

Summary of Proposed City Land Sale for Gordie Howe International Bridge

The City of Detroit (and several city-related agencies), and the State of Michigan have reached tentative agreement to sell all of the city-owned land, roads, easements, and other interests necessary to allow the construction of the bridge to move forward.

These agreements are subject to approval by the Detroit City Council and several other city-related agencies.

Much of the basis for the package came from the input of the Community Advisory Group representing the community living in and around the Gordie Howe Bridge, who worked closely with Mayor Duggan and the administration throughout the negotiation process.

The four proposed agreements are as follows:

- 1) **Transfer of Property Agreement.** City and 5 City-related agencies agree to sell all parcels of land and roads in bridge footprint to Michigan Department of Transportation (MDOT) for approximately \$23 million.
- 2) **Temporary Jurisdictional Transfer Agreement.** City temporarily transfers roads, bridges, and alleys around bridge footprint to MDOT for the construction period. MDOT agrees to complete a specific road and bridge improvement plan and return those roads, bridges, and alleys to city when bridge project is complete.
- 3) **Leases and Services Agreement with the WDBA.** WDBA agrees to pay the city \$6 million for liaison services provided throughout the project, and to pay \$4.1 million to rent land from the City and City-related agencies for construction staging and equipment storage during the project.
- 4) **The State of Michigan Jobs and Neighborhoods Agreement.** State agrees to fund \$8.5 million in job training for Detroit residents and \$2.4 million in health and emissions monitoring in Southwest Detroit. The State will also contribute \$4.5 million to a Neighborhood Improvement Fund created and administered by the City of Detroit.

The City of Detroit, and its related agencies, agree to the following:

- 1) Sell all land, streets, easements, etc., in bridge footprint to MDOT (with funds provided by WDBA).
- 2) Lease city-owned property for equipment storage and other purposes during construction period.
- 3) Provide WDBA with support and assistance in interacting with city agencies.
- 4) Contribute \$1.5 million to a job training initiative.
- 5) Contribute \$28 million to the newly-created Neighborhood Improvement Fund.

The total amount in funding the City will receive under these agreements is as follows:

From MDOT (funded by WDBA) for property purchase	\$22.9 million
Leases and services payments by WDBA	\$10.1 million
Health monitoring committed by the state	\$ 2.4 million
Citywide job training funded by state	\$ 8.5 million
Citywide neighborhood redevelopment by state	<u>\$ 4.5 million</u>
Total payments to Detroit agencies for all contracts	\$48.4 million

The \$48.4 million is allocated by the City as follows:

\$32.6 million	Neighborhood Improvement Fund created and run by the City.
\$10.0 million	Citywide Job Training Initiative
\$ 2.4 million	Health monitoring in Southwest Detroit
\$ 0.2 million	Public Lighting Authority payment for land
\$ 0.4 million	Economic Development Corporation payment for land
<u>\$ 2.8 million</u>	DWSD payment for land
\$48.4 million	Total Payments

The parameters of the programs for the Neighborhood Improvement Fund will be determined in the appropriation process by Detroit City Council.

Based upon the input of the Community Advisory Group, the Mayor will be recommending to City Council that the Neighborhood Improvement Fund be established in the City's Department of Housing and that the initial \$32.6 million funding be divided in two categories:

\$ 9.0 million	Improvement of houses north of I-75 that may be affected by the elevated truck traffic on the new exit ramps.
<u>\$23.6 million</u>	Relocation of homeowners near the bridge area (outside the bridge footprint). The City's goal will be to get 240 vacant houses across Detroit renovated and occupied over three years, with first preference on those homes being given to people who own houses immediately around the bridge area.
\$32.6 million	Initial Neighborhood Improvement Fund contribution