



CODE EDC 19-05-02-314

APPROVAL OF MINUTES OF MAY 14, 2019 REGULAR MEETING

RESOLVED, that the minutes of the Regular meeting of May 14, 2019 are hereby approved, and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Economic Development Corporation.

May 28, 2019



**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, MAY 14, 2019 – 8:30 A.M.**

(As Amended at the Table on 5/28/19)

BOARD MEMBERS PRESENT: Marsha Bruhn
Kimberly Clayson
Linda Forte
Damon Hodge
Chris Jackson
Kwaku Osei
Matthew Roling
Jonathan Quarles
Thomas Stallworth

BOARD MEMBERS ABSENT: Maurice Cox (Ex-Officio)
John Naglick (Ex-Officio)

**SPECIAL DIRECTORS
PRESENT:** None

**SPECIAL DIRECTORS
ABSENT:** Marvin Thomas (I-94 Industrial Park Project)
Raeburn King (Springwells Industrial Park Project)

OTHERS PRESENT: Nick Allen (DEGC/EDC)
Amy Amador (Hubbard Farms Neighborhood Assoc.)
Scott Benson (City Council)
Kai Bowman (Mayor's Office)
Kenyetta Bridges (DEGC/EDC)
Mario Bueno (Mayor's Office)
Sam Butler (Hubbard Richard Resident Association)
Raquel Castaneda-Lopez (City Council)
Basil Cherian (Mayor's Office)
Jason Cooper (FCA)
Kevin Frazier (FCA)
Darnell Gardner
John Gallagher (Free Press)
Thomas Hardiman
Amanda Hanlin (DEGC)
Gay Hilger (DEGC/EDC)
Malinda Jensen (DEGC/EDC)
Paul Kako (DEGC/EDC)
Jennifer Kanalos (DEGC/EDC)



(OTHERS PRESENT CONT.)

Michael Koehler (Resident)
Vince Keenan (Mayor's Office)
Michael Lackaye (FCA)
Tom Lewand (Mayor's Office)
Glen Long (DEGC/EDC)
Erika Mobley (FCA)
Mary Carmen Munoz (LA SED)
Rebecca Navin (DEGC/EDC)
Byron Osbern (IBEW Local 58)
Mark Owens (Samaritan Center)
Rick Preuss (IBEW Local 58)
Rick Razo (City of Detroit)
Jose Rivera (Resident – Mobis-Chrysler Employee)
Paul Rivera (Mobis)
Ivan Rodriguez Pellot (Resident – Chrysler Employee)
Greg Rose (FCAS)
Ron Stallworth (FCA)
Jessica Trevino (Hubbard Richard Resident Assoc. VP)
Alexis Wiley (Mayor's Office)
Matt Walters (Mayor's Office)
Molly Young (Fleishman Hillard)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, MAY 14, 2019
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD, SUITE 2200
8:30 A.M.**

CALL TO ORDER

Noting that a quorum was present, Chairperson Forte called the Regular meeting of the Economic Development Corporation Board of Directors to order at 8:32 a.m.

GENERAL

Approval of Minutes

Ms. Forte asked if there were any additions, deletions or corrections to the minutes of the May 9, 2019 Special Board meeting. Hearing none, the Board took the following action:

On a motion by Mr. Roling, seconded by Mr. Hodge, Resolution Code EDC 19-05-02-313 was approved.

Ms. Bruhn stated she would like to make a motion to amend the minutes to be revised to include a summary of Board members' comments and the public's comments.

On a motion by Ms. Bruhn, seconded by Mr. Roling, it was unanimously approved for the minutes to be revised to include a summary of Board members' and the public's comments.

PROJECTS

FCA Land Assembly Project: Property Exchange Agreements (I-94 Project Plan, Springwells Industrial Park Project Plan, East Side Revitalization Project)

Ms. Navin stated that as the Board is aware, an item relating to the proposed FCA project was reviewed at the Special Board meeting on May 9, 2019. Again, in front of this Board, as part of that project, there is a request that certain land owned or controlled by the EDC be authorized to be included in a proposed land swap between the City and Crown Enterprises. At last week's meeting, the item was tabled until the next regularly scheduled Board meeting, so we don't have a formal presentation today. At the last meeting, there was a motion to divide the one resolution into two separate resolutions. The resolution was revised from the last meeting to remove the Trident Huber LLC transaction, since it was approved. Also, the resolution was revised to make it explicit that any approval by this Board today would be contingent upon City Council's approval

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of the actual property exchange agreement, since this body is not a proposed party to that exchange agreement. Ms. Navin stated with that, she has no further comments and will leave it to the Board's pleasure with how they want to proceed on this matter.

Ms. Clayson made a motion, which was seconded by Mr. Roling, for public comment to happen after Board questions but before the Board vote. The motion was unanimously approved.

Ms. Forte opened the floor to Board members' questions or comments.

Mr. Jackson stated he would like a clarification. Chrysler said that they were still going through the process of making a final determination of whether or not they are going to select this site. If the conveyances and swaps happen prior to the decision being made, what happens with all the land if Chrysler should decide not to be here in Detroit? Mr. Lewand responded that legally there is a final development agreement. If all of the land swaps are approved by City Council, the development agreement will be finalized and will be binding. Ms. Bruhn asked if Crown still gets the properties if the FCA agreement doesn't go through and the agreement is not implemented. Mr. Lewand said that is incorrect. None of the land swaps will become effective unless the development agreement goes through. City Council will have to approve those land swaps as well.

Ms. Clayson asked if the Board could see the actual development agreement that is proposed with the actual contractual terms with Crown Enterprises for the land transaction. Mr. Lewand answered that the document is not in final form yet, and when it is approved, it will be a public document.

Ms. Bruhn stated that she is trying to clarify EDC's role and what would happen if EDC does not approve the transfer. Does that hold anything up since EDC is only advisory to City Council? The Board has to take some kind of action, but can the City Council can go ahead do whatever it wants with the project? Ms. Navin responded that because EDC owns or controls some of these properties, if the EDC voted against the measure before the Board today and did not include these properties, the proposed property exchange with Crown, while it still could be approved by City Council, it would greatly impede the parties' ability to perform under that contract, because that contract contemplates the inclusion of all of these EDC properties. Ms. Navin stated that if this Board does not move forward with the inclusion of these properties, then it puts that property exchange agreement at risk because these properties are key to that property exchange agreement.

Ms. Bruhn asked Ms. Navin to point out the properties on a map. Ms. Navin referred to the maps in the Board packet. There are three areas. The first area is the I-94 Industrial Park. The second area is just south of Jefferson near Lyncast, there is one parcel owned by the EDC next to Crown's Lakeshore Distribution Center. And the third area is in Springwells Industrial Park, there is a property.

Ms. Clayson asked if any steps had been taken to try to get the Southwest Detroit properties off of the negotiating table with Crown. Mr. Lewand answered no.

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Mr. Roling commented that it is nice that the Board is making this decision in public and that he is proud of that fact.

PUBLIC COMMENT

Ms. Forte advised that there were a number of individuals present that have requested to make public comment and asked that they limited their comments to one minute each. The following individuals made public comment:

Jessica Travino (Hubbard Richard Residents Association) – They live close to the Ambassador Bridge area and they strongly oppose the land swap that involves property around their neighborhood because they have not been a good neighbor to them. It is very unfortunate that this deal is pitting one neighborhood against another. More than 5,000 new jobs is a good deal but there has to be another way.

Mark Owens (Executive Director, Samaritan Center) – Samaritan Center is a large, multi-service center on the east side of the City of Detroit. They house about 70 agencies and support about 50,000 different people per year who come there for various services. We are right across the street from the expansion, which we strongly, strongly, strongly support. We believe that these 5,000 jobs will benefit many of the Samaritan Center services because many of them come there for employment services and we believe that it is critically important that we do everything in this city to support the east side, the entire city and southeastern Michigan. What does it really mean if you make \$50,000 per year and you have 5,000 people doing that, the positive impact to the big community is \$250 million. We support that because we believe it is in the best interest.

