



**TO:** Council Member Coleman A. Young II

**FROM:** Kevin Johnson, President & CEO  
**Detroit Economic Growth Corporation (DEGC)**

**DATE:** April 14, 2023

**RE:** FY 2023-24 Budget Analysis

Please accept this correspondence in response to questions in your memorandum dated April 4, 2023.

1. **What is the cost of unemployment to the City of Detroit?**

The DEGC does not collect this data and would recommend contacting the appropriate local and state workforce agencies and/or working with a third-party policy organization with the ability to conduct in-depth research on labor issues impacting economies.

2. **How much does unemployment cost the City of Detroit, economically, in terms of jobs and money spent?**

The DEGC does not collect this data and would recommend contacting the appropriate local and state workforce agencies and/or working with a third-party policy organization with the ability to conduct in-depth research on labor issues impacting local economies.

3. **How long does a dollar spent in Detroit recirculate in the City of Detroit?**

The DEGC does collect this data and would recommend working with a research-based organization that could conduct an in-depth study and measure the direct and indirect impacts of spending dollars locally and how those dollars recirculate through the City.

4. **What are the economic plans for the Uniroyal Site?**

The current plan for Uniroyal contemplates splitting the 42-acre site into 3 parcels. Phase 1 parcel is 14.5 acres, Phase 2 parcel is 14 acres and Phase 3 is 13.5 acres. The development



team members include Jerome Bettis, Jamal Dokes and Rod Hardamon, who is serving as their consultant. The developers are currently contemplating a mixed-use development for Phase 1. The development team is still in the process of finalizing their Phase 1 plan. Once these plans are firmer, the development team and DEGC will be reaching out to Councilmembers to share more information on the plans for the site

**5. How many grocery stores are planned to be built in Detroit during the next 5 years; (large, intermediate, and small stores), and where will they be built by district?**

The initial iteration of the Green Grocer Program (GGP) focused on full-service independent grocery stores in Detroit. As both an attraction and retention program, GGP sought to attract National/Regional chain grocery stores while working with existing stores to make physical and operational improvements. Since the beginning of GGP, there are now three Meijer's stores and a Whole Foods Market. GGP supported a large grocery store through Detroit Black Community Food Security Network (DBCFSN), the Detroit People's Food Co-op, which is a full-service cooperatively owned grocery store that will open by the end of 2023 in Detroit's North End.

The proposed next phase of the Green Grocer program expects to focus on smaller scale neighborhood grocery stores throughout Detroit. Neighborhoods throughout Detroit have sought to have grocery stores that are walkable and can offer grocery items needed on a daily basis. A Neighborhood Grocery, which is a Black owned and operated small grocery store, will open this summer at 500 Manistique. DEGC is currently working with several entrepreneurs that will be opening smaller grocery stores in multiple locations in Detroit. Some of these entrepreneurs have come through the Motor City Match Program, such as Chene St. Produce and Detroit Farm and Cider. We expect that model of small-scale neighborhood grocery stores would continue as the Green Grocer program leverages the new allocation from Detroit City Council, the existing DEGC programs and loan products



for successful openings of new grocery stores and innovative hybrid stores, expanding fresh food access in Detroit.

While it is difficult to quantify just how many large, medium and small grocery stores will open within the next five years, there is considerable commitment from entrepreneurs, neighborhood organizations, food access partners and the lending community to support retail food locations in Detroit.

**6. How many jobs need to be created in Detroit for the city to attain full employment?**

The DEGC does not collect this data and would recommend contacting the appropriate local and state workforce agencies and/or working with a third-party policy organization with the ability to conduct in-depth research on issues impacting local, state and national economies.

**7. How many NEZ tax credits are issued by the City of Detroit and in which Districts are they issued compared to the number of tax credits issued for downtown.**

The DEGC dataset represents Neighborhood Enterprise Zones specific to mixed use development which includes NEZ-N (New) and NEZ-R (Rehabilitation). This excludes NEZ-H (Homestead), which represents single family home ownership. Subsequently, the DEGC does not have historical data and has provided information for the years 2020-2023 (*see attached list*). Additionally, this information is specific to the Establishment of the Zone and not the Certificates.

The Detroit City Council approved a total of 23 NEZ-N and NEZ-R between 2020-2023.

**a. Can I please have that data in raw numbers by district?**

Total NEZ-N and NEZ-R approved by District between 2020-2023

NEZ's approved in Downtown: 4



NEZ's approved in District 2: 1  
NEZ's approved in District 5 (excluding downtown): 9  
NEZ's approved in District 6 (excluding downtown): 9

**b. Can I please have the data in percentages, also by district?**

Total % NEZ-N and NEZ-R approved by District between 2020-2023

NEZ's approved in Downtown: 17%  
NEZ's approved in District 2: 4%  
NEZ's approved in District 5 (excluding downtown): 39%  
NEZ's approved in District 6 (excluding downtown): 39%

Total Acreage Available for Designation (15% of City of Detroit Acreage): 13,239  
Total Acreage Designated To Date: 5,667.14 [43%]  
Total Acreage Remaining: 7,571.86 [57%]

Note: NEZ allocations are limited by state statute: "The total acreage of the neighborhood enterprise zones containing only new facilities or rehabilitated facilities, or any combination of new facilities or rehabilitated facilities designated under this act shall not exceed 15% of the total acreage contained within the boundaries of the local governmental unit." [1]

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[1] MCL 207.773 (2)

Sincerely,

A handwritten signature in blue ink, appearing to read "K. Johnson", with a stylized flourish at the end.

