



DETROIT CITY COUNCIL DISTRICT 5

Council Update from Councilmember Mary Sheffield

On Tuesday, February 4, 2014, my colleagues and I on the City Council voted overwhelmingly (6-3) to approve the resolution transferring City-owned land to the Downtown Development Authority for the purpose of constructing an events center that will be the future home of the Detroit Red Wings.

Why transfer city-owned land for a dollar?

The City-owned land where the development will take place is largely blighted and desolate, and has been sitting for over 20 years generating no property taxes. The value of jobs, tax revenue and other economic activity that this project will bring far exceeds the value of land that was transferred. In the first three years the City will receive up to \$10 million in income tax revenue alone. This project will have a \$210 million positive economic impact on the city of Detroit.

Jobs...Will Detroiters be included?

This project will contribute to creating 8,300 construction jobs and 1,100 post-construction jobs in a city where competitive, living-wage jobs are badly needed. The City's Executive Orders state that 51% of the jobs will go to Detroit residents and 30% of the total dollar value of City contracts will go to certified Detroit-headquartered firms and Detroit-based firms.

It should be clear that I fought very hard for a specific percentage of post-construction jobs that would go to Detroit residents. Though this percentage was not reached, I felt comfortable with the numerous commitments that were made in the Concession Management Agreement. The developer committed to utilizing several Detroit-based training/workforce agencies, such as Michigan-Works! and Detroit Employment Solutions Corporation to hire Detroiters for post-construction jobs.

Will there be a Community Benefits Agreement (CBA)?

Over the course of the last 3 weeks, with leadership from my colleague, Raquel Castaneda-Lopez and my office, we were successful in creating a Neighborhood Advisory Committee (NAC). This achieves a stated element of the community's request of a community benefits agreement by providing substantial community engagement on a plethora of issues related to the project.

The NAC, which Olympia Development of Michigan (ODM) enthusiastically supported, will work in tandem with ODM to provide advisory input and recommendations concerning the following: design and signage; development and construction; traffic and transportation; parking; security; use of local business; vending; snow removal and management; mixed income housing; historic preservation development; post construction hiring; supporting local business; property maintenance, security; green initiatives; communities needs and recommendations as to charity groups to support. The developer has also committed to engage in community development, youth programs, and outreach efforts within the city of Detroit.

My vote will support a project that will result in long overdue revitalization of the Cass Corridor, while creating a new link between downtown Detroit and Midtown.

I have notified ODM and its representatives that I will be monitoring its workforce development commitments, and will make sure that residents of District 5 will be able to access and secure a significant number of these jobs. While I was not completely satisfied with the overall negotiations surrounding this development, I intend on keeping a close eye on the project and holding the parties involved accountable to the commitments they have made to this community.

As your council member, I will continue to fight for improved economic development opportunities that will create living-wage jobs for our families, strengthen our neighborhoods and make Detroit economically competitive again.

May Sheffue