



BROWNFIELD PLAN PRESENTATION

DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY

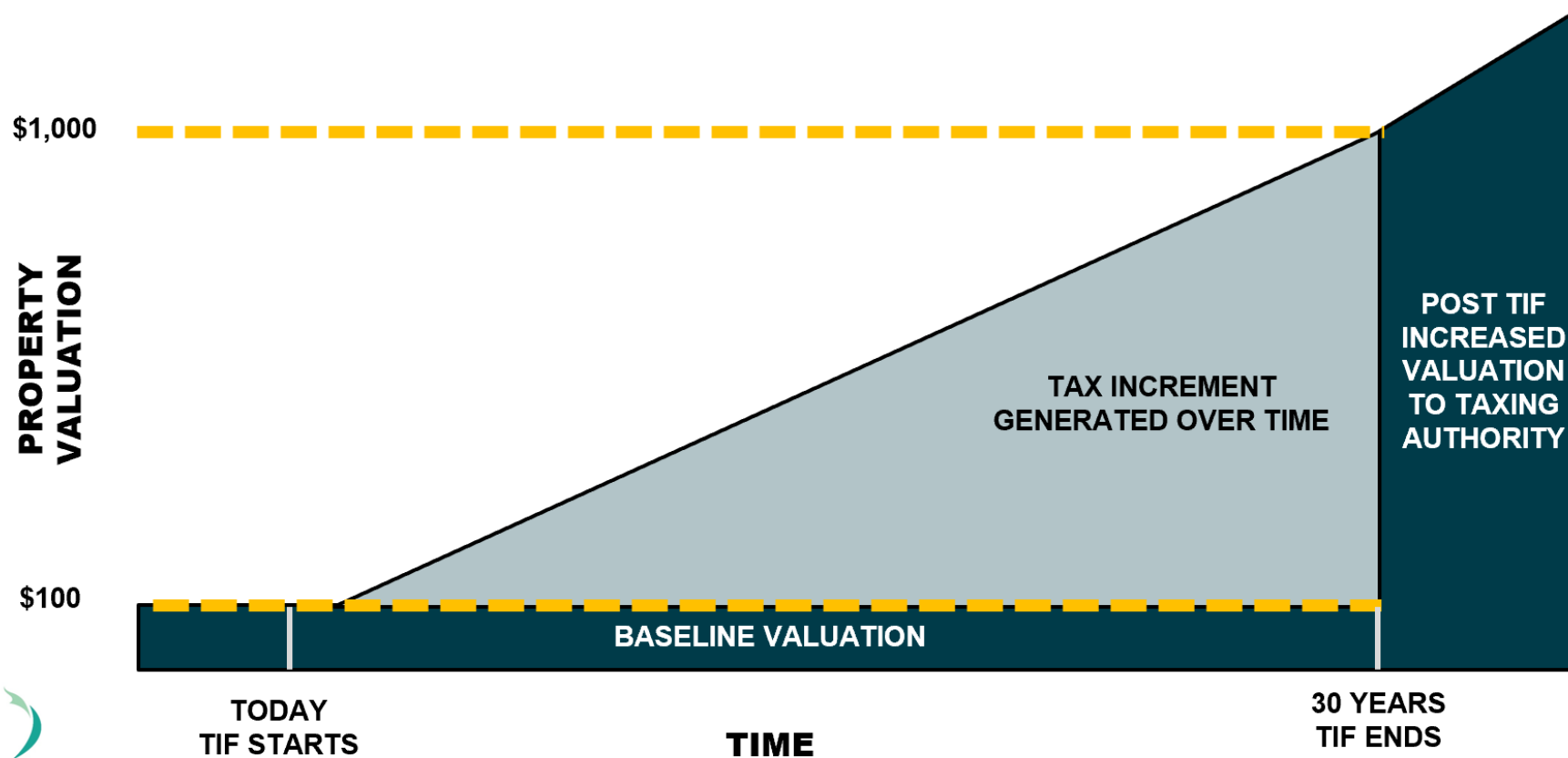
Local Public Hearing – The District Detroit Transformational Brownfield Plan
Monday, February 6, 2023



