



City of Detroit

CITY COUNCIL

MARY SHEFFIELD
CITY COUNCIL PRESIDENT
DISTRICT 5

MEMORANDUM

TO: Legislative Policy Division (LPD)
FROM: Mary Sheffield, President, Detroit City Council
DATE: April 4, 2022
RE: Request for Drafting of Resolution to Urge a Change in State Law to Exclude Detroit Public Schools and the Detroit Public Library from Tax Abatements

On January 13, 2022, Detroit City Council assigned the Legislative Policy Division (LPD) to address the memo from my office requesting LPD to research and provide a report on the process for removing Detroit Public Schools (DPS) as a taxing jurisdiction on City Tax Abatements and Brownfields. As stated in previous reports, LPD found that tax abatements are not the sole problem with the insufficient funding that DPSCD received. But the lack of funding is due to how schools are funded by the State. Regardless, my office will continue to express our support for the exclusion.

During the recent Detroit Public Library (DPL) budget hearing, Council received information that DPL does not see the economic benefit of tax captures. These programs are supposed to reduce or eliminate the amount of property tax entities pay on new construction, rehabilitation, and major improvements. However, it is my office's understanding that both DPS and DPL do not substantially gain from this program.

We would like to extend thanks to LPD for the research found on these tax abatement programs and informing our office that it is due to state law that DPS and DPL are unable to be excluded. My office is now requesting that LPD draft a resolution urging a change in state law to exclude DPS and DPL from tax abatements, like what has been done for the DIA and the Detroit Zoo. Please contact Caryn Shannon from my office at caryn.shannon@detroitmi.gov if you have any questions.

Cc: Honorable Colleagues
City Clerk