

*Referrals*  
*9/4/18*

**PLANNING AND  
ECONOMIC  
DEVELOPMENT  
STANDING  
COMMITTEE**



CITY OF DETROIT  
HOUSING AND REVITALIZATION DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER  
2 WOODWARD AVENUE, SUITE 908  
DETROIT, MICHIGAN 48226  
(313) 224-6380 • TTY:711  
(313) 224-1629  
WWW.DETROITMI.GOV

104

July 30, 2018

Detroit City Council  
1340 Coleman A. Young Municipal Center  
Detroit, MI 48226

**RE: Request for Public Hearing for Petition #1478 to Establish a Commercial Rehabilitation District for Basco of Michigan, Inc. in the area of 44 Michigan Avenue (aka 100 Michigan Avenue), Detroit, Michigan, in accordance with Public Act 210 of 2005.**

Honorable City Council:

The Housing and Revitalization Department has reviewed the request of **Basco of Michigan, Inc.** to establish a Commercial Rehabilitation District, and finds that it satisfies the criteria set forth by Public Act 210 of 2005 and that it would be consistent with the development and economic goals of the Master Plan.

Per Public Act 210 of 2005, prior to acting upon the resolution to approve a district, a public hearing must be held, and the City Clerk must provide written notice of the public hearing to the assessor and to the governing body of each taxing unit that levies an ad valorem tax within the eligible district, **said notice to be made not less than 10 days or more than 30 days** prior to your Honorable Body's adoption of said resolution.

We request that a public hearing be scheduled on the issue of adopting a resolution to establish a new commercial rehabilitation district. Attached for your consideration, please find a resolution establishing a date and time for the public hearing.

Respectfully submitted,

Donald Rencher  
Director

DR/db

cc: S. Washington, Mayor's Office  
M. Cox, PDD  
D. Bolton, HRD



BY COUNCIL MEMBER \_\_\_\_\_

**WHEREAS**, pursuant to Public Act No. 210 of 2005 (“the Act”) this City Council may adopt resolution which approves the request to establish a Commercial Rehabilitation District within the boundaries of the City of Detroit; and

**WHEREAS**, **Basco of Michigan, Inc.**, has requested that a Commercial Rehabilitation District be established as particularly described in the legal description and illustrated in the map attached hereto; and

**WHEREAS**, prior to such approval, the City Council shall provide an opportunity for a Public Hearing, at which Public Hearing on such adoption of a resolution providing such tax exemption, at which Public Hearing representatives of any taxing authority levying *ad valorem* taxes within the City, or any other resident or taxpayer of the City of Detroit may appear and be heard on the matter.

**NOW THEREFORE BE IT**

**RESOLVED**, that on \_\_\_\_\_, 2018 in the City Council Committee Room, 13<sup>th</sup> floor, Coleman A. Young Municipal Center, a Public Hearing be held on the above described application and be it finally

**RESOLVED**, that the City Clerk shall give notice of the Public Hearing to the general public and shall give written notice of the Public Hearing by certified mail to all taxing authorities levying an *ad valorem* tax within the City of Detroit, **such notices to be provided not less than 10 days or more than 30 days** before the date of the hearing.



CITY OF DETROIT  
FINANCE DEPARTMENT  
BOARD OF ASSESSORS

COLEMAN A. YOUNG MUNICIPAL CENTER  
2 WOODWARD AVE., SUITE 824  
DETROIT, MICHIGAN 48226  
PHONE 313•224•6989 TTY:311  
FAX 313•224•9400  
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May 3, 2017

Maurice Cox, Director  
Planning & Development Department  
2 Woodward Ave, CAYMC  
Suite 810  
Detroit, MI 48226

RE: Commercial Rehabilitation District  
**Basco of Michigan Inc.**  
**100 Michigan Avenue (aka 44 Michigan Avenue)**  
Parcels Number: 02000264-6

Dear Mr. Cox:

The Office of the Chief Financial Officer, Assessors Office, has reviewed the proposed Commercial Rehabilitation District located **Downtown in the City of Detroit.**

The rationale for creating Commercial Rehabilitation Districts under PA 210 of 2005, as amended, is based on the anticipation of increased market value upon completion of new construction and/or significant rehabilitation of commercial and former industrial property where the primary purpose and use is the operation of a commercial business enterprise or multifamily residential use. Commercial property also includes facilities related to a commercial business enterprise under the same ownership at that location, including, but not limited to, office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Commercial property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to the operation of a commercial business enterprise.

The district, as proposed by the **Basco of Michigan Inc.** consists of a 12,725 square feet of above ground floor area with 7,965 square feet of office space in the basement, former bank built in 1938 located Downtown on .15 acres of land. The proposed project consists of gutting, renovating and modernizing the structure while maintaining the bank aesthetic into a three tenant commercial office building with a potential restaurant space on the ground floor.

This area meets the criteria set forth under PA 210 of 2005, as amended. It applies to blighted, functionally obsolete and contaminated properties. "Commercial rehabilitation district" or "district" means an area not less than 3 acres in size of a qualified local governmental unit established as provided in section 3. However, if the commercial rehabilitation district is located in a downtown or business area or contains a qualified retail food establishment as determined by the legislative body of the qualified local governmental unit, the district may be less than 3 acres in size. The local government unit may establish by resolution a district that contains 1 or more parcels or tracts of land if at the time the resolution is adopted the parcel or tract of land or portion of a parcel or tract of land within the district is a qualified facility.

A field investigation and application review indicated that the proposed Commercial Rehabilitation District located **Downtown in the City of Detroit** is eligible as it pertains to the Commercial Rehabilitation Act under P.A. 210 of 2005, as amended.

Sincerely,

Alvin Horhn  
Deputy CFO/Assessor

mmp



Commercial Rehabilitation District  
Basco of Michigan Inc.  
Page 2

Property Address: 100 Michigan Avenue (aka 44 Michigan Avenue)  
Parcel Number: 02000264-6  
Legal Description: N MICHIGAN REAR 48 47 FRTS ON GRISWOLD ST PLAT OF SEC 8 GOVERNOR & JUDGES PLAN L34 P543 DEEDS, W C  
R 2/1 45.56 IRREG





CITY OF DETROIT  
PLANNING AND DEVELOPMENT DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER  
2 WOODWARD AVENUE SUITE 808  
DETROIT, MICHIGAN 48226  
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(313) 224-1310  
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TO: Dinah Bolton, Housing & Revitalization Department  
FROM: John Baran, Planning Division  
RE: Master Plan Interpretation for Commercial Rehabilitation District at 44 Michigan Avenue.  
DATE: March 17, 2017  
CC: Maurice Cox, Director

In order to ensure that the issuance of a certificate for a Commercial Rehabilitation District is consistent with the City's Master Plan of Policies and will have the reasonable likelihood to increase commercial activity; create, retain or prevent a loss of employment; revitalize an urban area; or increase the number of residents in a community, pursuant to State of Michigan, Public Act 210 of 2005 (section 207.841), the Planning and Development Department's Planning Division submits the following interpretation.

The proposed Commercial Rehabilitation District is being requested by Basco of Michigan to renovate the building into commercial/office use.

**Location**

44 Michigan Avenue.

**Existing Site Information**

The subject site is zoned B5 (Major Business District). The subject site is approximately .15 acre with a two story vacant building. The Master Plan Future General Land Use designation for the site is MRC (Mixed-Residential/Commercial).

**Surrounding Site Information**

The surrounding area is also zoned B5. Adjacent to the east is a high-density office building. To the north is a vacant commercial building. Across Griswold is a parking structure with residential on the roof. Across Michigan Avenue is an office building. The Master Plan Future General Land Use for the area on the north side of Michigan is MRC. On the south side of Michigan, the designation is CM (Major Commercial).

**Project Proposal**

The proposed project is to renovate the former bank building into commercial/office use.

**Interpretation**

**Impact on Surrounding Land Use**

The development of the building will the variety of uses in the Central Business District.

**Impact on Transportation**

The building is just east of Woodward Avenue which includes multiple bus routes and the M-1 Rail (which is currently under construction). There is also a bus route along Michigan Avenue.



### **Master Plan Interpretation**

The Master Plan Future General Land Use Designation for the site is MRC (Mixed Residential/Commercial). These "...areas consist predominantly of medium-to-high density housing developed compatibly with commercial...uses. This classification is well suited to areas proximal to existing centers of major commercial activity, major thoroughfares, transportation nodes..." The comprehensive plan for the area will include hotel, residential, retail and office with parking.