Amy Amador (Hubbard Farms Neighborhood Association) – I am here representing the association to express the president's strong opposition to the swap between the Toledo W. Grand Blvd. area as well as the properties in the Rivershard [inaudible] area. As you know from the last meeting, the Toledo W. Grand Blvd three acres was part of the W. Vernor corridor project. It was slated to be a part of a residential, commercial, and mixed-use part of the City's planning study. We are disappointed that the City has chosen not to honor its own study. We would ask that you not support the swap of that. If this swap does move forward, we would ask that you restrict that property to be in conformance with what the planning study has proposed for our neighborhood. This is a residential neighborhood. We are really disappointed that the City has chosen to take land that is adjacent to residential properties.

Raul Rivera (Mobis Northern Automotive) – I represent Mobis in the city of Detroit. We are in support of this project. I was 16 years old when I went to prison and they are the only place that I could get employment. I've worked there 17 years. Chrysler has given an opportunity for the southwest residents. We are looking forward to the new jobs that will come with this. We are all in support.



Sam Butler (President, Hubbard Richard Resident Association) – I don't have fiery activist language today, just a general disappointment. I get it—5,000 jobs, \$13 million going directly into the economy—that is a big win. I think it is unfortunate with it coming to having to deal with a bad actor with such a strong negotiating position. That is unfortunate. Whereas FCA has development provisions in place--there is investment monitoring, there are methods where we can [inaudible] if they don't follow up on their promises--we are giving land with relative [inaudible] to a bad actor. Like I say, it is unfortunate that this has been forced to move so quickly.

Jose Rivera (FCA Chrysler Employee) – I am currently working for FCA. I am from southwest. Chrysler was the first job that gave me the opportunity. I applied at several different places. I was incarcerated for 10 years and Chrysler gave me the opportunity to [inaudible]. I had a small college education prior to getting the opportunity. I think it was beneficial to southwest Detroit. We don't have jobs. This is beneficial. So, without the opportunity at Chrysler, I wouldn't be where I am. It has been two years and I have benefits and everything. I am totally grateful, and I support this wholeheartedly.

Mary Carmen Munoz (LA SED) – I am the director of LA SED. LA SED is a Latino non-profit service agency in southeastern Michigan that has been serving the community since 1969. During those years, we have lost many jobs. This is a once in a generation opportunity that is being given to us by FCA who is willing to make the investment in the city of Detroit. It is unfortunate that personal feelings regarding one family seem to be [inaudible] economic outlook. So, LA SED is in support of FCA.

Byron Osbern (IBEW Local 58) – I am support of labor. This project will bring some jobs to our organization, electrical workers. FCA has an agreement with us to use all labor, all organized workers on this project and I am in support of that. I feel like there is always a better way with the community and with the companies to work things out. Hopefully, in the future, we will find a better way to do things, but as far as our union, 5,000 members, 10% are laid off, which includes journeymen and apprentices. I think this job will get a lot of us back to work, as well as minority contractors, minority businesses, Detroit-based businesses, and give us all a chance to get off the out of work list and back into our trade, as well as bring in new apprentices into the trade. So, I am in support of labor on this decision.

Rick Preuss (IBEW Local 58) – I am with IBEW Local 58, but I represent building trades as well. As Mr. Osbern said, we are experiencing about closer to 18% unemployment rate, so this construction job will be good for this Local here. Chrysler's investment is huge. Somebody already said, it's a once in a lifetime [inaudible] investment. The amount of jobs that are created here—the 5,000—will [inaudible] the supply chain. There will not be just 5,000. There is a company that did an evaluation and it is something like 30 to 1. So, it will trickle down the supply chain. This is a lot larger than how it will affect everybody. I actually do live in one of the affected areas at Kercheval. We are supportive of this project.

Darnell Gardner – I am a member of that community, more importantly, I am a member of the community that is most affected by this plant. We did sit down and came away feeling this will be

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very positive for our community. I just want to say on a personal level that I, too, [inaudible]. I am not a UAW member, I am a salaried worker at Ford Motor Company. I am also a former felon and want to say what these jobs will mean to the community. My home backs up to this plant. Up until now, our community has been pretty much forgotten. So, I would like to see this deal go forward, for the jobs, for the community, and most importantly, for the young people in my neighborhood who are aimlessly walking around looking for opportunities.

Thomas Hardiman – First of all, I want to say that there are three active members here, and I want to represent that, as members of the Fiat Chrysler Expansion Neighborhood Advisory Council of the State that represents the Act, we volunteered to negotiate a strong community benefit region that will not only benefit our impact area, but the entire city of Detroit. We are extremely proud of what we did to negotiate a \$35.2 million benefit, the largest community benefit in the city's history, one of the largest jobs creating projects in Detroit—4,950 UAW jobs will be created from this expansion. On top of the investment in our community, one issue was insuring that Detroiters would be hired before the general public for the project. We are proud to report that we were successful. Fiat Chrysler will give Detroit residents, returning citizens and veterans opportunities to apply before the general public. Not just when it opens, but over the next 30 years. This is unprecedented. Vote for FCA and the city of Detroit.

Raquel Castaneda-Lopez (City Council) – I submitted comments to you in writing. I think it is really sad that every single large development deal [inaudible] this conversation. Labor is pitted against community and communities are pitted against each other. I support the jobs. My family has worked over 40 years in the automobile industry, as well as my grandmother and other members of my family. I think the support needs to come when we are sacrificing public health, investment in our schools, one community's wellbeing for another, simply for jobs. I do want to remind folks the community needs to have prioritization for application. There is no commitment to a quantifiable number or percentage of hiring Detroiters. So, I would love to be able to support and I thank Chrysler for what they have done. These are the changes that we would like to see in the deal, but I encourage you all on the EDC to advocate for as well, is removal of the properties in Southwest, a commitment to more than \$15,000 per household for home repairs, to really protect the surrounding communities and people that live right next door, public health and from new pollution, to protect the schools and the kids and the parents going to the schools, public health and from new pollution.

Scott Benson (City Council) – I am in strong support of this deal and I urge the EDC to make a yes today. The reason is this deal will result in 5,000 jobs. That will be an increase of 1% of our General Fund. And when we have to spend \$162 million to support our retirees in the year 2024, we need to grow this economy and this city budget. This helps us do that. We need 15 more of these to make sure we've got \$162 million deal. Now, this is a situation where you don't want the perfect [inaudible] any of the good. This is a good deal. Do I like the Moroun deal? No, I don't. But the third issue is, also we are putting into this deal, we are giving property to the Soave family as well as the Moroun's to make sure the city comes out on top with 5,000 new jobs—lifechanging jobs--when you have citizens come to you and say how these jobs have turned their lives around.



These are middle class jobs, not \$50 an hour jobs, middle class jobs. This helps our city. This makes sure we continue on an upward trajectory in Detroit. Vote yes on this today.

Ms. Forte advised that she did not have any additional cards for public comment and thanked the public for their comments.

Ms. Forte advised that she would now go back to the Board for further discussion.

PROJECTS

FCA Land Assembly Project: Property Exchange Agreements (I-94 Project Plan, Springwells Industrial Park Project Plan, East Side Revitalization Project)

Ms. Clayson said that she just wanted to say one thing about this. The Board's vote last week clearly demonstrated that it supports FCA coming in and doing this expansion project. This particular part of the deal is a substantial problem. We don't have any formal written appraisal for this land swap, and she thinks that when you look at the valuations, they are completely out of whack when you compare them to the other land swap deals that have happened. She thinks FCA could make this happen because they already control the very land that they are trying to acquire, and it was FCA's choice not to do it simply based on not getting control of this land. She thinks that is an incredibly unfair position to put the entire city of Detroit in.

Mr. Roling stated that he thinks first and foremost each of the EDC Board members needs to remember that they are fiduciaries representing the taxpayers. The questions that he asked himself are (1) would he put his own money in this deal and would a sophisticated investor put money in the deal based on what the city has explained are the benefits; and, (2) if somebody said to him here is \$160 million dollars in cash and land, go make the city's economy better, is this the first thing that he would do? He can't say yes with conviction to either of those questions. It is really hard for him to support this--it just feels like nothing more than corporate welfare.

Mr. Hodge stated that he has one brief comment. While he welcomes the opportunity for new jobs in the city of Detroit, he knows this deal has been structured and a lot of work has been put into it. The one thing that he would have liked to have seen was a stronger guarantee of jobs going to Detroiters with the sacrifices that the community is being asked to make here.

