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City of Detroit CITY COUNCIL

LEGISLATIVE POLICY DIVISION

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February 7, 2024

TO: HONORABLE CITY COUNCIL

RE: COMMUNITY BENEFITS ORDINANCE PROCESS ANALYSIS FOR THE FUTURE OF HEALTH



Conceptual rendering of the Future of Health proposal

BACKGROUND AND PROPOSAL

In November of 2016, the Proposal B ballot initiative passed with 53% of the vote, effectuating the enactment of the City of Detroit's Community Benefits Ordinance (CBO) Ordinance No. 35-

16. The expressed purpose of this ordinance is to garner "outreach and engagement that promotes transparency and accountability and ensures development projects in the City Detroit benefit and promote economic growth and prosperity for all residents." Subsequently, the ordinance was amended through Ordinance 2021-4.

Section 12-8-3, subsection (a)(5) of the ordinance states that, "the City Council shall appoint a liaison from the Legislative Policy Division to monitor the community engagement process and provide updates to the City Council." The ordinance further states in Sec. 12-8-3 (6)(g)(1)(v) that An Enforcement Committee shall be established to monitor Tier 1 Projects and shall consist of four individuals, one of which is a representative from the City Council Legislative Policy Division. This report has been prepared by the Legislative Policy Division (LPD) to provide an update as contemplated by the ordinance prior to Council's consideration of any financial incentives associated with these developments and the CBO process.

"Tier 1 Development Project means a development project in the City that is expected to incur the investment of Seventy-five Million Dollars (\$75,000,000) or more during the construction of facilities or to begin or expand operations or renovate structures where the developer of the project is negotiating public support for investment in one or both of the following forms.

- (1) Any transfer to the developer of City-owned land parcels that have a cumulative market value of One Million Dollars (\$1,000,000) or more (as determined by the City Assessor or independent appraisal) without open bidding and priced below market rates (where allowed by law) or
- (2) Provision or approval by the City of tax abatements or other tax breaks that abate more than One Million Dollars (\$1,000,000) of City taxes over the term of the abatement that inure directly to the Development, but not including Neighborhood Enterprise Zone tax abatements.

This report serves the following purposes:

- 1. Provides a brief synopsis of the development and CBO process to inform the City Council as to what transpired during the meetings held for this project.
- 2. Provides an additional perspective of the legislative staff which may be considered alongside the mandated Planning and Development Department (PDD) Director's report submitted to Your Honorable Body for review to complete the initial engagement phase of the CBO requirements.

PROJECT BACKGROUND AND DETAILS

The project is led by Henry Ford Health Systems (HFHS), Michigan State University (MSU) and the Palace Sports & Entertainment, LLC/Detroit Pistons (PS&E).

There are two areas to this overall project. For the purposes of this report, those areas include the east campus (east of John C. Lodge Freeway where the HFHS headquarters 1 Ford Place building is located) and the west campus (west of John C. Lodge and south of the historic Henry Ford Hospital). In total, the project is worth approximately \$3.2 billion. The development group is seeking incentives to fulfill the scope of the project. The west campus of the project is also seeking a rezoning to allow for the hospital expansion.

Henry Ford Health Systems expansion site (West Campus)

The proposal plans to expand the current HFHS campus by building a new 995,000 square foot hospital tower with approximately 16 floors to accommodate 360 patient beds. The plan would include inpatient and outpatient services, an emergency department, diagnostic and treatment, and a sterile processing department.

The Shared Service Building (SSB) will host logistical operations such as mechanical, electrical, plumbing and infrastructure, dining offices and bio-waste facilities for the new hospital tower. The Parking Garage is planned to host approximately 1,200 spaces and a 2nd skywalk to connect the old and new buildings across West Grand Boulevard. The Central Utility Plant will also hold mechanical and electrical operations for the tower in addition to community space and other amenities.

PS&E, HFHS & MSU development site (East Campus)

At the east campus, the developer is proposing to develop 662 mixed-income residential units within three mixed-use residential buildings. The plan also entails 897,000 square feet of retail space on the site. Additionally, there is a planned research facility that will host 335,000 square feet of office space and a new 800 stall parking structure.

Estimated Cost: \$3.2B

Requested Incentives: ¹PA 210, ²PA 225, ³PA 147 NEZ and ⁴Transformational Brownfield Plan incentives.

Census Tracts: 5224, 5326, and 5339

Location:

West Campus- 2805 West Grand Boulevard, 1130 Baltimore Avenue, 6450 Sterling Street and 6355 Lincoln Street

East Campus- One Ford Place, 725 Amsterdam Street, 675 Amsterdam Street, 6175 Third Street, 6205 Third Avenue

Development Team:

Stefan Welch (Detroit Pistons)
Richard Haddad (Detroit Pistons)
Denise Brooks Williams (Henry Ford Health Systems)
Barry Blackwell (Henry Ford Health Systems)
Jerry Darby (Henry Ford Health Systems)
Norman Hubbard (Michigan State University)
Arlynn Dailey (Michigan State University)

Commercial Rehabilitation Act Exemption; provides a discount on the value of the improvements for new construction for up to ten years after construction is completed.

² Commercial Redevelopment Act Exemption; provides an exemption on the value of commercial improvements to incentivize redevelopment of aging facilities and lasts for up to 12 years after construction is completed.

Neighborhood Enterprise Zone; Provides an exemption on the value of residential improvements to promote aging facilities and lasts for up to 17 years.

Transformational Brownfield, Act 381 of 2017, enables a TIF structure to help fund construction costs of transformational projects. The TIFS may capture certain state income and sales tax revenue from employees of development. Requires a minimum investment of \$500 million and allows capture for 20-30 years.

Impact Area Boundaries:

North: W. Euclid Street East: Woodward Avenue

South: I-94 Fwy

West: Rosa Parks Blvd

The impact area more specifically includes the following neighborhoods: Elijah McCoy, New Center, New Center Commons, Tech Town, Virginia Park, and Virginia Park Community

CBO Facilitators:

Aaron Goodman (PDD) Edwina King (PDD)

Legislative Policy Division Liaisons:

Kimani Jeffrey (LPD) Jamie Murphy (LPD) Timarie Szwed (LPD) Roland Amarteifio (LPD)

Neighborhood Advisory Council (NAC):

Lynda Jeffries (Chair)- Appointed by Planning and Development
Venita Thompkins (Co Vice Chair)- Appointed by Council Member Mary Waters
Joanne Adams (Co Vice-Chair)- Elected by Impact Area Residents
Marcus Keys (Secretary)- Appointed by Planning and Development
Russell Howard- Appointed by Council President Mary Sheffield
Lauren McNeary- Appointed by Council Member Coleman A. Young II
Stephan Bobalik- Appointed by Planning and Development
Gary Williams Appointed by Planning and Development
Benjamin Bennett- Appointed by the NAC
Steven Rimmer-5Resigned from the NAC

⁵Steven Rimmer was originally selected by Impact Area residents, but resigned and was replaced with Benjamin Bennett by the NAC, per Sec. 12-8-3 (b) (7) of the Community Benefits Ordinance 2021-4.

Master Plan (MP)

Henry Ford Health Systems expansion site (West Campus)

The subject site is located within the Rosa Parks area of Neighborhood Cluster 6 of the Detroit Master Plan of Policies (MP). The Future Land Use map for this area shows Mixed Residential-Commercial (MRC) and Light Industrial (IL) designations.

PS&E (Pistons) HFHS & MSU development site (East Campus)

The subject site is located within the Middle Woodward area of Neighborhood Cluster 4 of the Detroit MP. The future Land Use map for this area shows MRC.

Master Plan Analysis

The proposed developments are generally consistent with what the MP designates these areas for. The MRC areas should consist predominantly of medium-to-high density housing developed compatibly with commercial and/or institutional uses.

There is a portion of the HFHS expansion site that is IL which generally consists of low intensity industrial activities that have minimum undesirable effects such as warehousing or technology parks. PDD has submitted a letter speaking to the project's general consistency with the MP.

Current Zoning

HFHS hospital expansion site

The zoning classifications for this site are as follows:

R1 (Single-Family Residential District),

R2 (Two-Family Residential District),

R5 (Medium Density Residential),

SD2 (Special Development District, Mixed-Use),

B4 (General Business District),

M4 (Intensive Industrial, District)

PD (Planned Development District)

This site is currently undergoing a rezoning to unify the zoning under the B5 Major Business District, to allow for the hospital expansion with supporting facilities. This proposal was recommended for approval by the City Planning Commission and is under consideration by the Honorable City Council for approval, through an upcoming public hearing.

PS&E HFHS & MSU development site (East Campus)

This site is zoned SD2 (Special Development District, Mixed-Use). The SD2 zoning classification allows for residential and mixed-use development. Therefore, the site of the proposed development is generally consistent with zoning ordinance allowances.

MEETINGS

The Future of Health process held a nine (9) official meetings open to the public. These meetings covered everything from the project overview, education for what the Community Benefits Ordinance is, education of requested financial incentives, discussion between the developer and NAC, as well as public comment from attendees.

In addition to this, the NAC decided amongst themselves to hold approximately four working sessions that were meant for the NAC to specifically have time to deliberate amongst themselves outside of the general meetings and to review the project.

CBO Meetings

Tuesday, October 3, 2023 Tuesday, October 10, 2023 Tuesday, October 24, 2023 Tuesday, November 1, 2023 Tuesday, November 7, 2023 Tuesday, November 14, 2023 Tuesday, November 28, 2023 Tuesday, December 5, 2023 Tuesday, December 12, 2023

NAC Working Sessions

Monday, October 30th, 2023 Monday, November 13th, 2023 Monday, December 4th, 2023 Monday, December 11th, 2023

The CBO process concluded on December 12, 2023. During the last meeting, there were members of the public that spoke with concerns about the proposed Community Benefits Agreement (CBA). Comments that were opposed or concerned about the CBA agreement expressed sentiments such as the agreement not going far enough to garner meaningful benefits. One citizen stated that the previous transformational brownfield plan (TBP) project went further than the Future of Health without that developer being a "mission driven" entity.

A group known As the Real Estate Association of Developers (READ), who's mission is to "support qualified minority developers..." contributed a memo stating that the project "falls meaningfully short on commitments made by two prior TBP projects."

Others with concerns about the CBA also echoed similar comments, saying that many of the items in the CBA fell short of what they expected from the development team. Of those with concerns, some community members expressed the desire for more dollars to be invested into the City's Affordable Housing Trust Fund.

On the other side, there were attendees at the December 12th CBO meeting that spoke in support of the development team, speaking to the philanthropic efforts that the developers have undertaken over the years, contributing to schools, organizations, and the broader community. Some individuals spoke in support because of the skilled trades jobs that this project would bring.

During the final December 12th Future of Health CBO meeting, the developer and NAC discussed the proposed community benefits agreement (CBA) that entailed 50+ items that were

ultimately agreed upon. On the night of the last CBO meeting, the NAC took a vote to generally support the CBA with the caveat, that some of the details would still be worked out in the weeks that followed with a subsequent review and signature by the NAC.

There were two members of the NAC that voted against the CBA. Another member was not present but provided a letter stating their support. Over the following weeks the agreement was finalized by the legal counsel of the City and the developers. Seven of nine NAC members have signed.

CONCLUSION

The CBO process has always been an issue with very diverse points of view that leave people discussing their ideological viewpoints. Some people believe that the CBO process should go further in garnering more benefits for the impacted community. The term "benefits" for many that have contributed to this process, means a contribution that has a dollar amount attached to it.

Meanwhile others see the project in itself, largely as a "benefit" to the community, meaning that nothing else is necessary to be contributed to the community or that the project itself is benefiting the community based on the value it provides. There lies the point of conflict. Observing the CBO proceedings, you would see those ideologies discussed, many times passionately.

One thing that we don't hear a complaint about as much anymore is timing of the process. At one point the community felt strongly that time was a huge obstacle to meaningful engagement. However, in this CBO process, the NAC and many others seemed to have had sufficient time and information to prepare for their task and have meaningful dialogue having the necessary resources to reach their final decision.

The NAC has put a great deal of hours and energy into meetings regarding this item. The final outcome that the NAC agreed to is a CBA that includes 52 items. It should be noted that items such as line items 43, 50, 52 are things that are already required by ordinance. However, one could argue that the CBA possibly reinforces the City resources and enforcement to be dedicated to these items.

Examples of the more significant items that come from the NAC's negotiations are line items below:

Line item #1 The Developer shall offer to lease twenty percent (20%) of the residential units among the total unit count across the three buildings containing residential units ... ten percent (10%) of the affordable units will be reserved for individuals and families with incomes of not more than thirty percent (30%) of the area median family income for the Detroit-Warren-Livonia Metropolitan Statistical Area as published from time to time by HUD ("AMI"), based on family size, (ii) eighty percent (80%) of the affordable units will be reserved for individuals and families with incomes of not more than fifty percent (50%) of the AMI, and (iii) ten percent (10%) of the affordable units will be reserved for individuals and families with incomes of not more than seventy percent (70%)

Line item #4 Home Repair Fund: \$2M will be provided for a home repair fund.

Line item #5 A Rental Assistance Fund will be established by the developer with a contribution of \$500,000.

These are a few examples of what was agreed to and the full document can be found in the attachment. LPD staff expects that some community members will continue to advocate for more benefits as they did at the CBO meeting.

Ultimately, the ordinance puts responsibility for the final CBA on the NAC to endorse. This NAC spent many hours seriously deliberating on the matter at hand. That deliberation resulted in the CBA that this Honorable Body has for consideration.