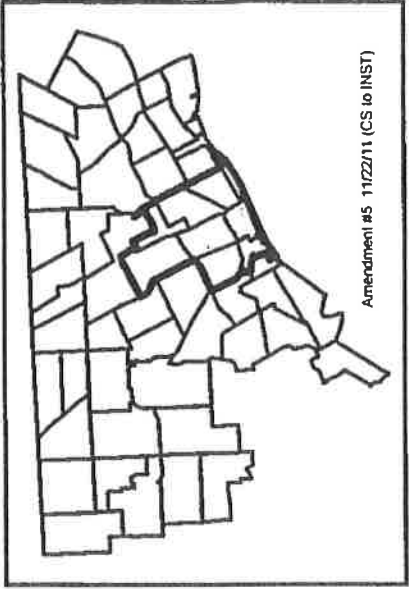
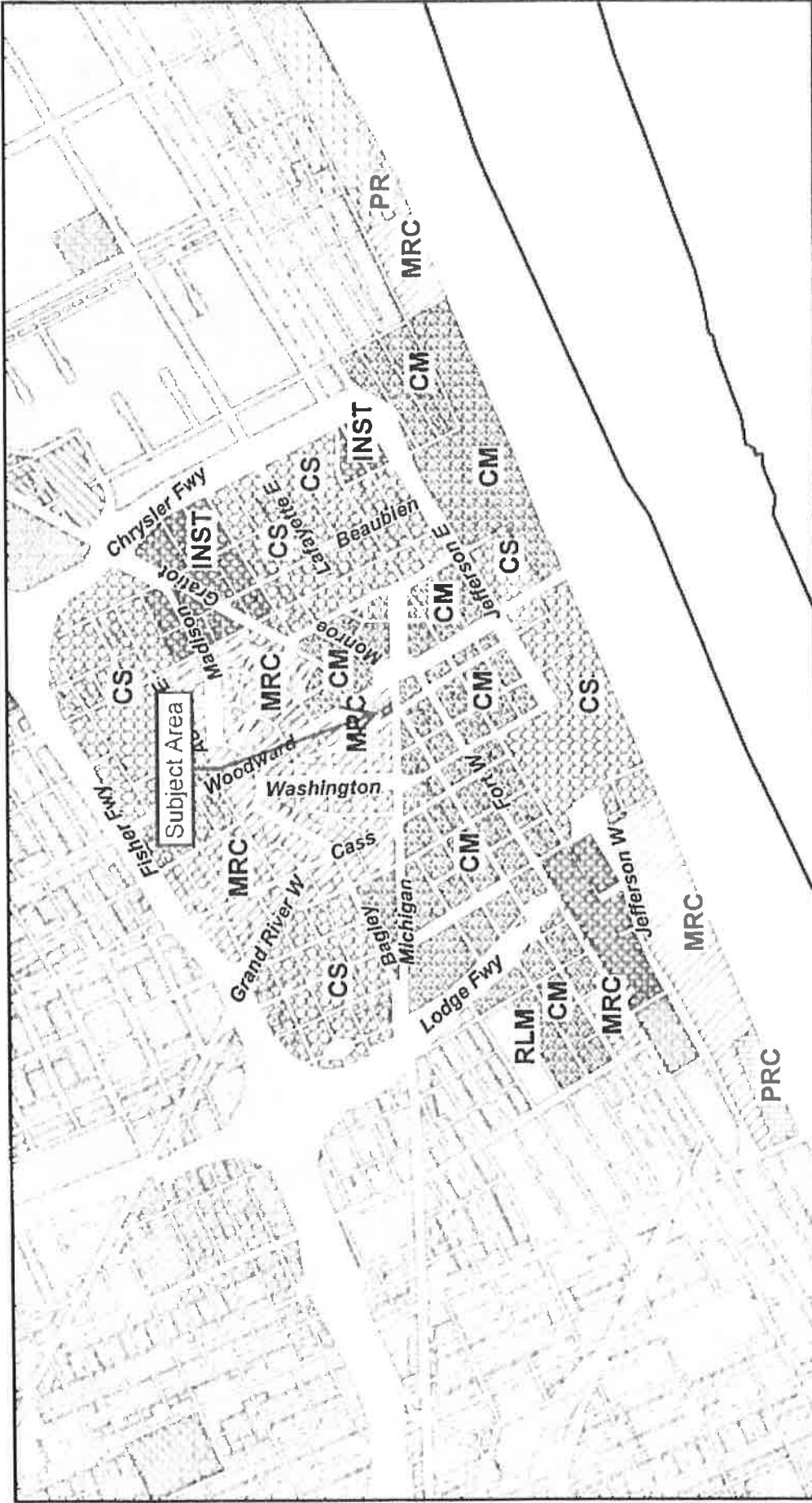
Policy 11.1 of the Central Business District neighborhood recommends that high priority be given "...to the preservation of historic buildings, especially the restoration, rehabilitation, and reuse of building facades."

The proposed development conforms to the Future General Land Use of the area and therefore is compatible.

### **Attachments**

**Future General Land Use Map:** Map 4-1B, Neighborhood Cluster 4, Central Business District.

100 MICH




Amendment #5 11/22/11 (CS to INST)

**Future Land Use -**

	Low Density Residential (RL)		Light Industrial (LI)
	Low-Medium Density Residential (RLM)		Distribution/Port Industrial (IDP)
	Medium Density Residential (RM)		Mixed-Residential/Commercial (MRC)
	High Density Residential (RH)		Mixed-Residential/Industrial (MRI)
	Major Commercial (CM)		Mixed-Town Center (MTC)
	Retail Center (CRC)		Recreation (PRC)
	Neighborhood Commercial (CN)		Regional Park (RR)
	Thoroughfare Commercial (CT)		Private Marina (PMR)
	Special Commercial (CS)		Airport (AP)
	General Industrial (IG)		Cemetery (CEM)
			Institutional (INST)

**Map 4-1B**  
 City of Detroit  
 Master Plan of  
 Policies

**Neighborhood Cluster 4**  
**Central Business District**





**City of Detroit**  
CITY COUNCIL  
COUNCIL PRESIDENT BRENDA JONES

**INCENTIVE INFORMATION CHART:**

Project Type	Incentive Type	Investment Amount	District
Mixed-use	Commercial	\$1.5 Hard Cost	Downtown

Jobs Available							
Construction				Post Construction			
Professional	Non-Professional	Skilled Labor	Non-Skilled Labor	Professional	Non-Professional	Skilled Labor	Non-Skilled Labor
5	0	10	10	1*	0	0	0

*\*it is estimated that approximately 115 new permanent jobs will be created by the tenants*

1. What is the plan for hiring Detroiters?

The development team will present at a D2D session following determination of the bid needs and procedures to obtain Detroit-based contractors for this project. The development team plans to also present at a Skilled Trades Task Force, to assist in connecting with additional Detroiters for the project.

The development team has a proven track record of utilizing Detroit-based contractors and employees, as shown by their recent project at 607 Shelby Street and 751 Griswold Street. Each project exceeded 50% in Detroit residents and contractors.

2. Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc.

It is anticipated that 1 full-time equivalent (FTE) permanent jobs associated with management and maintenance of the proposed development will be created.

The Construction jobs will consist of;

- Demolition and Construction
- Mechanical
- Plumbing
- Electrical
- Engineering
- Abatement
- Interior Build Outs

3. Will this development cause any relocation that will create new Detroit residents?

This development is not anticipated to cause any relocation, but the creation of new jobs that may result in the retention of or creation of new residents.

4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs?

Yes. We have discussed with the DEGC the need to participate in their D2D program. The Developer is working to set a time to present to both D2D and the Skilled Trades Task Force to ensure Detroit-based contractors and workers benefit from the project. Support letters have also been received by nearby businesses such as the Dime Store and American Coney.

5. When is construction slated to begin?

Construction is slated to commence immediately following approval of the district.

6. What is the expected completion date of construction?

Renovation activities are anticipated to commence immediately following establishment of the district with a completion goal of winter 2019. Timelines are dependent upon the approval schedule for the district.

July 11, 2017

Detroit City Council  
Coleman A. Young Municipal Center  
2 Woodward Ave Suite 1340  
Detroit, MI 48226

**RE: Request to Rescind the Commercial Rehabilitation District for  
44 Michigan Avenue (also known as 100 Michigan Avenue), Detroit, Michigan  
48226 for Basco of Michigan (Petition #1478)**

Honorable City Council:

Please accept this letter as a request to rescind the Commercial Rehabilitation District Application, Petition #1478 for the property located at 44 Michigan Avenue, Detroit, MI 48226.

The project concept is currently being examined for the highest and best use and will be adjusted based on our findings. As such, we intend to resubmit the application at that time.

Please feel free to contact our office at 248-339-9988 if you have any questions, or need additional information at this time.

Respectfully submitted,



Roger Basmajian  
Basco of Michigan

July 3, 2018

Detroit City Council  
Coleman A. Young Municipal Center  
2 Woodward Ave Suite 1340  
Detroit, MI 48226

**RE: Request for the Establishment of a Commercial Rehabilitation District for 44 Michigan Avenue (also known as 100 Michigan Avenue), Detroit, Michigan 48226 for Basco of Michigan, Inc.**

Honorable City Council:

Please accept this letter as a request to establish a Commercial Rehabilitation District (CRD) for 44 Michigan Avenue, Detroit, Michigan 48226, known as the First Independence Bank Building. The property is also listed under the address of 100 Michigan Avenue, Detroit, Michigan 48226. The parcel is located on the northeast corner of the intersection at Griswold Street and Michigan Avenue, which is referred to herein as the "Property" and further described in Attachment A. The Property was acquired by Basco of Michigan, Inc. December 29, 2015.

### **Company Synopsis**

Basco was established in 2001 by Roger Basmajian with his father. Mr. Basmajian holds a degree in business and architecture from the University of Michigan. Basco's initial objective was to invest in and redevelop underutilized and neglected buildings in the walkable communities of Royal Oak, MI and Ferndale, MI. At that time, the real estate market in Royal Oak began to take off; however, there remained a lack of investment in Ferndale. Ferndale had a vacancy level above 40% and its downtown was considerably neglected. Basco first began to purchase properties along West Nine Mile Road, an artery of downtown Ferndale, and slowly redeveloped the acquired properties into revamped retail uses. With the help of Ferndale's Downtown Development Authority, Basco was instrumental in transforming the landscape of Downtown Ferndale into what it is today.

In Royal Oak, Basco developed several properties along Main Street, most notably the Royal Oak Savings Bank building, which laid vacant for a number of years primarily due to the lack of a roof. Basco extensively rehabilitated the Bank building, including saving the building's original 1920's-era façade and restoring the façade to its original glory. Between the two communities, Basco has redeveloped approximately 100,000 square feet of retail, mixed use and office space. Basco currently owns and manages six of the nine properties that they have successfully redeveloped in Royal Oak and Ferndale.

Understanding that the young, educated generation puts a premium on the experience and excitement of high-density urban city living, Basco recognized the economic need to redevelop southeast Michigan's commercial cores to retain and attract young professionals.

Basco's ultimate goal was to become involved in the redevelopment of Detroit's beautiful, but neglected, buildings and to slowly bring vibrancy and diversity to Detroit's communities. In 2013, Basco purchased The First State Bank property at 751 Griswold Street and embarked on its first Detroit project. 751 Griswold celebrated the opening of Marx Moda's new space and the completion of the 751 Griswold renovation with a ribbon cutting earlier this year. Basco followed up to its initial Detroit project quickly and purchased 607 Shelby Street for the redevelopment of

*Request for Establishment of an Commercial Rehabilitation District at  
44 Michigan Avenue, Detroit, Michigan 48226 for  
Basco of Michigan, Inc.*

the building's office and retail space. Prior to Basco's purchase of 607 Shelby Street, the property was operating at around a 40% occupancy rate, which was quickly declining due to deferred maintenance and antiquated office space. The building is 90% occupied and recently celebrated the grand opening of Brome Modern Eatery, bringing a new restaurant in the heart of the financial district. -

To date, Basco has purchased multiple properties in and around Downtown Detroit totaling of approximately 400,000 sq. feet. Each project consists of planned rehabilitations that seek to preserve the historical integrity of the buildings and the culture and aesthetics of the surrounding areas.

### **Project Synopsis**

The proposed CRD is located in Downtown Detroit, Wayne County on the northeast corner of Michigan Avenue (M-12) and Griswold Street. The Property consists of one approximate 0.15 acre parcel containing a vacant, two-story building with a lower-level and sub-basement totaling approximately 29,500 square feet of which 21,000 is rentable square footage. The Property borders the iconic 1001 Woodward Avenue building in the heart of Downtown across the street from Lafayette and American Coney Islands. The Property is also within walking distance to many of the City's amenities, including the RiverWalk, Detroit Opera House, Greektown, Cobo Center, Campus Martius Park and Capitol Park.