Mr. Stallworth clarified that the EDC Board is only responsible for three of the areas here-not the whole package. Ms. Navin stated that is correct. Mr. Stallworth said that he is concerned as everybody else about community benefits and the impacts on adjacent communities, but he also wants to be clear process-wise that ultimately City Council has final approval on this package. Ms. Navin stated that is correct. They also have responsibility for negotiating community benefits and ultimately making sure that this project is overall beneficial to the city of Detroit. Ms. Navin responded that is correct. Mr. Stallworth said the one thing he wasn't completely clear about is the competition Detroit is in for this project and asked if there was somebody from FCA that could address that.



Mr. Ron Stallworth of FCA responded that there a couple of issues that he wanted to make clear. With regarding to guarantee of employment of Detroit residents, while at some level that would make sense, he did a lot of research and had trouble finding any corporation that would guarantee employment from a particular city. In fact, the City of Detroit doesn't guarantee that its employees are residents of the city. So, what FCA will do is give priority to Detroit residents. Mr. Stallworth explained the application process to the Board. Mr. Stallworth said that secondly, in terms of timing, there is a construction timeline that needs to be met that is really dictated by the weather. Lots must be prepared before the winter and if this isn't done it really affects the entire production schedule. It is FCA's intent to start hiring in the fall. With regards to tax incentives, other states provide more than the state of Michigan and the City of Detroit. Without the land swap taking place, it makes this project less viable.

Mr. Roling interjected, "Belvedere, Illinois is a cornfield between Madison and Chicago that already has a Chrysler plant. Of course, it is going to be more expensive to build a plant in the middle of a 300-year-old city. This is just really tantamount to a shakedown of Chrysler pitting two midwestern cities against each other to see who is going to write the biggest check. It is a race to the bottom."

Mr. Ron Stallworth replied that in terms of a shakedown, that is not what is going on here.

Mr. Osei asked for someone to comment on the true amount of costs that will be driven by the city and what we expect to get in return, just so everyone is clear.

Ms. Bridges advised that an impact analysis was done based on some underlying assumptions here on projections that we make in terms of what the city stands to gain on this project over the next 30 years. In addition, we make some assumptions on costs. The total costs are approximately \$188 million, which takes into account the abatement, the land costs, the land swap values. It also takes into consideration some costs that the city has in terms of the Community Benefits Agreement. The total gross revenues as a result of this project is estimated at \$353 million over the next 30 years. And when you subtract those costs from the \$353 million, you get a \$165 million in net benefits to the city over the next 30 years.

Mr. Osei stated that, just to clarify without going into too much detail, some of that math does not add up to him and some of his issue is that it is still not transparent what we are getting. His calculation was that our total costs would be about \$203 million based on conversations yesterday. Ms. Bridges said that she can submit an updated cost projection, but a part of that, when you look at the community benefits and what he saw yesterday, some of that was leveraged money from the State, so we had to back out that leveraged money from the State and cannot look at that as part of the City's costs. There was a small portion of almost \$5 million that was already in our project fund that we needed to back out.

Mr. Jackson said that his biggest concern is about transfer of title of the land. He wants to be sure that if the deal does not happen, the land will go back to the original owners. Ms. Navin

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advised that under the development agreement, once it is approved and signed, FCA is obligated to construct the plant. If it is not constructed in the manner outlined in the agreement, we do have the right to take that property back.

Ms. Clayson asked what the reverter rights are and does it mean going to court. Ms. Navin responded that there is an arbitration process and explained the process. Ms. Clayson asked if there was a reverter for Crown. Ms. Navin stated there is not, however, those swaps will not occur until the development agreement and the property exchange agreement are signed and a diligence period has passed.

Mr. Osei commented that he wanted to say something before a vote is taken. He wants to second some of the comments made by members of this Board. He is just curious what was done to back ourselves in a corner that we would entertain these kinds of situations. Obviously, we all want the jobs, we want the economic impact, we want the growth, but what will we do to get ourselves off the wall so that we are not forced into these positions in the future.

Ms. Bruhn said that she has mixed feeling about this project because there are a lot of good things about it. It is not just the jobs. It is also the housing, the money that would go into the housing renovation, the job training. She doesn't see it as pitting one community against another. She sees it as a benefit to the whole city. She is uncomfortable about some of the properties that are proposed to be transferred to Crowne, particularly the three, and would like, if the Board votes for approval, that that be conditioned on the removal of these properties. As she understands it, the Board is kind of backed against the wall. Ms. Bruhn asked if the Board could at least make a recommendation to City Council that Council remove those properties, even though she understands that it won't happen. We are all backed against the wall when we find out from FCA that we are in competition. She asked if Mr. Jackson, as the maker of the motion for approval, if he would be willing to add these conditions to the proposal.

Mr. Jackson said that he is not willing to amend his motion. He appreciates the concerns of the Board member, but his motion is approval of the resolution as stated.

Mr. Quarles advised that he echoes a lot of what Ms. Bruhn mentioned. What he wants to be sure the Board is clear on is there is no perfect situation in economic development, and that is what this Board is, economic development. When we were appointed to be here to help with the revitalization of this city, unfortunately there are owners that we have no control of and we have to make the best decision today with what we have before us. He thinks the Administration has worked hard to put together the best possible deal. It is not perfect, but there is no such thing as a perfect deal. This is an economic development board and he has worked for the City and understands how hard it is to get a company to come to the City. These are jobs and you just have to do right for the community and strongly urged the others on the Board to consider this before voting. Mr. Quarles informed that he is going to support Mr. Jackson's motion for approval.

Ms. Forte commented that she wanted to share for the public before a vote is taken that this Board has really done its homework. This Board has spent hours reviewing the situation and having



their questions answered, both publicly and privately, as best that they can so that they understand what is at stake here. It is her belief that they all understand what is at stake is the economic development of this community and the opportunity for individuals in this community. We have a well-prepared Board to address this issue.

Ms. Forte called for a vote and the Board took the following action:

On a motion by Mr. Jackson, seconded by Mr. Quarles, Resolution Code EDC 19-05-13-56 and CODE EDC 19-05-69-10 were approved, with Ms. Clayson and Mr. Roling voting against.

Ms. Forte thanked the Board for all the hours and hard work that they put into their decision.

ADMINISTRATION

OTHER MATTERS

ADJOURNMENT

With there being no further business to come before the Board, on a motion by Mr. Stallworth, seconded by Mr. Jackson, Ms. Forte adjourned the meeting at 9:25 a.m.



CITY OF DETROIT
RAQUEL CASTAÑEDA-LÓPEZ
COUNCIL MEMBER' DISTRICT 6

May 13th, 2019

Board of Directors
Economic Development Corporation
500 Griswold St., Ste. 2200
Detroit, MI 48226

Dear Board of Directors,

I urge you to vote against the FCA Land Assembly Project before you. I firmly believe that the lure of jobs should not lead the City of Detroit to put the interests of one community in jeopardy for the benefit of another. I fear that the inclusion of certain properties in Southwest Detroit in the massive land transfer to Crown Enterprises does just that. Below, I provide the rationale for why I have advocated for each of the three parcels in SW Detroit to be removed from the transfer.

- a. **“Bridge Area” (multiple addresses):** These parcels have been the focal point of ongoing conflict between the Bridge Company’s gradual move Eastward in that neighborhood, specifically with their potential illegal encroachment onto parcels being requested on 20th and St. Anne Street, which has been met with ardent opposition from the community.
- b. **West Grand Blvd / Toledo (3600 Toledo):** This land transfer would be in direct conflict with the City’s own W. Vernor planning study. The planning department presented this parcel as the target of a down-zoning to facilitate its future as a mixed-use development. Additionally, we have received frequent complaints over the years of improper truck traffic along Toledo from Crown’s neighboring truck facility. This move would seem to only exacerbate those concerns.
- c. **Springwells Industrial Park (1420 Springwells):** This large property is currently under lease to the Windsor-Detroit Bridge Authority through 2025 for staging and construction. Outreach from the city to the WDBA was only initiated yesterday. Given the city’s track record of working with the Canadians to move the GHIB forward, this transaction seems counterintuitive. It is likely that some components of the bridge construction will continue past 2025. If this happens, this could trigger additional payments from the city to Crown or cause additional delays in construction of Gordie Howe, which Crown’s owners have sought repeatedly to stop over the last decade.

