprise Zones and ultimately the issuance of Certificates for each respective district.

The subject obsolete property rehabilitation district requests as well as the Neighborhood Enterprise Zone requests for the respective developments will be before Your Honorable Body on Thursday, November 9, 2017 for their respective statutorily required public hearings. It is anticipated that the public hearings of Thursday, November 9, 2017, will be continued until Thursday, November 16, 2017, in order to fully vet and review all of the pertinent information provided by the developer, and to allow LPD staff time to review and opine on the anticipated documents pertaining to community benefits outside of the Tier 1 CBO process.

The new methods that the transformational brownfield legislation will allow Bedrock to recoup a portion of the total cost of the projects it includes in its Transformational Brownfield Plan through the following reimbursement mechanisms:

- State income tax generated by residents living in the TBP properties for 20 years (50%)
- State income tax generated by employees working in TBP properties for 20 years (50%)
- State income tax on TBP construction labor
- Exemption from State sales tax on TBP construction materials

Enclosed please find the analysis and conclusions of Council's liaison's report for the proposed Monroe Block development and Book Tower redevelopment projects CBO process which concluded on October 12, 2017. See details below:

COMMUNITY BENEFITS ORDINANCE PROJECT DETAILS

Proposed Development(s) and Location(s):

Book Tower

The Book Building and Tower are located respectively at 1249 and 1265 Washington Boulevard in downtown Detroit. The rehabilitation is anticipated to create a mixed-use development which will include retail, office space, residential apartments, and a hotel.

Monroe Blocks

The Monroe Blocks are anticipated to be a new development located in Downtown Detroit bounded by Woodward Avenue, Monroe Avenue, Randolph Street, Bates Street, and Cadillac Square. The Monroe Blocks are slated to be a multi-building, mixed-use development consisting of office, residential, and retail space featuring new parking and open public spaces (pocket-parks).

Current Zoning: B5 – Major Business District. This district is designed to provide adequate regulations within the Central business district, the New Center Area, and may be successfully utilized in other regionally-oriented shopping and office areas.

Develop Representatives: Mr. Steve Ogden, and Ms. Gina Metrakas on behalf of Bedrock, LLC

Estimated Cost: \$1,141,535,460 which qualifies this project as a Tier 1 project.

Census Tract(s): 5172 and 5207

Impact Area Boundaries: The impact area, determined by the Planning and Development Department, is defined as I-75 on the north, I-375 on the east, Jefferson Avenue on the south, and the John C Lodge Freeway on the west.

CBO Facilitators: Steven R. Lewis, Planning and Development Department Central Design Director, and Julio Alberto Cedano, PDD

Bedrock, LLC representatives: Mr. Steve Ogden, and Ms. Gina Metrakas.

Legislative Policy Division Liaison: George Etheridge, LPD

Neighborhood Advisory Council (NAC):

Michelle Matthews – Community elected
Beverly Burns – Community elected
Alexandra Novak – PDD Director appointee
Rogelia Landin – PDD Director appointee
Eric Plummer – PDD Director appointee
Jake Plaggemars – PDD Director appointee
Gwen Howard – City Council President Brenda Jones appointee
Alicia Adams – City Council Member Janee Ayres appointee
Marie Bulter – Council Member Raquel Castañeda-López appointee

Book Tower & Book Building Rehabilitation Project

The 38-story Tower and adjoining 13-story Book Building will undergo a comprehensive renovation of their interiors and exteriors. Early stabilization work on the building and tower has commenced to address safety issues, prevent further deterioration, and prepare for renovation. The full renovation of the Book Building and Book Tower is anticipated to commence in the winter of 2019. This development is anticipated to have a total retail area of 30,320 square feet, 49,780 square feet of event space, 106,400 square feet of office space, 200 guest hotel rooms, 95 residential apartment units totaling 143,083 square feet, and 400 structured parking spaces.

Monroe Blocks Project

Construction on Phase I is anticipated to commence in the spring of 2018, and includes the below-grade parking and other sub-surface work that will cover the entire Monroe Block. This development is anticipated to have a total retail area of approximately 169,000 square feet, 814,000 square feet of office space, 482 units of residential, and 1,200+ structured parking spaces.