David Whitaker, Esq., Director, Legislative Policy Division

Kimani Jeffrey, City Planner

Attachments CBO Agreement

Cc: Antoine Bryant, Director, PDD
Aaron Goodman, PDD
Edwina King, PDD
David Bell, Director, BSEED
James Foster, BSEED
Conrad Mallett, Corporation Counsel
Hon. Mike Duggan, Mayor's Office



PLANNING AND DEVELOPMENT DEPARTMENT

Coleman A. Young Municipal Center 2 Woodward Avenue. Suite 808 Detroit, Michigan 48226 Phone 313•224•1339 www.detroitmi.gov

February 2, 2024

Detroit City Council Two Woodward Ave., Ste. 1340 Coleman A. Young Municipal Center Detroit, MI 48226

RE: Community Benefits Provision
The Future of Health Development

Honorable City Council:

The City of Detroit ("City"), City of Detroit Brownfield Redevelopment Authority ("DRBA"), Detroit Economic Growth Corporation ("DEGC"), and Henry Ford Health System ("HFH"), Board of Trustees for Michigan State University ("MSU") and Pistons Sports & Entertainment, LLC ("Pistons") collectively referred to as the ("Developer") have been in discussions to bring an estimated investment of approximately \$3.02 billion dollars¹ to the properties located at One Ford Place, 725 Amsterdam Street, 675 Amsterdam Street, 6175 Third Street, 6205 Third Avenue, 2805 West Grand Boulevard, 1130 Baltimore Avenue, 6450 Sterling Street and 6355 Lincoln Street collectively as The Future of Health. It is anticipated that this project will redevelop the nine (9) existing structures and vacant parcels into new and renovated uses resulting in the creation of a hospital expansion at 1.1 million square feet, three (3) mixed use residential buildings with 662 mixed income residential units and 897,000 square feet of retail space², a research facility with 335,000 square feet of office space, a shared services building with 150,000 square feet of office space, a central energy hub covering 25,000 square feet and 2,300 interior and surface parking spaces to the New Center, New Center Commons Virginia Park, Elijah McCoy and TechTown neighborhoods.

Under the City of Detroit Ordinance 2021-4 ("Ordinance"), codified in Chapter 12, Article XII of the Detroit City Code ("Code"), development projects that qualify as a "Tier 1 Development Project" are subject to certain community engagement procedures (the "CBO Process"). The projects mentioned in The District Detroit ("the Projects") are expected to incur an investment of at least \$75 million and will involve the abatement of more than \$1 million in City taxes. Therefore, the Projects qualify as a Tier 1 Development Project under the Ordinance and are subject to the CBO Process.

The Projects were reviewed by a Neighborhood Advisory Council, to ascertain the community's concerns related to any impacts the Projects may have on the surrounding community and the ways the Developer plans to address those impacts. A Community Benefits Report was prepared for the Projects because of the

¹ The \$3 billion dollar investment includes \$1.7 billion dollars towards the new hospital expansion, \$392.6 million dollars towards the new research facility, \$234.63 million dollars towards a central energy hub, \$203.3 million dollars towards a shared services building, \$188.8 milli towards the adaptive reuse of One Ford Place, \$79 million dollars towards a second residential building, \$69.6 million dollars towards a park garage, \$57.7 million towards a second parking garage, and \$54.2 million towards a third residential building.

² Twenty percent (20%) of the affordable units are earmarked as the following: 10% of units at or below 30% of the area median income ("AMI"), 80% of units at or below 50% AMI and 10% of units at or below 70% AMI.

CBO Process and such report is submitted herewith in accordance with Section 14-12-3 of the Code as Exhibit A to the attached resolution (the "Report"). The Developer has agreed to address the concerns raised during the CBO Process by entering into a provision agreement "Community Benefits Provision for Tier 1 Development Projects – The District Detroit" that is included as Exhibit B to the attached resolution (the "Provision").

We hereby request that your Honorable Body adopt the attached resolution that receives and files the Report and approves the Provision in furtherance of the Projects.

Respectfully submitted,

Antoine Bryant, Directo

Planning and Development Department

CC: Hassan Beydoun, Group Executive – Jobs and Economy

Brittney Hoskiw, JET Team Brandon Lockhart, JET Team Malik Washington, Mayor's Office

Edwina King, Associate Director of Legislative Affairs and Equitable Development – PDD

Aaron Goodman, Manager of the Community Benefits Ordinance - PDD

RESOLUTION

BY COUNCIL MEMBER:	

NOW, THEREFORE BE IT RESOLVED, that the Planning & Development Department's ("P&DD") The Future of Health Project Community Benefits Agreement Report in the attached Exhibit A incorporated herein is hereby received and filed by the Detroit City Council; and be it further;

RESOLVED, that the "Community Benefits Provision for Tier 1 Development Projects – The District Project" attached hereto and incorporated herein as Exhibit B (the "Provision") is hereby approved by Detroit City Council, and be it further;

RESOLVED, that the P&DD Director, or his authorized designee, is hereby authorized to execute the Provision; and be it finally;

RESOLVED, that the Provision will be considered confirmed when executed by the P&DD Director, or his authorized designee, and approved by the Corporation Counsel as to form.

COMMUNITY BENEFITS AGREEMENT

(The Future of Health Development)

THIS COMMUNITY BENEFITS AGREEMENT (this "Agreement") is entered into as of the Effective Date (as defined herein), by and among the CITY OF DETROIT, a Michigan municipal corporation ("City"), acting through its Planning and Development Department, Henry Ford Health System, a non-profit organization ("HFH"), Board of Trustees of Michigan State University, a Michigan constitutional body corporate of the State of Michigan ("MSU"), and Pistons Sports & Entertainment, LLC, a Delaware limited liability company ("Pistons") (collectively, the "Developer").

RECITALS

- A. HFH, MSU and Pistons are each undertaking the development of respective portions of those certain parcels of real property listed on <u>Schedule 1</u> attached hereto for the purposes summarized on <u>Schedule 1</u> (collectively the "<u>Project</u>"), which is comprised of (i) the east campus portion of the broader "Future of Health Development" (the "<u>East Campus</u>"), (ii) an expansion of the existing Henry Ford Hospital facilities south of West Grand Boulevard to include a new hospital tower ("<u>Expanded Hospital</u>"), and (iii) a new parking garage, a shared services building and a central utility plant ((ii) and (iii) collectively, "<u>South Campus</u>").
- B. Pursuant to City of Detroit Ordinance No. 2021-4 effective as of December 8, 2021 (the "Community Benefits Ordinance"), and codified in Chapter 12, Article VIII of the 2019 Detroit City Code ("Code"), certain development projects referred to therein as "Tier 1 Development Projects" are required to undergo certain community engagement procedures as set forth in the Community Benefits Ordinance to permit members of the Neighborhood Advisory Council (as defined in the Community Benefits Ordinance) to make Developer aware of concerns related to the Project and discuss methods of addressing concerns raised by the Neighborhood Advisory Council (the "CBO Process").
- C. The East Campus, collectively, is expected to incur an investment of at least seventy-five million dollars (\$75,000,000) and to involve the abatement of more than one million dollars (\$1,000,000) in city taxes and qualifies as a Tier 1 Development Project pursuant to the Community Benefits Ordinance and therefore required to comply with the CBO Process.
- D. Although the development of the South Campus contemplated by HFH does not, by itself, qualify as a Tier 1 Development Project pursuant to the Community Benefits Ordinance since it is not receiving a transfer of land or tax abatement, HFH voluntarily committed to participate in the CBO Process as though the South Campus was a Tier 1 Development Project in order to expand the available community benefits for the Impact Area (as defined below) and to address concerns raised by the NAC (as defined below) regarding construction of the South Campus.

- E. From October 3, 2023 to December 12, 2023, the City facilitated and the Developer participated in a CBO Process for the East Campus and the South Campus with the members of the Neighborhood Advisory Council for the Project (the "NAC"), which members were selected from residents living within the area bounded by W. Euclid Street to the north, Woodward Avenue to the east, I-94 to the south, and Rosa Parks Boulevard to the west (the "Impact Area").
- F. HFH, MSU and Pistons, through the CBO process and discussions with the NAC, have committed to provide certain programs, projects and other benefits to address concerns raised by the NAC as further described on Exhibit A attached hereto (the "Developer Community Benefits").
- G. The City is willing to provide those certain programs and projects described on <u>Exhibit B</u> attached hereto to address additional concerns raised by the NAC related to City property, programs, and ordinances (the "<u>City Community Benefits</u>").
- H. The City, HFH, MSU and Pistons desire to memorialize their obligations to provide the City Community Benefits and the Developer Community Benefits, respectively.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the City, HFH, MSU and Pistons agree as follows:

- 1. Agreement to Provide Developer Community Benefits. Each of HFH, MSU and Pistons hereby covenants and agrees to construct, operate, or otherwise provide (as appropriate) the Developer Community Benefits, in the manner and as described and as allocated in Exhibit A. HFH, MSU, Pistons and the City acknowledge and agree that the Developer Community Benefits were agreed upon by HFH, MSU and Pistons to address concerns raised by the NAC, as required by the Community Benefits Ordinance. HFH, MSU, Pistons and the City further acknowledge and agree that HFH, MSU and Pistons shall each be responsible for constructing, operating, or otherwise providing (as appropriate) those Developer Community Benefits that are designated to such entity as indicated on Exhibit A and the obligations of each of HFH, MSU and Pistons under this Agreement are several in nature. Except as otherwise set forth in Exhibit A, where more than one of HFH, MSU or Pistons have committed to providing a Developer Community Benefit, each of such entities shall be responsible for fully providing such Developer Community Benefit with respect to the aspects of the Project being constructed or performed by such entity.
- 2. <u>Agreement to Provide City Community Benefits</u>. The City hereby covenants and agrees to construct, operate, or otherwise provide (as appropriate) the City Community Benefits, in the manner and as described in <u>Exhibit B</u>.
- 3. <u>Continued Community Engagement</u>. As required by Section 12-8-3(g)(3) of the Code, the City will facilitate, and HFH, MSU and Pistons will actively participate, in at least one (1) meeting per calendar year with the NAC for at least six (6) years, provided that if the Project is not completed within six (6) years, at the discretion of the Director of the Planning and Development Department the City may facilitate, and HFH, MSU and Pistons shall actively participate in,

additional annual meetings until the Project is completed. The purpose of such meetings will be to discuss the status of the Project, to coordinate the implementation of the Developer Community Benefits, and to discuss any additional concerns raised by the NAC.

4. <u>Compliance Reporting; Recordkeeping</u>. Unless a specific Developer Community Benefit provides for more frequent reporting, Developer will submit semi-annual compliance reports to the City via the reporting structure provided by the City of Detroit Civil Rights, Inclusion and Opportunity Department ("CRIO") within thirty (30) days of the end of June and December each calendar year which describes HFH, MSU and Pistons' progress on and compliance with the Developer Community Benefits. The City, HFH, MSU and Pistons shall each maintain information pertinent to its activities under this Agreement for at least two (2) years following completion of the last of the buildings being constructed as part of the Project.

5. <u>Indemnification</u>

- a. HFH agrees to indemnify, defend, and hold the City harmless, or shall cause its contractors, agents, affiliates, or subsidiaries performing the Developer Community Benefits which otherwise are the responsibility of HFH herein to indemnify, defend and hold the City harmless, against and from any and all liabilities, obligations, damages, penalties, claims, costs, charges, losses and expenses (including, without limitation, reasonable fees and expenses for attorneys, expert witnesses and other consultants) that may be imposed upon, incurred by, or asserted against the City or its departments, officers, employees, or agents by reason of (a) any gross negligence or misconduct of HFH or its agents or employees in the performance of this Agreement, (b) any failure by HFH to perform its obligations under this Agreement which constitute an Event of Default of HFH hereunder, or (c) any injury to the person or property of the City or of an employee of the City where such injury arises out of HFH's performance of its obligations under this Agreement, except to the extent that any of the foregoing are caused by the negligence or misconduct of the City or its employees.
- b. MSU agrees to indemnify, defend, and hold the City harmless, or shall cause its contractors, agents, affiliates, or subsidiaries performing the Developer Community Benefits which otherwise are the responsibility of MSU herein to indemnify, defend and hold the City harmless, against and from any and all liabilities, obligations, damages, penalties, claims, costs, charges, losses and expenses (including, without limitation, reasonable fees and expenses for attorneys, expert witnesses and other consultants) that may be imposed upon, incurred by, or asserted against the City or its departments, officers, employees, or agents by reason of (a) any gross negligence or misconduct of MSU or its agents or employees in the performance of this Agreement, (b) any failure by MSU to perform its obligations under this Agreement which constitute an Event of Default of MSU hereunder, or (c) any injury to the person or property of the City or of an employee of the City where such injury arises out of MSU's performance of its obligations under this Agreement, except to the extent that any of the foregoing are caused by the negligence or misconduct of the City or its employees.
- c. Pistons agree to indemnify, defend, and hold the City harmless, or shall cause its contractors, agents, affiliates, or subsidiaries performing the Developer Community Benefits which otherwise are the responsibility of the Pistons herein to indemnify, defend and hold the City harmless, against and from any and all liabilities, obligations, damages, penalties, claims, costs,

charges, losses and expenses (including, without limitation, reasonable fees and expenses for attorneys, expert witnesses and other consultants) that may be imposed upon, incurred by, or asserted against the City or its departments, officers, employees, or agents by reason of (a) any gross negligence or misconduct of Pistons or its agents or employees in the performance of this Agreement, (b) any failure by Pistons to perform its obligations under this Agreement which constitute an Event of Default of Pistons hereunder, or (c) any injury to the person or property of the City or of an employee of the City where such injury arises out of Pistons' performance of its obligations under this Agreement, except to the extent that any of the foregoing are caused by the negligence or misconduct of the City or its employees.