In addition to the concerns stated above, the City is paying significantly more for Crown’s parcels than any of the other parcels contemplated in this deal and it is a misuse of public bond money. This transaction is a massive giveaway of public lands without any community engagement. Again, I urge you to vote no. Please feel free to contact me with questions at councilmemberraquel@detroitmi.gov or (313) 224-2450.

Sincerely,

A handwritten signature in cursive script that reads "Raquel Castañeda-López".

Raquel Castañeda-López
Council Member, Detroit District 6

Gregg M. Ward
President Detroit-Windsor Truck Ferry
Member, Gordie Howe International Bridge, Community Advisory Group

Thank you for this opportunity to provide public comment. I will be focusing on the FCA Project – specifically the land deals.

As someone working in the Southwest Detroit community for over 30 years and as someone who has witnessed many real estate deals that have significantly and negatively impacted the community, it is my wish to speak to several serious concerns related to the proposed FCA property transactions.

I have provided information sheets on the various topics and will only speak to the highlights in my oral comments.

The proposed purchase price from 82 acres Budd Wheel site, owned by Crown Enterprises/Moroun, is \$75M. \$53.5M (cash) + \$10.5M (land exchange) + \$21.0M (payment to Crown/Moroun if FCA/Crown/Moroun do not conclude undefined business deals.) That equals \$75.0M purchase price or \$914,634/acre.

The 82 acre Budd Wheel site had a 2018 SEV of \$1,678,000 but somehow the City is telling taxpayers it must pay Crown/Moroun \$75,000,000. Has there been verification of the objective criteria and process was used in the decision to lower the property tax in 2011? There should be a paper trail on that. Has it been determined if the 82 acre Budd Wheel plant has been charged and paid all drainage rate charges? There should be a paper trail on that too.

There has been discussion that a premium is being paid on the Budd Wheel property because there is an active lease between FCA and Crown/Moroun for the use of some of the property as a parking area for new vehicles. I believe there is 9 years left on that lease. As it is obvious that lease was necessary as part of existing plant operations, why are the taxpayers of Detroit being asked to buy out the lease? It would be a fair question for City Council to ask FCA without the filter of the Administration telling you what FCA has to say.

I am sure everyone on City Council understands a large international, multi-billion dollar corporation like FCA moves slowly and has many levels of approval for any decision as large and complex as the expansion of two automotive plants in the City of Detroit. So when exactly did discussions begin on the possibility of doing the expansion. It seems obvious the Administration's 60 day time line is an exaggeration (fabrication) done to put pressure on City Council to approve the deal without close review of the facts.

In the Crown Enterprises Land Swap – Bridge Area, City property is being conveyed to the Crown/Moroun that has already been occupied by the Ambassador Bridge for over a decade without the benefit of ownership. Are there not some legal issues that need to be worked out prior to such a transfer? Were taxes charged for each year the Ambassador Bridge occupied and profited from that City land? Were water drainage fees paid for those parcels and the entire Ambassador Bridge site? Were the roads they closed properly vacated? It is simply unacceptable to allow a private company to take public land without a deed and then reward that abuse by giving them the land without penalty. No average taxpayer would be allowed to do.

I will end here and ask you please to take a look at the attached pages which go into more detail. Thank you.

#

Property Taxes: 12141 Charlevoix, Detroit

- Why the drastic change in SEV for year 2011 and year 2012?
- Why the drastic change in taxes paid in 2011?

Year	SEV	Summer Tax	Winter Tax	Total Taxes Paid
2010	\$4,300,968	\$329,593.97	\$91,741.52	\$421,335.49
2011	\$4,300,968	\$98,858.77	\$24,440.95	\$123,299.72
2012	\$1,250,000	\$97,025.01	\$22,127.53	\$119,152.54
2013	\$1,250,000	\$96,515.15	\$22,424.07	\$118,939.22
2014	\$1,250,000	\$97,812.68	\$11,859.14	\$109,671.82
2015	\$1,175,000	\$92,354.75	\$11,147.58	\$103,502.33
2016	\$1,175,000	\$91,120.27	\$13,521.08	\$104,641.35
2017	\$1,240,800	\$97,191.90	\$11,771.09	\$108,962.99
2018	\$1,678,000	\$97,639.40	\$12,016.85	\$109,656.25

(source: see Budd Wheel tax statements)

Using <https://earthengine.google.com/timelapse/> and input address for Budd Wheel site (12141 Charlevoix, Detroit).

There is visually no change to the Budd Wheel site from 2010 – 2017.

2018 is first year where demolition work was done – see dark structures on photos below – they are removed in 2018 and vehicles are present parked in newly asphalted areas in 2019 google map photo.

- Demolition work occurred on 12141 Charlevoix between the photo being taken in 2017 and 2018.
 - Is there a copy of the demolition permit?
 - Were there any tax incentives to do the demolition work? (Brownfield tax credits, etc)
 - What are the monthly water drainage charges for the 82 acre site? Copies? Are the water drainage bills paid up?
 - There was significant asphalt paving on the site between 2017-2018. Were permits issued? Copies?

2010 Budd Wheel plant 12141 Charlevoix, Detroit



2015 Budd Wheel plant 12141 Charlevoix, Detroit



2017 Budd Wheel plant 12141 Charlevoix, Detroit



2018 Budd Wheel plant 12141 Charlevoix, Detroit
Google Earth Engine



2019 Budd Wheel plant 12141 Charlevoix, Detroit

<https://earth.google.com/web/@42.37975609,-82.96878853,177.7764115a,841.05750761d,35y,63.79294676h,0t,0r>





CITY OF DETROIT
 OFFICE OF THE CHIEF FINANCIAL OFFICER
 OFFICE OF THE TREASURY
 CITIZEN TAX HELP CENTER

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 Detroit, MI 48226
 Phone: (313) 224-3560
 Fax: (313) 224-3844
 E-Mail: treasuryinfo@detroitmi.gov

05/10/2019

DETROIT

2010

PROPERTY #: 21001115.
 CLASS: 301
 TAXABLE VAL: 4,288,065

SCHOOL: D
 PRE/MBT %: 0.0000
 SEV: 4,300,968

TAXPAYER: CROWN ENTERPRISES INC
 JAKE HOWLETT
 12225 STEPHENS RD
 WARREN MI 48089

MORTGAGE CODE: 00326
 CROWN ENTERPRISES INC (00326)

PROP ADDRESS: 12141 CHARLEVOIX

SUMMER TAX INFO

AD VALOREM TA 326,231.66
 SP. ASSMENTS: 100.00
 ADMIN FEE: 3,262.31
 INTEREST: 0.00
 TOTAL: 329,593.97

WINTER TAX INFO

AD VALOREM TAX: 36,146.19
 SP. ASSMENTS: 54,687.00
 ADMIN FEE: 908.33
 INTEREST: 0.00
 TOTAL: 91,741.52

TOTAL PAID 329,593.97
 DATE PAID 01/14/2011
 BALANCE DUE 0.00

TOTAL PAID 91,741.52
 DATE PAID 01/14/2011
 BALANCE DUE 0.00

TOTAL BALANCE DUE 0.00

LEGAL DESCRIPTION

S MACK THAT PT OF PC 388 LYG W OF CONNER BET CHARLEVOIX AS OP & MACK AS WD EXC N
 287.79' ON E LINE BG N 198.56' FT ON W LINE THERE OF ALSO THAT PT OF 21 THRU 18 LYG
 BETW CHARLEVOIX AS OP AND MACK AS WD & LAST IMPROVED IN THE JEFFERSON/CONNER
 INDUSTRIAL REVITALIZATION PROJECT SUB OF PC'S 385 & 386 L49 P494 DEEDS, WCR 21/510 3



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05/10/2019

DETROIT

2011

PROPERTY #:	21001115.	SCHOOL:	D
CLASS:	301	PRE/MBT %:	0.0000
TAXABLE VAL:	1,271,250	SEV:	4,300,968
TAXPAYER:		MORTGAGE CODE:	00307
		CENTRAL TRANSPORT	(00307)