Questions and Public Comment

- **Public Comment? Please indicate either by raising hand if using Zoom video or if calling in, please press *9 to indicate a raised hand. Public Comments are limited to one (1) minutes. Public Comment can also be submitted by emailing Cora Capler at ccapler@degc.org. Public Comment submitted in writing will be included with the public hearing minutes which will be submitted to the DBRA Board of Directors and Detroit City Council.**
- **Additional questions? Please feel free to email Cora Capler at ccapler@degc.org.**

Tax Increment Financing (TIF) How It Works



- **A tax incentive designed to help level the playing field between undeveloped properties on the edge of the suburbs and redeveloping properties in core communities.**
- **Brownfield Tax Increment Financing (TIF) works at its simplest by freezing taxes at the pre-renovated rate (blue bars).**
- **Developer captures the difference of the increase in tax value, the Increment (yellow bars).**

- **Developer pays for all eligible costs upfront and submits all costs to DBRA which reviews for:**
 - **Eligibility**
 - **Reasonableness**
 - **Compliance with City, State & Federal regulations**
- **Developer is then paid back via TIF annually over time – 30 year maximum.**
- **When developer is fully paid back (end of yellow bars) the Brownfield Plan “sunsets” and all governments receive full tax capture (tall blue bars towards the right).**

- **9 Member Board of Directors**
 - **Assisted by a 9 member Community Advisory Committee**
- **Local public hearing to receive comment regarding the brownfield plan which will then be submitted to the Board of Directors and Detroit City Council.**
- **Public Hearing at Detroit City Council's Planning and Economic Development Standing Committee.**
- **City Council Final Vote**
- **Michigan Strategic Fund Approval**



The District Detroit Transformational Brownfield Plan

**PUBLIC ACT
381**

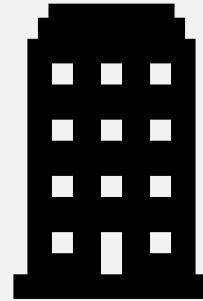
DEGC.ORG/TAX-INCENTIVES



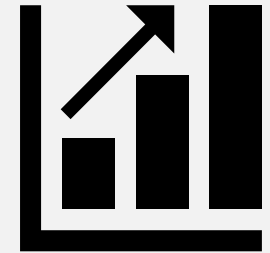
Transformational Brownfield Plan (TBP) Amendments



**In 2017,
State of Michigan amended
Act 381 to authorize
“transformational
brownfield plans” (TBP)**



**Enables new TIF
structure to help fund
high construction costs
of extraordinary projects**



**TBP TIFs also
capture certain State
income and sales tax
revenues**

	Traditional Brownfield Plan	Transformational Brownfield Plan
ELIGIBLE PROPERTY	4 Types of Property Qualification	Same as Traditional
MINIMUM INVESTMENT	No Minimum Investment Amount	\$500 Million Minimum Investment
COSTS COVERED	Specific, Limited Construction Costs	All Construction Costs
TAXES CAPTURED & REIMBURSED	Incremental Property Taxes – 30 yrs	Incremental Property Taxes – 30 yrs
		Construction Materials – 100% Sales Tax Exemption
		Construction Labor - 100% State Income Tax Capture
		Permanent Employees – 50% State Income Tax Capture – 20 yrs
		Development Residents – 100% State Income Tax Capture – 20 yrs

TBP Tax Overview

(\$ in Millions)

PROJECT NAME	TOTAL DEVELOPMENT COST	STATE TAXES ^[1]	NON-CITY PROPERTY TAXES	CITY CONTRIBUTION	TOTAL TBP (OVER 35 YEARS)	PRESENT VALUE OF TBP (2023 DOLLARS) ^[2]
2200 Woodward – Office	\$340.1	\$115.1	\$56.0	\$0	\$171.1	\$76.9
2250 Woodward – Residential	\$216.0	\$43.7	\$25.5	\$0	\$69.2	\$29.2
2211 Woodward – Fox Hotel	\$121.0	\$7.6	\$15.1	\$0	\$22.7	\$8.7
2300 Woodward – Mixed-Use	\$83.7	\$30.3	\$12.5	\$0	\$42.8	\$18.2
2305 Woodward / 2300 Cass – Office	\$278.7	\$122.8	\$42.4	\$0	\$165.2	\$62.7
2455 Woodward – Little Caesars Arena Hotel	\$190.8	\$13.3	\$27.2	\$0	\$40.4	\$17.0
408 Temple – The American Residential	\$68.7	\$13.8	\$9.0	\$0	\$22.8	\$8.2
2505 Cass – DCI Residential	\$150.1	\$33.0	\$15.0	\$0	\$47.9	\$20.6
2115 Cass – DCI Business Incubator	\$59.7	\$19.3	\$9.1	\$0	\$28.4	\$12.0
2210 Park – Detroit Life Residential	\$23.6	\$3.0	\$2.7	\$0	\$5.8	\$2.5
TOTAL	\$1,532	\$401.9	\$214.4	\$0	\$616.3	\$256.0