This report serves the following purposes:

1. Provides an update relative to the standing of the CBO process and to inform the City Council as to what has transpired as a result of several meetings that have been held thus far.
2. Provides the additional perspective of the legislative staff which may be considered alongside the mandated PDD Director's report submitted to your Honorable Body for review to complete the initial engagement phase of the CBO requirements.
3. The Legislative Policy Division respectfully offers recommendations to this Honorable Body for potential areas of improvement in the CBO process based upon observations and input during CBO proceedings.

CBO FIRST PUBLIC MEETING

The statutorily required public notice of the inaugural meeting (as required by Ordinance 35-16) was mailed out to tax payers of record, occupants, and business owners within 300 radial feet of the aforementioned impact area by the City Clerk's office on August 11, 2017. The notice was sent to approximately 3,000 residents within the impact area. According to signatures collected by the Planning and Development Department, fifty (50) assumed residents of the city of Detroit and the impact area were recorded as having attended the first meeting. Twenty-six (26) residents were recorded as residents of the impact area. Additionally, attendees were notified of subsequent NAC meetings slated to be held on August 24th, September 7th, September 11th, September 21st (later moved to September 28th to accommodate the NAC's request for additional time for neighborhood outreach), and October 3rd (which was later rescheduled to October 12th per the developer's request to provide sufficient time for drafting a response to the NAC's impact report).

The initial meeting was held on Monday, August 21, 2017 at 5:30 p.m. at the Coleman A. Young Municipal Center in the Erma Henderson Auditorium. Over sixty (60) persons, inclusive of residents were in attendance at the initial meeting. Among those in attendance were Ms. Ninfa

Cancel, District 6 Manager from the Department of Neighborhoods, Mr. Vince Keenan of the Department of Neighborhoods, and Mr. David Williams of the Jobs and Economy Team (the author of the Community Benefits Ordinance).

At the initial meeting, an overview of the process was given by Mr. Williams which consisted of a detailed overview of the ordinance, purpose and role of the NAC, all of which were clearly and expertly articulated.

The boundaries of the impact area were identified as consisting of census tracts 5172 & 5207 being generally described as the area bounded by I-375, I-75, Lodge Freeway, and Jefferson on the south. It was stated that anyone within the impact area was eligible to be on the NAC. It was clearly stated that the role of the NAC is to serve the greater community by representing those in the impact area by engaging and negotiating with the administration and the developer to garner meaningful mitigation to issues and concerns which may arise during the development process, and not to angle or negotiate for fringe benefits for personal gain¹. The comments received from all participants undoubtedly played a vital role in the manner in which the herein described CBO process was ultimately carried out.

There were a number of concerns and considerations which were raised by members of the public at the initial meeting, inclusive of but not limited to the following:

- The length and timing of construction on both projects and how construction might affect access to surrounding amenities.
- The addition of retail and entertainment programming to the development and senior relevant entertainment venues.
- Concerns about parking and the proposed density of the development.
- The decision of what the developer will do with the National Theater and Book Arcade, particularly whether they were slated for demolition or adaptive re-use.

A very detailed overview was given of the two proposed developments by Mr. Ogden of Bedrock, LLC. The phasing and anticipated timelines as well as impacts of both developments were articulated and reviewed in great detail. One omission that staff would like to note for future consideration is how the proposed development meets the criteria of the CBO ordinance in terms of either investment amount, or tax incentive being sought.

SELECTION OF THE NAC

The timeline proposed for the NAC process associated with the Book Tower Redevelopment and Monroe Blocks Development project was very aggressive. Initially the idea was to have the NAC meet twice a week in order to meet the ordinance's proposed timeline of six weeks in order for the Planning and Development Department to produce their report. Again the initial meeting took place on Monday, August 21st. The second meeting took place on Thursday, August 24th. Approximately one-third of those in attendance at this second meeting were not in attendance at

¹ This point was further articulated by Mr. Stephen Grady, Chief of Staff for Council President Brenda Jones. Given that the CBO process is by ordinance an administrative function, staff is unclear if it was appropriate for those representing the legislative function of government to present in such a manner.

the first. Given this fact, another overview of the process and proposed developments was given, which in essence protracted the process.

