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**City of Detroit**  
**CITY COUNCIL**  
**LEGISLATIVE POLICY DIVISION**  
208 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
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TO: COUNCIL MEMBERS

FROM: David Whitaker, Director   
Legislative Policy Division Staff

DATE: May 20, 2020

RE: GTB Agency, LLC, Application for a New Personal Property Exemption Certificate, in accordance with Public Act 328 of 1998 **PUBLIC HEARING**

Public Act 328 of 1998 allows distressed communities to abate all new personal property taxes in certain geographic areas in order to spur economic development carried out by an industrial firm or by an entity conducting mining, research & development, wholesale trade, or office operations. Abatements include all millage, state and local. All new personal property installed by an eligible business after local approval is 100% exempt from personal property taxes for a specified period, as determined by the local unit of government.

GTB Agency, LLC, who in 1943, became the first agency of record for Ford, in 2007, joined with five other WPP agencies and became WPP's Team Detroit. Its principal WPP,<sup>1</sup> will create a campus in the historic Marquette Building, located at 243 West Congress,<sup>2</sup> which will accommodate up to 1,000 of WPP's people, bringing together its agencies including GTB, VMLY&R, Burrows, Hudson Rouge, Iconmobile, Xaxis and Zubi into the city. WPP's new Detroit Campus, strategically located near Ford's planned campus in Detroit's Corktown district, will provide work for the Ford Motor Company, as well as the agency's other clients.<sup>3</sup>

<sup>1</sup> WPP was founded as Wire and Plastic Products in 1971. In '85 Martin Sorrell, purchased a majority interest, as a listed company through which to build a worldwide marketing services company. Today, WPP plc is a British multinational communications company, headquartered in London, England, is considered the world's largest.

<sup>2</sup> WPP is leasing 150,000 square feet, encompassing nine floors, in the refurbished Marquette Building. The building, was built in 1905 and named after Jacques Marquette, the French explorer who led an expedition to map the Mississippi River in 1673. The listed building, which was saved from demolition in 1979 and restored in 1982, is directly across from the TCF Center (formerly Cobo Hall & Center), in the heart of thriving downtown Detroit. <https://www.wpp.com/news/2019/11/wpp-to-invest-in-new-detroit-campus-as-part-of-its-commitment-to-the-city>

<sup>3</sup> **WPP to invest in new Detroit Campus as part of its commitment to the city** November 26, 2019 <https://www.wpp.com/news/2019/11/wpp-to-invest-in-new-detroit-campus-as-part-of-its-commitment-to-the-city>

The company plans to invest approximately \$22 million, primarily in tenant improvements, furniture and fixtures, and IT expenditures.

The company has indicated it plans to transfer into the city 921 of its existing employees, with plans to add 182 new employees.

**DEGC Project Evaluation Checklist**

**GTP Agency, LLC**

Developer: GTB Agency, LLC

Principal: WPP plc

<b>Abatements Requested:</b>	
1. New Personal Property Tax Exemption, <b>PA 328 of 1998 as amended</b> – personal property taxes are exempted 100% during the period of the incentive	
<b>Request Type</b>	<b>Certificate</b>
<b>DEGC Abatement Length Recommendation</b>	<b>10 Years</b>
<b>Location</b>	
Address	243 W Congress
City Council District	District 6
Neighborhood	Downtown
Located in NRSA	No
<b>Building Use</b>	
Total Square Foot	140,000
Industrial Square Foot	140,000
<b>Project Overview – New Construction</b>	
<p>GTB Agency, LLC is part of the global WPP plc team that works to create relevant, purposeful, and inspired advertising across all channels, geographies, and communications. The company is experiencing consistent growth as they continue to expand their global footprint.</p> <p>The company will establish an office operation of approximately 140,000 square feet in downtown Detroit during the 2020 calendar year. The company will relocate approximate 921 existing employees from Dearborn, MI and will be hiring 182 new employees over the next four years. The company will invest approximately \$22 million, mainly in tenant improvements, furniture and fixtures, and IT expenditures.</p> <p>This was a competitive project where two locations, Detroit, MI and Kansas City, MO, were being considered. The company is also applying for assistance through the Michigan Business Development Program.</p>	
<b>But For Analysis</b>	
<b>Cost of Relocation</b>	
Estimated Cost Difference w/ Kansas City	\$1,343,535
<b>Sources and Uses</b>	
Total Investment	\$22M
Financial Sources	\$22M Equity (100%)
Uses	\$2.8M Soft Costs (13%), \$13M Hard Const Tenant Improvements (59%), \$3.9M FF&E (18%), \$2.3M IT Personal Property (10%)