[1] “State Taxes” Includes Reimbursement Of Sales/Use Tax During the Project Construction Period & Income Tax Capture During Construction & After (Limited to 20 Years)

[2] “Present Value of TBP Incentive” Reflects Today’s Value of the 35-Year Total of the TBP Incentive

District Detroit TBP Captures by Source

(\$ in Millions)

Project Name	Const. Sales & Use Tax Exemption	Construction State Income Tax Capture	Commercial State Withholding Tax Capture	Residential State Income Tax Capture	Property Tax TIF	Total TBP Capture
2200 Woodward - Office	\$8.5	\$2.6	\$104.0	\$0.0	\$56.0	\$171.1
2250 Woodward - Residential	\$5.6	\$1.7	\$2.3	\$34.1	\$25.5	\$69.2
2211 Woodward – Hotel	\$2.7	\$0.8	\$4.1	\$0.0	\$15.1	\$22.7
2300 Woodward – Mixed Use	\$2.1	\$0.6	\$27.6	\$0.0	\$12.5	\$42.8
2305 Woodward/2300 Cass - Office	\$7.0	\$2.1	\$113.7	\$0.0	\$42.4	\$165.2
2455 Woodward – Little Caesars Arena Hotel	\$4.5	\$1.4	\$7.4	\$0.0	\$27.1	\$40.4
408 Temple – The American Residential	\$1.8	\$0.5	\$0.5	\$10.9	\$9.0	\$22.7
2305 Cass – DCI Residential	\$3.9	\$1.2	\$0.9	\$26.9	\$15.0	\$47.9
2115 Cass – DCI Business Incubator	\$1.4	\$0.4	\$17.5	\$0.0	\$9.1	\$28.4
2210 Park – Detroit Life Residential	\$0.6	\$0.2	\$0.2	\$2.1	\$2.7	\$5.8
Total	\$38.1	\$11.4	\$278.4	\$74.0	\$214.4	\$616.3

THE DISTRICT DETROIT PROJECT - TBP and OTHER INCENTIVES

*UNIQUE PARTNERSHIP THAT PROVIDES MAJOR STATE INCOME TAX INCENTIVES
ON TOP OF TYPICAL LOCAL PROPERTY TAX INCENTIVES*

TOTAL TAX INCENTIVES CONTRIBUTED TO THE PROJECT

City of Detroit General Fund	\$0*
Detroit Public Schools	\$0*

* No Impact Because DDA Would Otherwise Capture Taxes

Downtown Development Authority (DDA) Investment	\$48 Million
Property Tax Abatement Benefit (PA 210, NEZ)	\$133 Million
Traditional Brownfield Tax Increment Financing	\$214 Million
Transformational Brownfield Revenues – from State	\$402 Million
Total Incentives Over 35 Years	\$798 Million

THIS ASSUMES PROJECT IS FULLY BUILT OUT

THE DEVELOPER RECEIVES NOTHING IF THEY DO NOT BUILD

THE DEVELOPERS CAN EARN THESE INCENTIVES OVER 35 YEARS BY BUILDING THE PROJECTS & FILLING THE BUILDINGS WITH CITY OF DETROIT RESIDENTS & EMPLOYEES