Staff would note, that many of LPD's previous recommendations have been incorporated into the CBO process in terms of presenting information about the process, role of the NAC, documents germane to the NAC's review and negotiations, etc.

The second meeting had four primary objectives:

- 1) Re-introduce the CBO process and legislation (again, repetitive and not all together necessary)
- 2) Present both projects, the Book Tower and Building and The Monroe Blocks
- 3) Conduct the public selection process for two NAC members to be selected by the community present
- 4) Announce the selection results for two community selected NAC members.

The two latter points have previously been conducted at an initial meeting for previous CBO development projects, i.e., The Pistons' practice facility, and the Herman Kiefer Hospital redevelopment project. Staff is of the opinion that the practice should continue into the future in order to better utilize the time allotted.

Residents living in the impact area who were interested in being a part of the NAC were advised to nominate themselves to serve on the NAC. Each candidate was required to provide two nominations; never selecting the same person twice, nor nominating themselves twice. Each nominee also presented the case for their candidacy to serve on the NAC. Nominees names are as follows in no particular order:

Rogelio Landin, Mack Betts, Michelle Matthews, Donna Barnett, Gwen Howard, Alexandra Novak, Curtis Jacobson, Danny Matthews, Eric Henry, Danielle Matthews, Alicia Adams, Beverly Burns, and Marie Butler.

Other Nominees were nominated through an email sent by Dawn Bilobran of Preservation Detroit. Alexandra Novak was the only nominee of that list that was present to give her comments during the NAC selection process.

Once all ballots were received from voting residents residing in the defined impact area, the votes were tallied by PDD with members of Council staff, LPD, DON, and the Mayor's office overseeing the nominee selection tally. There was a tie for second place, so instead of conducting another poll, P&DD announced one of their appointees, in order to allow all three NAC nominees to be selected. In no specific order, the three selected NAC members were:

- Rogelio Landin
- Michelle Matthews
- Beverly Burns

There were some initial concerns expressed by members of the public regarding the manner in which the second place tie was dispensed with. Some believe that another ballot should have been drawn with the two nominees named.

Staff's primary concern is not the manner in which the elections occurred, rather with the fact that the selection process was taking place during council's summer recess. Previously, Your Honorable Body formally made the selection of NAC members through action taken in the Internal Operations Standing Committee, however, with Council being on recess, no such process took place. Staff would recommend that policies and procedures be put in place to address the selection and appointing of NAC members, should the Council not be available to act.

One question which was raised on multiple occasions, was if there would be two NACs given that there are two projects. Given that the Book Tower redevelopment project itself does not meet the capital investment threshold and the fact that both projects effect the same impact area, the determination was made that one NAC would be appropriate to address both developments.

BOOK TOWER & MONROE BLOCKS PROJECTS NEIGHBORHOOD ADVISORY COUNCIL MEETINGS

During the NAC meetings there were several themes, or major points of concern and discussion including but not limited to, the amount of parking and where parking will be located within the Monroe Blocks project area, Book Building and Tower construction and the development schedule, specifically completion of construction and the move in date for future tenants/residents, the number of affordable units in downtown Detroit and the definition of what is considered affordable, the possibility of the Historic District Commission not approving the Book Arcade demolition and the need for demolition, the status of and future plans for the National Theater, etc. Below, please find an excerpt from the PDD report which accurately details all of the NAC concerns and the developer's responses. The responses below are taken verbatim from the PDD report and references to "we" refer to Bedrock, LLC.

DEVELOPMENT RESPONSES

Topic:

Affordability

Concerns/Benefits:

Provide 20% affordable housing at 80% AMI for each building, rather than portfolio-wide

Recommended Action Steps:

Disclose to the NAC and wider community exactly what percentage and count of affordable units will be in each Bedrock development. Also include bed/bath count when available.

