

# DETROIT ECONOMIC GROWTH CORPORATION



2023-24  
OPERATING/PROGRAMMATIC  
OVERVIEW

MARCH 16, 2023



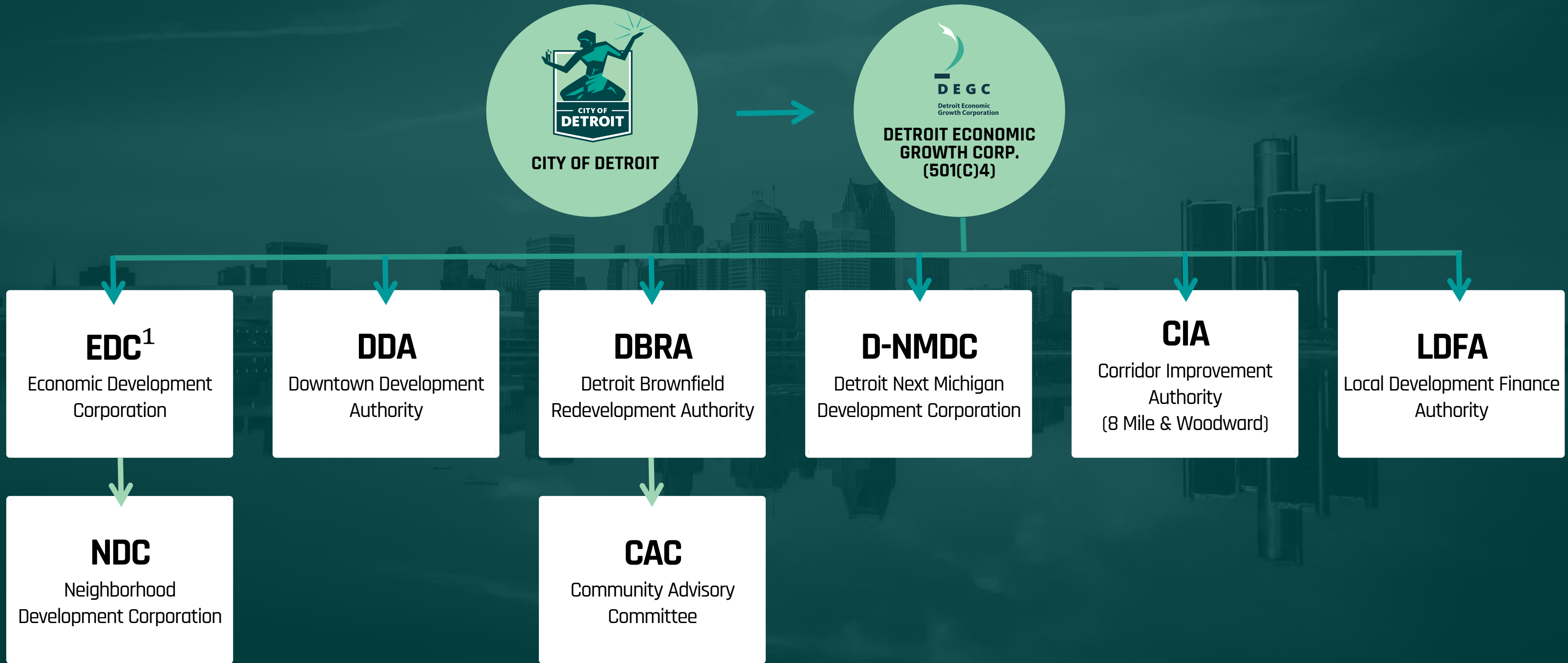
**DEGC = \$1,941,489**  
**EDC = \$275,000**

- The City provides these funds under contract with the DEGC to support a broad range of economic development services performed by a workforce of 74 dedicated employees.
- These services include Business Attraction & Retention, Industrial Land Assemblage, Small Business Services, and the work of the District Business Liaisons (DBLs).
- We illustrate these services in the following slides.