THE DISTRICT DETROIT

WHERE DETROIT COMES TOGETHER

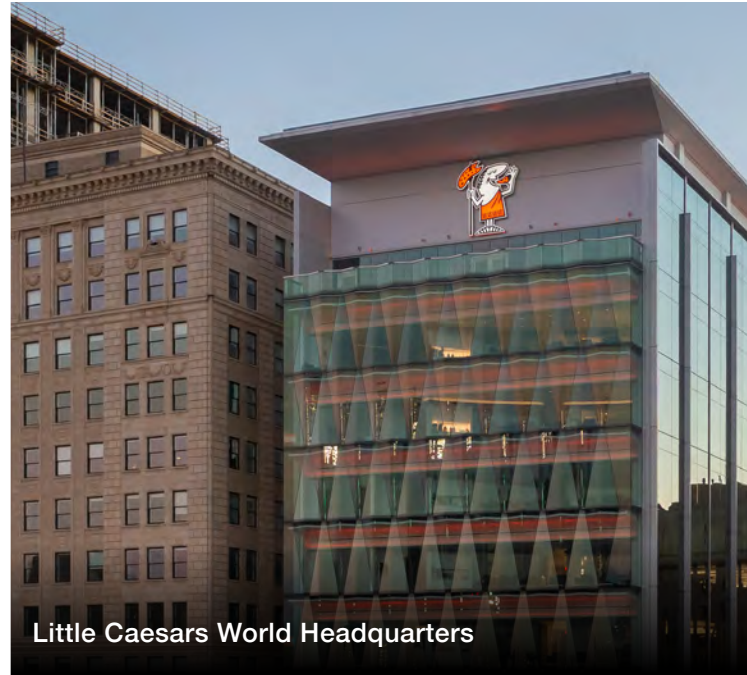




The Historic Eddystone Residences



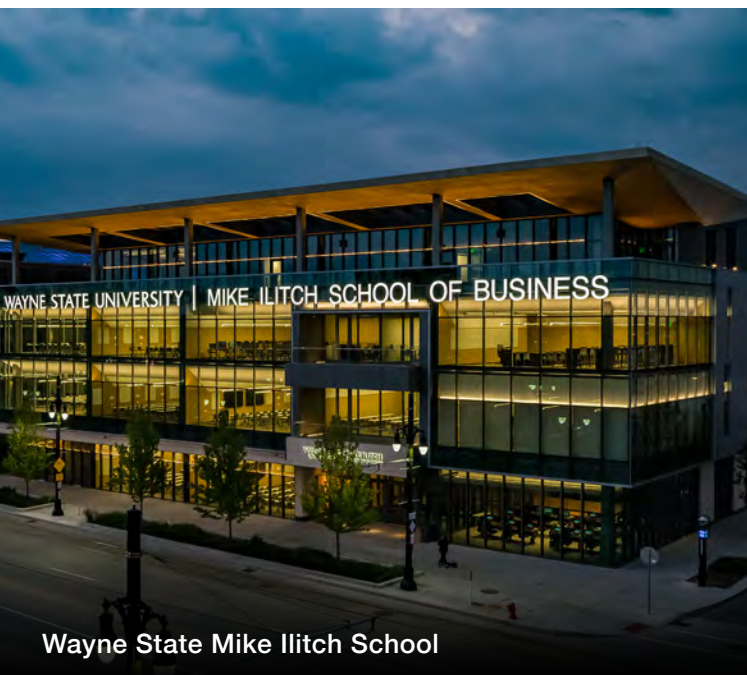
Columbia Street



Little Caesars World Headquarters



Chevrolet Plaza



Wayne State Mike Ilitch School



Little Caesars Arena



2715 Woodward



Historic Former Women's City Club



Basan



Frita Batidos Detroit



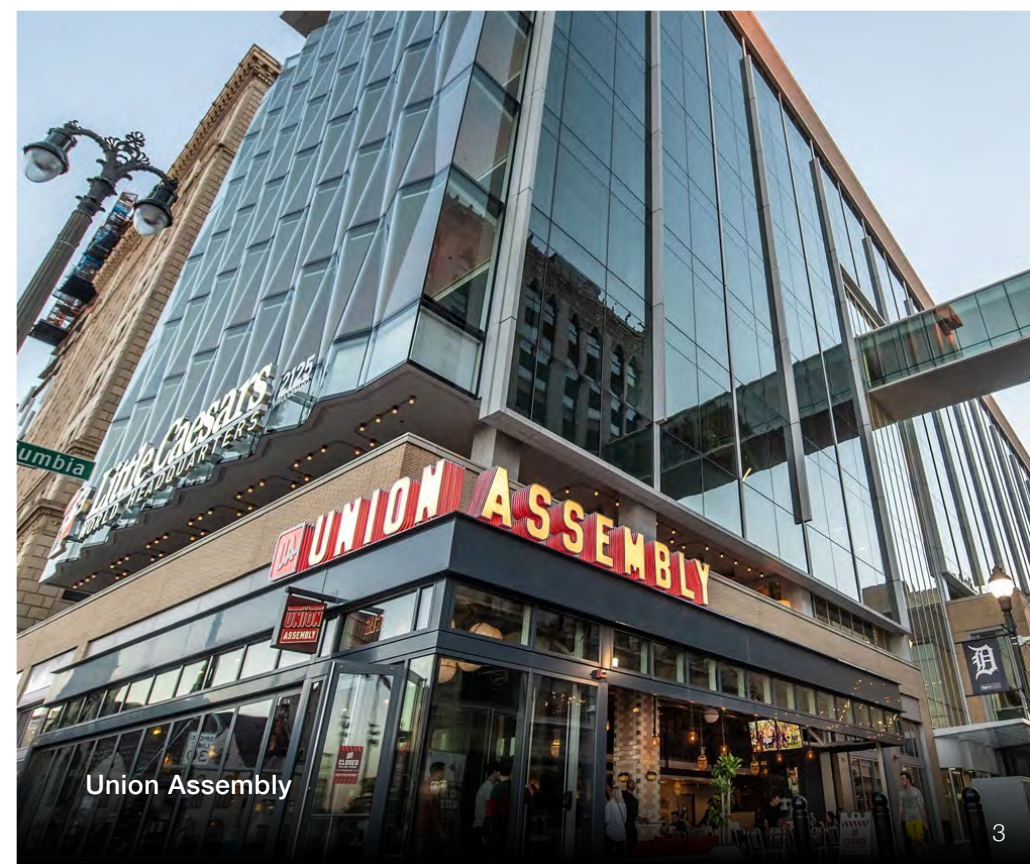
Mom's Spaghetti



Sahara Restaurant & Grill



Tin Roof Detroit



Union Assembly

AFFORDABLE HOUSING AND HISTORIC RENOVATION



3RD AND CHARLOTTE
65 Total Units
100% @ 20% - 80% AMI



HENRY STREET APARTMENTS
170 Total Units
30% - 60% AMI



EDDYSTONE RESIDENCES
92 Total Units
20% @ 80% AMI



RESIDENCES @ 150 BAGLEY
148 Total Units
20% @ 80% AMI

NEIGHBORHOOD PROJECT BENEFITS

- CONSTRUCTION JOBS
- AFFORDABLE HOUSING
- OFFICE, RETAIL, AND HOTEL JOBS
- SHOPPING & DINING
- DEVELOPMENT OF SURFACE LOTS
- REVITALIZATION OF HISTORIC BUILDINGS

RESIDENTIAL