- 6. <u>Compliance with Laws</u>. Each party hereunder acknowledges that it is individually responsible for maintaining compliance in all respects with all applicable federal, state, and local laws, rules, regulations, and orders having the binding effect of law applicable to its respective businesses and operations, including but not limited to any and all rules and regulations governing the operation and administration of Medicare, Medicaid, Tricare, and any other federal health care programs (as defined in the Social Security Act) and any other State of Michigan health care program, and any grant and other funding restrictions and applicable standards of care and best practices (as amended from time to time, collectively, the "<u>Applicable Laws</u>"). No party hereunder will be responsible for ensuring any other party's compliance with Applicable Laws at any time, unless so required under Applicable Laws; and, Developer's respective obligations to perform as set forth herein are subject to any such Applicable Laws.
- 7. <u>Nondiscrimination</u>. Developer will, in performing the Developer Community Benefits and its other obligations pursuant to this Agreement, refrain from refusing, restricting, withholding, or denying any accommodations, services, privileges, advantages or facilities or otherwise discriminating, whether directly or indirectly, on the basis of race, color, ethnicity, national origin, religious beliefs or practices, age, disability, pregnancy, marital status, parental status, military status, employment or educational status, gender, sex, sexual orientation, gender identity or expression, or any other protected or designated classification, in accordance with Chapter 23 of the Detroit City Code and other Applicable Laws.
- 8. Reporting of Alleged Violations of Community Benefits. Each of HFH, MSU, and the Pistons acknowledges and understands that pursuant to Section 12-8-3(g)(4) of the Code, members of the community may report to the NAC allegations of the Developer's failure to comply with this Agreement. Community members can submit such reports to the City (a) by personal delivery with receipt obtained or by registered or certified first-class mail with return receipt requested at the following address:

City of Detroit,
Planning & Development Department
2 Woodward Avenue, Suite 808
Detroit, MI 48226
Attention: Director

(b) by e-mail to cboformalcomplaints@detroitmi.gov, or (c) through an online portal available at http://bit.ly/CBOComment.

The City will forward all such reports from community members to (i) the NAC, which may take further action in accordance with Section 12-8-3(g) of the Code and (ii) HFH, MSU and Pistons.

- 9. <u>Event of Default</u>. The following shall constitute an "<u>Event of Default</u>" by the defaulting party under this agreement:
- a. The failure of any Developer to perform any of its respective Developer Community Benefits as and when provided in Exhibit A attached hereto, or any other default by Developer in the performance of the terms of this Agreement, which default or failure is not cured within sixty (60) days after the City's delivery of written notice of such failure or default to Developer, provided, however, that if the nature of Developer's failure or default is such that it cannot be reasonably cured within such sixty (60) day period, and Developer commences such cure within said sixty (60) day period and thereafter diligently pursues such cure to completion, then such failure or default shall not constitute an Event of Default hereunder unless Developer fails to cure the same within one hundred twenty (120) days of the City's original delivery of notice of such failure or default or such longer time period as is reasonable under the circumstances and mutually agreed upon between the applicable Developer and the City. Notwithstanding anything to the contrary contained herein, an Event of Default by one of the or multiple Developers with respect to a Developer Community Benefit for which such Developer is responsible shall not be deemed an Event of Default by all of the Developers under this Agreement, and any such Event of Default shall be solely attributable to and enforceable against the defaulting Developer.
- b. The failure of the City to perform any of the City Community Benefits as and when provided in Exhibit B attached hereto, or any other default by the City in the performance of the terms of this Agreement, which default or failure is not cured within sixty (60) days after the Developer's delivery of written notice of such failure or default to the City, provided, however, that if the nature of the City's failure or default is such that it cannot be reasonably cured within such sixty (60) day period, and the City commences such cure within said sixty (60) day period and thereafter diligently pursues such cure to completion, then such failure or default shall not constitute an Event of Default hereunder unless the City fails to cure the same within one hundred twenty (120) days of the Developer's original delivery of notice of such failure or default. In no event shall any failure of the City to perform any of the City Community Benefits hereunder be deemed an Event of Default of any Developer.
- c. Notwithstanding anything to the contrary set forth herein, the failure to construct improvements on or renovate any improvements which are contemplated as part of the Project as of the date of this Agreement shall not be a basis for default hereunder.
- 10. Remedies. Upon the occurrence of an Event of Default, the non-defaulting party shall have the right to pursue and enforce specific performance of the covenant or obligation which the defaulting party failed to perform, it being agreed that the Developer Community Benefits and the City Community Benefits represent ways of addressing specific concerns raised by the NAC and that monetary damages may be inadequate to address such concerns. Developer further agrees to comply with the enforcement and mitigation process of Section 12-8-3(g) of the Code and to cooperate in any investigation or hearings by the Enforcement Committee (as defined in the

Community Benefits Ordinance) or the Detroit City Council. For the avoidance of doubt, upon the occurrence of an Event of Default by one or more of the Developers in performing a Developer Community Benefit for which such Developers are responsible, the City shall only pursue a remedy under this Section 10 against the Developer (or Developers) responsible for such Developer Community Benefit. An Event of Default by one or more Developer(s) shall not be enforced against any non-defaulting Developer(s) and all liabilities hereunder shall be several as to each Developer.

- 11. Effective Date; Term. This Agreement shall be effective upon the approval of the Transformational Brownfield Plan with respect to the Project approved by the City Council on _________, 2024 (as the same may be amended, the "TBP") by the Michigan Strategic Fund, and the execution by the Developer, the City of Detroit Brownfield Redevelopment Authority and the Michigan Strategic Fund of the reimbursement agreement with respect to the TBP, all with respect to portions of the East Campus ("Effective Date"). This Agreement will remain in effect as long as the financial incentives available to Developer under the TBP remain available to Developer, and until completion of the Project, and (a) with respect to Developer's obligations hereunder, the Developer's satisfaction of all of the Developer Community Benefits, and (b) with respect to the City's obligations hereunder, the City's satisfaction of all of the City Community Benefits.
- 12. <u>Amendments</u>. No amendment to this Agreement will have any force or effect against any Party unless it is in writing, expressly refers to this Agreement, is fully executed by the duly authorized representative of the City (if necessary, pursuant to the resolution of the Detroit City Council as approved by the Mayor of the City of Detroit) and Developer, and is approved by the City of Detroit Law Department.
- 13. <u>Notices</u>. All notices, requests, notifications, and other communications (collectively, "<u>Notices</u>") related to this Agreement shall be given in writing, signed by an authorized representative of the Party and sent by United States mail, registered or certified, return receipt requested, postage prepaid, or sent by express, overnight courier, next day delivery requested, to the respective parties at the addresses listed below, and shall be deemed delivered one (1) business day after the delivery or mailing date:

If to the City: City of Detroit

Planning & Development Department 2 Woodward Avenue, Suite 808

Detroit, MI 48226 Attention: Director

With a copy to: City of Detroit, Law Department

2 Woodward Avenue, Suite 500

Detroit, MI 48226

Attention: Corporation Counsel

If to Developer: Henry Ford Health System

One Ford Place, 5B

Detroit, Michigan 48202

Attn: Chief Financial & Business Development Officer

With e-mail copy to: Office of General Counsel at legal@hfhs.org

With a copy to: Taft Stettinius & Hollister, LLP

27777 Franklin Road

Ste. 2500

Southfield, Michigan 48034 Attn: Elizabeth M. Rogers, Esq.

With a copy to: Pistons Sports & Entertainment

6201 Second Ave. Detroit, Michigan 48202

Attn: Richard Haddad, Chief Operating Officer

With a copy to: Board of Trustees of Michigan State University

426 Auditorium Road

Hannah Administrative Building, Room 450

East Lansing, Michigan 48824-1046

Attn: President

And with a copy to: Richard A. Barr, Esq.

Honigman LLP

660 Woodward, Ste. 2290 Detroit, Michigan 48226

Each Party to this Agreement may change its address and/or point of contact for the receipt of Notices at any time by giving written Notice thereof to the other parties in accordance with this Section.

14. Miscellaneous.

- a. The City and each Developer are independent of each other and do not intend, as a result of this Agreement or otherwise, to become a joint venture, partners, employees, servants, agents, representatives, contractors, or any type of related business entities to one another with respect to the subject matter of this Agreement.
- b. The City and Developer acknowledge and agree that this Agreement, and the performance of the obligations hereunder, is intended to satisfy the requirements of the Community Benefits Ordinance and the CBO Process.
- c. This Agreement sets forth Developer's intended activities to address impacts on the community by the Project in accordance with the Ordinance and by HFH with respect to the South Campus in accordance with HFH's voluntary submission of the South Campus to the CBO Process. The Developer may not assign this Agreement, or any portion thereof, either voluntarily or involuntarily, or by operation of law to any third party without the City's written consent, which

shall not be unreasonably withheld but may be subject to reasonable conditions. The City and the Developer acknowledge and agree that the development of the Project or portions thereof, and performance of the Developer Community Benefits may be performed by subsidiaries or affiliates of the Developer.

- d. In the event of a failure or delay in the Developer's performance of its obligations under this Agreement due to unforeseen causes and causes beyond its control and without its fault, including, but not restricted to, acts of God or of the public enemy, fires, floods, severe weather, pandemic, epidemic, strikes or other labor disputes, national emergency, riot, terrorism, restraint by court order, order by any governing body, judicial order, or order or directive of public authority (each, a "Force Majeure Event") the time for performance of such obligations shall be extended for the period of the Force Majeure Event, but in no event more than one hundred eighty (180) days following the end of the Force Majeure Event; provided that the Developer must within thirty (30) days after the beginning of such Force Majeure Event, have first notified the City in writing of the causes thereof and requested an extension for the period of the Force Majeure Event.
- e. This Agreement will be governed by the laws of the State of Michigan, excluding its choice of laws rules. Any legal suit, action or proceeding arising out of this Agreement will be instituted in the federal courts of the United States of America or the courts of the State of Michigan, in each case located in the City of Detroit and County of Wayne, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding.
- f. If any part of this Agreement is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Agreement and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining provisions of the Agreement will continue in full force and effect.
- g. This Agreement may be executed by the parties in counterparts which shall be considered as one fully executed agreement. Executed copies of this Agreement may be delivered between the parties via electronic means including electronic mail. The parties intend that this Agreement may be executed by either or both of the parties by means of the affixing of a digital signature or by other electronic means, in accordance with the Michigan Uniform Electronic Transactions Act (MCL 450.831 et seq.).
- h. Notwithstanding anything in this Agreement or otherwise to the contrary, this Agreement shall be of no force or effect and may not in any way be enforced against the City, and the City is not authorized or obligated to perform any of its obligations pursuant to this Agreement unless and until this Agreement has been fully executed by the duly authorized representative of the City pursuant to the resolution of the Detroit City Council as approved by the Mayor of the City of Detroit, and approved by the City of Detroit Law Department. Any amendments or modifications must likewise be duly authorized by resolution of the City Council as approved by the Mayor, as necessary, and be approved by the Law Department.

[Signature pages follow.]

[SIGNATURE PAGE TO COMMUNITY BENEFITS AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this Community Benefits Agreement as of the Effective Date.

DEVELOPER:
HENRY FORD HEALTH SYSTEM, a not-for-profit organization
By: Denise Brooks-Williams Name: Denise Brooks-Williams Its: EVP & CEO
BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY, a Michigan constitutional body corporate of the State of Michigan
By: Name: Its:
PISTONS SPORTS & ENTERTAINMENT, LLC, a Delaware limited liability company

Its: EVP

[SIGNATURE PAGE TO COMMUNITY BENEFITS AGREEMENT]

CITY:

CITY OF DETROIT,

a Michigan municipal corporation

By:	1	na	60		
	Antoin	Bryant		V	
Its:	Directo	, Plar	ıning	and	Development
	Departn	nent			

THIS AGREEMENT WAS APPROVED BY THE CITY COUNCIL ON:

APPROVED AS TO FORM BY LAW DEPARTMENT PURSUANT TO § 7.5-206 OF THE CHARTER OF THE CITY OF DETROIT

Date	Malley 2/1/2024
	Corporation Coursel Date

SCHEDULE 1

SUMMARY OF THE PROJECT

EAST CAMPUS

- 1. **One Ford Place** Rehabilitation and adaptive reuse of the existing approximately 625,000 square foot building into a mixed use building containing approximately 403 residential units, with commercial space on the first floor.
- 2. **725 Amsterdam** Construction of a new approximately 160,000 square foot mixed use residential building containing approximately 154 residential units with commercial space on the first floor.
- 3. **675 Amsterdam** Construction of a new approximately 122,000 square foot mixed use residential building containing approximately 105 residential units with commercial space on the first floor.
- 4. **6175 Third Street** Construction of an approximately 335,000 square foot state-of-the-art medical research facility.
- 5. **6205 Third Street** Construction of a new parking structure containing approximately 800 parking spaces.

SOUTH CAMPUS

- 1. **2850 W. Grand Blvd.** Construction of an approximately 1,100,000 square foot state-of-the-art hospital building to expand the main Henry Ford Hospital.
- 2. **1130 Baltimore** Construction of an approximately 151,000 square foot South Campus shared services building anticipated to contain a main kitchen, shipping and receiving space, sterile processing, logistics, and other hospital support functions.
- 3. **6450 Sterling** Construction of an approximately 80,000 square foot central energy and facilities building which shall produce heating and cooling water for the new South Campus.
- 4. **6355 Lincoln** Construction of a new parking structure containing approximately 1,500 parking spaces.

