

COMMUNITY BENEFITS STATEMENT OF OPPOSITION





The Detroit People's Platform (DPP) is building a Detroit where race and the priorities of majority Black Detroit are centered. Our work advances racial and economic justice in the nation's largest Black majority city by organizing with community residents and community leaders to build grassroots power and transform systems and structures that make real the vision for a more racially just Detroit.

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SUMMARY - THIS IS A PUBLIC FUNDED PROJECT

Final statement on The District Detroit. Why its the largest and worst CBA ever and what impacted residents need and deserve. As we have learned with previous big corporate developments of this kind, "all that glitters ain't gold".



WHY ALL THE OPPOSITION?

There is a massive disconnection between the way that Tax Incentives are supposed to work in models and on paper and the way their implementation impacts everyday Detroiters. Tax incentives are weaponized against majority Black Detroit.



WHAT DO WE WANT?

For over a decade Detroiters have proposed progressive policy and alternatives to extractive development strategies. We have a list of policy recommendations to support equitable and meaningful community benefits.



CBO/NAC & DBRA ENGAGEMENT

Detroiters engaged in the city's Community Benefits Ordinance process and worked to inform the Neighborhood Advisory Council of past and best practices. Detroiters also moved into the Detroit Economic Growth Corporation's space by engaing with the Detroit Brownfeild Redevelopment Authority.



OPPOSITION IN THE PUBLIC COMMENTS

The public comments on The District Detroit highlight another aspect of the story of 'Two Detroits.' Those who have something to gain spoke aggressively in support of the project. The developers benefit when workers, pastors and elected officials mobilize against impacted residents and those seeking equity.



OPPOSITION IN THE NEWS

The District Detroit is on the frontline of the struggle over how we talk about Detroit. Public education includes media and press engagement. Opposition to The District Detroit has been covered widely by both large and independent outlets.



RESOURCES & LINKS

We show our work. All of our numbers come directly from The District Detroit's proposed Transformational Brownfield Plan. Links for more on The District Detroit and the negative impact of this economic development model on majority Black Detroit.

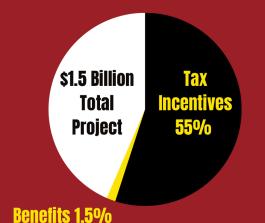




SUMMARY: THIS IS A PUBLIC FUNDED PROJECT







PUBLIC INVESTMENT Type of Public Tax Incentive Requested Transformational Brownfield \$616 Million Commercial and Residential Tax Abatements (up to 10 and 15 years) \$133 Million DDA Loans for affordable housing across three projects \$23.75 Million DDA Reimbursements for infrastructure upgrades. up to \$25 million Road improvements, utilities, ecurity and public space upgrades) \$797.75 MILLION Our Investment: THE DEVELOPERS EQUITABLI DETROIT The District Detroit is a new development project designed to create an urban work, tech and entertainment space in the heart of the city. A proposed \$1.5 billion budget entails four commercial office buildings, two luxury hotels, and 100,000 square feet of retail space. As a result of the current Downtown Development Authority (DDA) agreement, property taxes generated by this project will never reach the schools or library fund for up to 35 years. Those taxes will be captured and returned to the DDA. District Detroit is seeking \$797.75 Million in tax incentive package that including brownfield funding, tax abatements, and state tax capture.

Olympia Development/Ilitch Holdings and Stephen Ross's Related Real Estate, the project developers, claim that The District Detroit will generate a mix of 18 thousand construction and permanent jobs with millions in income tax dollars for city coffers alongside expansion of affordable housing.

Nearly a decade ago, the Ilitch's received \$400 million in tax abatements pledging to build five new neighborhoods to "rejuvenate" the city of Detroit. The Ilitch organization failed to deliverand the neighborhoods were never entirely constructed. Instead, what resulted was 147 idle properties, 46 empty parking lots, and 24 vacant buildings. This massive development failure is reason to question the credibility of Ilitch Holdings.



Ross's Related organization has mixed reviews as a national player in the game of subsidized housing. Local housing advocates are already challenging Related's definition of truly affordable housing in a community where affordable housing increasingly is out of reach for the average Detroit family.

When we examine the census data, we find that neighborhoods in The District Detroit "impact area" are already divided by race and income. The majority Black neighborhoods in the area report median household incomes of roughly \$17k to \$28K vs neighborhoods with a greater percentage of white residents who register a median household income of \$55k to \$78K. We suspect that The District's "affordable housing" is designed for students and the young white professionals who will eventually get the good paying jobs they plan to create, not Detroiters.

Detroiters rarely get the high paying jobs in these deals—they almost always go to white suburbanites. And while providing housing at 50% AMI is better than most (sadly), these units will more than likely be small and not for families with kids, which is the household type that need affordable housing options in Detroit.