- NEW CONSTRUCTION
- HISTORIC RENOVATION

ACADEMIC / BUSINESS INCUBATOR

- NEW CONSTRUCTION
- HISTORIC RENOVATION

OFFICE

- NEW CONSTRUCTION
- HISTORIC RENOVATION

HOTEL

- NEW CONSTRUCTION
- HISTORIC RENOVATION



NEW AND RENOVATED HISTORIC PROJECTS

1.2M+ | SF OF OFFICE

146K | SF OF RETAIL

467 | HOTEL ROOMS

865 | MIXED-INCOME RESIDENTIAL UNITS

26% EARMARKED AT 60% OF THE AREA MEDIAN INCOME (AMI) AND BELOW

Rents as low as \$627/month for a 1-person household earning \$25,080

Rents not exceeding \$1,007/month for 3-person household earning \$40,300

*Represents 2022 figures. Can change over time.



RESIDENTIAL

-  NEW CONSTRUCTION
-  HISTORIC RENOVATION



ACADEMIC / BUSINESS INCUBATOR

-  NEW CONSTRUCTION
-  HISTORIC RENOVATION

OFFICE

-  NEW CONSTRUCTION
-  HISTORIC RENOVATION

HOTEL

-  NEW CONSTRUCTION
-  HISTORIC RENOVATION



DETROIT CENTER FOR INNOVATION

A world-class center for education, research and entrepreneurship in the heart of Downtown Detroit.