PROP ADDRESS: 12141 CHARLEVOIX

SUMMER TAX INFO

AD VALOREM TA	97,780.97
SP. ASSMENTS:	100.00
ADMIN FEE:	977.80
INTEREST:	0.00
TOTAL:	98,858.77

TOTAL PAID	98,858.77
DATE PAID	10/07/2011
BALANCE DUE	0.00

WINTER TAX INFO

AD VALOREM TAX:	10,715.96
SP. ASSMENTS:	13,483.01
ADMIN FEE:	241.98
INTEREST:	0.00
TOTAL:	24,440.95

TOTAL PAID	24,440.95
DATE PAID	12/30/2011
BALANCE DUE	0.00

TOTAL BALANCE DUE 0.00

LEGAL DESCRIPTION

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05/10/2019

DETROIT

2012

PROPERTY #: 21001115.
 CLASS: 301
 TAXABLE VAL: 1,250,000

SCHOOL: D
 PRE/MBT %: 0.0000
 SEV: 1,250,000

TAXPAYER: CROWN ENTERPRISES INC
 REAL ESTATE DEPARTMENT
 PO BOX 869
 WARREN MI 48090-0869

MORTGAGE CODE: 00307
 CENTRAL TRANSPORT/CROWN ENT

PROP ADDRESS: 12141 CHARLEVOIX

SUMMER TAX INFO

AD VALOREM TA 95,965.36
 SP. ASSMENTS: 100.00
 ADMIN FEE: 959.65
 INTEREST: 0.00
 TOTAL: 97,025.01

WINTER TAX INFO

AD VALOREM TAX: 10,160.60
 SP. ASSMENTS: 7,029.71
 ADMIN FEE: 171.90
 INTEREST: 0.00
 TOTAL: 17,362.21

TOTAL PAID 97,025.01
 DATE PAID 01/14/2013
 BALANCE DUE 0.00

TOTAL PAID 22,127.53
 DATE PAID 01/14/2013
 BALANCE DUE 0.00

TOTAL BALANCE DUE 0.00

LEGAL DESCRIPTION

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05/10/2019

DETROIT

2013

PROPERTY #: 21001115. SCHOOL: D
 CLASS: 301 PRE/MBT %: 0.0000
 TAXABLE VAL: 1,250,000 SEV: 1,250,000
 TAXPAYER: CROWN ENTERPRISES INC MORTGAGE CODE: 00307
 REAL ESTATE DEPARTMENT CROWN ENTERPRISES
 PO BOX 869
 WARREN MI 48090-0869

PROP ADDRESS: 12141 CHARLEVOIX

SUMMER TAX INFO

AD VALOREM TA 95,460.55
 SP. ASSMENTS: 100.00
 ADMIN FEE: 954.60
 INTEREST: 0.00
 TOTAL: 96,515.15

TOTAL PAID 96,515.15
 DATE PAID 08/06/2013
 BALANCE DUE 0.00

WINTER TAX INFO

AD VALOREM TAX: 11,741.73
 SP. ASSMENTS: 10,460.32
 ADMIN FEE: 222.02
 INTEREST: 0.00
 TOTAL: 22,424.07

TOTAL PAID 22,424.07
 DATE PAID 01/10/2014
 BALANCE DUE 0.00

TOTAL BALANCE DUE 0.00

LEGAL DESCRIPTION

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05/10/2019

DETROIT

2014

PROPERTY #: 21001115. SCHOOL: D
 CLASS: 301 PRE/MBT %: 0.0000
 TAXABLE VAL: 1,250,000 SEV: 1,250,000

TAXPAYER: CROWN ENTERPRISES INC MORTGAGE CODE: 00307
 REAL ESTATE DEPARTMENT CROWN ENTERPRISES
 PO BOX 869
 WARREN MI 48090-0869

PROP ADDRESS: 12141 CHARLEVOIX

SUMMER TAX INFO

AD VALOREM TA 96,745.23
 SP. ASSMENTS: 100.00
 ADMIN FEE: 967.45
 INTEREST: 0.00
 TOTAL: 97,812.68

TOTAL PAID 97,812.68
 DATE PAID 08/15/2014
 BALANCE DUE 0.00

WINTER TAX INFO

AD VALOREM TAX: 11,741.73
 SP. ASSMENTS: 0.00
 ADMIN FEE: 117.41
 INTEREST: 0.00
 TOTAL: 11,859.14

TOTAL PAID 11,859.14
 DATE PAID 12/29/2014
 BALANCE DUE 0.00

TOTAL BALANCE DUE 0.00

LEGAL DESCRIPTION

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05/10/2019

DETROIT

2015

PROPERTY #: 21001115.
 CLASS: 301
 TAXABLE VAL: 1,175,000

SCHOOL: D
 PRE/MBT %: 0.0000
 SEV: 1,175,000

TAXPAYER: CROWN ENTERPRISES INC
 REAL ESTATE DEPARTMENT
 PO BOX 869
 WARREN MI 48090-0869

MORTGAGE CODE: 00307
 CROWN ENTERPRISES

PROP ADDRESS: 12141 CHARLEVOIX

SUMMER TAX INFO

AD VALOREM TA 91,341.34
 SP. ASSMENTS: 100.00
 ADMIN FEE: 913.41
 INTEREST: 0.00
 TOTAL: 92,354.75

TOTAL PAID 92,354.75
 DATE PAID 08/28/2015
 BALANCE DUE 0.00

WINTER TAX INFO

AD VALOREM TAX: 11,037.21
 SP. ASSMENTS: 0.00
 ADMIN FEE: 110.37
 INTEREST: 0.00
 TOTAL: 11,147.58

TOTAL PAID 11,147.58
 DATE PAID 01/15/2016
 BALANCE DUE 0.00

TOTAL BALANCE DUE 0.00

LEGAL DESCRIPTION

S MACK THAT PT OF PC 388 LYG W OF CONNER BET CHARLEVOIX AS OP & MACK AS WD EXC N 287.79'ON E LINE BG N 198.56'FT ON W LINE THERE OF ALSO THAT PT OF 21 THRU 18 LYG BETW CHARLEVOIX AS OP AND MACK AS WD & LAST IMPROVED IN THE JEFFERSON/CONNER INDUSTRIAL REVITALIZATION PROJECT SUB OF PC'S 385 & 386 L49 P494 DEEDS, WCR 21/510 3



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05/10/2019

DETROIT

2016

PROPERTY #: 21001115.
 CLASS: 301
 TAXABLE VAL: 1,175,000

SCHOOL: D
 PRE/MBT %: 0.0000
 SEV: 1,175,000

TAXPAYER: CROWN ENTERPRISES INC
 REAL ESTATE DEPARTMENT
 PO BOX 869
 WARREN MI 48090-0869

MORTGAGE CODE: 00307
 CROWN ENTERPRISES

PROP ADDRESS: 12141 CHARLEVOIX

SUMMER TAX INFO

AD VALOREM TA 90,119.08
 SP. ASSMENTS: 100.00
 ADMIN FEE: 901.19
 INTEREST: 0.00
 TOTAL: 91,120.27

WINTER TAX INFO

AD VALOREM TAX: 13,387.21
 SP. ASSMENTS: 0.00
 ADMIN FEE: 133.87
 INTEREST: 0.00
 TOTAL: 13,521.08

TOTAL PAID 91,120.27
 DATE PAID 08/15/2016
 BALANCE DUE 0.00

TOTAL PAID 13,521.08
 DATE PAID 01/11/2017
 BALANCE DUE 0.00

TOTAL BALANCE DUE 0.00

LEGAL DESCRIPTION

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05/10/2019

DETROIT

2017

PROPERTY #: 21001115.
 CLASS: 301
 TAXABLE VAL: 1,240,800

SCHOOL: D
 PRE/MBT %: 0.0000
 SEV: 1,240,800

TAXPAYER: CROWN ENTERPRISES INC
 REAL ESTATE DEPARTMENT
 PO BOX 869
 WARREN MI 48090-0869

MORTGAGE CODE: 00307
 CROWN ENTERPRISES

PROP ADDRESS: 12141 CHARLEVOIX

SUMMER TAX INFO

AD VALOREM TA 96,130.60
 SP. ASSMENTS: 100.00
 ADMIN FEE: 961.30
 INTEREST: 0.00
 TOTAL: 97,191.90

TOTAL PAID 97,191.90
 DATE PAID 08/30/2017
 BALANCE DUE 0.00

WINTER TAX INFO

AD VALOREM TAX: 11,654.55
 SP. ASSMENTS: 0.00
 ADMIN FEE: 116.54
 INTEREST: 0.00
 TOTAL: 11,771.09

TOTAL PAID 11,771.09
 DATE PAID 01/10/2018
 BALANCE DUE 0.00

TOTAL BALANCE DUE 0.00

LEGAL DESCRIPTION

S MACK THAT PT OF PC 388 LYG W OF CONNER BET CHARLEVOIX AS OP & MACK AS WD EXC N 287.79'ON E LINE BG N 198.56'FT ON W LINE THERE OF ALSO THAT PT OF 21 THRU 18 LYG BETW CHARLEVOIX AS OP AND MACK AS WD & LAST IMPROVED IN THE JEFFERSON/CONNER INDUSTRIAL REVITALIZATION PROJECT SUB OF PC'S 385 & 386 L49 P494 DEEDS, WCR 21/510 3