EXHIBIT A

DEVELOPER COMMUNITY BENEFITS

De	eveloper Community Benefit	HFH	MSU	Pistons
		•	•	•
	Affordable Housing. Developer shall enter into an affordable housing agreement (the "Affordable Housing Agreement") with the City pursuant to which Developer shall offer to lease twenty percent (20%) of the residential units among the total unit count across the three buildings containing residential units (the "Residential Buildings") that are included in the Developer's TBP and constructed as a part of the Future of Health Development as affordable units to individuals and families with mixed incomes, as follows and for a term of thirty (30) years from completion of such Residential Building: (i) ten percent (10%) of the affordable units will be reserved for individuals and families with incomes of not more than thirty percent (30%) of the area median family income for the Detroit-Warren-Livonia Metropolitan Statistical Area as published from time to time by HUD ("AMI"), based on family size, (ii) eighty percent (80%) of the affordable units will be reserved for individuals and families with incomes of not more than fifty percent (50%) of the AMI, and (iii) ten percent (10%) of the affordable units will be reserved for individuals and families with incomes of not more than seventy percent (70%) of			X
	Acceptance of Section 8 Vouchers: During the thirty (30) year term of the applicable Affordable Housing Agreement, Developer shall not unreasonably refuse to lease an affordable housing unit offered for rent or otherwise discriminate in the terms of tenancy because any prospective tenant is the holder of a Certificate of Family Participation or a Voucher under Section 8 of the United States Housing Act of 1937 (42 USC §1437f), or any successor legislation. Such obligation shall be included within the Affordable Housing Agreement(s).			X
3.	Housing Accessibility. During the period that the proposed projects are under construction (the "Construction Period"), with respect to the Residential Buildings, Developer shall either hire (i) an architect for the project with experience in (x) compliance with the Americans with Disabilities Act (the "ADA"), (y) universal design for persons with disabilities and (z) prevailing best practices for accessibility and visit-ability; or (ii) a third-party consultant that specializes in (i)(x)-(i)(z) above, in order to consult on the design of the Residential Buildings and related outdoor environments which are a part of the housing components of the Future of Health Development to make the housing components of the Future of Health Development accessible and usable by persons with disabilities beyond the minimum requirements imposed by the ADA, including concepts of universal design.			X

Developer Community Benefit	HFH	MSU	Pistons
Developer shall include a summary of the number of accessible			
housing units in each of the Residential Building and the			
accessibility, visit-ability, and universal design features			
incorporated into such Residential Building in its next semi-			
annual report to CRIO after commencement of construction of			
each of the Residential Buildings.			
4. <u>Home Repair Fund</u> . Developer will make a donation of two			
million dollars (\$2,000,000) to an experienced non-profit or home			
repair fund selected by Developer in consultation with the NAC			
to be used for making home repair grants to qualifying owner-			
occupied homes, based on criteria to be determined by the selected			
non-profit or home repair fund, within the neighborhoods of: New			
Center, New Center Commons, Virginia Park, Virginia Park			
Community, Tech Town, Elijah McCoy, Piety Hill, LaSalle			
Gardens, and NW Goldberg (each as defined by the City of			
Detroit Department of Neighborhoods). Such donation shall be			=-
made in five (5) annual donations of four hundred thousand			X
dollars (\$400,000), with the first payment to be paid within ninety			
(90) days of the start of construction of the first residential housing			
project, with a maximum spend of fifteen thousand dollars			
(\$15,000) per qualifying household; provided that the fifth			
payment shall be made no earlier than ninety (90) days following			
the start of construction of the third residential housing project.			
This two million dollar (\$2,000,000) donation may be offset, and			
shall be credited towards, contributions that HFH would pay to			
the City as part of its voluntary compliance with Executive Order			
2021-2.			
5. Rental Assistance Fund. Developer will make a donation of five			
hundred thousand dollars (\$500,000) to an experienced non-profit			
or rental assistance fund selected by Developer in consultation			
with the NAC to be used for rental assistance for qualifying			
renters within the Impact Area. Such donation shall be made in five (5) annual donations of one hundred thousand dollars			
(\$100,000) with the first payment to be paid within ninety (90) days of the start of construction of the first residential housing			X
project; provided that the fifth payment shall be made no earlier			
than ninety (90) days following the start of construction of the			
third residential housing project. This five hundred thousand			
dollar (\$500,000) donation may be offset by, and shall be credited			
towards, contributions that HFH would pay to the City as part of			
its voluntary compliance with Executive Order 2021-2.			
II. Finest Health Care For Detroiters	ı	1	1
6. Expanded Hospital. As a part of the Future of Health			
Development, Developer shall expand the existing Henry Ford			
Hospital facilities, by designing and constructing the Expanded	X		
Hospital tower, which shall include new surgical rooms, an	A		
expanded emergency department, and private patient rooms.			
expanded emergency department, and private patient rooms.	I	1	_1

Developer Community Benefit	HFH	MSU	Pistons
7. New Research Center. As a part of the Future of Health			
Development, Developer shall build a state-of-the-art New		\mathbf{X}	
Research Center.			
8. <u>Urgent/Fast Track Care Services</u> . Developer shall design the			
Expanded Hospital in a manner that provides a separate and			
distinct Urgent / Fast Track space utilizing enhanced patient triage			
for the provision of Urgent / Fast Track care on a 24-hour/7-day			
per week basis, subject to Applicable Laws. Developer will	X		
provide adjacent secured and designated parking for patients' use			
during such Urgent/Fast Track visits, the parking fees, if any, for			
which will be consistent with the parking policy at Henry Ford			
Hospital as it exists from time to time.			
9. <u>Behavioral Health Space</u> . Developer shall design the Expanded			
Hospital in a manner that allows Developer to provide dedicated			
behavioral health space within the emergency department of the			
Expanded Hospital following construction completion, and	***		
subject to Applicable Laws. Developer shall include information	X		
regarding the dedicated behavioral health space in its semi-annual			
reporting to CRIO hereunder, and will include the methods by			
which a resident can best access behavioral health services at			
Henry Ford Hospital on the Information Website.			
10. <u>Uncompensated Care</u> . Developer acknowledges that it currently			
realizes significant uncompensated care losses and that it expects			
to absorb additional uncompensated care losses that will occur as			
a direct result of the Expanded Hospital. Each year during the	X		
first five (5) years following the date that the Expanded Hospital	Λ		
is fully operational and servicing patients, Developer shall provide a report to CRIO detailing the amount of uncompensated			
care provided to patients who are Detroit residents, to the extent			
practicable and permitted by Applicable Law.			
11. Community Health Worker + Impact Area Senior Citizens.			
Commencing not later than January 1, 2025, and continuing for			
a period not less than five (5 years) after commencement,			
Developer will provide a dedicated and trained employee such as			
a community health worker or similar person to provide			
engagement with Impact Area senior citizens (including but not	X		
limited to licensed senior facilities within the Impact Area such			
as Lexington Village) to educate, coordinate community			
resources, and assist said senior citizens in navigating the			
healthcare system.			
12. Medical Resources for High Schools. Upon the earlier of (i)			
January 1, 2025, or (ii) within ninety (90) days of the final			
approval of the TBP by the MSF, Developer shall provide one			
(1) cardiac kit, one (1) trauma kit and one (1) overdose medical	v		
emergency kit to each of Northwestern High School and	X		
University Prep. The provision of the kits shall be subject to			
applicable regulations, and any training and maintenance plans			
mutually agreed upon between Developer and each high school.			

Developer Community Benefit	HFH	MSU	Pistons
13. Primary Care Services. Developer shall develop and/or partner with a third-party organization to provide same day services for primary care within the Impact Area at an existing location, PACE facility, Federally Qualified Health Center, or near the Expanded Hospital campus. Developer shall include information on the availability of and best ways to access such primary care services on its Information Website. Developer (itself or through its partner third-party organization) shall provide such services for a period of at least ten (10) years from the date such services are commenced.	X		
14. Community Fairs. Commencing January 1, 2025, and continuing for a period not less than five (5) years after commencement, Developer shall partner with City Council, the City of Detroit, and Developer-selected community groups to host a total of nine (9) community fairs each year during the Construction Period regarding health, education, job opportunities, and/or available hospital resources. Developer shall host one of the nine (9) community fairs in each of the seven Districts and an additional two (2) community fairs in the Impact Area.	X		
15. RYSE MED Program. Commencing not later than January 1, 2025 and continuing for a period of not less than five (5) years after commencement, and subject to any Applicable Laws, Developer will continue to operate its RYSE MED (Readying Youth Scientists for Excellence in Medicine, Health Equity and Discovery) program (or a similar replacement program) designed to provide students interested in health professions and health-related research and having backgrounds underrepresented in medicine, with support and resources through a summer educational/training program designed to help such students pursue jobs in the healthcare field.	X		
16. Infant/Mother Mortality Resources. Commencing not later than January 1, 2025 and continuing for a period not less than five (5) years after commencement, and subject to Applicable Laws, Developer will dedicate research and direct care resources to address infant/mother mortality issues, and will include a summary of the scope and nature of the infant/mother mortality research and direct care resources in its semi-annual reporting to CRIO required hereunder. Developer will include the methods by which a resident can best access such resources on its Information Website.	X		
17. Implicit Bias Training. As a part of Developer's employee training programs, Developer shall provide its part-time employees and full-time employees at the Project with implicit bias training and/or diversity, equity and inclusion training.	X	X	X
III. Education & Career Opportunities Close to Home	1	1	
18. <u>Tuition-Free Scholarships.</u> Developer shall make available a total of fifty (50), full-time, four-year, tuition-free scholarships to Michigan State University to qualifying seniors at University Prep and Northwestern High School over a period of ten (10)		X	

Developer Community Benefit	HFH	MSU	Pistons
years commencing within one (1) year of the final approval of			
the TBP by the Michigan Strategic Fund.			
19. Student Scholarship Competition and STEM Events. Developer			
shall engage with Detroit Public Schools Community District,			
and University Prep schools to invite participation from high			
school students at Northwestern High School and University			\mathbf{X}
Prep in the Detroit Black History Month Scholarship competition			
and annual Detroit Pistons STEM and Tech Slam events hosted			
by the Pistons for so long as Developer hosts such events.			
20. <u>Trade Apprenticeships.</u> During the Construction Period,			
Developer shall encourage Developer's trade partners to provide			
on-the-job training through apprenticeship programs with areas	X	X	X
of focus including construction, medical, research and	7.5	11	2.
technology jobs.			
21. Job Fairs. During the Construction Period, Developer shall host			
a job fair within the Impact Area twice per year to provide			
resources and information regarding open construction and			
permanent jobs within the Future of Health Development.	X	X	\mathbf{X}
Developer will provide information regarding such job fairs on			
the Information Website, through its social media and through			
the e-mail listserv maintained for the Project at least thirty (30)			
days prior to the date of such job fair.			
22. <u>HBCU Pipeline</u> . Developer will participate in job fairs hosted by			
Historically Black Colleges and Universities ("HBCUs"), and			
perform other outreach to create a partnership with HBCUs			
and/or related local alumni associations and/or organizations	X	X	X
which advocate for HBCUs in order to create a pipeline of			
diverse, qualified candidates to healthcare positions within			
Detroit to help increase the diversity of the workforce in Detroit			
and in the Future of Health Development.			
23. Nursing Assistant Apprenticeship Program. Commencing not			
later than January 1, 2025 and continuing for a period of not less			
than five (5) years after commencement, and subject to			
Applicable Laws, Developer will operate a Nurse Assistant			
Apprenticeship Program (or similar program) which provides the			
opportunity for qualified individuals to enroll in the program on			
a tuition free basis, where applicable, and upon completion,			
obtain full-time employment at Henry Ford Health (or another	X		
health facility) as a nurse assistant. When positions are available			
in any such program, Developer will advertise such openings			
with Wayne County Community College District and Detroit			
Public Schools Community District and Developer will provide			
a first-review priority for applications timely received from the			
Impact Area zip codes, followed by a second-review priority for			
applications timely received from Detroit residents.			
24. Educational Partners and Opportunities. Developer commits to			
work with Detroit Public Schools Community District, Michigan	▼	T 7	▼
State University, Wayne County Community College, Henry	X	X	X
Ford College, and Wayne State University to provide health,			

Developer Community Benefit	HFH	MSU	Pistons
wellness and career pathways and education support, such as			
internships, mentorship opportunities and college application			
assistance for students within the Impact Area and the City of			
Detroit.			
25. Medical Assistant Apprenticeship Program. Commencing not			
later than January 1, 2025 and continuing for a period of not less			
than five (5) years after commencement, and subject to			
Applicable Laws, Developer will provide the opportunity for			
qualified candidates to participate in a one-year HFH medical			
assistant apprenticeship program (or similar program), which			
provides paid on-the-job training and classroom learning	X		
opportunities. When positions are available in this program,	21		
Developer will advertise such openings with Wayne County			
Community College District and Detroit Public Schools			
Community District and Developer shall provide a first-review			
priority for applications timely received from the Impact Area			
zip codes, followed by a second-review priority for applications			
timely received from Detroit residents.		1	
26. Marvel in Medicine Program. Commencing not later than			
January 1, 2025 and continuing for a period of not less than five			
(5) years after commencement, and in accordance with			
Applicable Laws, Developer will continue the Marvel in			
Medicine Program (or similar program) to raise awareness of the	T 7		
multidisciplinary nature of medical research careers, encourage	X		
creative thinking, and assist school districts and industry leaders			
in developing future talent. Through the research completed as			
part of this program, students will gain a deeper understanding			
of current healthcare issues and gain important teamwork,			
communication, and problem-solving skills.			
27. Healthcare Career Pathway Mentoring Program. Commencing			
not later than January 1, 2025 and continuing for a period of not			
less than five (5) years after commencement, and in accordance			
with Applicable Laws, Developer will provide mentoring	X		
opportunities for students in the Impact Area and the City of Detroit by exposing those interested students to various	Λ		
healthcare professions through healthcare labs and ongoing			
mentoring and career coaching designed to increase diversity			
within the healthcare workforce.			
28. <u>Ban-the-Box.</u> So long as the financial incentives available to			
Developer under the TBP remain available to Developer, except			
where required by law, Developer will not inquire or consider the	X	X	X
criminal convictions of an applicant to be an employee of	1	1	11
Developer until after Developer first interviews the applicant.			
29. <u>Priority Review of Applications</u> . Commencing not later than			
January 1, 2025, and continuing for a period of not less than one			
(1) year after completion of construction of the South Campus,			
and in accordance with Applicable Laws, and existing labor	X	X	X
agreements, Developer will provide a first-review priority for job			
applicants from the Impact Area zip codes, followed by a second-			
The same is a superstant and the same and th	1	1	1