Developer Response to NAC's Request/Document:

Bedrock's Affordable Housing Agreement ("Affordable Agreement") was approved by City Council in July 2017. Bedrock has a goal to develop 3,500 residential rental units and through the Affordable Agreement, is committing that at least 20% of those units will be affordable at or below 80% AMI for at least 30 years. This means that one (1) out of every (5) units of residential rental housing developed or preserved by Bedrock will be affordable housing. According to the Affordable Agreement, Bedrock can provide affordable units in one of three ways: by developing new affordable housing units or preserving existing affordable housing, or by assisting other property owners in preserving existing affordable housing, so that those units do

not convert to market rate, do not displace existing residents and do not reduce the affordable housing stock. Of the 700 affordable units which will be developed or preserved by Bedrock, at least 25 units will be in Bedrock's high-rise development 25 projects such as the Monroe Blocks, Hudson's site, Book Tower, and/or David Stott building. Bedrock is still working to determine exactly how many affordable units and what unit type will be in each building and can report back to the NAC once we have arrived at that decision.

Topic: Affordability

Concerns/Benefits: Prioritize existing senior residents as tenants in new residential development.

Recommended Action Steps: Create official form to collect info for Impact Area residents interested in newly built units; publish written process for reviewing and selecting said residents. Utilize City of Detroit P&DD to send communications to residents on their mailing list.

Developer Response to NAC's Request/Document: Bedrock currently uses channels such as Apartments.com as well as the Bedrock Website residential page which can be found here: <http://www.bedrockdetroit.com/residential-properties/>.

That website allows interested tenants to request information on Bedrock housing opportunities by going to the contact page of the website and entering your contact information which can be found here: <http://www.bedrockdetroit.com/contact/> The contact phone number is 833-729-5824. In terms of a process for reviewing and selecting residents, Bedrock complies with federal fair housing regulations and other applicable laws, which require that prospective tenants be considered on a first come first serve basis. Bedrock does not plan to reach out to residents on P&DD's mailing list, as tenants who are interested in new units can reach out to us, as outlined above. In addition to the communication channels referenced above, we have learned that the Downtown Detroit Partnership (DDP) will be building out the Live Detroit program, which will have a robust website that includes housing opportunities of all types. Until the program is built out, DDP is a resource that can be used, as they already collect and update information regarding housing opportunities on a monthly basis.

Topic: Affordability

Concerns/Benefits: Communicate affordability options to local residents to allow them to remain in their neighborhoods and homes.

Recommended Action Steps: (see above #2)

Developer Response to NAC's Request/Document:

Topic: Communication

Concerns/Benefits: Community alerts + notifications through a variety of media, including: Text Messaging (Opt in sign up on website), Email, Flyers, Community Center, Hotline, Radio/TV?

Recommended Action Steps: Establish a communication plan in writing.

Developer Response to NAC's Request/Document: Bedrock, the DDP, and all downtown stakeholders, are aware that multiple construction projects will have an impact on the community over the next several years. The DDP has convened a group of developers and City representatives to work together, with the goal of mitigating construction impacts and ensuring that information is communicated to anyone impacted. In order to ensure that stakeholders of the impact area have construction related information, Bedrock will work with the City and DDP, to set up the processes and infrastructure needed to update the community. Some of the communication channels that are being considered by DDP will include:

- Set up a hotline that people can use to call and get information on latest road closures, etc.;
- Set up an email blast for anyone interested to receive construction related information on a periodic basis;
- Disseminate information from the email blast via hard copy to residential building lobbies downtown and to the City's Department of Neighborhoods to share with citizens.

Ultimately, Bedrock and the DDP will work towards a combination of options to meet the communication preferences of all downtown stakeholders. We will also work collectively to identify technology solutions for communication, which may include a website with interactive maps and creation of a special App that can be used via mobile phones.

Topic: Miscellaneous

Concerns/Benefits: The issue of meeting space and "Community Center" was discussed between the NAC, the City, and the Developer. The NAC feels that there could be alternative meeting space, more deeply rooted in the community, that may be more appropriate for hosting these meetings. There are certain barriers to entry that the Municipal Center possesses, and we are interested in exploring options for different meeting spaces.

