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TO: COUNCIL MEMBERS

FROM: David Whitaker, Director

Legislative Policy Division Staff

DATE: September 11, 2025

RE: Request to expand the boundaries of the Homestead Facilities Neighborhood

Enterprise Zone (HFNEZ) to include the remainder of the Bagley

Community Council neighborhood

Council Member Angela Whitfield Calloway requested that the City review the Bagley Community HFNEZ boundaries and expand the boundaries, so the entire community is covered and that the Legislative Policy Division (LPD) do the following:

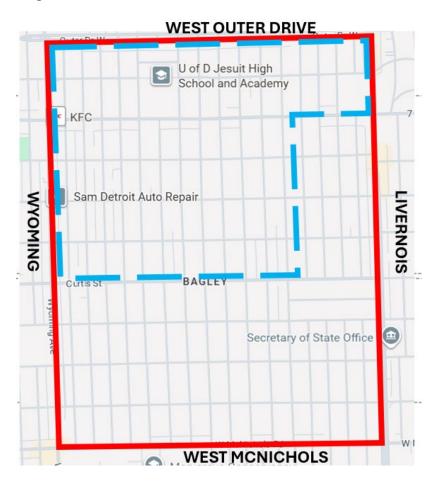
- 1. Review the Bagley Community HFNEZ boundaries and outline the appropriate actions needed to modify the NEZ boundaries to include the entire Bagley Community.
- 2. Confirm that it is the prerogative of City Council to modify the HFNEZ boundaries.
- 3. Review any fiscal analysis concerning a modification of the Bagley HFNEZ boundaries and confirm that the modification of the boundaries will not have an adverse impact on city finances.
- 4. Prepare any necessary resolution that will modify the Bagley HFNEZ boundaries to include the entire community.

This report is in response to this request. On September 9, 2025, LPD staff met with the Office of the Assessor to discuss this request; feedback from this discussion is included in this report.

LPD staff understand the Office of the Assessor will also be submitting a memorandum to Council in the near future to move this request forward.

Question 1. Review the Bagley Community HFNEZ boundaries and outline the appropriate actions needed to modify the HNEZ boundaries to include the entire Bagley Community.

The Bagley Community Council is located in City Council District 2 and bounded by West Outer Drive on the north, Livernois Avenue on the east, West McNichols Road on the south, and Wyoming Avenue on the west (outlined in the red/solid line on the map below). In 2021, the City Council, in conjunction with the Administration subtracted and added several HFNEZ areas throughout the City. At that time, the City added an area which included part of the Bagley Community Council area (outlined in blue/dashed line). As shown on the map, the entire neighborhood is not included.



Public Act 147 of 1992, as amended in 2025, provides for the establishment of NEZs and HNEZs. Section 207.773 Sec.3 (1) of Act 147 states in part that the governing body of a local government by resolution may designate 1 or more neighborhood enterprise zones within that local government unit. In the past, the Office of Assessors has provided the resolutions for City Council's review and consideration.

Question 2. Confirm that it is the prerogative of City Council to modify the HFNEZ boundaries.

Yes, as stated in the response to Question 1 above, Public Act 147 states City Council by resolution may designate 1 or more NEZs or HNEZs.

Question 3. Review any fiscal analysis concerning a modification of the Bagley HFNEZ boundaries and confirm that the modification of the boundaries will not have an adverse impact on city finances.

In discussion with the Office of the Assessors, LPD staff understand the Office of the Assessors will be requesting the Office of Budget to conduct a fiscal analysis of the subject request.

Question 4. Prepare any necessary resolution that will modify the Bagley HFNEZ boundaries to include the entire community.

As stated earlier in this report, in the past, the Office of the Assessor in cooperation with City Council has provided the necessary resolution for City Council's review and consideration.

Additional Analysis and Conclusion

In addition to the above responses, Public Act 147 requires that a public hearing be held before acting on a resolution to expand the HNEZs.

Furthermore, PA 147 states that total acreage of the HNEZs shall not exceed 15% of the total acreage contained within the boundaries of the City. LPD staff understand from the Office of the Assessors that the City has currently designated 13.78% of the City toward HFNEZs and, the City has remaining acreage to designate toward the remainder of the Bagley Community Council neighborhood within the 15% cap.

In summary, City Council under Public Act 147 is allowed to expand the boundaries of the Homestead Facilities NEZs via resolution after a public hearing is held. Based upon past practice, this resolution is usually provided by the Office of the Assessors. The Office of the Assessors will be providing a memorandum in the near future regarding this request which includes feedback and a path forward for review and vote by Your Honorable Body. Please contact our office if we can be of any further assistance.

cc: Alvin Horhn, Office of the Assessor