The First Independence Bank building, originally known as the Manufacturer's Bank building, was constructed in the early 20th century. Originally eight stories tall and clad with ornate stone the building was renovated in the 1930s and 1960s and reduced to two stories. At the same time the original masonry façade was replaced with stamped concrete. In 2006 the bank exterior was cleaned and a curtain wall installed. The building's large arching windows remain its distinctive feature.

Basco will renovate the former bank building into a modern mixed use building offering great views of Michigan Ave, Griswold and Laffayette. 44 Michigan will receive extensive improvements with a plan to house new tenants that will improve the overall area. Proposed tenants include restaurant, retail and/or office.

The building is located between two important Detroit Districts, the Capitol Park District and the Financial District. The Capitol Park District was added to the National Register of Historic Places in 1999 and it once housed Michigan's Capitol building. In 2009 the Downtown Development Authority instituted a comprehensive investment strategy for the District beginning with redevelopment of the park to draw new business into the area. While, the Financial District houses some of Detroit's most prominent structures of the skyline including the Guardian Building, Ally Detroit Center and One Woodward Avenue.

This investment will redevelop a vacant property in the heart of Downtown complimenting the redevelopment occurring in the Capitol Park and Financial Districts including the First State Bank building, which is a Basco redevelopment. Additional information on the project is included in Attachment A.

### **The Necessity for Tax Relief**

Substantial investment is necessary to rehabilitate the existing building into a viable, long-term development and the rehabilitation project would not be possible without the receipt of an exemption certificate.

In order to secure this financing and future tenants for the development, the operating costs of the proposed renovations and redevelopment of the District needs to be kept as low as possible (including property taxes).

### **PA 210 Request**

This application documents the request for the establishment of a Commercial Rehabilitation District. A 10-year abatement is being requested.

### **Economic Advantages of the Rehabilitation**

The project will increase day-time density, investment and foot traffic to the parks and retail centers of Downtown.

The granting of the District will not result in any fewer taxes to the City of Detroit in the short-term or long-term. Upon successful redevelopment, the project will generate increased income taxes, aid in the retention of skilled, local talent and fill a need for additional office and commercial tenant spaces. The proposed redevelopment will encourage continued redevelopment and improvements in the surrounding area.

On a short term basis 25 temporary construction jobs will be created during renovation and new construction activities. On a long-term basis the proposed redevelopment associated with the project will create approximately 1 full-time job directly by the developer. It is estimated that future tenants will create an additional 115 (FTE) jobs. Basco is experienced in employing Detroit residents on our projects and will utilize the D2D program and a Skilled Trades Task Force to ensure Detroit-based contractors and workers benefit from the redevelopment.

On a long-term basis, following expiration of the 10-year abatement the renovated and rehabilitated building will deliver a significant increase in tax revenue. Over time, the successful redevelopment and cultural growth will have a city-wide impact.

### **Closing**

Basco has a historic/architecturally value-oriented investment strategy and has designed 44 Michigan to enhance and promote the redevelopment efforts underway in Downtown Detroit. Basco has a proven record of utilizing Detroit based contractors and Detroit residents on redevelopment projects and is eager to instill the same approach on this development. Basco is looking forward to pursuing this redevelopment and continuing investing in Downtown Detroit.

Respectfully submitted,



Roger Basmajian, **Basco of Michigan**

***Request for Establishment of an Commercial Rehabilitation District at  
44 Michigan Avenue, Detroit, Michigan 48226 for  
Basco of Michigan, Inc.***

**Attachments:**

- Attachment A: Detailed Project Description
- Attachment B: Parcel Map
- Attachment C: Paid Receipt of Current Taxes
- Attachment D: Project Data Sheet
- Attachment E: Incentive Information Chart
- Attachment F: Support Letters

## Attachment A: Detailed Project Description



## General Description

The proposed Commercial Rehabilitation District (CRD) project is in the heart of Downtown Detroit on the northeast corner of Griswold Street and Michigan Avenue. The Property contains a vacant, two-story building with a lower level and sub-basement totaling approximately 21,000 of rentable square feet and a total building square footage of approximately 29,500. The parcel is approximately 0.15 acres in a prime location for redevelopment, between the Capitol Park District and Financial District.



The Property borders the iconic 1001 Woodward Avenue building and is a block from Capitol Park. The development is within walkable distance to many other City's amenities, including the RiverWalk, Detroit Opera House, Greektown, and Cobo Center.

Sitting on the border of two important Detroit Districts, the Property is in a prime location for commercial success. In the past five years, Capitol Park has become ground zero for Detroit's revitalization, rehabilitating the character of one of the most central parts of Downtown. Capitol Park is complemented to the south by the Financial

District. The Financial District houses some of Detroit's most prominent structures of the skyline including the Guardian Building, One Woodward Avenue and the Ally Detroit Center.



Constructed around 1915 the Property was originally known as the Manufacturer's Bank building and historically stood eight stories tall, clad with ornate stone. The Property was reduced to two stories between the 1930's and 1960's along with a façade replacement resulting in a precast concrete and aluminum covered curtain wall. In 2006 in preparation for the Superbowl, the former curtain wall was replaced along with façade cleaning and new exterior lighting. However, upgrades within the building have not taken place since the 1980's leaving a property characterized by tight enclosed office spaces and antiquated amenities.

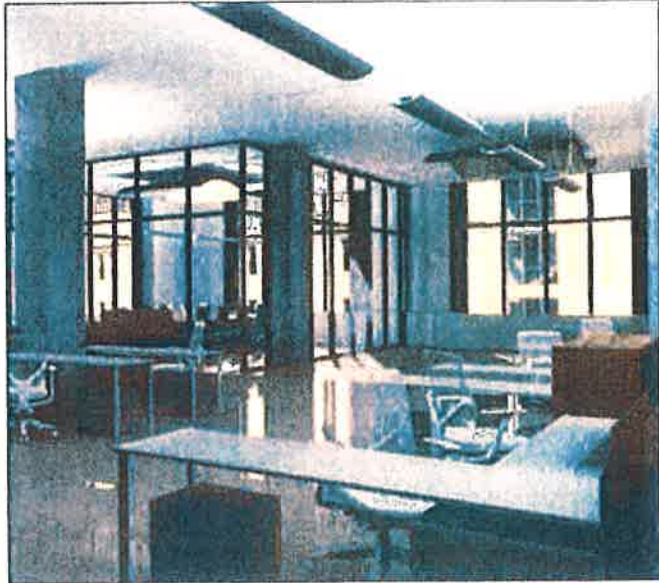


### General Description of Proposed Use

The proposed redevelopment will gut, renovate and modernize the existing structure while maintaining the bank aesthetic into a mixed retail and office building. Future restaurant, retail and/or office tenants are planned to fill the building.



Spurring off the successfully renovated Capitol Park and the Capitol Park District developments, this renovation will create a placemaking opportunity at an important intersection of the City. The property will include bike racks, planters, and new energy efficient windows to create the feel of bringing the outside in. The interior floor plans will be re-arranged to create modern office spaces that many Detroit tenants are craving. Redevelopment will provide an opportunity to extend the revitalization occurring throughout Downtown by providing additional day-time foot traffic.



### **Nature and Extent of the Rehabilitation**

The building has sustained significant deferred maintenance and has a lack in functional use due to office size and underutilized spaces, particularly within the basement. Redevelopment will require extensive repairs, major renovations and improvements.

Demolition of the outdated interior layout will occur along with electrical, plumbing and mechanical/HVAC upgrades and replacement to improve the current conditions and meet modern demands while providing increased efficiency. Upgrades and repairs to the freight and passenger elevators will be required along with a complete overhaul of the restrooms to become ADA compliant. Replacement of the windows to a modern energy efficient system will also take place. The bank vault, original marble, original brass fixtures and teller windows will be preserved and incorporated into future designs.



Basco of Michigan intends to apply for a 10 year real property tax abatement under the provisions of a PA 210 Commercial Rehabilitation tax abatement. The remaining sources of funds for the project are through Owner Equity and Permanent Financing. Hard-cost investment is estimated at \$1.5 million, with total project investment estimated at \$4.6 million.

### **Descriptive List of the Fixed Building Equipment/Renovations**

Renovations, new fixed building equipment and materials for the project include;

- Interior Demolition
- Mechanical; plumbing and HVAC
- Electrical; electrical work and communications
- Window Replacement
- Elevator repair of both freight and passenger
- Three ADA Bathrooms
- Rough carpentry
- Interior build-outs
- Masonry; restoration activities and interior walls
- Finishes; drywall and steel studs/insulation, hard tile, flooring, painting
- Specialties; fire extinguishers, toilet accessories, appliances
- Fire protection systems
- Doors and Windows; curtain wall and exterior doors, interior doors/frames/hardware
- Green Roof Installation with thermal and moisture protection

### **Time Schedule**

Renovation activities are anticipated to commence immediately following establishment of the district with a completion goal of winter 2019. Timelines are dependent upon the approval schedule for the CRD.

### **Statement of Economic Advantages**

The proposed development will create a sense of place, encourage increased spending and create new jobs in the heart of Detroit. The newly renovated and modernized commercial office space will bring a new international company into the City.

The granting of the tax abatement will not result in any fewer taxes to the City of Detroit in the short-term or long-term. All City of Detroit taxes are now current. Upon successful redevelopment, the development will generate increased property and income taxes. Furthermore, the District will retain and curate local talent, create new jobs, increase daytime density, and strengthen security.

On a short term basis 25 construction jobs will be created during renovation activities. On a long-term basis the proposed redevelopment associated with the project will create approximately 1 full-time job directly by the developer. It is estimated that future tenants will

create an additional 115 (FTE) jobs. The development team will present at D2D meetings and skilled trades task force meetings to garner opportunities to employ Detroit residents. This has proven successful on Basco's recent developments of 607 Shelby and 751 Griswold.

The increase in tenant based jobs within the building will increase City collected income tax at a 1.2% rate for non-residents and 2.4% rate for Detroiters. This is estimated at approximately \$110,000 more than what is currently collected on an annual basis if 75% of those employed are Detroit residents. This estimate is based on an average annual salary estimate of \$45,000 for the one developer created job and the estimated 115 tenant employees that are anticipated.

On a long-term basis, following expiration of the 10-year abatement the building will deliver a significant increase in tax revenue.