Recommended Action Steps: We would like to investigate our own meeting space options, but would also appreciate if Bedrock has space in one of its buildings in the Impact Area that may be considered for meeting space.

Developer Response to NAC's Request/Document: For any future CBO-related meetings, we are happy to work with the City to identify an accessible and convenient space to meet during the process, including within Bedrock buildings. During the construction process, we will evaluate the need for meeting space to provide updates to the community. Should the NAC choose to continue meeting on its own or need space, Bedrock would be happy to work with the NAC to identify possible meeting space at any given time. The NAC can reach out to Jason Headen at Quicken Loans (313-545-4171) to help facilitate the use of Bedrock meeting space.

Topic: Mobility

Concerns/Benefits: Support and provide safe connections to transit, including Rosa Parks Transit Center (RPTC) and People Mover. Many people including future residents, employees, and guests/visitors will be using these modes of transportation, it is valuable to invest in a well-connected and inviting public realm to support mobility.

Recommended Action Steps: Improve People Mover Times Square Station (possible minor renovations to enhance accessibility and safety)

Developer Response to NAC's Request/Document: The People Mover is owned and operated by the Detroit Transportation Corporation (DTC). Bedrock cannot upgrade facilities which we do not own, but is happy to connect the NAC with the DTC to discuss their plans for the station.

Topic: Mobility

Concerns/Benefits: N/A

Recommended Action Steps: Create clear paths to RPTC, including wide sidewalks, rear/side entrances, appropriate retail, wayfinding (we'd like to see street level renderings)

Add handicap parking in front of Louis Kamper, Stevens, and Himelhoch buildings.

Developer Response to NAC's Request/Document: While we cannot change the physical layout of the public area around the Book Tower, such as sidewalk widths, Bedrock believes in the importance of access to transit and clear signage. Bedrock commits to maintaining clear paths of access down Grand River during both construction and post-construction activities, to ensure the access points to the Rosa Parks Transit Center are maintained. In addition, during construction, Bedrock will replace all of the sidewalks surrounding the Book Tower with new paving which leads to RPTC. Bedrock is exploring the installation of wayfinding signs in and around the Monroe Blocks and Book projects. The Book Tower does not currently have any rear public entrances. State Street was vacated at the time that RPTC was constructed and is closed most of the time, only allowing vehicular service access. Bedrock will explore the pedestrian entrance and exit points as we work through iterations during the design process.

While Bedrock does not currently have any particular retailers in mind for the Book Tower, we will strive to achieve a retail balance that residents, visitors and surrounding community members will want to utilize. We will keep in mind the surrounding neighborhood assets and consider retail that would be complementary.

Topic: Amenities

Concerns/Benefits: Increase of pets in the area will have an adverse effect establish locations to curb them

Recommended Action Steps: Add space in area as a location for animals to be curbed.

Developer Response to NAC's Request/Document: This is not something that Bedrock can address alone, as this impact is driven by both Bedrock and non-Bedrock building residents. We understand that the DDP's Business Improvement Zone (BIZ) currently provides clean-up bags for the entire span of Washington Boulevard from Grand Circus Park to Michigan Avenue, in addition to other locations around the downtown. The DDP will be providing new clean-up bag stations all over downtown this month. The Monroe Blocks project will have significant green space, which we plan to maintain. Unfortunately, the Book Tower property is quite land-locked, without available space to add a new location for animals to be curbed. For both the Book Tower and Monroe Blocks projects, we would be happy to work with the City and DDP, if on public

property, to add appropriate signage to the projects' green spaces to ensure pet owners are remembering to clean up.

Topic: Historic Preservation

Concerns/Benefits: Maintain National Theater as a historic landmark and destination. It would be a significant community benefit. Re-open as a theater!