Developer Community Benefit	HFH	MSU	Pistons
review priority for Detroit resident applicants, for temporary and			
permanent non-construction jobs created by the Future of Health			
Development. Within six (6) months of the Effective Date,			
Developer shall adopt policies implementing this job review			
priority, and shall provide a copy of such policy to CRIO.			
IV. Community Building			
30. Expanded Hospital and New Research Center Accessibility.			
During the Construction Period, with respect to the Expanded			
Hospital and the New Research Center, Developer shall either (i)			
hire an architect for the project with experience in (x) compliance			
with the Americans with Disabilities Act (the "ADA"), (y)			
universal design for persons with disabilities and (z) prevailing			
best practices for accessibility and visit-ability; (ii) hire a third-			
party consultant or partner with an individual or organization that			
specializes in $(i)(x)$ - $(i)(z)$ above, in order to consult on the design			
of the Expanded Hospital, the New Research Center and related	X	X	
outdoor environments which are a part of the Future of Health			
Development to make the Future of Health Development			
accessible and usable by persons with disabilities beyond the			
minimum requirements imposed by the ADA, including			
concepts of universal design. Developer shall include a summary			
of accessibility and universal design features incorporated into			
the Expanded Hospital and the New Research Center in its next			
semi-annual report to CRIO after commencement of construction			
of each of the Expanded Hospital and the New Research Center.			
31. <u>Infrastructure Improvements</u> . During the Construction Period			
and as a part of the Future of Health Development, Developer			
will construct or cause to be constructed up to fifty-five million			
dollars (\$55,000,000) worth of on-site and adjacent	X	X	X
infrastructure, rights-of-way and utility improvements, including	Λ	Λ	Λ
roadway improvements, improved crosswalks, road resurfacing, streetscape improvements, and landscaping, to the extent such			
improvements are required as the buildings within the Project are			
built.			
32. <u>Virtual Information Website</u> . Commencing within ninety (90)			
days of the final approval of the TBP by the MSF, Developer will			
provide electronic updates through its existing website for the			
Future of Health Development (the "Information Website")			
concerning (i) affordable housing information and assistance to			
prospective residents of the Future of Health Development, (ii)			
information on employment opportunities related to the			
construction and post-construction operation and management of	X	X	X
the Future of Health Development, and (iii) periodic construction		- -	
updates and major road closures related to the Future of Health			
Development. The Information Website will include contact			
information for the Developers to whom any questions,			
comments or concerns from the community may be directed. The			
Information Website will remain available to access for the			
duration of the Construction Period. The foregoing information			
auration of the computation refloat. The foregoing infolliation	1	1	

Developer Community Benefit	HFH	MSU	Pistons
will also be shared through social media accounts for the Project			
and through an e-mail list-serve that interested persons can			
subscribe to through the Information Website.			
33. NW Goldberg Hoopfest. Developer shall sponsor the NW			
Goldberg Hoopfest through annual contributions of \$5,000 for			X
three (3) years, with the first of such contribution to be made			A
within one (1) year of the final approval of the TBP by the MSF.			
34. <u>Community Space/Programming for Children</u> . Developer shall			
partner with Brilliant Detroit and/or other qualified non-profit			
organizations by providing a one-time financial contribution of			
two hundred thousand dollars (\$200,000) in order to support the			X
rehabilitation and transformation of a home in the Impact Area			A
into a community space with programming for children, with			
such contribution to be made within one (1) year of the final			
approval of the TBP by the MSF.			
35. Pistons Wheelchair Team. Developer shall provide a total			
financial contribution of seventy-five thousand dollars (\$75,000)			
over five (5) years (\$15,000 each year) to the Pistons Wheelchair			\mathbf{X}
Team, with the first of such contribution to be made within one			
(1) year of the final approval of the TBP by the MSF.			
36. MoGo. Developer will continue to work with MoGo to explore			
locations for bike-share stations and other bike and mobility	X		
enhancements in the Impact Area.			
37. Other Organizational Relationships. During the Construction			
Period, one or more Developers will continue to explore			
opportunities to collaborate with local area non-profits, including	X	X	X
by way of example, 360 Detroit, Northwest Goldberg Cares,	Λ	Λ	A
Midnight Golf, Black Leaders Detroit, Black United Fund,			
Detroit Parent Network and Sobriety House.			
38. Community Micro-Grants. Developer shall collectively provide			
an aggregate amount of three hundred thousand dollars			
(\$300,000; comprised of \$100,000 for each of the three (3)			
subject census tracts in microgrants spread over fifteen (15) years			
for impact area organizations beginning no later than ninety (90)			
days following the start of construction of the first residential			X
housing project. A panel of community members representing			
each census tract will have the ability to nominate organizations			
for consideration and the funds shall be granted by Developer in			
consultation with Central Detroit Christian or another mutually			
agreed third party.			
39. Community Event Sponsorship. Commencing not later than			
January 1, 2025, and continuing for a period not less than fifteen			
(15) years after commencement, Developer shall collectively			
sponsor or support a total of ten (10) community events each year			
hosted by organizations headquartered in neighborhoods within	X	X	X
and surrounding the Impact Area such as: NW Goldberg, Elijah			
McCoy, New Center, New Center Commons, Virginia Park,			
Virginia Park Community, Piety Hill, LaSalle Gardens and Tech			
Town. Developer's sponsorship or support of such community			

Developer Community Benefit	HFH	MSU	Pistons
events is contingent upon Developer receiving such requests			
from the community organizations in a reasonable time for			
Developer to commit to such sponsorship or support thereof and			
provided that such sponsorship or support is permitted by			
Applicable Laws.			
40. <u>Small Business Plan</u> . Within six (6) months of the Effective Date,			
Developer shall individually or collectively create a plan ("Small			
Business Plan") to promote local, Impact Area businesses to			
visitors, patients, contractors, residents and employees of the			
Future of Health Development; to the extent permitted by			
Applicable Law. The Small Business Plan shall include Developer strategies to support existing or planned outdoor			
community events taking place in the Impact Area, which focus	X	X	X
on creating awareness for such small businesses. In connection	Λ	A	A
with such Small Business Plan, (a) Developer shall prioritize the			
use of local small businesses for Developer's needs throughout			
the Construction Period and (b) Developer shall select at least			
one (1) small business in the Impact Area and feature such small			
business's products in its giftshop and/or store, if applicable,			
throughout the Construction Period.			
41. Security. Developer shall individually or collectively install			
security cameras and blue light phones (or other security			
mechanisms) throughout the Future of Health Development,	X	X	X
consistent with the overall design and site plan for the Future of			
Health Development.			
42. <u>Environmental Design</u> . Developer shall make reasonable efforts			
to meet or exceed industry-specific LEED standards applicable			
to each project at the time each project within the Future of			
Health Development is designed; provided that nothing	X 7	₹7	X 7
contained herein shall obligate Developer to pursue any official	X	X	X
LEED or other environmental certification. Developer shall			
deliver a report to CRIO describing Developer's compliance with applicable industry LEED standards within ninety (90) days of			
receipt of a certificate of occupancy for each applicable project.			
43. Storm Water Management. Developer shall make reasonable			
efforts to incorporate underground storage, detention and			
environmentally conscious stormwater mitigation and			
management designs into the site plans of the Future of Health	W 7	₹7	₩7
Development. Developer shall include a summary of the	X	X	X
stormwater management features incorporated into each building			
of the Project in its next semi-annual report to CRIO after			
commencement of construction of each such building.			
44. Construction Parking. During the Construction Period,			
Developer shall seek to address the parking needs of			
neighborhood residents and the Future of Health Development	X		
by (i) accelerating the planned 2029 commencement of the			
construction of the new South Campus 1,500 space parking			
garage by three years, which shall be designed to include use for			

Developer Community Benefit	HFH	MSU	Pistons
contractor parking, or (ii) designating a surface parking lot for			
use for contractor parking.			
45. Traffic Routing and Planning. Developer shall commission a			
traffic study to determine the traffic impacts of the Future of			
Health Development on the impact area during the Construction			
Period and after completion of the Future of Health Development			
and to design solutions to traffic concerns within the impact area.			
Developer shall also use the results of the traffic study, in	X	X	v
partnership with the City of Detroit and other applicable public	Λ	Λ	X
partners, to inform the overall site master planning of the Future			
of Health Development and to advocate for roadway and other			
improvements from the public partners. Developer shall share			
the results of the traffic study with the Detroit Planning and			
Development Department.			
46. Environmental Mitigation. Prior to any building demolition,			
Developer will engage with a third-party company to provide an			
environmental assessment on the building and will pursue			
clearance from such company that the applicable building is safe			
to demolish before any demolition begins. Developer will also			
engage with a third-party company to monitor air quality and	\mathbf{X}		
vibration monitoring throughout the demolition process and shall			
make reasonable efforts to reduce airborne particles, noise and			
vibration during demolition. Where possible, Developer shall			
make reasonable efforts to direct contractors to use noise			
mitigating scrubbers on construction equipment.			
47. <u>Fairbanks School Development Plan</u> . Within twelve (12) months			
of the final approval of the TBP, Developer shall make			
reasonable efforts and shall use feedback and input from the			
Henry Ford Health Community Advisory Council and the			
community through a public community meeting of which prior	X		
notice will be provided to community members living near	71		
Fairbanks School, to pursue a viable redevelopment plan for			
Fairbanks School that is consistent with the 5 pillars identified in			
the Future of Health CBO process: Housing, Finest Healthcare,			
Careers, Education, Community Building.			
48. <u>Greenspace</u> . As to be reflected in the final design and site plans			
for construction of the Expanded Hospital, Developer shall			
create up to approximately five (5) acres of greenspace near the	X		
Expanded Hospital, which, except for special/private events,			
shall be free and open to the public.			1
49. <u>Bird Friendly Glass</u> . Developer, through its architect and other			
applicable consultants, shall make reasonable efforts to design	X		
and construct the Expanded Hospital using bird-friendly glass			
and design.			1
50. <u>Light Pollution</u> . Developer, through its architect and other			
applicable consultants, shall make reasonable efforts to mitigate	X		
the amount of light pollution created by the Expanded Hospital			
by using directional lighting sources, appropriate backlighting			

Developer Community Benefit	HFH	MSU	Pistons
and lighting fixtures that reduce the amount of light thrown into			
adjacent properties.			
51. <u>Business Spend</u> . Developer shall make reasonable efforts to procure, or cause to be procured, thirty percent (30%) of the total development costs of the Project from Detroit-Based Businesses, Detroit-Based Small Businesses, Detroit Headquartered Businesses and Detroit-Resident Businesses, each of the foregoing capitalized terms having the same definition as in Chapter 23 of the 2019 Detroit City Code and being certified by CRIO. Developer shall, to the extent permitted by Applicable Law, have a target to procure, or cause to be procured, at least one hundred million dollars (\$100,000,000) of goods and services from disadvantaged businesses and women-owned businesses.	X	X	X
52. Executive Order Compliance. Developers shall comply with Executive Order 2021-2 to the extent that the buildings being constructed as part of the Future of Health Development are "publicly funded construction projects" as defined by Executive Order 2021-2. Any contributions owed by Developers in connection with Executive Order 2021-2 shall be calculated using the methodology employed by CRIO as incorporated in CRIO's reporting form as of December 31, 2023. If Executive Order 2021-2 or the methodology used by CRIO to calculate contributions thereunder is amended or superseded and the application of such would result in lower contributions by Developers, then those subsequent revisions or methodologies shall be applied to the Project. Notwithstanding that the proposed developments which are part of the South Campus are not "publicly funded construction projects" as defined by Executive Order 2021-2, HFH voluntarily agrees to meet the Workforce Target of Executive Order 2021-2 for the Future of Health Development or alternatively make a monetary contribution of the same amount that would be required if Executive Order 2021-2 fully applied to the South Campus. The City Administration and Developer may enter into a mutually agreed upon compliance agreement with respect to the Executive Order 2021-2 but in any event HFH may offset any monetary contributions by the donations outlined in Items I(4) and I(5) of this Exhibit A, and by the cost of any public infrastructure improvements performed by Developer outlined in Item IV(31) of this Exhibit A.	X	X	X

EXHIBIT B

CITY COMMUNITY BENEFITS

- 1. <u>Clearing and Improving Alleys</u>. By December 31, 2024, the City, through its General Services Department, will perform alley clean up to clear legacy overgrowth and debris from existing public alleys in the Impact Area (which have not been vacated), including from all eight (8) alleys in the Impact Area which were not previously cleared by the City in 2021.
- 2. Renovation of Joseph Walker Williams Recreation Center. The City has approved and will perform renovations valued at approximately one million three hundred thousand dollars (\$1,300,000) to the Joseph Walker Williams Recreation Center and Park to make entryway improvements, various interior improvements, gymnasium improvements, parking repairs, and electrical and mechanical upgrades to the recreation center and upgraded playground and fitness equipment at the park within two (2) years from the date of this agreement.
- 3. Additional Programming at the Joseph Walker Williams Recreation Center. The City, through its General Services Department, will provide programming valued at not less than one hundred thousand dollars (\$100,000) per year on programming at the Joseph Walker Williams Recreation Center over the next ten (10) years. The City will perform surveys at least annually to gather community input on programming needs of residents and design programming to be responsive to resident needs.
- 4. <u>Creation of Additional Greenspace and Community Engagement</u>. The City, through its General Services Department, will host at least two community listening sessions about desired greenspace improvements in the Impact Area by December 31, 2024. The City is currently working to acquire land at the north-east corner of W. Grand Boulevard and Rosa Parks Boulevard for a public park. The improvements and programming at such park will be designed to address the desires of the community solicited in such listening sessions.
- 5. <u>Emergency Contact to Improve Safety</u>. The City will request that the Downtown Detroit Partnership install an informational kiosk with a dedicated police call button in the Impact Area, with the exact location to be identified following community engagement by the Department of Neighborhoods.
- 6. <u>Improving Viaducts</u>. The City, through its Department of Public Works, will repair, repave, and resurface broken public sidewalks at the Second and Third Street viaducts. The City will request and encourage property owners adjacent to Second and Third Street to repair structural conditions of the railroad bridge and retaining walls.
- 7. <u>Rerouting Busses around Construction</u>. The City, through its Department of Transportation, will re-route busses as needed to ensure consistent service around the

proposed construction for the Future of Health Development. All reroute information will be posted on DDOT's website. Reroute information will also be communicated in response to customer inquiries through the Customer Services Center.