PIPELINE OF TALENT

1,000 students annually

Mobility, Sustainability, AI, Data Science, Fintech, Cybersecurity, Entrepreneurship

FOUR ACRES OF DEVELOPMENT

200K SF research/education center

300 units of housing and green space

95K SF technology incubator

\$50 TO \$60 MILLION

Annual U-M investment into Detroit to operate

\$100 MILLION

Philanthropic commitment from Stephen Ross

CONTRIBUTION OF LAND

By the Ilitch organization

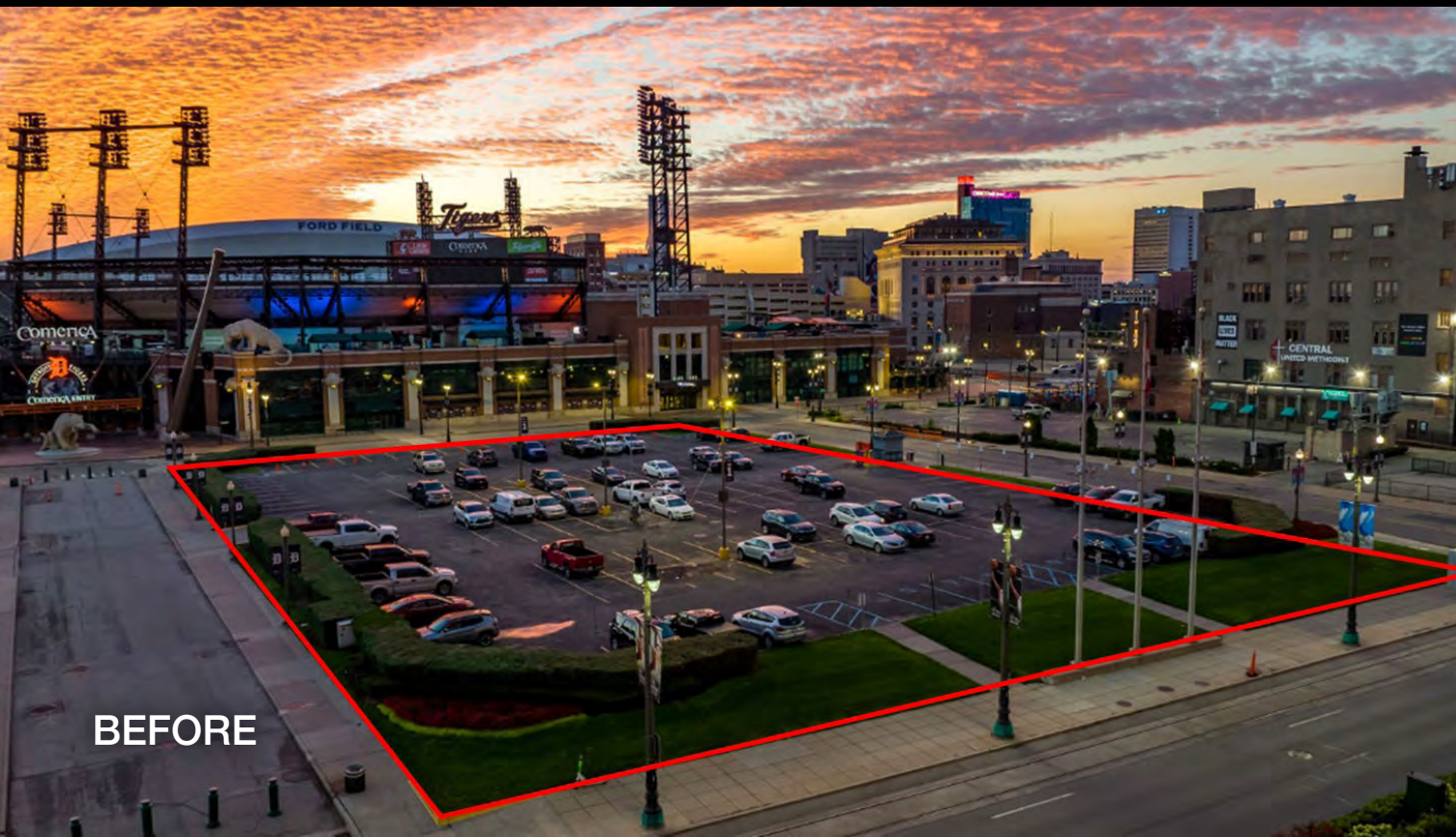


SURFACE PARKING LOT CONVERTED TO VERTICAL DEVELOPMENT

2200 WOODWARD

BY THE NUMBERS