Historically and across the nation, these types of development projects have upended the local economic and social conditions in communities exacerbating racial inequities in nearby Black, Brown, and low-income neighborhoods. Detroit is no different. With more than half the project subsidized with tax incentives The District Detroit and future publicly subsidized projects must address the needs and priorities of Detroiters alongside those of the developer.

Detroit People's Platform (DPP) and Equitable Detroit CBA Coalition are calling for a fair and equitable development process guided by a racial equity framework and a strong community centered Community Benefit Agreement (CBA). In the absence of these intentional strategies Detroit will further the slide into a city segregated by race, class, and wealth – a dystopian future by anyone's measure.



We came, we heard, we watched, we attempted to engage in the process, we asked hard questions, we offered well researched recommendations, we pushed back on unacceptable answers, we showed up everywhere we could, we called Detroiters to action, we chanted and screamed, we have interrupted, we have called for accountability, and we have and will fight back against nearly a **BILLION DOLLARS in public tax** incentives being used on a project that will negatively impact majority Black Detroit.







WHY ALL THE OPPOSITION?





THIS IS THE LARGEST AND WORST CBA WE'VE SEEN

The total cost of the project is \$1.5 Billion while the total public investment requested is \$797.75 Million, which makes the project 55% public funded. The developer's contribution to the benefits is \$12 Million. Which is only 01.5% in benefits (Stellantis and Michigan Central were 3%-4%).



IT DOES NOT BENEFIT THOSE WHO NEED IT MOST

The disparity in household incomes in the impact area ranges from \$17,743 to \$78,947. This CBA provides zero benefit for existing impact area residents who may be struggling and be impacted the most by the project. Most benefits are for future Detroiters.



USE OF SCHOOL & LIBRARY RESOURCES FOR THE PROJECT

The Neighborhood Advisory Council (NAC) took a Library contribution from the developer off the table during negotiations. According to the original Brownfield Plan, over the next 35 years, the revenue and tax loss related to The District Detroit will be \$226.8M for Schools and \$5.7M for libraries. A new Brownfield Plan has been 'walked-on' that shifts administrative fees to reduce impacts to Libraries.



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WHAT DO WE WANT?

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A MAJOR CONTRIBUTION TO THE AFFORDABLE HOUSING TRUST FUND

The Detroit Affordable
Housing Development and
Preservation Fund (DAHDPF)
commonly known as the
Detroit Affordable Housing
Trust Fund (HTF), over the
life of the District Detroit
abatement period. By
ordinance, the HTF can
accept donations, grants
and contributions.

DID YOU KNOW?

"Census estimates for 2021 show half of Black Detroiters are renters, and there are 1,765 fewer Black homeowners in the city compared to 2019."

- Bridge Detroit March 24, 2023



INVEST IN A RELOCATION FUND TO SUPPORT THOSE WHO WILL BE DISPLACED

The disparity in household incomes in the impact area range from \$17,743 to \$78,947. The majority Black neighborhoods have lower median household incomes. The economic changes created by The District Detroit WILL displace Black women, children, and seniors who currently live in the impact area. The District Detroit Relocation Fund will support these impacted Detroiters.



MAKE THE SCHOOLS & LIBRARIES WHOLE!

Our libraries and schools have been deeply impacted by revenue loss from publicly funded private development projects. If developers financed their own private projects, our public institutions would benefit. Though city council can pass resolutions, laws governing tax capture exemption must be changed at the state level. The revenue loss to our schools and libraries due to tax capture from brownfield funding and tax abatements associated with the District Detroit project is appalling.





CBO/NAC ENGAGEMENT



Neighborhood Advisory Council (NAC)

The Developer's Representatives

Detroiters engaged in the city's Community Benefits Ordinance process and worked to inform the Neighborhood Advisory Council of past and best practices. Detroiters also moved into the **Detroit Economic Growth Corporation**'s space by engaing with the **Detroit Brownfeild Redevelopment Authority**.

The community benefits agreement process facilitated by the **Planning and Economic Development Department** has failed to include adequate terms, conditions, and mechanisms for enforcement in the first place. These are not the strong CBAs that Detroiters fought for. We fought to ensure a voice in negotiating benefits that make a difference in the lives of impacted residents in the nation's largest majority Black city.

> Call the city's Planning and **Development Department** and tell them what you think

Neighborhood Advisory Council (NAC)

- Terrance "T.R." Reid elected by Residents
- Henry Allen Williams Jr. elected by Residents
- Deirdre Jackson (CM Waters)
- Jonathan C. Kinloch (Parliamentarian) (CM Young II)
- Barbrie Logan (CM Santiago-Romero)
- Chris Jackson (Chair) (Planning & Dev)
- Eddie Hall III (Planning & Dev)
- Michael Essian II (Secretary) (Planning & Dev)
- Rogelio Landin (Vice Chair) (Planning & Dev)
- Steven Hawring non-voting (Planning & Dev)

PEOPLE'S CALL FOR ACCOUNTABILITY!