<b>Project Benefits</b>	
Estimated Jobs	921 FTE transferred, 182 FTE added
Estimated City benefits before tax abatement	<b>\$36,766,589</b>
Total City estimated value of PA 328 abatement	<b>\$421,558</b>
Less cost of services & utility deductions	<b>\$8,968,314</b>
Net Benefit to City	<b>\$27,376,717</b>

**City of Detroit: Benefits, Costs, and Net Benefits Over the Next 10 Years**

	Amount
Real Property Taxes, before abatement	\$0
Personal Property Taxes, before abatement	\$421,558
New Residential Property Taxes	\$0
Municipal Income Taxes - Direct Workers	\$14,015,575
Municipal Income Taxes - Indirect Workers	\$8,282,631
Municipal Income Taxes - Corporate Income	\$876,851
Municipal Income Taxes - Construction Period	\$0
Utility Revenue	\$1,618,070
Utility Users' Excise Taxes	\$1,131,923
State Revenue Sharing - Sales Tax	\$4,333,577
Building Permits and Fees	\$0
Miscellaneous Taxes & User Fees	\$6,086,403
<b>Subtotal Benefits</b>	<b>\$36,766,589</b>
Cost of Providing Municipal Services	(\$7,350,244)
Cost of Providing Utility Services	(\$1,618,070)
<b>Subtotal Costs</b>	<b>(\$8,968,314)</b>
Net Benefits	\$27,798,275

**Incentive Summary Over the First 10 Years**

	Additional Benefits Before Tax Abatements	Additional Costs	Real Property Tax Abatement	Business Personal Property Tax Abatement	Utility Users Tax & Corporation Income Tax Exemption	Net Benefits After Tax Abatements & Incentives
City of Detroit	\$36,766,589	(\$8,968,314)	\$0	(\$421,558)	\$0	\$27,376,717
Wayne County	\$1,475,789	(\$1,291,299)	\$0	(\$107,248)	\$0	\$77,241
Detroit Public Schools	\$6,076,630	(\$5,506,127)	\$0	(\$253,607)	\$0	\$316,897
State Education	\$80,086	\$0	\$0	(\$80,086)	\$0	\$0
Downtown Dev. Authority	\$13,197	\$0	\$0	(\$13,197)	\$0	\$0
Wayne RESA	\$62,682	\$0	\$0	(\$62,682)	\$0	\$0
Wayne County Comm. College	\$43,257	\$0	\$0	(\$43,257)	\$0	\$0
Wayne County Zoo	\$1,335	\$0	\$0	(\$1,335)	\$0	\$0
Detroit Institute of Arts	\$2,670	\$0	\$0	(\$2,670)	\$0	\$0
<b>Total</b>	<b>\$44,522,235</b>	<b>(\$15,765,740)</b>	<b>\$0</b>	<b>(\$985,639)</b>	<b>\$0</b>	<b>\$27,770,855</b>

<sup>4</sup> Charts courtesy of the DEGC

## Conclusion

The estimated value of PA 328 abatement<sup>5</sup> to GTB, is estimated at **\$985,639**. Based on GTB's \$3.6 million investment, the project is estimated to transfer 921 of its existing employees into the city, and add 182 new employees and its projected positive cost benefit to the City of Detroit of **\$27,376,717** and **\$27,770,855** to the impacted taxing units.

Please contact us if we can be of any further assistance.



**Rendering of refurbished Marquette Building 243 West Congress <sup>6</sup>**

cc: Auditor General's Office  
Arthur Jemison, Chief of Services and Infrastructure  
Katy Trudeau, Planning and Development Department  
Donald Rencher, HRD  
Veronica Farley, HRD  
Stephanie Grimes Washington, Mayor's Office  
Avery Peeples, Mayor's Office  
Malinda Jensen, DEGC  
Kenyetta Bridges, DEGC  
Jennifer Kanalos, DEGC  
Brian Vosburg, DEGC

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<sup>5</sup> The law does not contain a maximum or minimum number of years. Public Act 328 of 1998  
[https://www.michigan.gov/documents/taxes/MEDCGuidelines\\_280247\\_7.pdf](https://www.michigan.gov/documents/taxes/MEDCGuidelines_280247_7.pdf)

<sup>6</sup> WPP <https://www.wpp.com/news/2019/11/wpp-to-invest-in-new-detroit-campus-as-part-of-its-commitment-to-the-city>



CITY OF DETROIT  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
OFFICE OF THE ASSESSOR  
PERSONAL PROPERTY

COLEMAN A. YOUNG MUNICIPAL CENTER  
2 WOODWARD AVE., SUITE 804  
DETROIT, MI 48226  
PHONE 313•224•3024  
FAX: 313•224•4270  
WWW.DETROITMI.GOV

January 6, 2020

Katharine G. Trudeau, Deputy Director  
Planning & Development Department  
2 Woodward Avenue Suite 808  
Detroit, MI 48226

Re: Evaluation of Exemption of New Personal Property, P.A. 328 of 1998 for GTB Agency, LLC  
to be located at 243 W. Congress

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the application of the Exemption of New Personal Property for GTB Agency, LLC to be located at 243 W. Congress.