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05/10/2019	DETROIT	2018
PROPERTY #:	21001115.	SCHOOL: 82010
CLASS:	301	PRE/MBT %: 0.0000
TAXABLE VAL:	1,266,856	SEV: 1,678,000
TAXPAYER:	CROWN ENTERPRISES INC REAL ESTATE DEPARTMENT PO BOX 869 WARREN MI 48090-0869	MORTGAGE CODE: 00307 CROWN ENTERPRISES

PROP ADDRESS: 12141 CHARLEVOIX

SUMMER TAX INFO

AD VALOREM TA 96,573.67
 SP. ASSMENTS: 100.00
 ADMIN FEE: 965.73
 INTEREST: 0.00
 TOTAL: 97,639.40

 TOTAL PAID 97,639.40
 DATE PAID 08/31/2018
 BALANCE DUE 0.00

WINTER TAX INFO

AD VALOREM TAX: 11,897.88
 SP. ASSMENTS: 0.00
 ADMIN FEE: 118.97
 INTEREST: 0.00
 TOTAL: 12,016.85

 TOTAL PAID 12,016.85
 DATE PAID 01/15/2019
 BALANCE DUE 0.00

TOTAL BALANCE DUE 0.00

LEGAL DESCRIPTION

S MACK THAT PT OF PC 388 LYG W OF CONNER BET CHARLEVOIX AS OP & MACK AS WD EXC N 287.79' ON E LINE BG N 198.56' FT ON W LINE THERE OF ALSO THAT PT OF 21 THRU 18 LYG BETW CHARLEVOIX AS OP AND MACK AS WD & LAST IMPROVED IN THE JEFFERSON/CONNER INDUSTRIAL REVITALIZATION PROJECT SUB OF PC'S 385 & 386 L49 P494 DEEDS, WCR 21/510 3

Crown Enterprises Land Swap – Bridge Area (1.9 acres)

Bridge Area land is valued by the City at \$148,521.

Why is the City transferring land to Crown that is already within the Ambassador Bridge Port of Entry (AB POE)? (yellow hash marks)?

- Was the Ambassador Bridge (Crown) using these parcels for all these many years without the benefit of ownership? Was a lease in place?
- Were City taxes assessed to Crown for these parcels owned by the City but occupied by the Ambassador Bridge? If not, why not. What should be the outstanding assessment with penalties? Should not those amounts be paid prior to transfer?
- Were city drainage rate charges applied to these parcels and the entire bridge compound? Have they been paid?
- Were the closed roads within the AB POE on 21st and @20th streets properly vacated? How much was paid to the City for those lands?
- What are the penalties for occupying and profiting from the use of City land without ownership or a lease?
- What are the penalties for closing public roads without properly vacating the road?
- What was the per acre value of City land sold to MDOT for the Gordie Howe Bridge? One could assume land to be used in the GHIB Port of Entry would be of the same value of land that is part of the AB POE. Did the City charge MDOT (Canada) the same \$78,168/acre (148,521 /1.9 acres) for such prime land?

Crown Enterprises Land Swap – I-94 Industrial Park

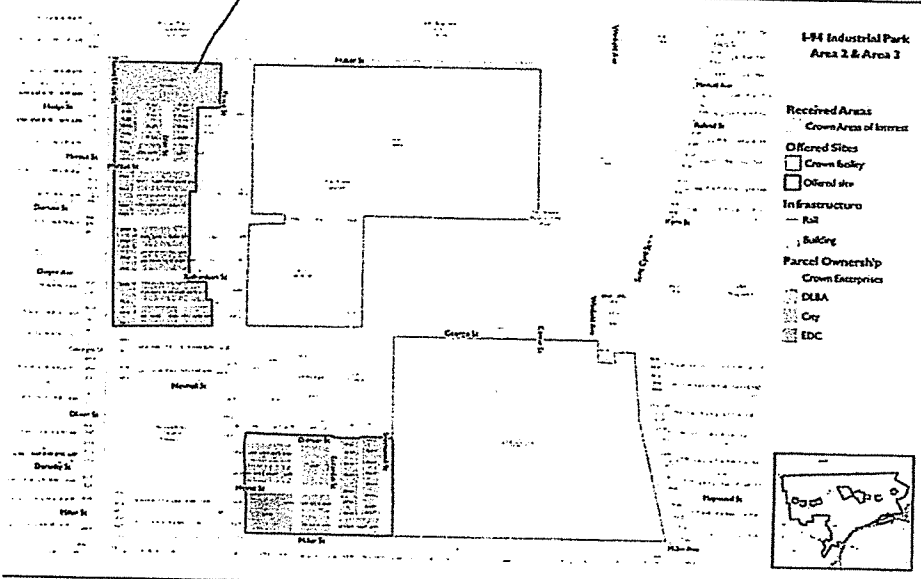
In FCA Project Overview, page 7 lists the I-94 Industrial Park address as 9240 Mt. Elliot at 14.5 acres with a value of \$1,265,854. The page 9 header reads Crown Enterprises Land Swap – I-94 Industrial Park (24.2 acres)

(From EDC Board Member Questions page 9) D. Question from Board Member Hodge: 1. Please provide a detailed breakdown on the potential scenarios for the additional \$21 million payment for the land should the titles not be conveyed without exception.

The \$21 million payment is required if FCA and Crown do not reach agreement on additional business opportunities. Two of the sites currently required for those business opportunities are in the I-94 Industrial Park. If the \$21 million is payable because Crown removed the I-94 property from its Property Exchange Agreement with the City because they are unsuitable for development, then the City will be required to pay \$15 million of the \$21 million.