- 8. Improve Bus Stops. The City, through its Department of Transportation, will identify two (2) bus stops along Grand Boulevard near the proposed Future of Health Development for inclusion in future procurements for new or replacement bus shelters. Any future shelter construction would be incorporated into a regular DDOT shelter procurement, coinciding with or subsequent to completion of the Expanded Hospital, subject to obtaining all necessary state and federal approvals, and subject to the cooperation of the Developer in restoring the prospective sites to DDOT/ADA specifications when construction in the right-of-way is complete. Residents are encouraged to report any concerns regarding bus station cleanliness or repair through the "Improve Detroit App". DDOT recently added a "Bus Shelter" category to help expedite maintenance and repair of bus shelters when issues arise.
- 9. Small Business Support. The City shall direct the Detroit Economic Growth Corporation, for a period of not less than five (5) years from the Effective Date, to support small businesses located within or attempting entrance into the Impact Area (i) by providing technical assistance through the by District Business Liaisons and the Motor City Match program, including quarterly workshops focused on retail and restaurants to highlight best practices, address regulatory challenges, and help program participants access funding as well as technical assistance awards, (ii) by providing, through Motor City Match, awards of at least \$250,000 to new and existing businesses in the impact area, and (iii) designating a real estate manager at the DEGC to support small and emerging real estate developers to develop and rehabilitate commercial and mixed use projects in the Impact Area and serve as a central point of contact for facilitating introductions to real estate financing sources and providing tools and strategies for development within the Impact Area.





October 10, 2023 - CBO Meeting #2

AGENDA

Welcome & Introductions

Future of Health Development Presentation

Presentation of CBO Process

NAC Candidate Statements + Election

General Q & A

NAC Election Results

Next Steps

CITY OF DETROIT DEPARTMENTS & AGENCIES



PLANNING AND DEVELOPMENT DEPARTMENT

MAYOR'S OFFICE + JOBS & ECONOMY TEAM

DEPARTMENT OF NEIGHBORHOODS



DETROIT ECONOMIC GROWTH CORPORATION

DETROIT CITY COUNCIL MEMBERS



Council President Mary Sheffield District 5



Council Member Coleman A. Young II At-large



Council Members Mary Waters At-large

FUTURE OF HEALTH: DETROIT DEVELOPMENT TEAM







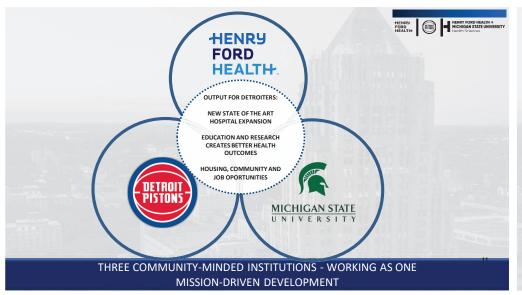














COMMUNITY CONVERSATIONS WHAT WE'VE HEARD SHAPES OUR PILLARS

ENGAGEMENT SESSIONS

Reached over 1,000 residents

Hosted meetings with over **80 community leaders** citywide
Hosted <u>5</u> community group/block clubs in the impact area
Hosted <u>3</u> business roundtables

Host clergy roundtable discussion Hosted panel discussion with local High School Patient Experience Listening Session



COMPLETED / UPCOMING CITY COUNCIL

D5 City Council President Sheffield
D1 Councilmember Pro Tempore Tate
At Large Councilmember Waters TBD
At Large Councilmember Young TBD

D2 Councilmember Calloway
D3 Councilmember Benson

D4 Councilmember Johnson D6 Councilmember Santiago-Romero

D7 Councilmember Durhal

COMMUNITY GROUP MEETINGS

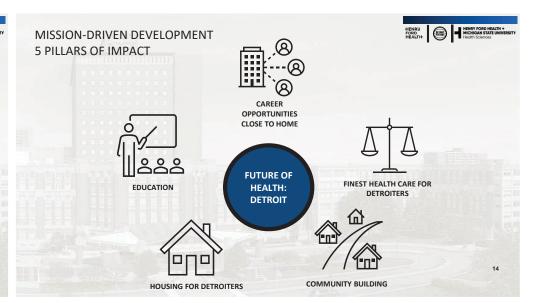
Vanguard Community Development Corp.
360 Detroit
Motown Museum
West Grand Bivd Collective
North End Neighborhood Alliance
North End Cabinet
Historic Boston Edison Association
East Village Association
5 Alive
CANCAN
LaSalle Gardens Block Club
Central Detroit Christian CDC

Northwestern High School

U Prep Art and Design HS and MS Green Living Science Student Ambassadors Warrior on Wheels Detroit Clergy Roundtable District 5 Business Roundtable

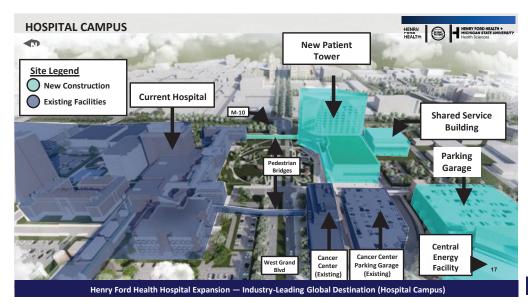
Department of Neighborhoods Det Black Business Alliance Midtown Inc. Urban Neighborhood Initiatives (UNI)

Franklin Wright Settlements
Wayne County Community College

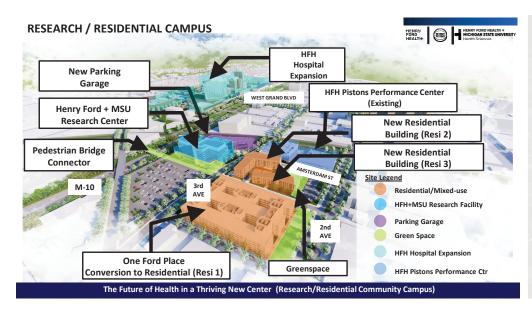


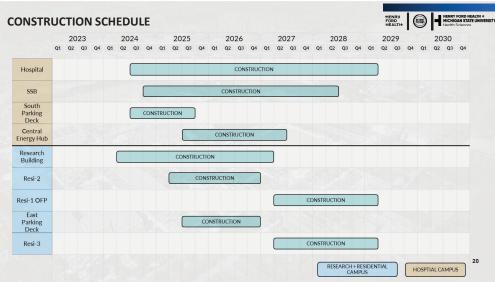














· Accelerate Health Equity

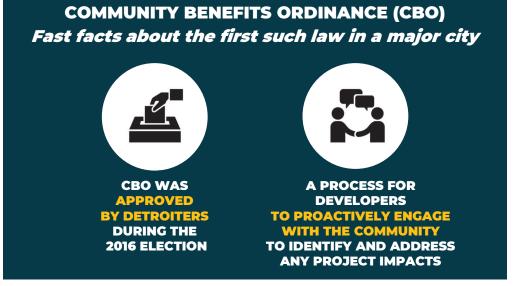
· Commercial / Retail and Green Space

Privacy - All Single Patient Rooms

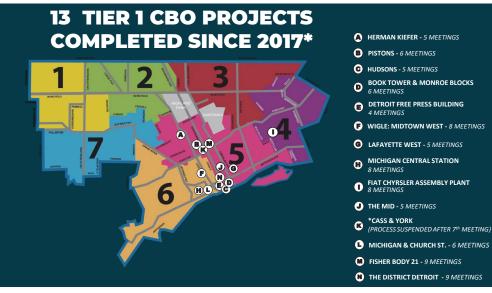
Less Disruption – Helipad/Ambulances



What is the COMMUNITY BENEFITS ORDINANCE?









CBO TIER 1 POSITIVE OUTCOMES

- It creates an opportunity for meaningful community engagement on private developments
- The community has an opportunity to express potential project impacts in a direct dialogue with the developer
- The developer has a chance to hear what's important to the community
- The community is better informed about the project and construction timeline
- Serving on the NAC provides Detroiters the opportunity to meaningfully impact the City's growth



How does the COMMUNITY BENEFITS ORDINANCE Work?

PROJECT IMPACT AREA

The planning department reviews the project scope and defines the impact area. Impact area includes at least the census tract of the project.

A notice of the first CBO meeting is mailed to all residents within 300ft of the impact area.

The impact area is determined to identify who can serve on the Neighborhood Advisory Council (NAC) and who can vote to select 2 representatives to serve on the NAC.

The CBO process is set up to focus discussion around the impact area residents, however all meetings are open to the public and all are welcome to participate in the process.





electrication of crisingelstrateming on the PROPOSED TIER I CB
DEVELOPMENT. THE FUTURE OF HEALTH - DETROIT
The Development, consisting of them, price I leastly, Michigan
commission of the Proposed Commission of

The proposed projects consist of integrated parking plans, health carefresearch/leboratory space, retail/commercial sp and mixed-income residential units including: Major expansion of Henry Ford Hospital with new

I million sig it patient tower, expanded emergency department, support services, and Usiliy infrastructure.

- New cutting-edge 335,000 sig it Bressach Centre for Henry Ford Health Michigan State University Health Science Control Health Michigan State University Health Science Control Health Science in Control Health Science in

Two new parking structures with *2,000 total spaces
 New public recreation and green spaces

The Developers seek governmental and requisite board approvals by the first quarter of 2004 with a goal to comme site remediation and construction on the first phase of the projects in 2024.

CBO TIER 1 PROCESS Identifying Project Impacts and Mitigations



THE
NEIGHBORHOOD
ADVISORY
COUNCIL (NAC)
9 RESIDENTS
FROM THE

THE NAC MEETS
WITH PLANNING &
DEVELOPMENT,
THE DEVELOPER,
AND COMMUNITY
TO IDENTIFY
PROJECT IMPACTS

THE NAC
DEVELOPS
SUGGESTIONS
TO IDENTIFIED
IMPACTS AND
THE
DEVELOPER

THE CITY AND DEVELOPER GENERATE AN AGGREEMENT IN RESPONSE TO THE IMPACTS WITH THE NAC'S SUIPPOPT

CBO TIER 1 PROCESS Typical Schedule: Ten Weeks

WEEK 1: PUBLIC MEETING 1 - INTRO MEETING

WEEK 2: PUBLIC MEETING 2 - INTRO / RESIDENT VOTE FOR 2 NAC MEMBERS

WEEK 3: BYE WEEK / NAC ORIENTATION

WEEK 4: PUBLIC MEETING 3 - DEVELOPER PRESENTATION & DEGC PRESENTS INCENTIVES PACKAGE)

WEEK 5: PUBLIC MEETING 4 - NAC WORKING SESSION

WEEK 6: PUBLIC MEETING 5 - NAC PRESENATION OF IMPACTS

WEEK 7: PUBLIC MEETING 6 - NAC WORKING SESSION

WEEK 8: PUBLIC MEETING 7 - DEVELOPER PRESENTS RESPONSES TO IMPACTS

WEEK 9: PUBLIC MEETING 8 - FINALIZATION AND POTENTIAL NAC VOTE ON AGREEMENT

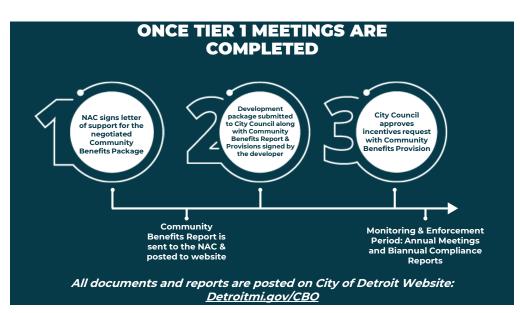
WEEK 10: <u>PUBLIC MEETING 9</u> - IF NEEDED: CONTINUED DEVELOPER / NAC DISCUSSIONS TOWARDS FINAL RESOLUTION AND VOTE ON COMMUNITY BENEFITS AGREEMENT

WEEK 11: MORE MEETINGS IF VOTED BY THE NAC

BEFORE PUBLIC MEETING #3

PDD INFORMS NAC MEMBERS VIA EMAIL OR PHONE THAT THEY HAVE BEEN SELECTED & HOLDS AN ORIENTATION TO PROVIDE THE NAC WITH:

- MEETING AGENDAS
- ROLES & RESPONSIBILITIES
- PREVIOUS EXAMPLES OF CBOS
- NAC CONTACT LIST





NEIGHBORHOOD ADVISORY COUNCIL (NAC)
CANDIDATES STATEMENTS + ELECTION



FUTURE OF HEALTH: CBO IMPACT AREA



NAC SELECTION - ROLES & RESPONSIBLITIES

ELIGIBILITY

- o Resident of the impact area.
- o At least 18 years of age.
- o No agents or employees / affiliates of the Developer or involved City Departments / Agencies.
- MUST BE NOMINATED AT THE PUBLIC CBO MEETING.

REQUIRED DUTIES

- o Must attend all scheduled CBO meetings.
- o Develop NAC impact list.
- o Review Community Benefits Report written by the Planning and Development.
- o Develop a letter of consensus of the proposed Community Benefits.
- o Compliance: Review biannual compliance report to monitor progress and status of project.
- o Compliance: Attend annual meeting to discuss the status of the project.

RESPONSIBILITIES

- o You cannot use this position for personal gain and must declare any conflicts of interest.
- o You are agreeing to represent your fellow residents.
- o You are agreeing to provide feedback for the community.
- You are agreeing to work together with fellow NAC members to make official recommendations to mitigate any negative impacts of the project.
- o You are advising the City of Detroit and City Council on how best to mitigate impacts.