State Tax Commission (STC) Bulletin No. 9 of 1998 requires (5) conditions are met for the exemption of New Personal Property. The conditions are:

1. The personal property must be New Personal Property. New Personal Property means that it was not previously subject to taxation under the General Property Tax Act.
2. The personal property must be located in an Eligible Local Assessing District. P.A. 328 of 1998 defines a Local Assessing District as a city, village or township that contains an ELIGIBLE DISTRESSED AREA. *The City of Detroit is an eligible distressed area.*
3. The New Personal Property must be OWNED or LEASED by an ELIGIBLE BUSINESS. The New Personal Property and eligible business must be located in an ELIGIBLE DISTRICT on tax day. *243 W. Congress is located in the Downtown Development Authority.*
4. The eligible local assessing district must adopt a resolution that provides for the exemption.

The Office of the Assessor finds that GTB Agency, LLC fulfills the first four requirements of STC Bulletin #9 of 1998 and may be considered for Exemption of New Personal Property at this time.

Sincerely,

Charles Ericson, MMAO  
Assessor

avb

Janice M. Winfrey  
City Clerk

**City of Detroit**  
OFFICE OF THE CITY CLERK

Andre P. Gilbert II  
Deputy City Clerk

**DEPARTMENTAL REFERENCE COMMUNICATION**

*Friday, January 3, 2020*

*To: The Department or Commission Listed Below*

*From: Janice M. Winfrey, Detroit City Clerk*

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The following petition is herewith referred to you for report and recommendation to the City Council.

In accordance with that body's directive, kindly return the same with your report in duplicate within four (4) weeks.

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HOUSING AND REVITALIZATION    LAW DEPARTMENT  
LEGISLATIVE POLICY DIVISION    FINANCE DEPARTMENT  
PLANNING AND DEVELOPMENT DEPARTMENT

**1168**    *GTB Agency, LLC, request for an Exemption of New Personal Property for the property located at 243 West Congress Ave, Detroit, MI 48226*

2 Woodward Ave. Coleman A. Young Municipal Center Rm. 200, Detroit, MI 48226  
(313) 224 - 3260 | Fax: (313) 224 - 1466

1168

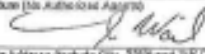
### Application for Exemption of New Personal Property

Enacted under P.A. 328 of 1999. An exemption will not be effective until approved by the State Tax Commission.

**INSTRUCTIONS:** Read instructions on page 2 of this form before completing this application. File the original and two copies of this form and the required attachments (a copy of the legal description, resolution, written agreement, and a detailed description of the business operations) with the clerk of the local government unit.

PART 1: APPLICANT INFORMATION			
1a. Applicant/Company Name (Applicant must be an ELIGIBLE BUSINESS) GTB Agency, LLC		2. County Wayne County	
1b. Company Mailing Address (No. and Street, P.O. Box, City, State, ZIP Code) 550 Town Center Drive, Dearborn, MI 48126		3. City/Township/Village (Indicate which) City	
1c. Location of Eligible Real Estate (No. and Street, City, State, ZIP Code) 243 West Congress Ave, Detroit, MI 48226		4a. Local School District Detroit Public Schools	4b. District Code 82010
5. Check below the type of BUSINESS in which you are engaged and provide a detailed description of the business operation on a separate sheet: <input type="checkbox"/> Manufacturing <input type="checkbox"/> Research & Development <input checked="" type="checkbox"/> Office Operations <input type="checkbox"/> Mining <input type="checkbox"/> Wholesale Trade			
6a. Identify type of ELIGIBLE DISTRICT which Eligible Business and New Personal Property will be located Brownsfield Redevelopment Zone		6b. Governing Unit that established ELIGIBLE DISTRICT City of Detroit	
7. Name of Person in the Eligible Business to Contact for Further Information Andrew Weil		6c. Date ELIGIBLE DISTRICT was Established April 30, 1998	
8. Mailing Address 550 Town Center Drive, Dearborn, MI 48126			

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which application is being made. The undersigned, authorized officer further certifies that the applicant is an Eligible Business as defined in P.A. 328 of 1999.