Recommended Action Steps: Consider renovating it into a movie theater or a performance space for regularly scheduled theatre events for the community

Developer Response to NAC's Request/Document: Bedrock appreciates and recognizes the legacy of the National Theatre as a place for theater and performance. Bedrock has also demonstrated a strong commitment to the restoration of historic buildings and structures whenever possible, having renovated multiple buildings. As one example, we will be renovating the Book Tower and Book Building, which are also part of this CBO process. Unfortunately, the National Theatre has sat vacant since at least 1976, over 40 years. Since then, it has fallen into severe disrepair. There have been several restoration plans and attempts since that time, but none of them have come to fruition. Our research shows that the theatre has been vacant for this long for several reasons, one being that even when the theatre was open, it was very difficult logistically to operate as a 20th century theatre, making those challenges even more pronounced in the 21st century. Those logistical issues include lack of loading dock, minimal back of house space, and very small single stage. The interior of the National Theatre and many of its architectural elements (balcony, ceiling elements, collapsed stage, lighting 34 elements, etc.) have deteriorated or been stripped away, leaving little to no remnant to build upon on the interior. Only glimpses of the original plaster detailing remain in the space, and that which does remain is deteriorated beyond repair. The decorative proscenium is nearly gone, and the general character of the space is of a large empty shell with streams of light coming in through cracks in the building. There are no seats in the space, so the main floor is just a sloping, stepped concrete slab.

Topic: Historic Preservation

Concerns/Benefits: N/A

Recommended Action Steps: Alternatively, reconsider a more appropriate placement and use of the facade.

Developer Response to NAC's Request/Document: Bedrock's commitment to keeping the National Theatre façade as an entrance to Detroit's newest public space will make it an amenity for all Detroiters to enjoy. We have considered using it as a façade for a new building, but then it would be associated with a specific user or tenant rather than an entrance to spaces available to the general public.

Topic: Historic Preservation

Concerns/Benefits: N/A

Recommended Action Steps: Should the National Theater be torn down, allow Pewabic Pottery the right to salvage the tile on the interior.

Developer Response to NAC's Request/Document: If Pewabic Pottery is interested in salvaging any material, we are happy to talk to them about this.

Topic: Sustainability

Concerns/Benefits: On-site stormwater management as possible:

- Permeable Pavers / Pavement
- Bioswales / Planters
- Green Roofs

Recommended Action Steps: Create green infrastructure plan/landscape architecture renderings to share with NAC and community

Developer Response to NAC's Request/Document: Bedrock is planning a variety of green infrastructure features at the Monroe Blocks. These features include:

- More than 1 acre of public space with plentiful new landscaping.
- Sidewalk reconstruction, upon approval by the City, with newly planted trees and landscaping.
- Terraces and roofs on the residential buildings with plants and landscaping
- Bike parking
- Smart building management systems to lower energy use
- Low-flow plumbing fixtures
- High efficiency mechanical systems
- Advanced LED lighting
- Energy Star appliances as available

The Book Tower project has less availability of rooftop or other outdoor space to add plantings or a green terrace, however, consistent with Bedrock's building management practices, will include energy efficient features. This includes Bedrock's SMART building standards, such as energy use monitoring to optimize building efficiency. Bedrock will explore available space for bike parking as well.

Topic: Community Diversity

Concerns/Benefits: Support seniors staying in the downtown area
Maintaining diversity (cultural, racial, age, etc.) in the area

Recommended Action Steps: Create list of all senior residents in downtown to give them knowledge of and potentially right of first refusal for new affordable units

Developer Response to NAC's Request/Document: We understand the City of Detroit's Department of Housing and Revitalization maintains a list of individuals who are currently in affordable residential units throughout the city, therefore the list requested above does exist. As described in our response to question 2 above, Bedrock uses channels such as apartments.com and the Bedrock Detroit website (<http://www.bedrockdetroit.com/residential-properties/>) in order to make all prospective tenants aware of any availability within our buildings. Interested individuals can use the "Contact" form to request information from Bedrock regarding housing

units that are or will be becoming available. Bedrock can also be reached by phone at 833-729-5824. In addition to these communication channels, we understand that the Downtown Detroit Partnership (DDP) will be building out the Live Detroit program, which will have a robust website that includes housing opportunities of all types. Until the program is built out, DDP is a resource that can be used, as they already collect and update information regarding housing opportunities on a monthly basis.