CBO MEETING SCHEDULE - FALL 2023

MEETING 1: TUESDAY, OCTOBER 3 - INTRODUCTION TO CBO AND TIER 1 PROJECT

MEETING 2: TUESDAY, OCTOBER 10 - INTRO / RESIDENT VOTE FOR 2 NAC MEMBERS

REMAINING NAC APPOINTMENTS / BYE WEEK / NAC ORIENTATION

MEETING 3: TUESDAY, OCTOBER 24 - DEVELOPER PRESENTATION & DEGC PRESENTS INCENTIVES PACKAGE)

MEETING 4: WEDNESDAY, NOVEMBER 1 - NAC WORKING SESSION

MEETING 5: TUESDAY, NOVEMBER 7 - NAC PRESENATION OF IMPACTS

MEETING 6: TUESDAY, NOVEMBER 14 - NAC WORKING SESSION

MEETING 7: TUESDAY, NOVEMBER 28 - DEVELOPER PRESENTS RESPONSES TO IMPACTS

MEETING 8: <u>TUESDAY, DECEMBER 5</u> - FINALIZATION AND POTENTIAL NAC VOTE ON AGREEMENT (*IF NECESSARY*)

ADDITIONAL MEETINGS IF REQUESTED BY NAC

MEETING 9: TUESDAY DECEMBER 12 - CONTINUED DEVELOPER / NAC DISCUSSIONS TOWARDS FINAL RESOLUTION AND VOTE ON COMMUNITY BENEFITS AGREEMENT

BEFORE PUBLIC MEETING #3

PDD INFORMS NAC MEMBERS VIA EMAIL OR PHONE THAT THEY HAVE BEEN SELECTED & HOLDS AN ORIENTATION TO PROVIDE THE NAC WITH:

- MEETING AGENDAS
- · ROLES & RESPONSIBILITIES
- PREVIOUS EXAMPLES OF CBOS
- NAC CONTACT LIST

NEIGHBORHOOD ADVISORY COUNCIL (NAC) - NOMINEES

- OPEN TO RESIDENTS OVER 18 WHO <u>CURRENTLY LIVE</u> IN IMPACT AREA
- VERIFY YOUR NAME, CONTACT INFORMATION AND ADDRESS Show ID or other proof of address
- CANDIDATES MUST PUT THEMSELVES FORWARD TONIGHT TO BE CONSIDERED FOR ANY NAC SEATS - EITHER ELECTED OR APPOINTED
- MUST DECLARE ANY CONFLICTS OF INTEREST AS DEFINED IN CBO
- MUST BE AVAILABLE TO ATTEND ALL PUBLIC CBO MEETINGS
- EACH CANDIDATE WILL HAVE <u>2 MINUTES</u> TO SPEAK ABOUT WHY THEY WANT TO SERVE

NEIGHBORHOOD ADVISORY COUNCIL (NAC) -**AFFIDAVIT OF ELIGIBILITY**

AFFIDAVIT OF PROSPECTIVE MEMBER OF THE FUTURE OF HEALTH: DETROIT NEIGHBORHOOD ADVISORY COUNCIL

__, being first duly sworn, state the following

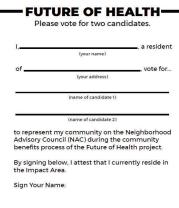
- 1. I am over eighteen (18) years of age.
- 2. My primary residence is in the City of Detroit within the area bounded by W. Euclid St. on the north, Woodward Ave. on the east, I-94 Fwy on the south, and Rosa Parks Blvd. on the west (the "Impact Area") and I have provided proof of such residency to the City of Detroit.
- I am not an agent, employee or official of Henry Ford Health, the Detroit Pistons, Michigan State
 University or any of their affiliates or subsidiaries involved in the development of real property located at
 [list address of properties] Collectively, the "Properties").
- I am not an employee of any department of the City of <u>Detroit</u> or any authority directly involved with the development of the Properties.
- 5. I do not have any financial interest in Henry Ford Health, the Detroit Pistons, Michigan State University
- Nose of my immediate family members have any financial interest in Henry Ford Health, the Detroit
 Pittons, Michigan State University, or any of their affiliates or subsidiaries involved in the development
 of the Properties.
- 7. I understand the responsibility of Neighborhood Advisory Council (NAC) members to avoid potential runter-announce responsion of the responsion of

	[Signature of Affiant]	
STATE OF MICHIGAN)	
COUNTY OF WAYNE)	

Print Name: Notary Public, Wayne County, Michigan My commission expires: ____ Acting in the County of Wayne

NEIGHBORHOOD ADVISORY COUNCIL (NAC) -HOW TO VOTE

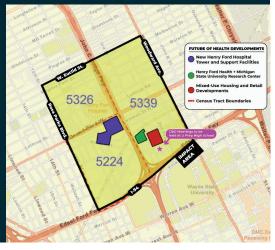
- COMPLETE BALLOT: YOUR NAME & **ADDRESS, 2 CANDIDATE CHOICES.** AND YOUR SIGNATURE
- ONLY 1 VOTE PER CANDIDATE
- DEPOSIT IN BALLOT BOX
- ONLY IMPACT AREA RESIDENTS **ELIGIBLE TO VOTE**



VERIFIED BALLOT

NEIGHBORHOOD ADVISORY COUNCIL (NAC) -HOW TO VOTE

- **COMPLETE BALLOT: YOUR NAME & ADDRESS, 2 CANDIDATE CHOICES,** AND YOUR SIGNATURE
- **ONLY 1 VOTE PER CANDIDATE**
- **DEPOSIT IN BALLOT BOX**
- **ONLY IMPACT AREA RESIDENTS ELIGIBLE TO VOTE**



NEIGHBORHOOD ADVISORY COUNCIL (NAC) -CANDIDATES

- Joanne Adams
- Devan Anderson
- D'Marco Ansari
- Benjamin Bennett
- · Joseph Bierlein
- Stephan Bobalik
- David Graff
- Willa Green-Smith
- Russell Howard
- Lynda Kaye Jeffries
- · Alice R. Jones
- Marcus Keys
- Diane McMillan

- - Lauren McNeary Erica Mixon
 - Steven Rimmer
 - Maralee Jo Robinson
 - Michele Small
 - Venita Thompkins
 - Kimberly Watts
 - Gary Williams
 - Jody Wise
 - · Biaohua Yu



NEIGHBORHOOD ADVISORY COUNCIL (NAC) - ELECTION RESULTS

1. Joanne Adams: 20 votes

2. Devan Anderson: 7 votes

3. D'Marco Ansari: 7 votes

4. Benjamin Bennett: 3 votes

5. Joseph Bierlein: 7 votes

6. Stephen Bobalik: 9 votes

7. David Graff: 1 vote

8. Willa Green-Smith: 3 votes

9. Russell Howard: 7 votes

10. Lynda Kaye Jeffries: 7 votes

11. Alice R. Jones: <u>6 votes</u>12. Marcus Keys: <u>1 vote</u>

13. Diane McMillan: 16 votes

14. Lauren McNeary: 1 vote

15. Erica Mixon: 4 votes

16. Steven Rimmer: 41 votes

17. Marlaree Jo Robinson: <u>0 votes</u>

18. Michele Small: 1 vote

19. Venita Thompkins: 4 votes

20. Kimberly Watts: 3 votes

21. Gary Williams: 2. votes

22. Jody Wise: 7 votes

23. Biaohua Yu: 3 votes

<u>Total Ballots</u> <u>Distributed: 89</u> <u>Total Ballots Cast:</u> 83

Remaining NAC Members to be appointed by City Council and PDD will be announced via email and CBO website - http://www.detroitmi.gov/futureofhealth



ANTICIPATED PUBLIC CBO MEETING SCHEDULE							
	October 2023						
Meetings	WK 1	WK 2	WK 3	WK 4	WK 5		
Meeting 1 - Introduction to CBO and Tier 1 Project	3-Oct						
Meeting 2 - NAC Selection (2 members selected by the public)		10-Oct					
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Meeting 3 - Developer Project Presentation and DEGC presentation on incentives				24-Oct			
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		Noveml	per 2023		Dec 2023
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THANKSGIVING HOLIDAY WEEK			No Meeting 11/21/2023		
Meeting 7 - Developer Presents Responses to Community Benefits				28-Nov	
Meeting 8 - If Necssary: Finalization and Potential NAC Vote on Community Benefits Agreement					5-Dec

^{*}Please note that this schedule might change and will be updated as we progress

What Comes Next

Next CBO Meeting: Tuesday October 24th at 6pm

Doors at 5:30 for Registration and Refreshments

- Ist Meeting with Seated Neighborhood Advisory Council
- Project Details and DEGC Financial Analysis
- In-person meeting at: UPREP High School
 610 Antoinette
- Remote access via Zoom
- Meeting registration at: https://bit.ly/futureofhealthdetroit
- All project notices and documents will be available at www.detroitmi.gov/futureofhealth



Appendix 6.

COMMUNITY BENEFIT PUBLIC MEETING #3 PRESENTATION:

FINANCIAL INCENTIVES AND PROJECT DETAILS



COMMUNITY BENEFITS MEETING





October 24, 2023 - CBO Meeting #3

AGENDA

Welcome & Introductions

Neighborhood Advisory Council (NAC) Introductions + Roles

Future of Health Development Overview

Project Economic Benefit and Tax Incentives

Future of Health Development Details

NAC Discussion

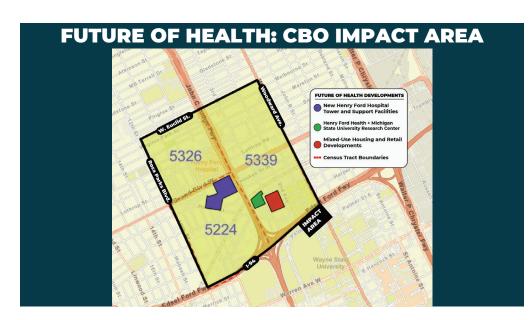
General Q & A

ANTICIPATED	TODER	C CBC IVII	October 2023	CHEDOL	_
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NEIGHBORHOOD ADVISORY COUNCIL (NAC)





NAC - ROLES & RESPONSIBLITIES

ELIGIBILITY

- o Resident of the impact area.
- o At least 18 years of age.
- o No agents or employees / affiliates of the Developer or involved City Departments / Agencies.
- **O MUST BE NOMINATED AT THE PUBLIC CBO MEETING.**

REQUIRED DUTIES

- o Must attend all scheduled CBO meetings.
- Develop NAC impact list.
- o Review Community Benefits Report written by the Planning and Development.
- o Develop a letter of consensus of the proposed Community Benefits.
- Compliance: Review biannual compliance report to monitor progress and status of project.
- o Compliance: Attend annual meeting to discuss the status of the project.

RESPONSIBILITIES

- You cannot use this position for personal gain and must declare any conflicts of interest.
- o You are agreeing to represent your fellow residents.
- o You are agreeing to provide feedback for the community.
- You are agreeing to work together with fellow NAC members to make official recommendations to mitigate any negative impacts of the project.
- o You are advising the City of Detroit and City Council on how best to mitigate impacts.

NEIGHBORHOOD ADVISORY COUNCIL (NAC)

- > Steven Rimmer Elected by Impact Area Residents
- > Joanne Adams Elected by Impact Area Residents
- > Russell Howard Appointed by Council President Mary Sheffield
- Lauren McNeary Appointed by Council Member Coleman A. Young II
- ➤ **Venita Thompkins -** Appointed by Council Member Mary Waters
- Stephan Bobalik Appointed by Planning & Development
- > Lynda Jeffries Appointed by Planning & Development
- Marcus Keys Appointed by Planning & Development
- > Gary Williams Appointed by Planning & Development
- > Benjamin Bennett Alternate appointed by Planning & Development

NAC MEMBER ROLES / POSITIONS

CHAIRPERSON

- Facilitates and guides the conduct of NAC meetings and activities
- Works with PDD staff to develop agenda and action items for NAC meetings
- Ensures effective participation of all NAC members

VICE-CHAIRPERSON

- Assist the Chairperson in the above noted duties
- Facilitate and guide NAC activities in the Chairperson's absence

SECRETARY / NOTETAKER

- Record notes, decisions, and action items at meetings or activities of the NAC
- Receive and respond to correspondence addressed to the NAC
- Maintain records and resources for the NAC





NON-PROFIT LAND

GRANT UNIVERSITY

NON-PROFIT HOSPITAL

SYSTEM

COMMUNITY

IMPACT



















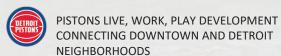


HENRY FORD HEALTH + MICHIGAN STATE UNIVERSITY Health Sciences

LIFE-CHANGING RESEARCH CENTER TOMORROW'S DISCOVERIES TODAY

- Researchers will aim to increase the understanding of the cellular, molecular, and physiological mechanisms of human health and disease to develop new ways to prevent and treat disease.
- · Research will focus on cancer, neuroscience, immunology and hypertension - with an emphasis on health disparities.
- Space will include wet laboratories, shared research equipment and facilities, office, and conference space.
- Nick Gilbert Neurofibromatosis Research Institute (NGNRI)





Building an inclusive community

Affordable and achievable housing for all Detroiters

Commercial, retail, and green space







PISTONS LIVE, WORK, PLAY DEVELOPMENT

CONNECTING DOWNTOWN AND DETROIT NEIGHBORHOODS

New Construction

\$79 MILLION **154 UNITS**



New Construction

\$54 MILLION 105 UNITS



Historic Adaptive Reuse Office Conversion

\$189 MILLION **403 UNITS**



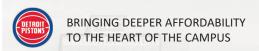


BRINGING DEEPER AFFORDABILITY TO THE HEART OF THE CAMPUS

20% of units anticipated to have deep affordability = 50% Area Median Income (AMI)

# OF PERSONS	UNIT TYPE	MONTHLY RENT
1 Person	Studio	\$828 / Month
2 Persons	One Bedroom	\$888 / Month
3 Persons	Two Bedroom	\$1,066 / Month

50% AMI is equivalent to \$33,150/year for 1-Person household, \$37,900/year for a 2-Person household, and \$42,650/year for a 3-person household.