11. Name of Company Officer Andrew Weil		13. Title CFO	
12. Signature (An Authorized Agent) 		14. Date 10/23/19	
15. Mailing Address (Indicate City, State and ZIP Code) 550 Town Center Drive, Dearborn, MI 48126			
16. E-mail Address andy.weil@gtb.com		17. Telephone Number (313) 663-1880	18. Fax Number (313) 615-2100

PART 2: LOCAL GOVERNMENT UNIT CLERK VERIFICATION		
19. Name of Local Governmental Unit Which Passed Resolution for Exemption of New Personal Property	20. Date of Resolution (Attach Copy)	21. Expiration Date of Exemption
22. Name of Clerk	23. Date application received by LGU/Unit	24. Date of Agreement (Attach Copy)
25. Clerk's Signature	26. Clerk's Mailing Address	
27. Telephone Number	28. Fax Number	29. E-mail Address
30. LCU Code	31. School Code	32. Date District was Established

STATE TAX COMMISSION USE ONLY			
Application No.	Date Received	LCU Code	School Code



October 10, 2019

Detroit City Council  
Coleman A. Young Municipal Center  
2 Woodward Ave Suite 1340  
Detroit, MI 48226

**RE: Request for the Establishment of a New Personal Property Exemption  
Certificate at 243 West Congress Ave, Detroit, MI**

Honorable City Council:

Please accept this letter as a request to establish a New Personal Property Exemption Certificate for the property located at 243 West Congress Ave, Detroit, MI and described on Attachment A.

PA 328 of 1998, the New Personal Property Exemption, is the appropriate Michigan Compiled Law (MCL) that applies to this project and qualifies it as eligible for this tax incentive. The exemption is requested for ten (10) years.

In full disclosure of other requests for public assistance, the company is concurrently applying for incentive assistance from the Michigan Economic Development Corporation (MEDC) through the Michigan Business Development Program (MBDP).

There are currently no employees at the proposed site. If this incentive is awarded, the company will create 182 net-new full-time positions in the City of Detroit and transfer additional employees to the City as well. The company would invest a total of \$22,075,388 in capital at the site.

Many economic advantages are to be expected should this exemption be granted. This exemption allows the company to make Detroit the final location for their new and existing workforce within Michigan as well as significant capital investment. The direct impact of the job creation and capital investment will create a significantly larger tax base in the City. Additionally, the new personnel working in the City of Detroit will likely contribute further by purchasing from and utilizing local vendors. Construction and renovation to the proposed building would also assist in the overall revitalization of the Brownfield Zone and create numerous construction jobs. Finally, the company applying for the grant will be a generous partner to the community by not only participating in volunteer and philanthropic efforts, but also by utilizing the City of Detroit's valuable job creation programs to assist in the hiring of local/homegrown talent.





In summary, this project involves a location search for a site to accommodate a 140,000 square foot office requirement for the expansion of GTB Agency, LLC. This project remains highly competitive across two (2) major markets: Detroit, MI and Kansas City, MO. After thorough analysis, the markets in consideration each exhibit strengths and weaknesses. The principle differences at this point are related to upfront and ongoing operational costs as well as the availability of potential state and local incentives to assist with offsetting some of those costs. A final project site has yet to be determined and is actively under review. Given the competitiveness of this project, the project will locate elsewhere should the City fail to provide this tax incentive.

GTB Agency, LLC is part of the global WPP plc team that works to create relevant, purposeful, and inspired advertising across all channels, geographies, and communications. The company is experiencing consistent growth as we continue to expand their global footprint. We appreciate the Detroit City Council's consideration in this matter. Please don't hesitate to reach out with any comments or questions.

Respectfully Submitted,

Andrew Weil  
Chief Financial Officer  
GTB Agency, LLC  
[Andrew.Weil@gtb.com](mailto:Andrew.Weil@gtb.com)  
(313) 663-1880

**Attachment A: Site Map that includes the parcel(s) of property / Legal Description**

cc: K. Bridges, DEGC  
N. Marsh, DEGC  
V. Farley, HRD



**Attachment A**

- (a) **General description of the business**
  - GTB Agency LLC is a trusted global partner in the communications sector, specializing in the media industry with advertising & marketing activities.
- (b) **General description of the proposed personal property to be purchased**
  - Proposed personal property to be purchased includes furniture, fittings & equipment (FF&E); IT equipment; audio visual equipment; and security equipment.
- (c) **A time schedule for undertaking and completing the fit out and the purchase of personal property**
  - The company assumes the build-out would take place over two (2) calendar years: 60% in Year 1 and 40% in Year 2.
- (d) **Parcel ID(s) and Legal Descriptions of property**
  - **Parcel ID:** 02000146-52
  - **Legal Description:** S W CONGRESS 10 THRU 8 MILITARY RESERVE L5 P218 CITY RECORDS, W C R 2/58 148.2 X 120
- (e) **Map and boundaries of the proposed district/zone**
  - **Map:** <https://data3.detroitmi.gov/v2/gtbn/City-detroit-parcel-viewer>



- **Zone:** B5 Major Business District