Director, Planning & Development Department (313) 224-1105

Antoine.bryant@detroitmi.gov

Aaron Goodman





DBRA ENGAGEMENT

Thursday February 9, 2023 – At yesterday's **Detroit Brownfield Redevelopment Authority** (DBRA) meeting their board of directors approved the Transformational Brownfield Plan for the District Detroit. The meeting was well attended, with over 60 people joining to put eyes on this part of the development process which is rarely observed by everyday Detroiters. The plan was moved forward despite overwhelming opposition from residents in Monday's public hearing and Wednesday's DBRA meeting.

Board members who are also city employees Amanda Elias, Pamela McClain, Ray Scott and Stephanie Washington voted along with John George from Motor City Blight Busters to approve the incentives. Board members Sonya Mays and Juan Gonzales were not in attendance for the vote. We want to thank board members Maggie DeSantis and Eric Dueweke for voting against the proposal. We also recognize Maggie DeSantis for asking important questions before the proposal was abruptly brought to a vote.

Seemingly with a disregard for meeting rules the board stopped discussion before the developers finished their presentation and Maggie DeSantis was able to fully interrogate the discrepancies presented between the \$167 million the developers claim they are reinvesting in the impact area and the \$12 million that we have been able to confirm. Our conclusion is that the DBRA Board of Directors moved this proposal forward without fully vetting the numbers presented by Olympia and Related.

















OPPOSITION IN THE NEWS



The District Detroit is on the frontline of the struggle over how we talk about Detroit. Public education includes media and press engagement. Opposition to The District Detroit has been covered widely by both large and independent outlets.



Bridge Opinion | District Detroit tax breaks will help billionaires not Detroiters

"The District Detroit is a \$1.5-billion project fronted by Ilitch Holdings (net worth \$3.8 billion) and Steven M. Ross (net worth \$7.6 billion). District Detroit is seeking \$800 million worth of public subsidies. Individuals who have made billions in ostensibly free economic markets are lining up in Detroit's soup kitchen of corporate welfare seeking tax abatements from one of the most impoverished cities in the country." Peter Hammer - Bridge Michigan March 24, 2023 - Opinion | District Detroit tax breaks will help billionaires not Detroiters



THE SHIFT TO BLACK AND INDEPENDENT MEDIA

With appearances on Black talk radio, The District Detroit developers went where no developers have gone before to carry their message to majority Black Detroit. Grassroots efforts went 'prime time' with DPP's Theo Pride becoming a frequent guest on the Anthony Adam's Show and Detroit is Different's Khary Frazier on FOX 2's Let it Rip.

EARNED MEDIA (not an all inclusive list)

Detroit Free Press - \$1.5B District Detroit buildout snags a key vote Detroit News - Brownfield board OKs \$616M in reimbursements for \$1.5B District Detroit project

Crain's Detroit Business - Brownfield board OKs \$616 million subsidy for latest District Detroit plan

WDET - Brownfield Board Passes \$616 Million Tax Break for \$1.5 Billion District Detroit Project

Detroit Free Press - \$1.5B District Detroit buildout faces heavy criticism at public hearing over incentives

Bridge Detroit - 'Transformational' or 'hostile?' District Detroit benefits deal advances

Crain's Detroit Business - Council postpones vote on raft of District Detroit tax incentives

Bridge Detroit - Duggan defends use of tax breaks to spur development

Axios Detroit - Duggan champions District tax breaks



Mayor Coleman A. Young's name has been spoken frequently around tax incentives and The District Detroit.

"Theo Pride, an organizer with the Detroit People's Platform, criticized Duggan for invoking Young to justify tax abatements in a <u>virtual response</u> to Tuesday's speech hosted by community groups. Pride said Duggan is trying to use "our heroes" to frame abatements as a racial justice project."

"Young governed through intentional white flight, he had to use different types of mechanisms but he understood they were temporary until the recovery," Pride said.

Bridge Detroit

Duggan defends use of tax breaks to spur development

"The market is driving the demand in Detroit and not necessarily the incentives. A lot of these tools are not needed now. They don't necessarily make projects more feasible, they make projects more profitable for developers."







PUBLIC COMMENTS IN OPPOSITION



We tracked over 10 public meetings with at least a minimum of 150+ public comments being made or written in opposition to The District Detroit



THANK





PUBLIC COMMENTS

The public comments on The District Detroit highlight another aspect of the story of 'Two Detroits.' - Those who have something to gain spoke aggressively in support of the project. The developers benefit when workers, pastors and elected officials mobilize against impacted residents and those seeking equity.