2K	CONSTRUCTION JOBS
2K	PERMANENT JOBS
493K SF	OFFICE SPACE
28K SF	SHOPS AND DINING



NEW CONSTRUCTION MIXED-USE, MIXED-INCOME IN THE HEART OF DOWNTOWN

2250 WOODWARD

BY THE NUMBERS

2 K CONSTRUCTION JOBS

240 PERMANENT JOBS

287 RESIDENTIAL UNITS

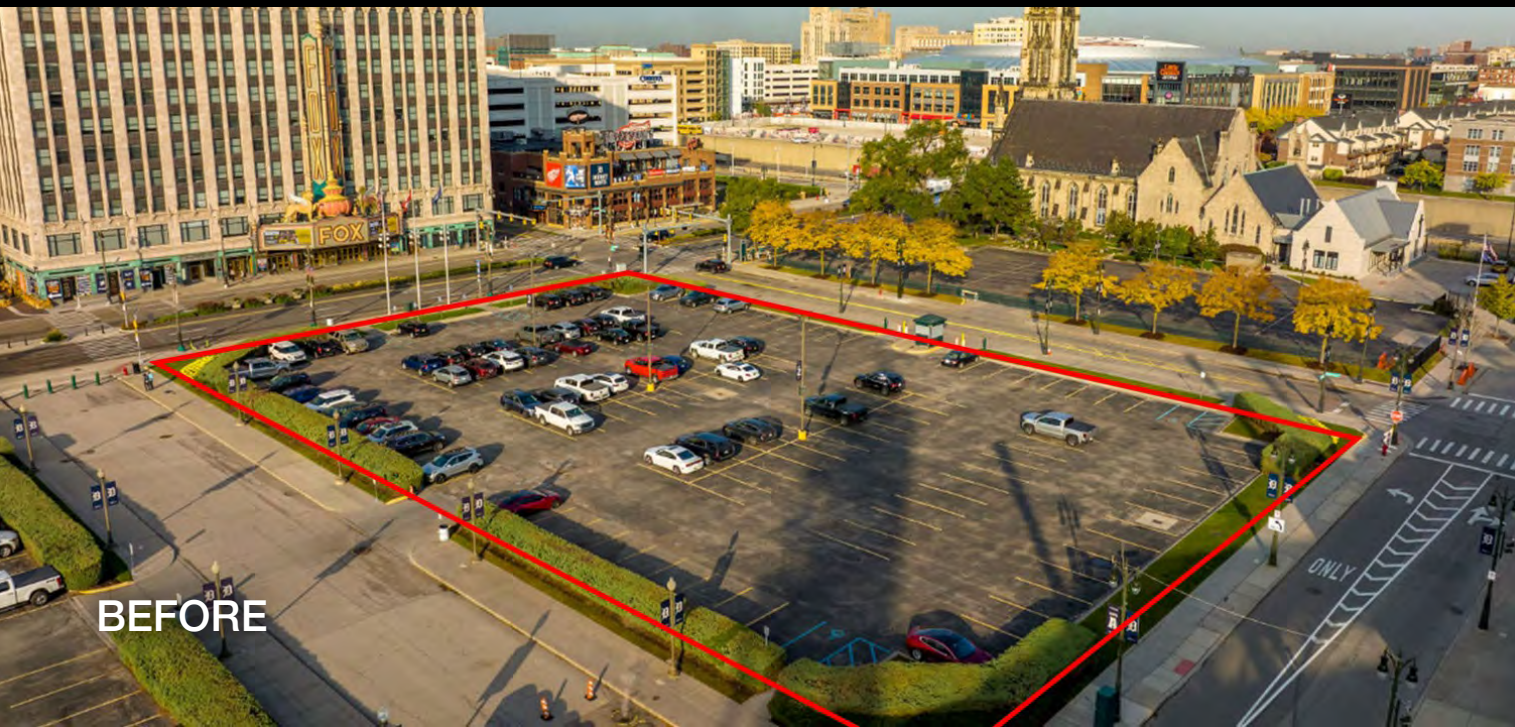
58 DEEPLY AFFORDABLE UNITS RANGING FROM
40-50% OF AREA MEDIAN INCOME

Rents as low as \$627/month
for a 1-person household earning \$25,080

Rents not exceeding \$1,007/month
for 3-person household earning \$40,300

27K SF SHOPS AND DINING

*Represents 2022 figures. Can change over time.