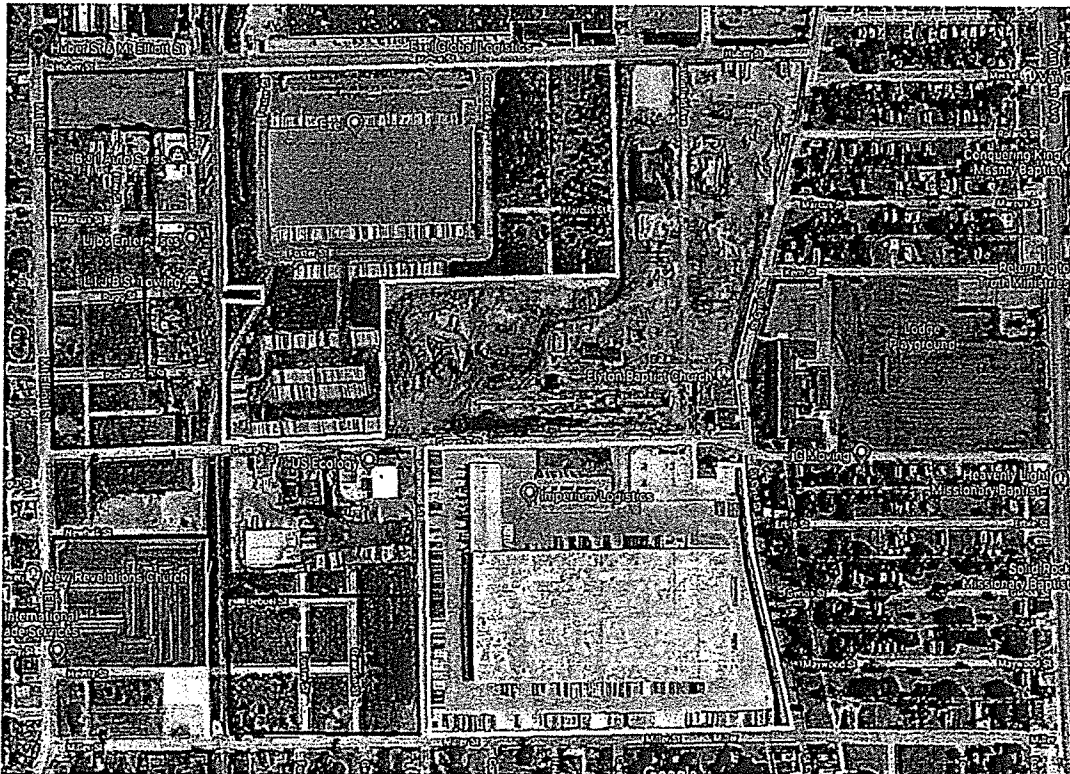
- In the Crown Transaction Summary (Attachment B-8) it states “If the swap properties are not acceptable through due diligence, etc., the DBRA will replace the land with the cash value identified for each property.” However, if Crown does not accept the I-94 Industrial Park property, they will receive \$21M not the \$1,265,854 identified on page 7 of the FCA Project Overview.
- What are the “additional business opportunities” described above? Are these opportunities outside the FCA Project Overview presented to City Council?
- It appears the \$21M payment is dependent upon Crown and FCA reaching an agreement on “additional business opportunities” for the use of these two I-94 parcels and others parcels. The answer above reads “Two of the sites currently required for those business opportunities are in the I-94 Industrial Park.” It does not say “The two sites required for those business opportunities are in the I-94 Industrial Park.” It should be explained what other parcels are required as part of the “additional business opportunities.”
- How can the City be financially obligated for commercial transactions on “additional business opportunities” between two private business entities? Where is the oversight? There is no leverage for the City to employ during negotiations to protect taxpayers because the negotiations are between Crown and FCA. Detroit is told only be ready with the checkbook if no deal is executed.

Proposed Changes Feasible
Crown Enterprises Land Swap – I-94 Industrial Park (24.2 acres)



City of Detroit Mayor's Office

May 9, 2019



Crown Enterprises Land Swap – West Grand Blvd/Toledo (3.1 acres)

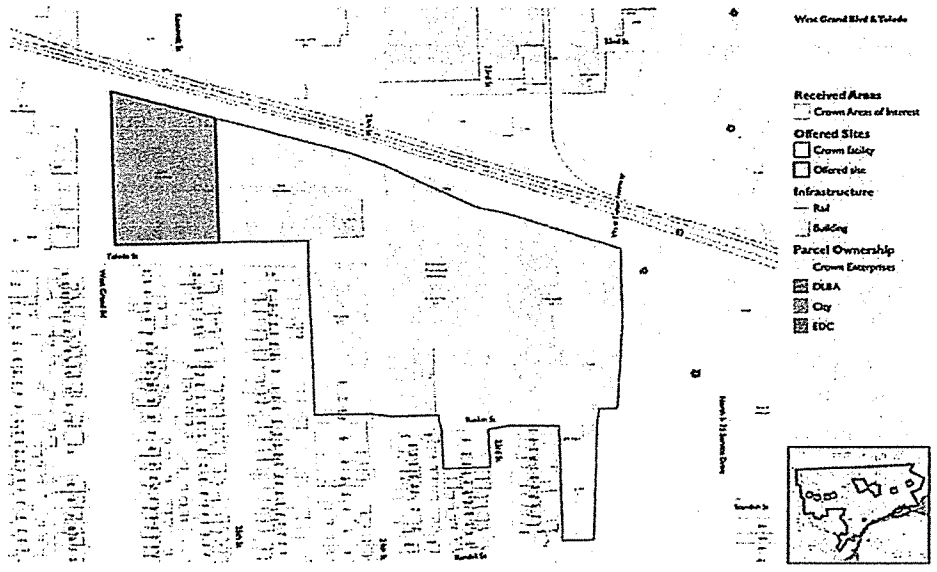
West Grand Blvd/Toledo property is at 3600 Toledo (3.1 acres) valued at \$564,033.

C. Questions from EDC Board Member Bruhn: 4. What consideration has been given as to the impact of Crown's acquisition parcels on the surrounding community? For example, the Neighborhood Framework Plan for the West Vernor Corridor calls for housing at West Grand Blvd and Toledo. A lengthy planning process involving 14 community partners worked with the Planning & Development Department to develop this plan. How could Crown's acquisition affect further development in this area and any other properties in the Southwest Detroit/West Vernor neighborhoods?

The Planning & Development Department is currently reviewing this matter.

- Someone (probably Crown) has evidently closed public roads in this area. (see photos – burgundy lines on aerial view). Were these City Streets properly vacated? Either these roads should be properly vacated (considering the Neighborhood Framework Plan and public safety needs) or roads should be required to be re-opened and repaired. Could that be a condition of the transfer?

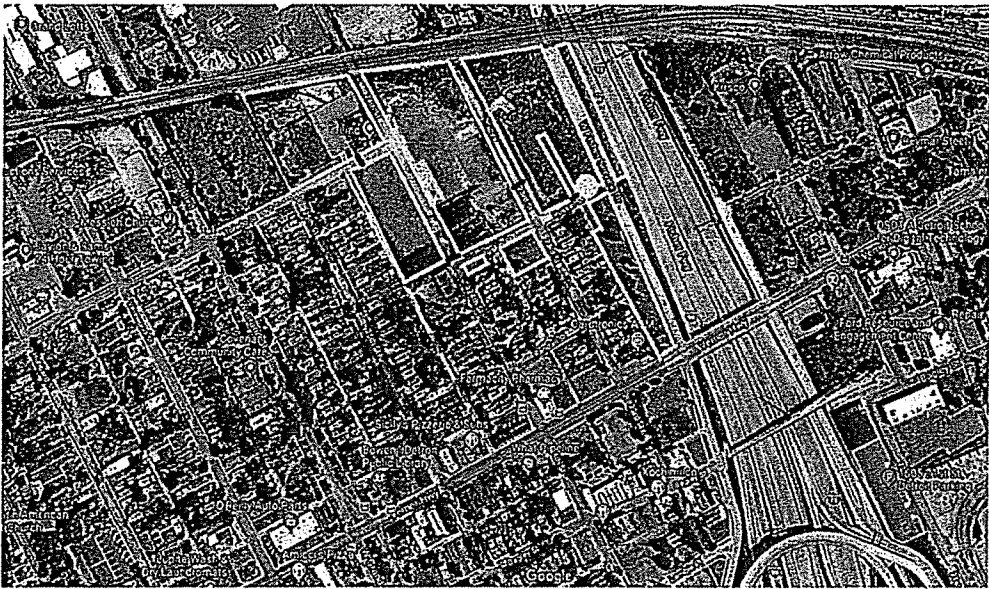
Crown Enterprises Land Swap – West Grand Blvd / Toledo (3.1 acres)



