

STATEMENT ON VOTE IN SUPPORT OF CAMPUS MARTIUS AND COMPUWARE DEVELOPMENT AGREEMENTS

Dec. 8, 1999

Today the Detroit City Council voted unanimously to approve two development agreements for projects that will have a major positive impact on our City. One, with Kern-Woodward Associates allows for development of Campus Martius. The second, allows Compuware to relocate its corporate offices and 5000 jobs to downtown Detroit. I was proud to join my colleagues in supporting these historic measures.

The significance of this development cannot be over-stated. As planned, Campus Martius will include offices, shopping, restaurants, hotels, entertainment venues, and residential space. Compuware's early relocation to this site provides the anchor and catalyst needed to entice additional tenants to Campus Martius.

There are those critics who will no doubt contend that major projects like this continue a short-sighted trend of focusing on downtown development at the expense of Detroit's neighborhoods. While it is true that neighborhood-based economic development can no longer be placed on the backburner, a thriving, healthy downtown is critical to the continued survival of the entire city. Approval of the Compuware and Campus Martius agreements and the swift completion of these projects will help make that a reality.

Much has also been made of the various "sweeteners" that the Archer Administration added to make these deals happen, particularly for Compuware. These include a 15-year personal property tax break with a potential worth of up to \$70 million, \$28 million dollars in city-funded infrastructure improvements, and the sale of city-owned land for a dollar.

When the development agreement was first submitted to Council I requested that our own Fiscal Analysis Division complete a cost-benefit analysis which weighed the cost of this project to city taxpayers vs. what we would receive in benefits. This report showed that the City would gain \$250 million in new taxes revenue alone within 15 years. This means simply that the city will more than recoup its investment in these respective projects.

It is also important to note the short-term construction jobs that will be created as well as opportunities for long-term contracts with Compuware by Detroit-based businesses and employment with Compuware itself. Both Compuware and Kern-Woodward Associates, developers of Campus Martius, committed in their development agreements to working to ensure that a minimum of 30% of all contracts let go to Detroit-based, minority, women-owned, and small businesses. Compuware has also indicated that it will establish an apprenticeship training program for Detroit public school students.

As with past major developments, the City Council and the City's Human Rights Department will obviously have to be diligent in monitoring these projects and in

working with the developers to ensure that the 30% number is not only met but exceeded. However, I believe both Compuware and KWA have made significant commitments demonstrating their sincerity on this matter.

To sum up, both Campus Martius and Compuware's relocation to it are critically important projects that were deserving of Council support.