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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director  
Legislative Policy Division Staff 

DATE: February 15, 2024

RE: Review of the Future of Health Community Benefits PDD Report Funded Items **\*FOLLOW-UP**

The Planning and Development Department provided the Detroit City Council a letter dated February 2, 2024, regarding the Community Benefits Provisions of the Future of Health Development, which is directly related to the **Future of Health Transformational Brownfield Plan**.<sup>1</sup> The 222 page letter includes a table from pages 39-57 entitled, "Future of Health Neighborhood Advisory Council – Impacts and Benefit Requests Henry Ford health / Detroit Pistons / Michigan State University." The table, which incorporates detailed descriptions of all 151 Neighborhood Advisory Council requests, has a listing of 15 monetary allocations related to NAC requested item numbers 13, 16, 20, 29, 61, 62, 68, 71, 76, 80, 97, 124, 126, 141, 149, 150, and 152. The Planning and Development Department totaled the items to a dollar value of **\$604 million**.<sup>2</sup>

For the convenience of Council, we have extracted the 15 financial items from the Planning and Development's listing in an unedited fashion in the attached spreadsheet. We raised questions about the financial items on the list that we felt merited additional scrutiny. **Yesterday we provided Council with a memo** to our initial questions we posed regarding the aforementioned items and answers we received from the developer.

**\*Today, we are issuing a follow-up to our initial questions with the following responses from the developer:**

1. Regarding the original Henry Ford Hospital (HFH), what are the future plans for the existing building(s) and the existing hospital beds? Currently, how many hospital rooms and beds are in the current hospital? How much of the existing facility is planned for demolition and how much of the existing HFH edifices will be maintained?

<sup>1</sup> **The Future of Health (FOH) Transformational Brownfield Plan (TBP)**, is based on a planned related investment of Henry Ford Health System (HFH), Palace Sports & Entertainment, LLC/ DP Amsterdam, LLC and Michigan State University (MSU), thereby resulting in five projects in the FOH TBP, with a total estimated investment cost of \$773 million. In addition to the five TBP projects, Henry Ford Health System is planning to develop a new hospital adjacent to the five projects, which will result in the development of six projects in the vicinity. Henry Ford Health System currently owns all of the land for the six project sites and will continue to own all the land once the projects are completed.

<sup>2</sup> To the best of our knowledge, we have no quarrel with the Planning Development Department's totals.

Henry Ford Health has 877 licensed hospital beds, which will remain constant after the completion of the expansion hospital. The expansion hospital is allowing Henry Ford Health to convert its hospital beds to private rooms, including converting rooms at the existing facility. Plans for the existing facility are still preliminary, but no extensive demolition to the legacy edifice is planned.

2. Regarding the increased number of indigent patients projected to be served in the newly improved and larger ER in the new hospital at an estimated cost of \$62 million a year (\$310 million in the plan over 5-yrs), how will these figures be verified in future years?  
Each year during the first five years after the Expanded Hospital is fully operational and servicing patients, Henry Ford Health will provide a report to CRIO detailing the amount of uncompensated care provided to patients who are Detroit residents.
3. Regarding the 5 acre green space development, estimated at \$30 million, who will maintain this space and will that entity provide maintenance and upkeep to this space in perpetuity?  
A large portion of the proposed 5 acre green space will be located near the Henry Ford Hospital Expansion and Legacy Hospital. This portion of the green space will be owned and maintained by Henry Ford Hospital. As a benchmark, the green space development near the University of Michigan Center of Innovation is estimated to cost \$6 million per acre.
4. Finally, in regard to the \$55 million in infrastructure improvements in the CBA, it's obvious that these improvements will benefit the developer and the residents in the newly developed rental units, but how will these improvements positively impact the community as a whole?  
The scope of the infrastructure improvements proposed in the CBA will benefit the entire New Center neighborhood as they include various utility upgrades (e.g. storm sewer improvements, electric and gas line upgrades, water main replacements), public lighting improvements, as well as significant road and sidewalk improvements, with the vast majority of the work being conducted on public rights-of-way. These infrastructure improvements will increase the walkability and drivability of the entire New Center neighborhood. A portion of the infrastructure budget is also going towards the creation of public greenspace that will directly benefit the broader community.

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

cc: Auditor General's Office  
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Attachment: LPD Condensed View of CBA Commitment funds