### **Legal Descriptions**

44 Michigan Avenue:

Parcel: 02000264-6

N MICHIGAN REAR 48 47 FRTS ON GRISWOLD ST PLAT OF SEC 8 GOVERNOR &  
JUDGES PLAN L34 P543 DEEDS, W C R 2/1 45.56 IRREG

## Attachment B: Parcel Map



## Attachment C: Paid Receipt of Current Taxes



**44 MICHIGAN AVE** (Property Address)

Parcel Number: 02990318.00

**Property Owner: BASCO OF MICHIGAN, INC**

**Summary Information**

> Assessed Value: \$0 | Taxable Value: \$0

> Property Tax Information found

No Images Found

**Owner and Taxpayer Information**

**Owner**

BASCO OF MICHIGAN, INC  
607 SHELBY ST STE 600  
DETROIT, MI 48226

**Taxpayer**

SEE OWNER INFORMATION

**Legal Description**

PERSONAL PROPERTY IN THE CITY OF DETROIT

**Recalculate amounts using a different Payment Date**

You can change your anticipated payment date in order to recalculate amounts due as of the specified date for this property

Enter a Payment Date: 6/26/2018

**Tax History**

Year	Season	Total Amount	Total Paid	Last Paid	Total Due
2017	Winter	\$0.00	\$0.00		\$0.00
2017	Summer	\$0.00	\$0.00		\$0.00
2016	Winter	\$0.00	\$0.00		\$0.00
2016	Summer	\$0.00	\$0.00		\$0.00

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**100 MICHIGAN AVE 48226** (Property Address)

Parcel Number: 02000264-6

**Property Owner: BASCO OF MICHIGAN INC**

**Summary Information**

- > Commercial/Industrial Building Summary
  - Yr Built: 1938
  - # of Buildings: 1
  - Total Sq Ft: 12,725
- > Property Tax Information found

> Assessed Value: \$434,500 | Taxable Value: \$380,241

Error Loading Image

Item 1 of 2 2 Images / 0 Sketches

**Owner and Taxpayer Information**

<b>Owner</b>	BASCO OF MICHIGAN INC 607 SHELBY ST SUITE 600 DETROIT, MI 48226	<b>Taxpayer</b>	SEE OWNER INFORMATION
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**Legal Description**

N MICHIGAN REAR 48 47 FRTS ON GRISWOLD ST PLAT OF SEC 8 GOVERNOR & JDDGES PLAN L34 P543 DEEDS, W C R 2/1 45 56 IRREG

Recalculate amounts using a different Payment Date

You can also view additional payment details by clicking on the "Recalculate" button above the table.

Enter a Payment Date:

**Tax History**

Year	Season	Total Amount	Total Paid	Payment Date	Total Due
2017	Winter	\$6,575.44	\$6,575.44	01/16/2018	\$0.00
2017	Summer	\$31,202.85	\$31,202.85	01/16/2018	\$0.00
2016	Winter	\$9,873.08	\$9,873.08	02/28/2017	\$0.00
2016	Summer	\$26,029.84	\$26,029.84	09/22/2016	\$0.00

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## Attachment D: Project Data Sheet



## Economic & Fiscal Impact Project Data Sheet

The information requested on this form will be used by the Detroit Economic Growth Corporation to prepare an impact analysis of your firm or project. Enter data in the yellow cells below. You may also enter additional information or notes in other areas of this worksheet, to the right in column K or insert rows to enter other data. Some standard defaults are entered in the data sheet already. You may change these defaults as appropriate.

Please enter information in the yellow cells below and e-mail this completed survey form to:

Malinda L. Jensen  
Director of Business Development  
Detroit Economic Growth Corporation  
500 Griswold Street, Suite 2200  
Detroit, Michigan 48225

Phone: 313-237-4632

Email: [mjensen@degc.org](mailto:mjensen@degc.org)

Please call if you have any questions.

### A NOTE ABOUT ENTERING DATA

Light yellow cells are user inputs. Enter the appropriate information for the specific project in the light yellow cells.

Grey cells contain formulas which will automatically recalculate based on your other inputs. You may overwrite grey cells, as appropriate.

### GENERAL INFORMATION ABOUT THE COMPANY

Name of the Company  
Street Address  
City, State Zip  
Company Website

State of Michigan  
607 Shelby Street, Suite 400  
Detroit, Michigan 48226

Contact information for person completing this data sheet

Name  
Title  
Phone Number  
Email

Debra DeFonio  
Regional Manager - Economic Incentives, PM Environmental  
616.328.3297  
[debono@pmeriv.com](mailto:debono@pmeriv.com)

### Background and Requirements

Enter any information that you would like us to know about your requirements or intent for the economic analysis. Please describe any incentives that you would like us to model in the analysis including tax abatement being requested or considered.

The project is being considered for an Commercial Rehabilitation Tax Abatement

### ABOUT THE PROJECT

Name of the Project

44 Michigan

Location of the Project

44 Michigan Avenue (also known as 100 Michigan Avenue)

Identify the taxing jurisdictions impacted by the project, if known.

City  
County  
Public District  
State Education  
Establishment Authority

City of Detroit  
Wayne County  
Detroit Public Schools  
State Education  
Clemens City Authority

intermediate School  
College  
Zoo  
Museum

Wayne RESA  
Wayne County Comm. College  
Wayne County Zoo  
Detroit Institute of Arts

Will the Project be located in the city limits?

Yes

**Description of the Project**

Enter any narrative below to describe the Project, including plans to startup, expand, or locate in the community. This description will be included in the report.

The proposed Commercial Rehabilitation District (CRD) is located in the heart of Downtown Detroit on the northeast corner of Griswold Street and Michigan Avenue. The Property contains a vacant, two-story building with a basement totaling approximately 29,500 square feet, with 21,000 rentable square feet. The parcel is approximately 0.15 acres in a prime location for redevelopment, between the Capital Park District and Financial District. The Property is within walking distance to many of the City's amenities, including the RiverWalk, Detroit Opera House, Greektown, Cobo Center, Campus Martius Park and Capitol Park. Constructed around 1915 the Property was originally known as the Manufacturer's Bank building and historically stood eight stories tall, clad with ornate stone. The property was reduced to two stories between the 1930's and 1960's along with a façade replacement resulting in a precast concrete and aluminum covered curtain wall. In 2006 in preparation of the Superbowl, the former curtain wall was replaced along with façade cleaning and new exterior lighting. However, upgrades within the building have not taken place since the 1980's leaving a property characterized by tight enclosed office spaces and antiquated amenities. The proposed redevelopment will gut, renovate and modernize the existing structure while maintaining the bank aesthetic into a mixed-use retail and commercial office building. Two tenants are currently under LOIs, which would result in restaurant/retail and/or office space. Spurring off the successfully renovated Capitol Park and the Capitol Park District developments, this development will create a placemaking opportunity at an important intersection of the City. The property will include bike racks, planters and new windows to create the feel of bringing the outside in. Energy efficient upgrades will occur throughout the building. Redevelopment will provide an opportunity to extend the revitalization occurring throughout Downtown by providing needed commercial/office space.

Identify the Project's primary North American Industry Classification System (NAICS) Code or describe the activity that will occur at the local facility

To help identify the correct industry code: [NAICS Code Search](#)

Commercial/Office/Retail

**CURRENT OPERATIONS**

Please complete if applicable

The TAXABLE value of firm's taxable property currently on the tax rolls

Land	\$380,241
Buildings & Other Real Property Improvements	
Commercial Personal Property	
Industrial Personal Property	

Number of existing employees working at the company's local facility	6
Average annual salaries paid to existing employees	\$55,000

**TAXABLE ASSETS, EMPLOYEES, AND OPERATIONS**

The Project's capital investment each year

Year	Land	Buildings and Other Real Property Improvements	Commercial Personal Property	Industrial Personal Property	Total
1		\$1,531,000			\$1,531,000
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
9					\$0
10					\$0
<b>Total</b>	<b>\$0</b>	<b>\$1,531,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,531,000</b>

Are the building and improvements costs entered above for construction?  Yes  No

Building permits and fees to be paid to the City during construction, if applicable

Year	Total City Building Permits and Fees
1	\$50,000
2	
3	
4	
5	
6	
7	
8	
9	
10	
<b>Total</b>	<b>\$50,000</b>

Number of new full-time jobs to be added in the community each year  
 Enter the jobs added in the community each year, including jobs relocated from outside of the community.

Year	New Employees To Be Hired Each Year
1	25 Construction Jobs
2	115 Developer and Tenant Jobs
3	
4	
5	
6	
7	
8	
9	
10	
Total	141

Average annual salaries of new employees each year  
 Enter an amount in Year 1 and the percent of annual increase, or enter appropriate amounts for each year.

Year	Average Annual Salaries
1	
2	\$0
3	\$0
4	\$0
5	\$0
6	\$0
7	\$0
8	\$0
9	\$0
10	\$0

Percent of annual increase 2.0%

The Project's annual utilities  
 Enter an amount in Year 1 and the percent of annual increase, or enter appropriate amounts for each year.

Year	Total Est. Utilities	Wastewater	Solid Waste	Electricity	Natural Gas	Cable	Telephone
1	\$48,000	\$8,000	\$0	\$22,000	\$18,000	\$0	\$0
2	\$48,960	\$8,160	\$0	\$22,440	\$18,360	\$0	\$0
3	\$49,939	\$8,323	\$0	\$22,889	\$18,727	\$0	\$0
4	\$50,938	\$8,490	\$0	\$23,347	\$19,102	\$0	\$0
5	\$51,957	\$8,659	\$0	\$23,814	\$19,484	\$0	\$0
6	\$52,996	\$8,833	\$0	\$24,290	\$19,873	\$0	\$0
7	\$54,056	\$9,009	\$0	\$24,776	\$20,271	\$0	\$0
8	\$55,137	\$9,189	\$0	\$25,271	\$20,676	\$0	\$0
9	\$56,240	\$9,373	\$0	\$25,777	\$21,090	\$0	\$0
10	\$57,364	\$9,561	\$0	\$26,292	\$21,512	\$0	\$0

% annual increase 2.0% 2.0% 0.0% 2.0% 2.0% 0.0% 0.0%

## Attachment E: Incentive Information Chart



INCENTIVE INFORMATION CHART: 44 Michigan Avenue, Detroit (aka 100 Michigan Avenue)

Project Type	Incentive Type	Investment Amount	District
Mixed-use	Commercial Rehabilitation Tax Abatement	\$1.5 Hard Cost Investment \$4.6 Million Total Investment	Downtown

Jobs Available						
Professional	Construction			Post Construction		
	Non-Professional	Skilled Labor	Non-Skilled Labor	Professional	Non-Professional	Skilled Labor
5	0	10	10	1*	0	0

\*it is estimated that approximately 115 new permanent jobs will be created by the tenants

**1. What is the plan for hiring Detroiters?**

The development team will present at a D2D session following determination of the bid needs and procedures to obtain Detroit-based contractors for this project. The development team plans to also present at a Skilled Trades Task Force, to assist in connecting with additional Detroiters for the project.

