

# THE DISTRICT DETROIT

## THE DEVELOPERS

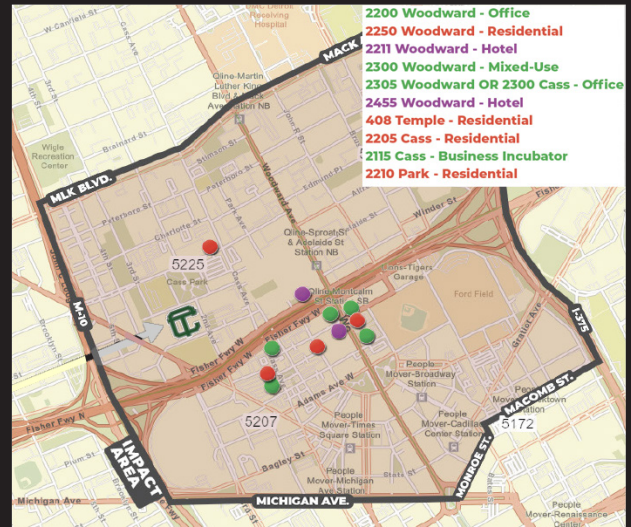
### Stephen Ross - Related Companies

- Ross is the chairman and majority owner of The Related Companies, a global real estate development firm he founded in 1972.
- According to Forbes magazine, Ross has a net worth of \$7.6 billion in 2020. Ross the principal owner of the Miami Dolphins and Hard Rock Stadium.
- Ross is a major benefactor of the University of Michigan; with lifetime contributions of \$478 million.
- In 2020, Ross announced an additional \$100 million for the construction of the University of Michigan Detroit Center for Innovation.

### The Ilitch Family - Olympia Development

- Ilitch companies include Little Caesars Pizza, Olympia Development, Olympia Entertainment, MotorCity Casino Hotel, numerous real estate holdings, the Detroit Tigers, and the Detroit Red Wings.
- In 2018, Ilitch Holdings total combined revenue was \$3.8 billion.

## THE PROPERTIES



Source: [detroitmi.gov/departments/planning-and-development-department/design-and-development-innovation/community-benefits-ordinance/ongoing-cbo-engagement/district-detroit](http://detroitmi.gov/departments/planning-and-development-department/design-and-development-innovation/community-benefits-ordinance/ongoing-cbo-engagement/district-detroit)

### Crain's: Ross sells his penthouse in Central Park - for a discount

**CRAIN'S** DETROIT BUSINESS

Stephen Ross sells his penthouse on Central Park — for a discount



Would taxpayers have to cover the cost of this project if he would have held out for market value?

### Developers purchased the land from the City for **ONE DOLLAR!**

From The Guardian: "...for \$1, the city gave the Ilitches land with an estimated value between \$3m and \$27m. But the deal didn't include any oversight or clawbacks."

Source: [The Guardian](https://www.theguardian.com/us-news/2018/oct/08/detroit-the-district-redevelopment-ilitch-companies) [theguardian.com/us-news/2018/oct/08/detroit-the-district-redevelopment-ilitch-companies](https://www.theguardian.com/us-news/2018/oct/08/detroit-the-district-redevelopment-ilitch-companies)

## PUBLIC INVESTMENT

Type of Public Tax Incentive	Requested
Transformational Brownfield	<b>\$616 Million</b>
Commercial and Residential Tax Abatements (up to 10 and 15 years)	<b>\$133 Million</b>
DDA Loans for affordable housing across three projects	<b>\$23.75 Million</b>
DDA Reimbursements for infrastructure upgrades. (Road improvements, utilities, security and public space upgrades)	<b>up to \$25 million</b>

**Our Investment: \$797.75 MILLION**

Source: [Crain's Detroit Business](https://www.crain.com/detroit-business/crainsdetroit.com/real-estate/committee-seeks-district-detroit-community-benefits) [crainsdetroit.com/real-estate/committee-seeks-district-detroit-community-benefits](https://www.crain.com/detroit-business/crainsdetroit.com/real-estate/committee-seeks-district-detroit-community-benefits)

The District has already sucked up about half a billion dollars in public money with the construction of Little Caesars Arena and the soon to come Detroit Center for Innovation, anchored by the **University of Michigan**. With the new proposed builds, the billionaire developers will be seeking even more public money in the form of a \$616 Million in Transformational Brownfield funds. **When we factor in the interest on bonds, value of public land, and bonus incentives, public investment for these projects will be well over a billion dollars. To put it in perspective, that sum is about Detroit's entire annual general fund.**

# WHAT DO DETROITERS GET FOR A BILLION DOLLARS?

**Low-wage jobs and a handful of cramped studio apartments.** The developers have boasted about the creation of 6,000 permanent jobs and affordable housing provisions that will set aside 20% of its residential units at 50% AMI. The problem is Detroiters never 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.

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.

Real community benefits must include agreements that address the project's impact on existing residents. Below are three recommendations that will move this project toward addressing the racial and economic disparities that have been inherent in Detroit's development model.

## REAL COMMUNITY BENEFITS FOR THE DISTRICT DETROIT

What are the real Community Benefits that Detroiters deserve for making this investment?

**DID YOU KNOW?**  
On average, residents in The District Detroit impact area voted for a strong CBA through Proposal A in 2016.

### A SUBSTANTIAL multi-year investment in 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.

### 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 Libraries and Schools 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.

**Over the next 35 years the revenue loss for schools will be \$226.8M. The total loss for libraries: \$5.7M.** The District Detroit developers must make our public libraries and schools whole.

Source: District Detroit TRANSFORMATIONAL BROWNFIELD PLAN by DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
Read: [www.detroitpeoplesplatform.org/districtdetroit](http://www.detroitpeoplesplatform.org/districtdetroit)

## ENGAGE IN THE PROCESS!

Join us at Cass Tech Tuesday evenings at 6pm. - In the Auditorium  
Give yourself extra time. Parking is available along Second, Ledyard, and in the school parking lot accessible from Henry and Second. Note the Red Wings home game on Feb. 7. We anticipate the CBA meetings will last through the month of February. If unable to attend in person join and make public comment through ZOOM. Register with the City to receive meeting link: **Web: [bit.ly/DistrictDetroitCBO](http://bit.ly/DistrictDetroitCBO)**

Email The District Detroit Neighborhood Advisory Council (NAC) – The NAC's email address is **[DISTRICTDETROITNAC@GMAIL.COM](mailto:DISTRICTDETROITNAC@GMAIL.COM)** please consider sharing your comments with DPP at **[info@detroitpeoplesplatform.org](mailto:info@detroitpeoplesplatform.org)**.



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