City of Detroit Mayor's Office

12

May 9, 2019

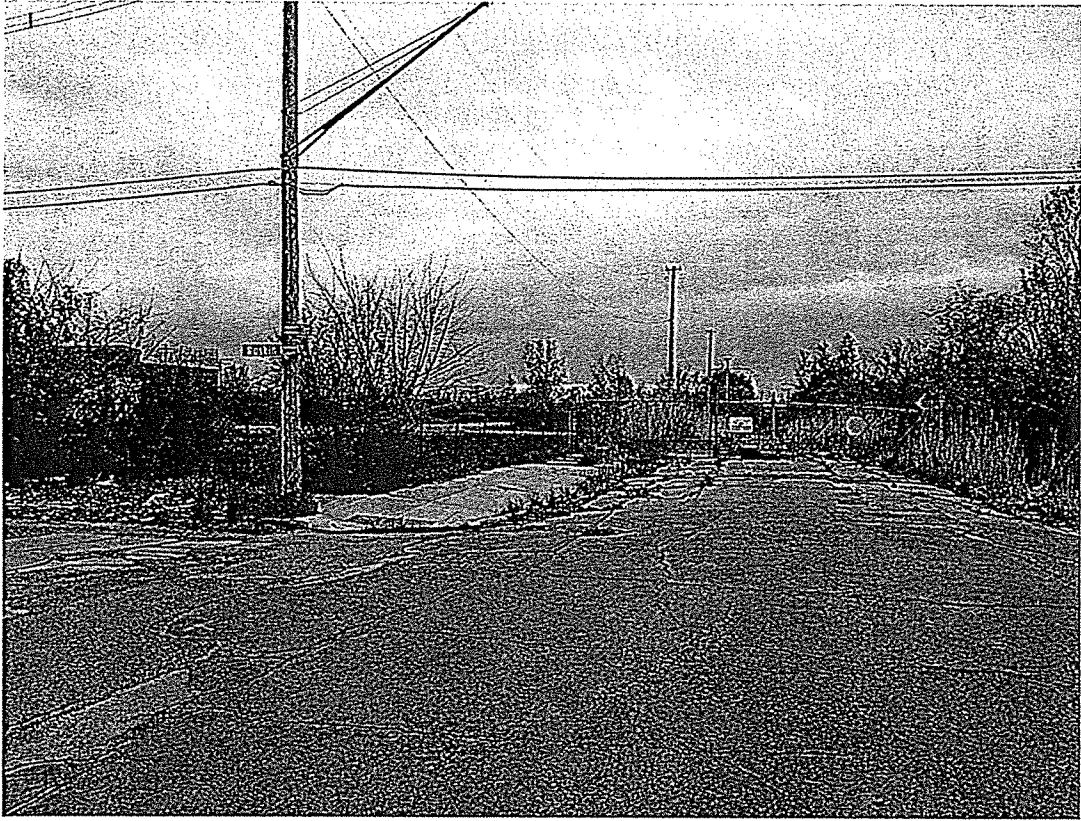




Toledo is closed after 24th Street



24th is closed at Ruskin.



23rd is closed at Ruskin. Alley between 23rd and Service Drive North of Ruskin is closed.

Public Comment - FCA negotiations questions & concerns

5-14-19

To City Council and EDC

From: Simone Sagovac, resident and member of the Southwest Detroit Community Benefits Coalition

Note: Crown Enterprises is referenced as "Crown."

1) Re \$21M contingency payment – if "unsuitable"

- What has to be done, at what potential cost, and whose responsibility will it be to ensure "suitability for development" in order that the City would not have to pay the additional \$21M?

2) Crown future development – conditions on transferred properties and due process guarantees

- **Request:** No changes in zoning or permitting for any properties being transferred to Crown without due public process, and no waiving or fast-tracking of public protection or engagement processes
- Are there any such zoning or permitting measures being automatically provided or guaranteed to Crown with the transfer of any properties to Crown?
- Are there any instances where public processes are being waived or altered?

3) W. Grand Blvd -Toledo property

The W. Grand -Toledo property is directly across the street from an active, well-established church in SW Detroit, which is considered a "sensitive receptor," in terms of any industrial activity exposure. The property is within a residential neighborhood that already experiences problematic truck traffic for residents and the property was identified in the city-community W. Vernor Corridor planning process for mixed use development.

Request: No transfer of this property to Crown – but if the property is transferred, any agreement should not automatically guarantee or provide for any future land use, zoning or permit that would create additional negative impact by truck traffic or other industrial activities to the residents and adjacent church.

4) Expedited approval process for Crown:

Stated: "The City will provide an expedited approval process for Crown's intended development of property for FCA's projects."

- What specifically is meant by “expedited approval process” and will it circumvent any public due process for information and input or any public protections?

5) Delray/Springwells/Fort Wayne – Crown Interest Area

A delineated area on the map (attached) provided by the city indicates a Crown Enterprise “Interest Area” that includes a portion of Fort Wayne and the Delray Boat Launch among other land.

- What specific Crown plans have been disclosed to the city related to acquiring land in the delineated interest area that includes a portion of Fort Wayne property and the Delray Boat Launch; and what promises or intents, if any, has the city conveyed toward facilitating Crown’s acquisition of additional properties in the delineated Crown Interest Area?

6) UTS McNichols Area stipulation - “Crown option to purchase at market value in the UTS McNichols area”

What does this provision guarantee... that Crown gets priority over other open-market buyers, or are there any other special conditions afforded to Crown with any purchases?

7) Needs/requests for future development processes, especially involving community benefits:

1. The full costs of prospective development should be transparently disclosed to the public prior to negotiation of associated Community Benefits.
2. Current appraisals of land by qualified entities should be provided for all land involved in development agreements, whether for direct use or stipulated in land transfers, and appraisals should be disclosed to the public for evaluating the public’s interests in agreements.
3. Future Interests in properties: Neighborhood residents and property owners must be informed and afforded opportunities for due process to provide input and defend their interests for properties implicated in land transfers for developments before any Development Agreements are signed and binding promises are made. Potential future use of the properties stipulated in transfers needs to be disclosed to neighboring property owners, and no additional conditions should be guaranteed that would waive the public rights to engage, to be informed, and to be protected with respect to the future use of the property.

Thank you for considering these concerns.



CODE EDC 19-05-02-313
(As Amended at Table)

APPROVAL OF MINUTES OF MAY 9, 2019 SPECIAL MEETING

RESOLVED, that the minutes of the Special meeting of May 9, 2019 are hereby approved, with revisions that include a summary and the essence of the discussion that occurred, and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Economic Development Corporation.

May 14, 2019



CODE EDC 19-05-13-56 and
CODE EDC 19-05-69-10
(Amended at Table on 5/9/19)

FCA LAND ASSEMBLY PROJECT: PROPERTY EXCHANGE AGREEMENTS (I-94 PROJECT PLAN, SPRINGWELLS INDUSTRIAL PARK PROJECT PLAN, EAST SIDE REVITALIZATION PROJECT)

WHEREAS, in connection with the industrial land assembly project undertaken by the City of Detroit Brownfield Redevelopment Authority ("DBRA") at the request of the City of Detroit (the "City"), FCA US LLC ("FCA"), DBRA and the City have executed that certain Memorandum of Understanding (the "MOU") relating to FCA's proposed investment at the Mack Engine Plant and Jefferson North Assembly Plant (the "Project"); and

WHEREAS, in the MOU, DBRA and the City agreed, among other things, to execute binding agreements to deliver title to approximately 215 acres of land adjacent to or in close proximity to the Project site, as shown in Exhibit A; and

WHEREAS, in order for DBRA and the City to deliver to FCA the acreage necessary for the Project, the EDC is being asked to convey properties in connection with the DBRA's acquisition of the below described parcel:

- Site 10 (owned by Crown Enterprises, Inc. ("Crown")) will be acquired by the DBRA pursuant to a Property Exchange Agreement by and among DBRA, the City and Crown, summary of which is attached as Exhibit B-1. In the event Crown elects to take title to certain EDC-controlled properties described in Exhibit B-2 (the "EDC Crown Properties") as an offset to the purchase price, the EDC is being asked to convey the EDC Crown Properties to Crown.

WHEREAS, in recognition of the benefits conferred by the Project to the City and its residents and taxpayers, EDC staff recommends the Board's approval of the following the conveyance of any or all of EDC Crown Properties to Crown, upon Crown's election to take title to same in accordance with the Property Exchange Agreement by and among the City, DBRA and Crown (the "Crown PEA"), subject to the approval by the Detroit City Council of the Crown PEA; and

WHEREAS, the Board of Directors has determined that the terms of the proposed transaction as described above and in the exhibits attached hereto is reasonable and consistent with the EDC's statutory purposes.

NOW, THEREFORE, BE IT RESOLVED that, subject to the approval by the Detroit City Council of the Crown PEA, the Board of Directors of the EDC hereby authorizes the conveyance, upon Crown's election, of any or all of the EDC Crown Properties to Crown in accordance with the Crown PEA summarized in Exhibit B-1.

BE IT FURTHER RESOLVED that the EDC Board of Directors hereby authorizes any two of the Officers or any two of the designated Authorized Agents or any combination thereof to



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execute any and all documents and take any and all actions necessary or appropriate to implement the provisions and intent of this resolution.

BE IT FINALLY RESOVLED that all of the acts and transactions of any officer or authorized agent of the EDC, in the name of the EDC and on behalf of the EDC, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

May 9, 2019 (Tabled)
May 14, 2019