The development team has a proven track record of utilizing Detroit-based contractors and employees, as shown by their recent project at 607 Shelby Street and 751 Griswold Street. Each project exceeded 50% in Detroit residents and contractors.

**2. Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc.**

It is anticipated that 1 full-time equivalent (FTE) permanent jobs associated with management and maintenance of the proposed development will be created.

The Construction jobs will consist of;

- Demolition and Construction
- Mechanical
- Plumbing
- Electrical
- Engineering
- Abatement
- Interior Build Outs

**3. Will this development cause any relocation that will create new Detroit residents?**

This development is not anticipated to cause any relocation, but the creation of new jobs that may result in the retention of or creation of new residents.

**4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs?**

Yes. We have discussed with the DEGC the need to participate in their D2D program. The Developer is working to set a time to present to both D2D and the Skilled Trades Task Force to ensure Detroit-based contractors and workers benefit from the project. Support letters have also been received by nearby businesses such as the Dime Store and American Coney.

**5. When is construction slated to begin?**

Construction is slated to commence immediately following approval of the CRD.

**6. What is the expected completion date of construction?**

Renovation activities are anticipated to commence immediately following establishment of the district with a completion goal of winter 2019. Timelines are dependent upon the approval schedule for the CRD.

## Attachment F: Support Letters



719 griswold street • suite 180 • detroit, mi 48226 • (313) 962-9106 • [www.eatdimestore.com](http://www.eatdimestore.com)

On behalf of the ownership team at downtown Detroit restaurant, Dime Store, I am writing to convey our support for Basco of Michigan for the redevelopment of 751 Griswold & 44 Michigan Ave.

Dime Store is a popular breakfast, lunch and brunch restaurant located inside the historic Chrysler House at 719 Griswold Street. As a neighbor of 751 Griswold & 44 Michigan Ave. and small business owners in the City of Detroit, we believe Basco's proposed redevelopment will positively contribute to the Central Business District's appeal, making the area more attractive to those who live, work and play in the City's core.

Detroit needs developers like Basco, which has proven time and again to provide communities with redevelopment projects that bolster neighborhoods with smart, conscientious design and an emphasis on tenancy that supports the area's needs and goals.

We are very excited to see how this and other Basco projects will continue to help our community grow economically, communally and with a sense of pride and security of which the City of Detroit and its residents can be proud.

Cheers,



Larry Kahn  
Owner/Operator  
DIME STORE  
719 Griswold Street  
Suite 180  
Detroit, MI 48226  
(313) 962-9106 Dime Store  
(734) 717-7736 Cell

Honorable City Council  
Colman A. Young Municipal  
Center  
Detroit, MI 48226



To the Honorable City Council,

On behalf of the ownership team at the American Coney Island in downtown Detroit, I am writing to convey our support for BASCO of Michigan and the redevelopment of **751 Griswold & 44 Michigan Ave.**

American Coney Island is an iconic breakfast, lunch and late-night dinner restaurant located at the corner of Lafayette & Michigan. These building we support are on either side of our property. As neighbors of 751 Griswold & 44 Michigan Ave. as well as other small business owners in the City of Detroit, we believe BASCO's proposed redevelopment will positively contribute to the Central Business District's appeal, making the area more attractive to those who live, work and play in the City's core.

The City of Detroit needs developers like BASCO, which have proven time and again to provide communities with redevelopment projects that bolster neighborhoods with smart, conscientious design and an emphasis on tenancy that supports the area's needs and goals.

I am very excited to see how this and other BASCO projects will continue to help our community grow economically, communally and with a sense of pride and security of which the City of Detroit and it's residents can be proud.

With warm regards,

Grace Keros


American Coney Island  
114 W. Lafayette  
Detroit MI 48226

STATE USE ONLY		
Application Number	Date Received	LUCI Code

## Application for Commercial Rehabilitation Exemption Certificate

Issued under authority of Public Act 210 of 2005, as amended.

Read the instructions page before completing the form. This application should be filed after the commercial rehabilitation district is established. The applicant must complete Parts 1, 2 and 3 and file one original application form (with required attachments) and one additional copy with the clerk of the local governmental unit (LGU). Attach the legal description of property on a separate sheet. This project will not receive tax benefits until approved by the State Tax Commission (STC). Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the STC.

PART 1: OWNER / APPLICANT INFORMATION (applicant must complete all fields)			
Applicant (Company) Name (applicant must be the owner of the facility) <b>Basco of Michigan Inc.</b>			NAICS or SIC Code
Facility's Street Address <b>44 Michigan Avenue (aka 100 Michigan Avenue)</b>	City <b>Detroit</b>	State <b>MI</b>	ZIP Code <b>48226</b>
Name of City, Township or Village (taxing authority) <b>Detroit</b>		County <b>Wayne</b>	School District Where Facility is Located <b>Detroit</b>
<input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village			
Date of Rehabilitation Commencement (mm/dd/yyyy) <b>08/01/2018</b>		Planned Date of Rehabilitation Completion (mm/dd/yyyy) <b>08/01/2019</b>	
Estimated Cost of Rehabilitation <b>\$1,500,000</b>		Number of Years Exemption Requested (1-10) <b>10</b>	
Expected Project Outcomes (check all that apply)			
<input checked="" type="checkbox"/> Increase Commercial Activity		<input type="checkbox"/> Retain Employment	
<input checked="" type="checkbox"/> Create Employment		<input type="checkbox"/> Prevent Loss of Employment	
		<input checked="" type="checkbox"/> Revitalize Urban Areas	
		<input type="checkbox"/> Increase Number of Residents in Facility's Community	
No. of jobs to be created due to facility's rehabilitation <b>116</b>	No. of jobs to be retained due to facility's rehabilitation	No. of construction jobs to be created during rehabilitation <b>25</b>	
PART 2: APPLICATION DOCUMENTS			
Prepare and attach the following items:			
<input checked="" type="checkbox"/> General description of the facility (year built, original use, most recent use, number of stories, square footage)		<input checked="" type="checkbox"/> Statement of the economic advantages expected from the exemption	
<input checked="" type="checkbox"/> Description of the qualified facility's proposed use		<input checked="" type="checkbox"/> Legal description	
<input checked="" type="checkbox"/> Description of the general nature and extent of the rehabilitation to be undertaken		<input type="checkbox"/> Description of the "underserved area" (Qualified Retail Food Establishments only)	
<input checked="" type="checkbox"/> Descriptive list of the fixed building equipment that will be a part of the qualified facility		<input type="checkbox"/> Commercial Rehabilitation Exemption Certificate for Qualified Retail Food Establishments (Form 4753) (Qualified Retail Food Establishments only)	
<input checked="" type="checkbox"/> Time schedule for undertaking and completing the facility's rehabilitation			
PART 3: APPLICANT CERTIFICATION			
Name of Authorized Company Officer (no authorized agents) <b>Roger Basmajian</b>		Telephone Number <b>313-502-5117</b>	
Fax Number		E-mail Address <b>Rogerb@busco.mi.com</b>	
Street Address <b>607 Shelby #400</b>		City <b>Detroit</b>	State <b>MI</b> ZIP Code <b>48226</b>
I certify that, to the best of my knowledge, the information contained herein and in the attachments is truly descriptive of the property for which this application is being submitted. Further, I am familiar with the provisions of Public Act 210 of 2005, as amended, and to the best of my knowledge the company has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local governmental unit and the issuance of a Commercial Rehabilitation Exemption Certificate by the State Tax Commission.			
I further certify that this rehabilitation program, when completed, will constitute a rehabilitated facility, as defined by Public Act 210 of 2005, as amended, and that the rehabilitation of this facility would not have been undertaken without my receipt of the exemption certificate.			
Signature of Authorized Company Officer (no authorized agents) 		Title <b>president</b>	Date <b>7-3-18</b>

**City of Detroit**  
**OFFICE OF THE CITY CLERK**

Janice M. Winfrey  
*City Clerk*

Vivian A. Hudson  
*Deputy City Clerk*

July 6, 2018

To: Maurice Cox, Director  
Planning and Development Department  
Coleman A. Young Municipal Center  
2 Woodward Ave. Suite 908  
Detroit, MI. 48226

Re: Basco of Michigan Inc.

Please find attached an Application for Commercial Rehabilitation Exemption Certificate for 44 Michigan Ave. (AKA 100 Michigan Ave)(**RELATED TO PETITION #1478**)

Respectfully submitted,



Michael J. O'Connell, Jr. Asst. City Council Clerk  
Office of the City Clerk

<b>PART 4: ASSESSOR RECOMMENDATIONS</b> (assessor of LGU must complete Part 4)			
Provide the Taxable Value and State Equalized Value of Commercial Property, as provided in Public Act 210 of 2005, as amended, for the tax year immediately preceding the effective date of the certificate (December 31 of the year approved by the STC).			
	<b>Taxable Value</b>	<b>State Equalized Value (SEV)</b>	
<b>Land</b>			
<b>Building(s)</b>			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Commercial Rehabilitation Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Commercial Rehabilitation Exemption that would also put the same property on the Commercial Rehabilitation specific tax roll.			
<input type="checkbox"/> By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Commercial Rehabilitation Exemption specific tax roll and not on any other specific tax roll.			
Name of Local Government Body			
Name of Assessor (first and last name)		Telephone Number	
Fax Number		E-mail Address	
I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.			
Assessor's Signature			Date
<b>PART 5: LOCAL GOVERNMENT ACTION</b> (clerk of LGU must complete Part 5)			
Action Taken By LGU (attach a certified copy of the resolution).			
<input type="checkbox"/> Exemption approved for _____ years, ending December 30, _____ (not to exceed 10 years)			
<input type="checkbox"/> Exemption Denied			
Date District Established (attach resolution for district)	Local Unit Classification Identification (LUCI) Code	School Code	
<b>PART 6: LOCAL GOVERNMENT CLERK CERTIFICATION</b> (clerk of LGU must complete Part 6)			
Clerk's Name (first and last)		Telephone Number	
Fax Number		E-mail Address	
Mailing Address	City	State	ZIP Code
LGU Contact Person for Additional Information	LGU Contact Person Telephone Number	Fax Number	
I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate and hereby request the State Tax Commission issue a Commercial Rehabilitation Exemption Certificate, as provided by Public Act 210 of 2005, as amended.			
Clerk's Signature			Date