Providing a right of first refusal to any particular groups or individuals would violate Fair Housing laws, therefore we must consider residents on a first come first serve basis.

Topic: Community Diversity

Concerns/Benefits: N/A

Recommended Action Steps: Create clear paths to Rosa Parks Transit Center, including wide sidewalks, rear/side entrances, appropriate retail

Developer Response to NAC's Request/Document: While we cannot change the physical layout of the area around the Book Tower, such as sidewalk widths, Bedrock believes in the importance of accessible transit and clear signage. Bedrock commits to maintaining clear paths of access during our construction and post construction activities, to ensure that it is not responsible for impacting the access points to the Rosa Parks Transit Center (RPTC). In conjunction with the redevelopment of the project, all the sidewalks surrounding the Book Tower property will be replaced with new paving which leads to the RPTC. In addition, Bedrock is exploring the installation of wayfinding signs in and around both the Monroe Blocks and Book Tower projects.

The Book Tower does not currently have any rear public entrances. State Street was vacated at the time that RPTC was constructed and is closed most of the time, only allowing vehicular service access. Bedrock will explore the pedestrian entrance and exit points as we work through iterations during the design process.

While Bedrock does not currently have any particular retailers in mind for the Book Tower, we will strive to achieve a retail balance that residents, visitors and surrounding community members will want to utilize. We will keep in mind the surrounding neighborhood assets and consider retail that would be complementary.

Topic: Retail Considerations

Concerns/Benefits: Making sure the building maintains appropriate retail for both new and existing community members not just new. We want to ensure that people of different economic groups as well as age groups feel welcome in the commercial spaces that are introduced. It has come to our attention that some seniors don't feel comfortable in retail spaces

Recommended Action Steps: Consult with NAC and local residents as retail vendors are being considered and selected

Developer Response to NAC's Request/Document: To protect the confidentiality of prospective tenants we are talking to, we cannot reveal any particular retailer during our discussions with them. However, we are happy to share any preferred tenants identified by the NAC with our retail leasing team.

Topic: Construction related issues

Concerns/Benefits: Noise, pollution and traffic increases due to effects of construction

Recommended Action Steps: Create a call-in line where community members can make Bedrock aware of issues that are effecting them

Developer Response to NAC's Request/Document: Bedrock, the DDP, and all downtown stakeholders are aware that multiple construction projects will have an impact on the community over the next several years. The DDP has convened a group of developers and City representatives to work together with the goal of mitigating construction impacts and ensuring that information is communicated to anyone impacted. In order to ensure that stakeholders of the impact area have construction related information, Bedrock will work with the City and DDP to set up the processes and infrastructure needed to update the community. Some of the communication channels that are being considered by DDP will include:

- Set up a hotline that people can use to call and get information on latest road closures, etc.;
- Set up an email blast for anyone interested to receive construction related information on a periodic basis;
- Disseminate information from the email blast via hard copy to 41 residential building lobbies downtown and to the City's Department of Neighborhoods to share with citizens.

Ultimately, Bedrock and the DDP will work towards a combination of options to meet the communication preferences of all downtown stakeholders. We will also work collectively to identify technology solutions for communication, which may include a website with interactive maps and creation of a special App that can be used via mobile phones. Regarding Bedrock projects in particular, Bedrock can also be contacted at [http://www.bedrockdetroit.com /contact/](http://www.bedrockdetroit.com/contact/) or 888-300-9833.

Topic: Construction related issues

Concerns/Benefits: Walkability and accessibility are often hindered by construction sites, making it difficult to walk around the city when multiple sidewalks are inaccessible and alternative (and often more lengthy) routes must be used.

Recommended Action Steps: Ensure that pedestrian walkways are included in construction sites where sidewalks are lost, to support pedestrian traffic flow.