Kevin Johnson,  
President and CEO

| Approval Year | Name of NEZ                           | Development LLC   | Neighborhood         | Council District | Zone Acreage |
|---------------|---------------------------------------|---|----------------------|------------------|--------------|
| 2020          | Life Is A Dreamtroit NEZ              | Life Is A Dreamtroit, LLC   | NW Goldberg          | 5                | 2.98         |
| 2020          | Greektown Neighborhood NEZ            | Gratiot Acquisition Partners, LLC                                     | Greektown (CBD)      | 5                | 0.35         |
| 2020          | Queen Lillian II NEZ                  | Queen Lillian II, LLC   | Midtown              | 6                | 1.85         |
| 2020          | Heather Hall NEZ                      | GW1, LLC  | Midtown              | 6                | 0.20         |
| 2021          | West McNichols NEZ                    | 7303 West McNichols, LLC  | Fitzgerald/Marygrove | 2                | 0.55         |
| 2021          | Brainard Neighborhood NEZ             | 484 Brainard, LLC   | Midtown              | 5                | 0.22         |
| 2021          | Rivard Lafayette Park NEZ             | Lafayette Acquisition Partners, LLC                                   | Lafayette Park       | 5                | 5.22         |
| 2021          | Horton North End NEZ                  | The Beauton, LLC  | North End            | 5                | 0.34         |
| 2021          | Pallister Henry Ford Neighborhood NEZ | FPJ Investments LLC   | Henry Ford           | 5                | 1.78         |
| 2021          | Edsel Ford Neighborhood NEZ           | 225 E Edsel Ford, LLC   | Medbury Park         | 5                | 0.16         |
| 2021          | 15th St Core City NEZ                 | New Old School, LLC   | Core City            | 6                | 0.68         |
| 2021          | Woodward/Mack NEZ                     | CCA Midtown Detroit, LLC  | Midtown              | 6                | 2.36         |
| 2021          | North Corktown NEZ                    | North Corktown Development, LLC & Zeiger Properties, LLC              | North Corktown       | 6                | 1.00         |
| 2021          | 4741 Second Ave NEZ                   | 4741 Second Avenue LLC  | Midtown              | 6                | 0.41         |
| 2022          | Fisher Body Hastings NEZ              | Fisher 21 Lofts LLC   | Medbury Park         | 5                | 4.74         |
| 2022          | Trumbull Lysander NEZ                 | Trumbull Properties, LLC  | Woodbridge           | 5                | 0.23         |
| 2022          | Second/Brainard NEZ                   | 8484 Brainard LLC   | Midtown              | 6                | 0.44         |
| 2022          | Belcrest Apartment NEZ                | 5440 Cass LLC   | Midtown              | 6                | 1.06         |
| 2023          | North End Landing NEZ                 | Avanath North End Parcel Owner I, LLC and Civic Tekton North End, LLC | North End            | 5                | 1.70         |
| 2023          | 2205 Cass NEZ                         | Olympia Development of Michigan                                       | Downtown (CBD)       | 6                | 3.74         |
| 2023          | 2250 Woodward Ave                     | Olympia Development of Michigan                                       | Downtown (CBD)       | 6                | 3.21         |
| 2023          | 408 Temple St                         | Olympia Development of Michigan                                       | Midtown              | 6                | 0.34         |
| 2023          | 2210 Park Ave                         | Olympia Development of Michigan                                       | Downtown (CBD)       | 6                | 0.09         |

| NEZ Approval Summary 2020 - 2023   |          |     |
|--|----------|-----|
| Total NEZ approvals since 2020   | 23       |     |
| NEZ approvals in Downtown  | 4        | 17% |
| NEZ Approvals in District 2  | 1        | 4%  |
| NEZ Approvals in District 5 (Not including Downtown)                     | 9        | 39% |
| NEZ Approvals in District 6 (Not Including Downtown)                     | 9        | 39% |
| Total NEZ Acreage Designated since 2020                                  | 33.64    |     |
| Acreage Designated in Downtown   | 7.39     | 22% |
| Acreage Designated in District 2   | 0.55     | 2%  |
| Acreage Designated in District 5 (Not Including Downtown)                | 17.36    | 52% |
| Acreage Designated in District 6 (Not Including Downtown)                | 8.34     | 25% |
| Total Acreage Available for Designation (15% of City of Detroit Acreage) | 13,239   |     |
| Total Acreage Designated To Date   | 5,667.14 | 43% |
| Total Acreage Remaining  | 7,571.86 | 57% |