# DEGC DESIGNS AND IMPLEMENTS INNOVATIVE SOLUTIONS THAT ATTRACT INVESTMENT, CREATE JOBS, SUPPORT NEIGHBORHOODS, AND ADVANCE DETROIT'S ECONOMY FOR ALL RESIDENTS.



# DEGC BOARD ADMINISTRATION



— Indicates a Professional Services Agreement exists between the entities  
1. EDC board also contracts with the DEGC for management services.

# CREATING JOBS FOR DETROIT RESIDENTS

## BETWEEN 2017-2022, THE DEGC GENERATED 26,351 new jobs

- DEGC leverages existing assets and resources to attract investment and creating new jobs with a priority of employing Detroit residents.
- We proactively work with existing business to support expansion and growth opportunities.
- DEGC continues to drive diversification of industries to create a more resilient Detroit economy.



# SECURE NEW CAPITAL INVESTMENT

## **BETWEEN 2017-2022, THE DEGC GENERATED \$7.56B in new investment**

- Assemble and distribute land for strategic development
- Develop physical infrastructure to ready sites for investment
- Coordinate the use of economic development tools via the public authorities to encourage private investment and fund public improvements



# INVESTMENT SUPPORT SERVICES



- Financial modeling and underwriting for deals
- Negotiate & structured incentive packages underwritten by the net fiscal benefit and ROI analysis
- Tax Increment Financing (TIF)
- Tax Exempt Revenue Bonds
- Transfer of public property for use in an approved development
- Create, operate and fund loan programs
- Leverage public authorities for complex economic development projects
- Coalesce resources from local, state and federal funding sources

# PROJECT HIGHLIGHTS



## LM MANUFACTURING

Minority-owned joint venture between LAN Manufacturing Group, LLC and Magna, a leading global automotive supplier has leased 296,000 square feet of manufacturing space at 6401 W. Fort Street in Southwest Detroit to produce automotive seating. The company has established a strong relationship with Detroit at Work to source Detroit residents to work at the facility. The Company will create 390 jobs and invest \$18.1 million at the site.



## LEAR CORPORATION

In Fall 2021, Northpoint Development demolished the blighted former Cadillac Stamping facility to make way for a new 684,000 square foot Class A industrial building. Lear Corporation has leased 415,000 square feet, as the anchor tenant, to produce seating for electric vehicles at GM Factory Zero. The Company will create 450 new jobs and invest approximately \$48 million at the site, which will be one of the most energy-efficient facilities in Lear's global footprint. City of Detroit residents will have priority status for these jobs, as part of an agreement made by the company and the City.



# PROJECT HIGHLIGHTS



In 2017 the City acquired the tax-foreclosed 40-acre AMC Site from Wayne Co. Before any redevelopment of the site could start, over \$35 million in demolition and cleanup costs would be required, ranging from demolishing 900,000 square feet of structurally unsound asbestos and lead contaminated buildings, to removing leaking underground storage tanks, and dealing with approximately 300,000 cubic yards of contaminated soil and debris dumped on the site.

DBRA used \$900,000 of its own funds to perform environmental assessments, as well as assist in the acquisition of 10 additional acres of public and private land to create a 50-acre modern site layout. The DBRA also secured \$1.25 million in state grant funds for environmental remediation of the site.

The DBRA entered into a development agreement with Northpoint Development which is now demolishing the blighted former AMC facility and investing \$72 million to make way for a new 761,000 square foot Class A industrial building that will create 450 new jobs.