Developer Response to NAC's Request/Document: The City of Detroit controls use of the Right of Way (ROW), and any applicable departments and authorities must review and approve requests for permits, including Bedrock's plans for ROW closures and pedestrian diversions around construction sites. We will continue to comply with MDOT and City requirements for all sidewalk signage and road shutdowns to ensure access is always maintained.

CBO timeline

Both the public and the NAC members raised concerns about the aggressive timeline in the CBO process for the NAC to meet and produce recommendations for a list of community benefits. However, there were considerations given to the NAC as well as to the developer to allow for additional time when needed.

ANALYSIS

In regard to the issue of the 30% Detroit based contracting adherence, the developers have committed to contract with local residents and contractors to the greatest extent possible. It is anticipated that approximately 15,000 skill trades employees will be needed for the multitude of Bedrock projects in the Central Business District alone. At present there are approximately 500 licensed skill trades' workers in the city of Detroit according to Bedrock, woefully short of what is needed. Given the massive shortage of needed skill labor, out-county as well as out-state workers will be utilized for these two development projects.

One of the major points of contention related to the Monroe Block Development was that of the "National Theatre" located at the intersection of Monroe Avenue and Farmer Avenue. There was an expressed desire by several members of the Neighborhood Advisory Council to preserve the property and rehabilitate it, and return it to productive use as an entertainment venue. Several members of the NAC drafted a letter to this effect, which is attached for your consideration.

Staff notes that during the course of the NAC deliberations the developer indicated on several occasions that it was not their intention rehabilitate the property or utilize it as a theatre. Staff's concern as it relates to the property is that it appeared to be presented as a part of the development to the NAC prior to the City Council taking action to transfer the property to the Downtown Development Authority (DDA), which would in turn transfer the property to Bedrock. City Council in fact was not presented with the request to transfer the property until the conversations with the NAC were concluded.

CBO Process

Many of the observations stated in this section of the report are duplicative of those expressed in previous LPD reports, such as those regarding the Detroit Pistons, Palace Sports and Entertainment Corporate Headquarters and Practice Facility, and Herman Kiefer Complex redevelopment CBO process.

1. Extend the CBO meeting timeline

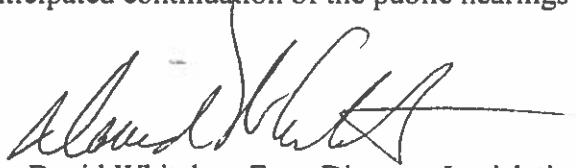
CBO development projects should be granted more time for a more extensive engagement and negotiation process. The timeline as it stands does not have the necessary amount of time built in for thoughtful requests or responses from either the NAC or developer. The language in the CBO does state in part "...the Planning Director where possible shall submit the initial Community Benefits Report within six weeks from the date the notice is sent of the public meeting." While this language does allow for some flexibility, the six week timeline was ultimately adhered to in this case, in order to present these items to the City Council prior to your winter recess.

2. Refine the process

There are portions of the ordinance that leave much to interpretation, such as if the requests of the NAC should be limited to the remediation plan of the developer or germane to employment opportunities for members of the community as a result of the project. One interpretation has been that any benefit conceived by the community is “fair play” and should be considered by the developer. Staff would request Your Honorable Body to further deliberate on the intent of the CBO in this respect. One sentiment that was repeated time and time again during this process is that the role of the NAC does not end with the issuance of the Community Benefits Report, however, should continue through the course of the development. Is it the expectation of Council that the appointed NAC members remain empaneled for the duration of the development or that a sunset provision be added to the ordinance as it relates to the role of the NAC?

CONCLUSION

Bedrock has indicated that they have prepared a CBO package, which goes above and beyond what is required by the CBO. Bedrock intends to file a legally binding document which commits the developer to the terms of the aforementioned agreement. It is anticipated that the aforementioned document will be submitted to City Council on or about Monday, November 13, 2017 in order to be discussed at the anticipated continuation of the public hearings regarding these developments.



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Attachments

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Steven Lewis, Central Design Director, PDD
Julio Alberto Cedano, PDD
Arthur Jemison, Director, HRD
David Bell, Director, BSEED
Melvin Hollowell, Corp. Counsel, Law Department
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