



City of Detroit
Detroit City Council
Council Member Angela Whitfield Calloway
District 2

**STATEMENT REGARDING THE
FUTURE OF HEALTH TRANSFORMATIONAL BROWNFIELD PROJECT**

FROM: Council Member Angela Whitfield-Calloway

Handwritten signature of Angela Whitfield Calloway in blue ink.

DATE: February 19, 2024

RE: Request for draft enforcement language for the Future of Health Transformational Brownfield Project.

“I proposed that some language be added to the Future of Health agreements to allow for a two to five-year abatement period. At the two or five-year mark, the City Council will be able to review the status of the project and the performance of the developers and, if appropriate, approve certificates for the remainder of the allowed period. The standard of review will be substantial compliance, with the terms of the development agreement and the community benefits agreement.

With this language added to the agreements, the residents will be assured that the developers will comply with the terms of the agreement. Without this language, there will be no adequate protections. Therefore, I must vote NO on this development. As I indicated on several occasions, Henry Ford Health Systems is my health system of choice for the last two and a half decades. All four of my children were born at Henry Ford Hospital on the boulevard. My mom experienced her cancer journey at Henry Ford Health Systems; she transitioned in 2018. I am very aware of the work and the services that Henry Ford offers. They have offered that to me for two and a half decades or more. Again, I propose that the City Council approve the Future of Health development agreements with certificates that expire in two years.”

Introduction: During public comment, many residents raised doubts about the ability of City Council to enforce the promises made by developers. Council Member Calloway suggests that this concern can be addressed. City Council can hold developers and businesses accountable for meeting the agreed upon terms and conditions of the abatement agreements. City Council has the authority to determine the duration of the certificates. City Council can authorize the certificates for a two-year to five-year period and, if the developer is in substantial compliance with the terms and conditions of the development agreement, authorize certificates for the balance of the time allowed. The proposed two-year review process will allow City Council to determine whether the developer is in substantial compliance.

The problem with enforcement: Currently, City Council approves tax incentives and tax abatements for the full period allowed by law. But we do not have to. The current practice places



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all enforcement mechanisms in the hands of the Detroit Economic Growth Corporation (DEGC) and the Mayor's Office. Unfortunately, enforcement is lacking under the current practice.

Developers promised to rehabilitate the vacant Eddystone Hotel as part of the Little Caesar's Arena Project. The developer failed to comply with the terms and conditions of the development agreement until the City of Detroit, through its Law Department, threatened a civil action to enforce the terms of the agreement. Finally, the developer agreed to a \$33 Million performance bond that could be used by the city if the developer failed to meet the agreed redevelopment. Subsequent to this agreement, renovations began on the building. The project was finally completed, four years late.

In the Brush Park neighborhood, a developer agreed to save a portion of a historic carriage house as part of brownfield development. Shortly after City Council approval, the developer demolished the entire carriage house. They said it could not be saved. City Council had no authority to enforce the promises to preserve a portion of the carriage house. Neither the DEGC nor the Mayor's Office took any action to enforce the agreement.

In April 2023, District Detroit developers promised that construction would begin in June of 2023. This shovels in the ground promise has not been kept as of February 2024, eight months later.

Simply stated, not all developers but some developers repeatedly promise the terms and conditions that are either delivered late or completely ignored and City Council does not have the proper enforcement mechanisms or power to compel compliance.

Proposal: Council Member Calloway proposes that City Council approve the Future of Health development agreement with certificates that expire in two to five years. Without proper language to assure compliance, Council Member Calloway will vote NO and will urge other council members to also vote NO.

“Again, Henry Ford Health Systems is my health system of choice for the last two and a half decades. And I also support Michigan State's research science center and I am hoping as I mentioned last week that some relationships and partnerships will be built, if this agreement or development is approved today, I am hoping Michigan State University will continue to do what they're doing, and I am hoping that they will reach out to the medical schools that I previously mentioned. They are not solely undergraduate schools as one of you said, they are medical schools, Meharry, Morehouse and Howard University.”

Please contact our office if you have any questions or concerns – Peter Rhoades,
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