PRESERVING A CITY ICON

2211 WOODWARD • THE FOX HOTEL

BY THE NUMBERS

ADAPTIVE REUSE HISTORIC BUILDING

940 CONSTRUCTION JOBS

220 PERMANENT JOBS

177 KEYS OF HOTEL ROOMS

8K SF SHOPS AND DINING



BEFORE



AFTER

FROM VACANCY TO VIBRANCY

2300 WOODWARD

BY THE
NUMBERS

630 CONSTRUCTION JOBS

610 PERMANENT JOBS

131K SF OFFICE SPACE

18K SF SHOPS AND DINING



ACHIEVING NEW HEIGHTS

2305 WOODWARD • 2ND OFFICE A

BY THE NUMBERS

2K CONSTRUCTION JOBS
2K PERMANENT JOBS
546K SF OFFICE SPACE
10K SF SHOPS AND DINING



NEW CONSTRUCTION OFFICE ADJACENT TO THE DCI

2300 CASS • 2ND OFFICE B

BY THE NUMBERS

2K	CONSTRUCTION JOBS
2K	PERMANENT JOBS
546K SF	OFFICE SPACE
10K SF	SHOPS AND DINING



MEETING THE NEED OF MAJOR EVENTS

2455 WOODWARD • LITTLE CAESARS ARENA, HOTEL

BY THE NUMBERS

1K CONSTRUCTION JOBS
420 PERMANENT JOBS
290 KEYS OF HOTEL ROOMS
22K SF SHOPS AND DINING



RESTORED RESIDENTIAL HISTORIC BUILDING ON CASS AVENUE

408 TEMPLE • THE AMERICAN

BY THE NUMBERS

660 CONSTRUCTION JOBS

50 PERMANENT JOBS

131 RESIDENTIAL UNITS

27 DEEPLY AFFORDABLE UNITS RANGING FROM 40-50% OF AREA MEDIAN INCOME

Rents as low as \$627/month for a 1-person household earning \$25,080

Rents not exceeding \$1,007/month for 3-person household earning \$40,300

5K SF SHOPS AND DINING

*Represents 2022 figures. Can change over time.



BEFORE



AFTER

MIXED-INCOME, NEW CONSTRUCTION ADJACENT TO THE DCI

DCI RESIDENTIAL

BY THE NUMBERS

1K CONSTRUCTION JOBS

80 PERMANENT JOBS

261 RESIDENTIAL UNITS

54 DEEPLY AFFORDABLE UNITS RANGING FROM
40-50% OF AREA MEDIAN INCOME

Rents as low as \$627/month
for a 1-person household earning \$25,080

Rents not exceeding \$1,007/month
for 3-person household earning \$40,300

9K SF SHOPS AND DINING

*Represents 2022 figures. Can change over time.



A HOME FOR DETROIT-BASED ENTREPRENEURS

DCI INCUBATOR

BY THE
NUMBERS

ADAPTIVE REUSE HISTORIC BUILDING

420 CONSTRUCTION JOBS

350 PERMANENT JOBS

83K SF OFFICE SPACE

11K SF SHOPS AND DINING



A NEW DETROIT LIFE

2210 PARK • DETROIT LIFE, RESIDENTIAL

BY THE NUMBERS

RESTORED RESIDENTIAL REUSE HISTORIC BUILDING

220 CONSTRUCTION JOBS

30 PERMANENT JOBS

16 RESIDENTIAL UNITS

3K SF SHOPS AND DINING



\$1.4B PRIVATE INVESTMENT TO DRIVE:

6 | NEW PROJECTS

- 2 MIXED-INCOME RESIDENTIAL BUILDINGS
- 3 COMMERCIAL OFFICE BUILDINGS
- 1 HOTEL

18K | JOBS

- 12K CONSTRUCTION JOBS
- 6K ONGOING JOBS AFTER CONSTRUCTION

5 | RENOVATED HISTORIC PROJECTS

- 3 RESIDENTIAL PROJECTS
- 1 OFFICE BUILDING
- 1 HOTEL

865 | MIXED-INCOME RESIDENTIAL UNITS

- 26% EARMARKED AT 60% OF THE AREA MEDIAN INCOME (AMI) AND BELOW

E DUCATION

E N G A G E M E N T

CORE VALUES

E M P L O Y M E N T

Our purpose-driven development
will prioritize prosperity for Detroiters
through inclusion, equity and
the environment.

E N V I R O N M E N T A L
J U S T I C E

E C O N O M I C
I N C L U S I O N



THANK YOU



Questions and Public Comment

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QUESTIONS?

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