The clerk must retain the original application at the local unit and mail one copy of the completed application with attachments to:

State Tax Commission  
 P.O. Box 30471  
 Lansing, MI 48909



## Instructions for Completing Form 4507 Application for Commercial Rehabilitation Exemption Certificate

The Commercial Rehabilitation Exemption Certificate was created by Public Act 210 of 2005, as amended. The application is initially filed, reviewed, and approved by the LGU and then reviewed and approved by the State Tax Commission. According to Section 3 of Public Act 210 of 2005, as amended, the LGU must establish a Commercial Rehabilitation District. **Rehabilitation may commence after establishment of the Commercial Rehabilitation District.**

### Owner / Applicant Instructions

1. Complete Parts 1, 2 and 3 of application
2. Prepare and attach all documents required under Part 2 of the application:
  - a. General description of the facility (year built, original use, most recent use, number of stories, square footage)
  - b. Description of the qualified facility's proposed use
  - c. Description of the general nature and extent of the rehabilitation to be undertaken
  - d. Descriptive list of the fixed building equipment that will be a part of the qualified facility
  - e. Time schedule for undertaking and completing the facility's rehabilitation
  - f. Statement of the economic advantages expected from the exemption
  - g. Legal description of the facility
  - h. Description of the "underserved area" (Qualified Retail Food Establishments only)
3. Qualified Retail Food Establishments:
  - a. Complete Part 1 of the *Commercial Rehabilitation Exemption Certification for Qualified Retail Food Establishments* (Form 4753). Submit to LGU clerk along with application.
  - b. Describe the "underserved area" and provide supporting documentation to show how the project area meets one or more of the following requirements:
    - i. An area that contains a low to moderate income census tract(s) which, based on per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars) and a below average supermarket density
    - ii. An area that has a supermarket customer base with more than 50% living in a low income census tract(s) which based on the per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars)
    - iii. An area that has demonstrated significant access limitations due to travel distance and has no Qualified Retail Food Establishments within two miles of the geo-center for an urban area or has no Qualified Retail Food Establishments within nine miles of the geo-center for a rural area.

For assistance in determining the project area's eligibility, visit [www.michigan.gov/propertytaxexemptions](http://www.michigan.gov/propertytaxexemptions) and click on Commercial Rehabilitation Act.
4. Submit the application and all attachments to the clerk of the LGU where the property is located.

### LGU Assessor Instructions

Complete and sign Part 4 of the application.

### LGU Clerk Instructions

1. After LGU action, complete Part 5 of the application.
2. After reviewing the application for complete and accurate information, complete Part 6 and sign the application to certify the application meets the requirements as outlined by Public Act 210 of 2005, as amended.
3. Assemble the following for a complete application:
  - a. Completed *Application for Commercial Rehabilitation Exemption Certificate* (Form 4507)
  - b. All required attachments listed under Part 2
  - c. A copy of the resolution by the LGU establishing the district
  - d. A certified copy of the resolution by the LGU approving the application
  - e. Complete Form 4753 (Qualified Retail Food Establishments only)
4. Submit the completed application to: State Tax Commission, P.O. Box 30471, Lansing, MI 48909

### Application Deadline

The State Tax Commission must receive complete applications on or before October 31 to ensure processing and certificate issuance for the following tax year. Applications received after October 31 may not be processed in time for certificate issuance for the following tax year.

For guaranteed receipt by the State Tax Commission, send applications and attachments via certified mail.

If you have questions or need additional information or sample documents, visit [www.michigan.gov/propertytaxexemptions](http://www.michigan.gov/propertytaxexemptions) or call (517) 373-2408.

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# **DBRA**

Detroit Brownfield Redevelopment Authority  
500 Griswold Street • Suite 2200  
Detroit, Michigan 48226  
Phone: 313 963-2940  
Fax: 313 963-8839

August 28, 2018

Honorable City Council  
City of Detroit  
1340 Coleman A. Young Municipal Center  
Detroit, Michigan 48226

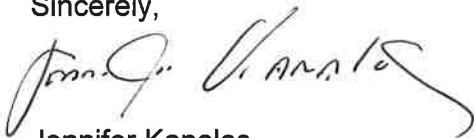
**Re: 2<sup>nd</sup> Amended & Restated Garfield Area Brownfield Redevelopment Plan**

Dear Honorable Council Members:

Please find enclosed the corrected Exhibit C to replace the Exhibit C submitted to the City of Detroit Clerk's Office on July 26, 2018 with the Second Amended and Restated Garfield Area Brownfield Redevelopment Plan.

A correction was made to the section reference highlighted in the attached Exhibit C.

Sincerely,



Jennifer Kanalos  
Authorized Agent

c City Clerk  
Marcel Todd  
Irvin Corley, Jr.  
David Whitaker  
Derrick Headd  
Marcel Hurt  
DeAndree Watson  
Malinda Jensen  
Matthew Walters  
Allen Rawls  
Brian Vosburg  
Stephanie Washington

K:\Art's And Wills\Arts DBRA Backup\Correspondence\City Council packet cover letters\2018 Cover Letters\2nd Amended and Restated Garfield Area Corrected Reso CC Transmittal Letter.docx

CITY CLERK 28 AUG 2018 AM 10:31



Detroit Brownfield Redevelopment Authority  
500 Griswold Street • Suite 2200  
Detroit, Michigan 48226  
Phone: 313 963-2940  
Fax: 313 963-8839

**CODE DBRA 18-07-116-09**

**GARFIELD AREA SECOND AMENDED AND RESTATED BROWNFIELD REDEVELOPMENT PLAN**

WHEREAS, pursuant to 381 PA 1996, as amended, ("Act 381"), the City of Detroit Brownfield Redevelopment Authority (the "DBRA") has been established by resolution of the City Council of the City of Detroit (the "City Council") for the purpose of promoting the revitalization of environmentally distressed areas in the City of Detroit; and

WHEREAS, under Act 381 the DBRA is authorized to develop and propose for adoption by City Council a brownfield plan for one or more parcels of eligible property; and

WHEREAS, in accordance with the policies, procedures and bylaws governing the DBRA, the DBRA has submitted a proposed brownfield plan for the Second Amended and Restated Brownfield Plan for the Garfield Area Development Redevelopment Project (the "Plan") to the Community Advisory Committee for its consideration and comment and has solicited comments from the public by publication of notice stating that the proposed Plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies; and

WHEREAS, the Community Advisory Committee has considered the proposed Plan and approved a resolution recommending the approval of the proposed Plan by the DBRA and the City Council as presented by the DBRA; and

WHEREAS, during the public meeting held by the DBRA Board of Directors on July 11, 2018, in accordance with Section 3(2)(a)(ii) of 317 PA 1968, as amended, DBRA Board Member, Sonya Mays, as the CEO of Develop Detroit, Inc. disclosed to the DBRA Board of Directors that Develop Detroit, Inc. has a pecuniary interest in the proposed Plan and any subsequent Reimbursement Agreement that may be executed by Develop Detroit, Inc. in connection with the Plan; and

WHEREAS, in accordance with the provisions of Act 381, the Board of Directors of the DBRA has considered the proposed Plan and desires to approve the proposed Plan and to request that City Council call a public hearing to consider and adopt a resolution approving the proposed Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. Two thirds (2/3) of the full membership of the Board of Directors of the DBRA, without the vote of Sonya Mays, has determined that the adoption of the brownfield plan for the **Second Amended and Restated Brownfield Plan for the Garfield Area Redevelopment**

**Project** is in keeping with the purposes of Act 381 and recommends submittal of the Plan to City Council for approval.

2. Two thirds (2/3) of the full membership of the Board of Directors of the DBRA, without the vote of Sonya Mays, approves the Plan substantially in the form attached hereto and in accordance with Section 3(2)(a) and (b) of 317 PA 1968, as amended. A copy of the Plan is on file with the Secretary of the DBRA.

3. Any Authorized Agent of the DBRA is authorized and directed to submit a certified copy of this Resolution and the Plan to the City Clerk, together with a request that City Council call a public hearing concerning the Plan and to take all other actions required to approve the Plan in accordance with Act 381.

4. That any one of the officers and any one of the Authorized Agents of the DBRA or any two of the Authorized Agents of the DBRA shall hereafter have the authority to negotiate and execute all documents, contracts, or other papers, and take such other actions, necessary or appropriate to implement the provisions and intent of this Resolution on behalf of the DBRA.

5. That all of the acts and transactions of any officer or authorized agent of the DBRA, in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

July 25, 2018

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# **DBRA**

Detroit Brownfield Redevelopment Authority  
500 Griswold Street • Suite 2200  
Detroit, Michigan 48226  
Phone: 313 963-2940  
Fax: 313 963-8839

August 29, 2018

Honorable City Council  
City of Detroit  
1340 Coleman A. Young Municipal Center  
Detroit, Michigan 48226

**Re: Lafayette West Brownfield Redevelopment Plan**

Dear Honorable Council Members:

The enclosed Brownfield Plan for the Lafayette West Redevelopment Project (the "Plan") (Exhibit A), was submitted by the Detroit Brownfield Redevelopment Authority Board (the "DBRA") to the Community Advisory Committee (the "CAC"). The Plan was considered and reviewed by the CAC at its August 8, 2018 meeting and a public hearing was held by the DBRA on August 15, 2018 to solicit public comments. The Committee's communication to the City Council and the DBRA, dated August 8, 2018 (Exhibit B), recommending approval of the Plan, including the minutes of the public hearing held by the DBRA, are enclosed for the City Council's consideration.

On August 22, 2018, the DBRA adopted a resolution (Exhibit C) approving the Plan and authorizing the submission of a copy of its resolution and the Plan to the City Clerk, together with a request that the Detroit City Council call a public hearing concerning the Plan and to take all other actions to approve the Plan in accordance with Act 381.

The Plan is now presented to the City Council for approval. The Detroit City Council will, after publication of the notices, hold a public hearing on the Plan. After the public hearing, the City Council shall determine whether the Plan constitutes a public purpose and, if so, may approve or reject the Plan or approve it with modifications.