We tracked over 10 public meetings with at least a minimum of 150+ public comments being made or written in opposition to The District Detroit. **THANK YOU TO ALL DETROIT PEOPLE'S PLATFORM MEMBERS AND SUPPORTERS** who engaged in the many spaces this project was promoted in by the administration and the developers.

Whosoever – "Do you know that this plan will affect the amount of money that DPS get for student? When you start having projects that impact our children in that way financially they need a due diligence. See how many affordable housing have we produced and see where we are in terms of affordable housing before we move forward. We are in hard economic times. This is not the time to go into this"

Tonya Meyers Phillips – "Send it back to the table, we deserve better, the flowery language of the powerpoint needs to match the language. It's unenforceable. Discuss it provision by provision. We deserve a thorough analysis of this agreement."

Halima Cassells – "I echo the sentiments of NAC member Miss Logan in looking at these jobs in a fine tooth combs. Is the language there to backup what is being claimed and proclaimed. Workers from LCA had to petition the government for fair working conditions. We need what we need, not just cute language. Most of downtown looks like it does because of the Ilitch group sitting on properties for decades."

John Lave – "Talked to my cousin who is the president of bank, this project is a waste of money. I looked at the occupancy rate in Detroit, 60 percent. Look at the record of deception by Ilitches team. They never finish what they started."

William Hickey – "It should be called District Discount. This is giving 800 million dollar discount to billion developers. These billionaires don't need discounts. The Brightmoor framework gets peanuts by comparison to district Detroit – stand up to the mayor and vote no."

Frank Hammer – "This is trickle-down theory, the wealth has gone to the billionaires. It's under the dire circumstances that this development model creates that Detroiters are left to beg, contrary to the mayor's claims – it is clear that tax captures to starve our libraries."

Landis Spencer – "I'm with DSA, homeowner in district 6 – urging the body to vote no. Continuation of what we see of two Detroits. Tax breaks promise jobs, thriving Detroit – and our libraries are underfunded, schools are underfunded, population is still decreasing. Use the money to invest in the city. Not these billionaires."

Surplus Must Pay – "This is a bad CBO deal. I've been here 63 years, it has not been helping the homeless.we need 10 million dollars to build new low income affordable permanent housing. You all are over \$600 mil in illegal foreclosure, take care of the people you owe first. You know this is a bad deal."

emailed

Many Detroiters included info@detroitepopelsplatform.org when reaching out to their elected officials and decision makers.

There is absolutely no justification for this type of an abatement for Billionaires. it is incomprehensible that billionaires would ask for and be granted this type of abatement from taxpayers who have already been over assessed on their property without a plan to make us whole. *Linda Bowie

As a long time resident of Detroit I'm so tired of seeing people who have money to construct multi million dollar projects take millions of tax captured dollars to build their projects. Our rich investors should use their own money for their business venture. Our TAX DOLLARS SHOULD BE USED IN OUR COMMUNITY.

MGwendolyn Peoples







SOCIAL MEDIA BARRAGE















and tell them what you think.

DPP Believes this entire process has been mismanaged by the Planning Department. Call Planning Director Antoine Bryant and CBA Manager Aaron Goodman and tell them what YOU think about the CBA













SOCIAL MEDIA BARRAGE

























RESOURCES & LINKS

We show our work. All of our numbers come directly from The District Detroit's proposed Transformational Brownfield Plan. Links for more on The District Detroit and the negative impact of this economic development model on majority Black Detroit.

Detroit People's Platform https://www.detroitpeoplesplatform.org

DPP's The District Detroit Project Profile

https://www.detroitpeoplesplatform.org/districtdetroit/

+City and Developer Information

Transformational Brownfield Plan

https://detroitmigov.app.box.com/v/DistrictDetroitNAC/file/1121056706753

City of Detroit's The District Detroit page

https://detroitmi.gov/departments/planning-and-development-department/design-and-development-innovation/community-benefits-ordinance/ongoing-cbo-engagement/district-detroit

The District Detroit page https://www.districtdetroit.com

+Media - Thank you!

Detroit is Different https://www.detroitisdifferent.com

+History and Public Education Community Benefits Movement in Detroit

Fighting for Equity in Development - The Story of Detroit's Community Benefits Ordinance - https://www.detroitpeoplesplatform.org/tools/

Why Tax Incentives Hurt Majority Black Detroit

https://www.detroitpeoplesplatform.org/tax-incentive-ed/

DISINFORMATION PROPAGANDA AND TAX INCENTIVES

https://www.detroitpeoplesplatform.org/goodgovernance/disinformation-propaganda-and-tax-incentives/







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