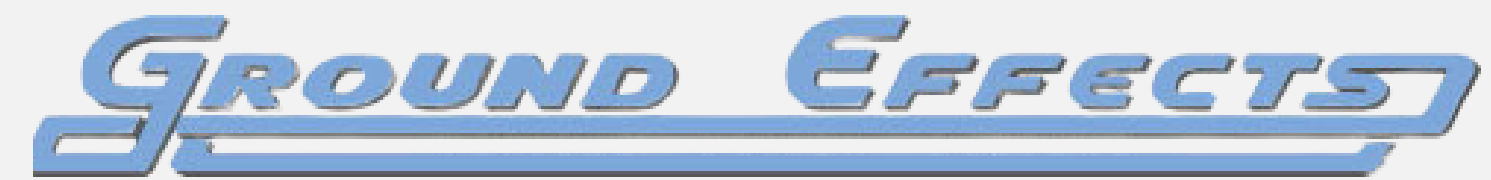


# PROJECT HIGHLIGHTS



## MAJOREL

A leading provider of next-generation end to-end customer experience solutions announced that it will be opening an office in downtown Detroit in 2022. The Company will begin by hiring 200 employees and has plans to grow to more than 500 employees at their Detroit office. Majoral conducted a successful career fair in partnership with Detroit at Work.



## GROUND EFFECTS

Windsor, ON-based supplier of interior and exterior accessory components for the automotive industry, executed a lease for approximately 80,000 square feet of industrial space at 6600 Mt. Elliott. The company plans to create at least 60 jobs at the facility to support vehicles produced at GM Factory Zero.

# PROJECT HIGHLIGHTS



The Detroit Brownfield Redevelopment Authority (DBRA) will close the sale of 10 acres with the food manufacturer, E.W. Grobbel & Sons to develop vacant land into a \$25 million, 150,000 sf cold storage and processing facility with green stormwater infrastructure, creating over 300 jobs.

DEGC secured \$3.8M federal and state funding to support the expansion.

E. W. Grobbel has been operation in the City of Detroit for over 100 years, and currently employs over 220 people.

# PROJECT HIGHLIGHTS

## Osi Art Apartments @ West End



Osi Art Apartments bring affordable housing to Detroit's greater Corktown neighborhood. Detroit Brownfield Redevelopment Authority (DBRA) supported this project through the approval of a brownfield plan, a grant and loan through the Local Brownfield Revolving Fund (LBRF) in addition to Detroit City Council's approval of a Commercial Rehabilitation Act (PA 210) Abatement.

# PROJECT HIGHLIGHTS



The Detroit's People's Co-op will be a full-service grocery store, open to the general public, and cooperatively owned and operated by members/owners. The Detroit Brownfield Redevelopment Authority (DBRA) supported this project through the approval of a brownfield plan in addition to Detroit City Council's approval of a Commercial Rehabilitation Act (PA 210) Abatement.

# DETROIT MEANS BUSINESS INITIATIVES



## 2022

- Connected 350 business owners with 58 BSOs at inaugural DMB Summit (May)
- Awarded \$45,000 in grants at Summit via Black Leaders Detroit and Bank of America
- Launched Shop Small Detroit business locator promoting over 280 small businesses

## 2023

- Launch emergency relief funding for small and micro businesses (April/May 2023)
- Support 500+ small businesses at 2nd DMB Summit (May 2, 2023)
- Develop technical assistance hub to help navigate business resources
- Facilitate Digital Strategies program partnerships with local tech talent to help entrepreneurs scale
- Strengthen and clarify SBOA/DMB relationship

# RETAIN, LAUNCH AND GROW NEIGHBORHOOD BUSINESSES



## BETWEEN 2017-2022, THE DEGC HELPED OPEN 167 NEW SMALL BUSINESSES\*

- Motor City Match grants awarded to 1,685 businesses totaling \$11.4M which leveraged \$62M in investments.
- District Business Liaisons (DBLs) assist businesses in navigating City processes and offer business retention services
- DEGC provides direct business support for site selection and expansion projects, matching businesses to vacant parcels in commercial corridors

\*This total is for brick-and-mortar businesses and does not include 300+ home-based businesses.

# BIG HELP FOR SMALL BUSINESSES

Find your District Business Liaison at: [degc.org/district-business-liaisons](https://degc.org/district-business-liaisons)



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**Since 2018, THE DBL'S HAVE ANSWERED OVER 10,000 unique requests.**

- 115 – Businesses supported each week in navigating City processes and business support services.
- 5,400 – Weekly engagements across all webinars, social media, and opened emails.