Project Introduction

Lafayette Acquisition Partners, LLC is the project developer (the "Developer") for the Plan which entails a comprehensive, mixed-use redevelopment of the site. The current, vacant, obsolete 8-story university building and dilapidated parking lot will be demolished. The redevelopment, Lafayette West, is planned to consist of a 12-story tower, two 4-story residential buildings, and approximately 60 for-sale condominium townhomes. The tower will be serviced by an 4 level underground and aboveground parking structure and the two midrise buildings will be podium style developments with integrated ground level parking and four stories of apartments atop the parking.)

The total investment is estimated to be \$111 million. The Developer is requesting \$28,116,141.00 in TIF reimbursement, however only \$26,356,887.00 in TIF Reimbursement is projected to be captured for the life of the Plan.

There will be 428 temporary construction jobs and 8 FTE jobs. The 428 temporary construction jobs are expected to be created over a 2-year period once construction begins. The 8 FTE jobs may include retail positions, managerial positions, property maintenance staff, and parking attendants.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcel bounded by Rivard to the east, East Lafayette Street to the south, Chrysler Freeway to the west, and the Horatio Williams Center, which is on Antietam Avenue to the north in Detroit's Lafayette Park.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized as commercial as well as industrial purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be a "facility" as defined by Act 381.

Eligible Activities and Projected Costs

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Sec 2 of Act 381, because they include environmental assessment activities, due care activities and additional response activities (department-specific activities), demolition and lead and asbestos abatement, site preparation, infrastructure improvements, and development and preparation of a brownfield plan and Act 381 work plan(s). The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to commence within 18 months of approval of the Plan and be completed within 3 years.

Tax Increment Financing (TIF) Capture

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan pursuant to the terms of a Reimbursement Agreement with the DBRA.

**COSTS TO BE REIMBURSED WITH TIF**

1. Department Specific Activities	\$4,397,460.00
2. Demolition	\$1,500,000.00
3. Lead and Asbestos Activities	\$515,000.00
4. Site Preparation	\$1,252,500.00
5. Infrastructure Improvements	\$11,865,296.00
6. Brownfield Plan & Act 381 Work Plan	\$30,000.00
7. Cost Tracking Compliance	\$30,000.00
8. Contingency – (15%)	\$2,929,538.00
9. Interest (5% simple, after expiration of abatements)	\$5,596,346.00
<b>*Total Reimbursement to Developer</b>	<b>\$28,116,141.00</b>
10. Authority Administrative Costs	\$2,583,903.00
11. State Brownfield Redevelopment Fund	\$1,472,147.00
12. Local Site Remediation Revolving Fund	\$0.00
<b>TOTAL Estimated Costs</b>	<b>\$32,172,191.00</b>

Honorable City Council

August 29, 2018

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\*Developer is only projecting to receive \$26,356,887 in TIF Reimbursement

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Developer is seeking additional incentives, which will include local and/or state approval of Commercial Rehabilitation Act (CRA – PA 210) and Neighborhood Enterprise Zone (NEZ) Tax Abatements.

DBRA's Request

The DBRA is respectfully requesting the following actions from the City Council:

- a.) September 4, 2018  
City Council adoption of the Resolution (Exhibit D), setting the Lafayette West Brownfield Redevelopment Plan public hearing, as approved by the Planning and Economic Development Standing Committee Chair and the City of Detroit Clerk, for September 6, 2018 at 10:10 AM in the Council Chambers, 13<sup>th</sup> Floor of the Coleman A. Young Municipal Center, located at 2 Woodward Avenue, Detroit, Michigan.
- b.) September 20, 2018, 10:05 AM  
Discussion with taxing jurisdictions regarding the fiscal impact of the Plan.
- c.) September 20, 2018, 10:10 AM  
Public Hearing at City Council's Planning and Economic Development Standing Committee concerning the Lafayette West Brownfield Redevelopment Plan.
- d.) September 25, 2018  
City Council adoption of the Resolution approving the Lafayette West Brownfield Redevelopment Plan (Exhibit E).

Sincerely,



Jennifer Kanalos  
Authorized Agent

- C
- City Clerk
  - Marcel Todd
  - Irvin Corley, Jr.
  - David Whitaker
  - Derrick Headd
  - Marcel Hurt
  - DeAndree Watson
  - Malinda Jensen
  - Matthew Walters
  - Allen Rawls
  - Brian Vosburg
  - Stephanie Washington

Honorable City Council

August 29, 2018

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K:\Art's And Wills\Arts DBRA Backup\Correspondence\City Council packet cover letters\2018 Cover Letters\Lafayette West  
Brownfield Plan CC Transmittal Letter.docx



EXHIBIT A

CITY OF DETROIT  
BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN FOR THE  
LAFAYETTE WEST  
REDEVELOPMENT PROJECT

Prepared by:

Lafayette Acquisition Partners, LLC  
41800 West 11 Mile Road, Suite 209  
Novi, MI 48375  
Contact Person: Amin Irving  
Phone: (248) 515-2789

AKT Peerless  
333 W Fort Street, Suite 1410  
Detroit, MI 48226  
Contact Person: Bret Stuntz  
Phone: (313) 962-9353

August 29, 2018

**CITY OF DETROIT  
BROWNFIELD REDEVELOPMENT AUTHORITY  
BROWNFIELD PLAN**

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## I. INTRODUCTION

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In order to promote the revitalization of environmentally distressed and blighted areas within the boundaries of the City of Detroit, Michigan (the “City”), the City has established the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) pursuant to Michigan Public Act 381 of 1996, as amended (“Act 381”).

The primary purpose of this Brownfield Plan (“Plan”) is to promote the redevelopment of and private investment in certain “brownfield” properties within the City. Inclusion of property within this Plan will facilitate financing of environmental response and other eligible activities at eligible properties and will also provide tax incentives to eligible taxpayers willing to invest in revitalization of eligible sites, commonly referred to as “brownfields.” By facilitating redevelopment of brownfield properties, this Plan is intended to promote economic growth for the benefit of the residents of the City and all taxing units located within and benefited by the DBRA.

This Plan is intended to apply to the eligible property identified in this Plan and, if tax increment revenues are proposed to be captured from that eligible property, to identify and authorize the eligible activities to be funded by such tax increment revenues.

This Plan is intended to be a living document, which may be modified or amended in accordance with the requirements of Act 381, as necessary to achieve the purposes of Act 381. The identification or designation of a developer or proposed use for the eligible property shall not necessitate an amendment to this Plan, affect the application of this Plan to the eligible property, or impair the rights available to the DBRA under this Plan. The applicable sections of Act 381 are noted throughout the Plan for reference purposes.

This Plan describes the project to be completed (see Attachment C) and contains all the information required by Section 13(2) of Act 381.

**II. GENERAL PROVISIONS**

---

**A. Description of the Eligible Property (Section 13 (2)(h)) and the Project**

The property comprising the eligible property consists of a single parcel, 1401 Rivard Street, Detroit, Michigan, which is a “facility”. The parcel and all tangible personal property located thereon will comprise the eligible property and is referred to herein as the “Property.”

Attachment A includes a site map of the Property. The Property is located in Detroit’s Lafayette Park on the east side of Detroit, bounded by Rivard to the east, East Lafayette Street to the south, Chrysler Freeway to the west, and the Horatio Williams Center, which is on Antietam Avenue to the north.

Parcel information is outlined below.

Address	1401 Rivard Street
Parcel ID	05003750-82
Owner	Lafayette Acquisition Partners, LLC
Legal Description	W RIVARD PART OF LOT 24 LAFAYETTE PARK SUB L80 P87-91 PLATS WCR 5/148 DESC AS BEG AT A PTE DISTANT S 28D 04 M 53 S 169.01 FT FROM THE INTERSECTION OF THE SLY LINE ANTIETAM AND THE WLY LINE OF RIVARD THENCE S 28D 04M 53S E 111.27 FT THENCE S 26D 02M 57S E 526.67 FT THENCE S 59D 52M 15S 287.05 FT THENCE N 26D 02M 57S 315.07 FT THENCE N 32D 09M 51S W 560.00 FT THENCE N 04D 48M 18S E 53.48 FT THENCE ALG THE SLY LINE OF ANTIETAM ON A CUR TO THE LEFT WHOSE RADIUS IS 358.34 AN ARC DISTANCE OF 158.14 FT CH OF SD CUR BEARS S 86D 07M 51S E 156.86 FT THENCE S 09D 22M 51S E 122.37 FT THENCE N 80D 37M 09S E 223.13 FT TO POB 227,283 SQ FT

Lafayette Acquisition Partners, LLC is the project developer (“Developer”) and acquired the Property on June 28, 2018. The Project is a comprehensive, mixed-use redevelopment of the site. The vacant, obsolete 8-story university building and dilapidated parking lot currently situated on the Property will be demolished. The redevelopment, currently referred to as “Lafayette West”, is planned to consist of a 12-story tower, two 4-story residential buildings, and approximately 60 for-sale condominium townhomes. The tower will be serviced by an attached 4-story parking structure (one sublevel and three above ground levels containing a total of 182 spaces) and the two (2) midrise buildings will be podium style developments with integrated ground level parking and four (4) stories of apartments atop the parking. It is currently anticipated construction will begin in the fall of

2018 and eligible activities will be completed within two (2) years. The project description provided herein is a summary of the proposed development at the time of the adoption of the Plan. The actual development may vary from the project description provided herein, without necessitating an amendment to this Plan, so long as such variations are not material and arise as a result of changes in market and/or financing conditions affecting the project and/or are related to the addition or immaterial removal of amenities to the project. All material changes, as determined by DBRA in its sole discretion, to the project description are subject to the approval of the DBRA staff and shall be consistent with the overall nature of the proposed development, its proposed public purpose, and the purposes of Act 381.

Attachment C provides a detailed description of the project and eligible activities to be completed at the Property (the "Project"), and Attachment D includes letters of support for the Project.

**B. Basis of Eligibility (Section 13 (2)(h) and Section 2 (p))**

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized as commercial as well as industrial purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be a "facility" as defined by Act 381.

AKT Peerless completed a Phase II Environmental Site Assessment (ESA) on January 30, 2018. In order to evaluate the recognized environmental conditions (RECs) on the Property, AKT Peerless conducted a subsurface investigation of the Property that included: (1) a targeted ground penetrating radar survey, (2) the advancement of 22 soil borings, and (3) the collection of 22 soil samples. The following samples were submitted for laboratory analyses:

- 22 soil samples for volatile organic compounds (VOCs), polynuclear aromatic hydrocarbons (PNAs), Michigan Metals (arsenic, barium, cadmium, chromium (total), copper, lead, mercury, selenium, silver, and zinc), and polychlorinated biphenyls (PCBs).

