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City of Detroit CITY COUNCIL

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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director

Legislative Policy Division Staff

DATE: January 27, 2023

RE: RESOLUTION ON AIR QUALITY ISSUES STEMMING FROM STELLANTIS

Council member Latisha Johnson requested that the Legislative Policy Division (LPD) draft a RESOLUTION TO ADDRESS THE AIR QUALITY ISSUES STEMMING FROM STELLANTIS.

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

BY COUNCIL MEMBER LATISHA JOHNSON

RESOLUTION TO ADRESS AIR QUALITY ISSUES STEMMING FROM STELLANTIS

- WHEREAS, The mission of the Detroit City Council is to promote the economic, cultural and physical welfare of Detroit's citizens and residents through Charter-mandated legislative functions; and
- WHEREAS, In February of 2019, Stellantis announced its plan to invest \$1.6 billion to expand and upgrade the Mack Avenue Engine Complex located at 4000 St. Jean in the city of Detroit; and
- **WHEREAS,** In 2019, Stellantis received tax incentives from the State of Michigan and the City of Detroit, valued at up to \$160 million; and
- WHEREAS, In August and September of 2019, the Department of Environment, Great Lakes, and Energy (EGLE) investigated FCA's Detroit Assembly Complex Mack (DACM) after nearby residents complained of nuisance odors emitting from DACM. On three separate visits to the area in August and September of 2019, EGLE investigators found that there were "moderate to strong paint/solvent odors observed emitting from the facility and impacting nearby neighborhoods;" and
- WHEREAS, On September 20, 2019, EGLE issued a violation notice to Stellantis after determining that the odor from DACM was at a three or four out of a five-point odor scale. A level three or four odor is in violation of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA) because it creates an unreasonable interference with the comfort and enjoyment of life for nearby residents.
- WHEREAS, Since 2019, many Detroit Residents, especially on the east side concentrated in Council District 4, have experienced severe, adverse impacts on their quality of life and health due to the repeated air quality violations by Stellantis. Residents of the neighborhoods near DACM have complained of headaches, migraines, burning eyes, persistent coughing, tightness of the chest, and many other symptoms as a result of the persistent odor. Residents have also expressed that they are fearful to spend time outside of their homes and to let their children play outside; and
- WHEREAS, EGLE continued to issue NREPA violation notices related to the odors emitting from the DACM through May of 2022. According to the Civil Rights, Inclusion & Opportunity (CRIO) Department, Stellantis is currently in breach of their Community Benefits Agreement due to their violation of these state and local environmental laws and regulations. Ultimately, in December of 2022, EGLE and Stellantis entered into a settlement agreement which required Stellantis to pay roughly \$284,000 in fines and program funding as a result of repeated NREPA violations; and
- WHEREAS, The \$284,000 penalty to Stellantis is not only insignificant in comparison to the tens of millions Stellantis has received from state and local tax incentives, but it also fails to address the immediate needs of nearby residents who have been suffering for well over two years and who continue to suffer due to nuisance odors from DACM; moreover, these state

imposed fines do not inure to the benefit of this community most directly affected by these environmental impacts.

- WHEREAS, Pursuant to the community benefits agreement, approved by the Stellantis Neighborhood Advisory Council (NAC), Stellantis has committed to investing \$1,800,000 in home repair grants up to \$15,000 per home for residents in the impact area. However, this funding is apparently insufficient to meet the needs of residents who continue to experience the negative effects of nuisance odors from DACM; and
- WHEREAS, The Duggan administration successfully negotiated with the Canadian government and the State to obtain the necessary funds to acquire over 200 residential properties through buy outs at fair market value or home swaps with the land bank as part of the Bridging Neighborhoods program, a community benefits program designed to aid Southwest Detroit residents affected by the construction of the Gordie Howe International Bridge. The program also retrofitted 174 homes with upgraded windows, air filters, and HVAC systems to protect residents who remained in the area from the environmental impacts of the bridge construction; and
- WHEREAS, The eastside citizens who neighbor and have been negatively impacted by the environmental impacts of the newly expanded Stellantis facility, deserve no less than the consideration, accommodations and aid, which was granted to the neighboring southwest Detroit residents of the Gordie Howe International Bridge; NOW THEREFORE BE IT
- **RESOLVED,** Council strongly urges the administration, State authorities and Stellantis to offer home buy outs at fair market value, as well as appropriate home swaps with the Detroit Land Bank's rehabbed-and-ready homes for residents who choose to leave the affected community, and those who choose to stay their homes should have their homes retrofitted at Stellantis' expense with air filters, air monitors, HVAC systems, and new windows to mitigate air pollution; or in the alternative, to completely and permanently eliminate the noxious odors emanating from the facility; **THEREFORE, BE IT FINALLY**
- **RESOLVED,** Copies of this resolution shall be provided to the Mayor, the Governor and Stellantis, as well as media and residents.