	Total Units	Avg SF	% of Total	Affordable Units	% Affordable
Studio	311	540	46%	63	20%
1 Bed	288	749	44%	57	20%
2 Bed	63	1,076	10%	13	21%
Total	662	682	100%	133	20%

THE FUTURE OF HEALTH IN A THRIVING NEW CENTER

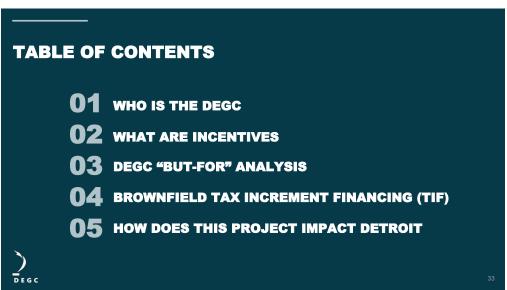
	Project	Gross Square Ft.	Units	Parking Spaces	Cost
4	One Ford Place (Adaptive Reuse)	625,000	403		\$188,800,000
	New Residential 2	160,000	154		\$79,200,000
3	3 Research	335,000	-		\$392,600,000
1000	4 Parking Garage	320,000		800	\$57,700,000
Future	New Residential 3	112,000	105		\$54,200,000
0.9	Total	1,552,000	662	800	\$772,500,000
Hospital Campus					
	Project	Gross Square Ft.	Units	Parking Spaces	Cost
	Hospital Expansion	1,100,000			\$1,740,000,000
The second secon					
CAMCIN CENTER	2 Shared Services Building (SSB)	150,000			\$203,300,000
CO PARADO PODRA TORRA - GARAGI PODRA	Shared Services Building (SSB) Central Energy Hub	150,000 25,000			\$203,300,000
CS PARTICULAR TOWN OF THE PARTICULAR TOWN OF				1,500	
CC PRINCIPLE TOWN	3 Central Energy Hub	25,000		1,500	\$234,630,000
TOWN OF THE PARTY	Central Energy Hub Parking Garage	25,000 560,000			\$234,630,000

FUTURE OF HEALTH DEVELOPMENT ECONOMIC BENEFIT AND TAX INCENTIVES - DEGC / DBRA





THE FUTURE OF HEALTH: DETROIT



WHO IS THE DEGC?

Who is the Detroit Economic Growth Corporation (DEGC)?

- Established in 1978 by Mayor Coleman Young as a private, non-profit organization
- Lead economic development organization supporting small businesses, real estate development, business attraction & retention in the City of Detroit
- Staff public authorities, including: Downtown Development Authority (DDA) and Detroit Brownfield Redevelopment Authority (DBRA)

Why is DEGC here?

DEGC

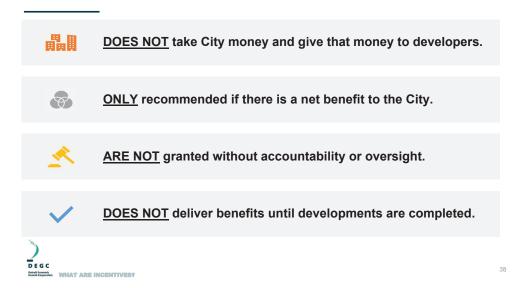
Detroit Corectic WHO IS THE DEGC?

- · Review the development finances to confirm:
 - · Request for incentives is necessary ("but-for") and
 - Incentives are in the City's financial interest (fiscal benefits)



For The Future of Health, we'll look at...





THE FUTURE OF HEALTH | EXECUTIVE SUMMARY

PERFORMANCE BASED INCENTIVES OVERVIEW

	PROJECT	PA 210	PA 255	NEZ	ТВР
	HFH + MSU Research Building				х
Campus	East Campus Parking Garage				х
_	One Ford Place (403 Units)		х	х	х
East	R2 New Residential (154 Units)	х			х
	R3 New Residential (105 Units)	х			х

No tax incentives used for the South Campus Hospital Expansion

NO INCENTIVE BENEFITS ARE REALIZED UNTIL CONSTRUCTION MILESTONES ARE MET



Transformational Economic and Fiscal Benefits for Detroit by Leveraging State & Private Investment

REQUESTED INCENTIVES



The Future of Health Tax Abatements PERFORMANCE BASED INCENTIVES OVERVIEW



State laws that exempts future property taxes on improvements for a certain period of time.



Policy Objectives of Tax Abatements



Business Expansion



Construction
Costs
&
Interest Rates

Offset Rising



Rehabilitates Blighted, Contaminated + Obsolete Structures



Brings More Affordable Housing Units To Market



G C

TORONOL

COMPARISON

WHAT ARE INCENTIVES 1

The Future of Health Analysis of Abatement Request



"But for" test

Demonstrated need based on underwriting:

ie. Would the project happen without the incentives?



Economic Benefits

Job Creation

702 net new permanent

8,200 construction



Fiscal Benefits

Net Benefit

\$119M in net fiscal benefit to the City of Detroit over 35 years



Strategic Benefits

Enable deeply affordable housing

Activation of Vacant Land

Reuse of historic assets





DEGC

Detroit Economic Growth Corporation WHAT ARE INCENTIVES:

Could the project happen without incentives?

THE PROJECT WOULD NOT HAPPEN WITHOUT INCENTIVES BECAUSE:

- 1. The project would not be able to receive financing without the incentives.
- 2. The project would not be worth investing in without the incentives.

Two key underwriting metrics:

1. Debt Service Coverage Ratio (DSCR):

The ability for the developer to pay its mortgage payments after accounting for revenues and expenditures.

2. Return on Investment (ROI):

An approximate measure of an investment's profitability

DEGC
Detrit Ecosopic
Great Corporation
DEGC BUT-FOR ANALYSIS

DSCR Without DSCR With DSCR Not to Incentives: Incentives: Exceed 1.5x 1.2x (0.6x)Return Without Return With Developer Incentives: Return Less Incentives: **Than 10%** 4.5% HFH + MSU Research Building & Parking Deck are not pursuing any tax abatements and do not influence the development's returns.

The Future of Health

DEGC

Guidelines

How does this project compare to other projects that received incentives?

In 2021 and 2022 City Council voted to approve incentives on \$2.0 billion of mixed-use projects:

	Average Return	The Future of Health
2021	4.3%	A E9/
2022	7.1%	4.5%

BROWNFIELD TAX INCREMENT FINANCING (TIF)

Brownfield Act



In 1996, Act 381 of the State of Michigan allowed a "Qualified Local Governmental Unit" to establish a Brownfield Redevelopment Authority (BRA)



Detroit is a Qualified Local Governmental Unit



In 1998, the Detroit Brownfield Redevelopment Authority (DBRA) was established

Eligibility for Brownfield



Facility
A property formally
recognized as
contaminated per the
Natural Resources &
Environmental
Protection Act (NREPA),
Michigan PA 451 of
1994



Historic Resource A property located in a City, State and/or Federal Historic District



Functionally
Obsolete / Blighted
Must also be accompanied

Must also be accompanied by written confirmation from City Assessor OR

Public nuisance, utilities removed/destroyed, tax reverted, buried subsurface demolition material



Adjacency
Parcels directly
adjacent to an
eligible property

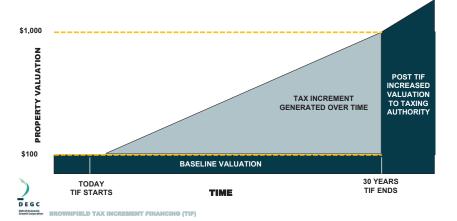


BROWNFIELD TAX INCREMENT FINANCING (TIF)

DEGC Detroit Connents Greeth Connents

BROWNFIELD TAX INCREMENT FINANCING (TIF)

Tax Increment Financing (TIF) How It Works



Transformational Brownfield Plan (TBP) Amendments



In 2017, State of Michigan amended Act 381 to authorize "transformational brownfield plans" (TBP)



Enables new TIF structure to help fund high construction costs of extraordinary projects



TBP TIFs may also capture certain State income and sales and use tax revenues



Detroit Concenic Growth Corporation BROWNFIELD TAX INCREMENT FINANCING (TIF)

Traditional vs Transformational Brownfield Plans

		Transformational Brownfield Plan
ELIGIBLE PROPERTY	4 Types of Property Qualification	Same as Traditional
MINIMUM INVESTMENT	No Minimum Investment Amount	\$500 Million Minimum Investment in Detroit
ELIGIBLE COSTS	Specific, Limited Environmental and Construction Costs	All Environmental & Construction Costs
		Incremental Property Taxes – 30 yrs
	Incremental Property Taxes – 30 yrs	Construction Materials – 100% Sales Tax Exemption
TAXES CAPTURED & REIMBURSED		Construction Labor - 100% State Income Tax Capture
	. and co yes	Permanent Employees – 50% State Income Tax Capture – 20 yrs
BROWNFIELD TAX INCREMENT F	INANCING (TIF)	Development Residents – 100% State Income Tax Capture – 20 yrs

TBP Tax Overview

			(\$ in Millions)				
	PROJECT NAME	TOTAL DEVELOPMENT COST	STATE TAXES [1]	NON-CITY PROPERTY TAXES	CITY PROPERTY TAXES	TOTAL TBP (35 YEARS)	PRESENT VALUE OF TBP (2023 DOLLARS)
snc	New Patient Tower	\$1,740M					
Campus	Shared Service Building	\$203.3M		;			
South C	Central Energy Facility	\$234.63M)			
Sou	South Campus Parking Garage	\$69.6M					
	HFH + MSU Research Building	\$392.6M	\$39.6M	\$0	\$0	\$39.6M	\$18.2M
s a	East Campus Parking Garage	\$57.7M	\$0.3M	\$9.0M	\$5.1M	\$14.4M	\$5.0M
Campus	One Ford Place	\$188.8M	\$43.1M	\$38.9M	\$21.3M	\$103.3M	\$33.0M
East C	R2 New Residential	\$79.2M	\$18.8M	\$12.2M	\$5.6M	\$36.6M	\$14.6M
В	R3 New Residential	\$54.2M	\$12.6M	\$9.0M	\$4.1M	\$25.7M	\$9.0M
	TOTAL	\$3,020M	\$114.4M	\$69.1M	\$36.1M	\$219.6M	\$79.8M

DEGC

"State Taxes" Includes Exemption Of Sales/Use Tax During the Project Construction Period & Income Tax Capture During Construction & After (Limited to 20 Years)
"Present Value of TBP Incentive" Reflects Today's Value of the 35-Year Total of the TBP Incentive

OWNFIELD TAX INCREMENT FINANCING (TIF)

WHY IS THIS A GOOD DEAL FOR DETROIT?





Establish Detroit as a Global Leader in Healthcare

- Enhancing world-class health services and research here in the City of Detroit
- Building upon Henry Ford Health System's community impact with major hospital expansion
- Bringing leading health science research and innovation in new state-of-the-art research facility, in partnership with Michigan State University



The Future of Health Tax Incentive Summary

TOTAL TAX INCENTIVES CONTRIBUTED TO THE PROJECT	Abatements	TIE	
City of Detroit	\$19.2M \$38.6M		
All Other Taxing Jurisdictions	\$34.2M	\$90.9M	
Total Property Tax Abatement Benefit (PA 210, PA 255, NEZ)	\$53.5M		
Total Brownfield Tax Increment Financing	\$105.3M		Į
State of Michigan Transformation Brownfield Program	\$114.4M		Ш
Total Incentives Over 35 Years	\$273.2M		
Total Incentives as a Percentage of Total Investment	9.1%		

THIS ASSUMES PROJECT IS FULLY BUILT OUT

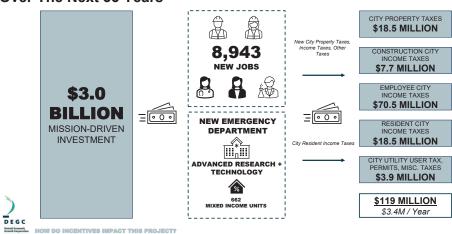
THE DEVELOPER RECEIVES NOTHING IF THEY DO NOT BUILD

THE DEVELOPERS CAN EARN THESE INCENTIVES OVER 35 YEARS BY BUILDING THE PROJECTS & FILLING THE BUILDINGS WITH CITY OF DETROIT RESIDENTS & EMPLOYEES

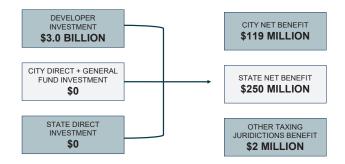
TOTAL TBP BENEFIT = \$219.7M



The City Is Projected To See A New Net Benefit Of \$119 MILLION Over The Next 35 Years



The Proposed Investment Will Create \$371 MILLION in New Tax Revenue State-wide Over 35 Years





DEGC
CONTROL HOW DO INCENTIVES IMPACT THIS PROJECT?

















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Upcoming Public Hearing

City Planning Commission: <u>Thursday</u> November 2nd at 5:15pm

- Proposed map amendment to rezone parcels for the hospital expansion
- Meeting held in person and via Zoom
- In person at: Coleman A. Young Municipal Center – 2 Woodward Ave. Committee of the Whole Room, 13th fl
- Further Details and Zoom information available at: https://detroitmi.gov/government/com missions/city-planning-commission



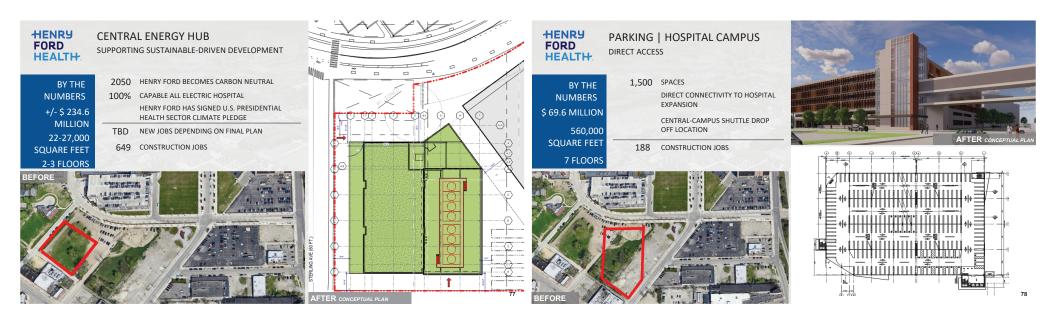












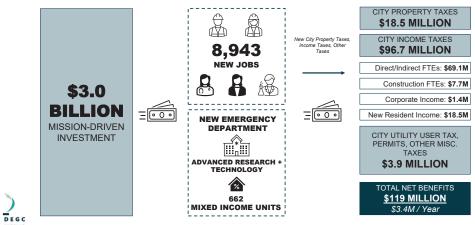








The City Is Projected To See A New Net Benefit Of \$119 MILLION Over The Next 35 Years



HOW DO INCENTIVES IMPACT THIS PROJECT?