The results of the Phase II ESA indicated the following:

- Arsenic, cadmium, chromium (total), lead, mercury, and selenium were detected in the subject property soil at concentrations that exceed the MDEQ DWP GRCC.
- Arsenic, barium, cadmium, chromium (total), copper, mercury, selenium, silver, and zinc identified at the subject property exceed the Groundwater Surface Water Interface Protection Criteria.
- Chemicals of concern were not identified at concentrations that exceed the MDEQ Volatilization to Indoor Air Inhalation Cleanup Criteria or the Infinite Source Volatile Soil Inhalation Criteria. However, mercury, benzene, ethylbenzene, trichloroethylene, 1,2,3-trimethylbenzene, and xylenes were identified at the MDEQ August 2017 Media Specific Volatilization to Indoor Air Interim Action Screening Levels.

- Chromium (total) was identified at concentrations that exceed the MDEQ Particulate Soil Inhalation Cleanup Criteria.
- Arsenic, lead, and benzo(a)pyrene were detected at concentrations that exceed the MDEQ Direct Contact Cleanup Criteria.

Based on laboratory analytical results, the Property meets the definition of a “facility,” as defined in Part 201 of the NREPA, Michigan Public Act (PA) 451, 1994, as amended.

**C. Summary of Eligible Activities and Description of Costs (Section 13 (2)(a),(b))**

The “eligible activities” that are intended to be carried out at the Property are considered “eligible activities” as defined by Section 2(o) of Act 381, because they include environmental assessment activities, due care activities and additional response activities (department-specific activities), demolition and lead and asbestos abatement, site preparation, infrastructure improvements, and development and preparation of a brownfield plan and Act 381 work plan(s).

A summary of the eligible activities and the estimated cost of each eligible activity intended to be paid for with Tax Increment Revenues from the Property are shown in the table attached hereto as Attachment E. The eligible activities described in Attachment E are not exhaustive. Subject to the approval of DBRA staff in writing, additional eligible activities may be carried out at the Property, without requiring an amendment to this Plan, so long as such eligible activities are permitted by Act 381 and the costs of such eligible activities does not exceed the total costs stated in Attachment E.

Unless otherwise agreed to in writing by the DBRA, all eligible activities shall commence within eighteen (18) months after the date the governing body approves this Plan and be completed within three (3) years after approval of the Michigan Strategic Fund work plan, if applicable, or three (3) years after execution of the Reimbursement Agreement (as that term is defined below). Any long-term monitoring or operation and maintenance activities or obligations that may be required will be performed in compliance with the terms of this Plan and any documents prepared pursuant to this Plan.

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property pursuant to the terms of a Reimbursement Agreement to be executed by the DBRA and the Developer after approval of this Plan (the “Reimbursement Agreement”), to the extent permitted by Act 381. In the event this Plan contemplates the capture of tax increment revenue derived from “taxes levied for school operating purposes” (as defined by Section 2(uu) of Act 381 and hereinafter referred to as “School Taxes”), the Developer acknowledges and agrees that DBRA’s obligation to reimburse the Developer for the cost of eligible activities with tax increment revenue derived from Local Taxes, or Specific Taxes that are considered Local Taxes, (as these capitalized terms are defined by Act 381) is contingent upon: (i) the Developer receiving at least the initial applicable work plan approvals by the Michigan Strategic Fund and the Michigan Department of Environmental Quality, as may be required

pursuant to Act 381, or (ii) the Developer providing the DBRA with evidence, satisfactory to DBRA, that the Developer has the financial means to complete the project without the capture of, and subsequent reimbursement with, the contemplated School Taxes.

The costs listed in Attachment E are estimated costs and may increase or decrease depending on the nature and extent of environmental contamination and other unknown conditions encountered on the Property. The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement. No costs of eligible activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of the Reimbursement Agreement and Act 381. The Reimbursement Agreement and this Plan will dictate the total cost of eligible activities subject to payment or reimbursement, provided that the total cost of eligible activities subject to payment or reimbursement under the Reimbursement Agreement shall not exceed the estimated costs set forth in Attachment E. As long as the total costs are not exceeded, line item costs of eligible activities may be adjusted after the date this Plan is approved by the governing body, to the extent the adjustments do not violate the terms of the approved MDEQ or MSF work plan.

**D. Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(2)(c)); Beginning Date of Capture of Tax Increment Revenues (Section 13(2)(f)); Impact of Tax Increment Financing on Taxing Jurisdictions (Section 13(2)(g))**

This Plan anticipates the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities under this Plan in accordance with the Reimbursement Agreement. Subject to Section 13(b)16 of Act 381, a table of estimated tax increment revenues to be captured is attached to this Plan as Attachment F.

Tax increments are projected to be captured and applied to (i) reimbursement of eligible activity costs and payment of DBRA administrative and operating expenses, (ii) make deposits into the State Brownfield Redevelopment Fund, and (iii) make deposits into the DBRA's Local Brownfield Revolving Fund, as follows:



	Millage Rate	Developer Reimbursement	BRA Admin. Reimbursement	State Revolving Fund
<u>School Capture</u>				
State Education Tax (SET)	6.0000	\$ 2,773,339		\$ 1,472,147
School Operating Tax	18.0000	\$ 8,320,017		
<u>Local Capture</u>				
Wayne Co	0.9897	\$ 365,560	\$ 61,884	
WC Jails	0.9381	\$ 346,501	\$ 58,658	
WC Parks	0.2459	\$ 90,827	\$ 15,376	
WC HCMA	0.2140	\$ 79,044	\$ 13,381	
WC RESA	0.0965	\$ 35,644	\$ 6,034	
WC RESA SP ED	3.3678	\$ 1,243,945	\$ 210,582	
WC RESA ENH	2.0000	\$ 738,728	\$ 125,056	
WC Comm College	3.2408	\$ 1,197,035	\$ 202,641	
General City	19.9520	\$ 7,369,554	\$ 1,247,563	
Library	4.6307	\$ 1,710,415	\$ 289,549	
WC Tax	5.6483	\$ 2,086,280	\$ 353,178	
<b>TOTALS</b>		<b>\$ 26,356,887</b>	<b>\$ 2,583,903</b>	<b>\$ 1,472,147</b>

In addition, the following taxes are projected to be generated but shall not be captured by the DBRA during the life of this Plan.

Zoo	0.1000	\$ 46,183		
DIA	0.2000	\$ 92,366		
Debt Service	8.2437	\$ 3,807,183		
School Debt	13.0000	\$ 6,003,782		
<b>TOTAL</b>		<b>\$ 9,949,514</b>		

The Developer anticipates approval of an Act 210 Commercial Rehabilitation Act Tax Abatement (CRA) and Neighborhood Enterprise Zone Tax Abatement (NEZ) on the Property for the Project. In the event the CRA and/or NEZ is approved, the tax abatements will reduce the property tax obligations of the eligible property for the periods applicable under the applicable abatement certificates, thereby reducing the amount of tax increment revenues available under this Plan.

In no event shall the duration of this Plan exceed thirty-five (35) years following the date of the governing body's resolution approving this Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (5) of Section 13 of Act 381 or 30 years. Further, in no event shall the beginning date of the capture of tax increment revenues be later than five (5) years after the date of the governing body's resolution approving this Plan or such other date as authorized by Act 381.

**E. Plan of Financing (Section 13(2)(d)); Maximum Amount of Indebtedness (Section 13(2)(e))**

The eligible activities are to be financed solely by the Developer. The DBRA will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated from the Property. No advances have been or shall be made by the City or the DBRA for the costs of eligible activities under this Plan.

All reimbursements authorized under this Plan shall be governed by the Reimbursement Agreement. The inclusion of eligible activities and estimates of costs to be reimbursed in this Plan are intended to authorize the DBRA to fund such reimbursements and does not obligate the DBRA or the City to fund any reimbursement or to enter into the Reimbursement Agreement providing for the reimbursement of any costs for which tax increment revenues may be captured under this Plan, or which are permitted to be reimbursed under this Plan. The amount and source of any tax increment revenues that will be used for purposes authorized by this Plan, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by this Plan, will be provided solely under the Reimbursement Agreement contemplated by this Plan.

Unless otherwise agreed upon by the Developer, the DBRA, and the State of Michigan, the DBRA shall not incur any note or bonded indebtedness to finance the purposes of this Plan.

Interest shall be paid under this Plan as provided in the Reimbursement Agreement, provided that to the extent that the Michigan Strategic Fund or Michigan Department of Environmental Quality does not approve the payment of interest on an eligible activity with school taxes, interest shall not accrue or be paid under this Plan with respect to the cost of such eligible activity. Unless otherwise agreed upon by the Developer, the DBRA, and the State of Michigan, the DBRA may approve interest on the local portion of the reimbursement to the extent that the projected internal rate of return to the Developer does not exceed twenty (20%), as more specifically stated in the Reimbursement Agreement.

Reimbursements under the Reimbursement Agreement shall not exceed the cost of Eligible Activities permitted under this Plan.

**F. Duration of Plan (Section 13(2)(f))**

Subject to Section 13b(16) of Act 381, the beginning date of capture of tax increment revenues for each eligible property shall occur in accordance with the Tax Increment Financing (TIF) table described in Exhibit F. In no event, however, shall this Plan extend beyond the maximum term allowed by Section 13(2)(f) of Act 381 for the duration of this Plan.

Furthermore, this Plan, or any subsequent amendment thereto, may be abolished or terminated in accordance with Section 14(8) of Act 381 in the event of any of the following:

a. The governing body may abolish this Plan (or any subsequent amendment thereto) when it finds that the purposes for which this Plan was established have been accomplished.

b. The governing body may terminate this Plan (or any subsequent amendment thereto) if the project for which eligible activities were identified in this Plan (or any subsequent amendment thereto) fails to occur with respect to the eligible property for at least two (2) years following the date of the governing body resolution approving this Plan (or any subsequent amendment thereto), provided that the governing body first does both of the following: (i) gives 30 days' written notice to the Developer at its last known address by certified mail or other method that documents proof of delivery attempted; and (ii) provides the Developer with an opportunity to be heard at a public meeting.

Notwithstanding anything in this subsection to the contrary, this Plan (or any subsequent amendment thereto) shall not be abolished or terminated until the principal and interest on bonds, if any, issued under Section 17 of Act 381 and all other obligations to which the tax increment revenues are pledged have been paid or funds sufficient to make the payment have been identified or segregated.

**G. Effective Date of Inclusion in Brownfield Plan**

The Property will become a part of this Plan on the date this Plan is approved by the governing body.

**H. Displacement/Relocation of Individuals on Eligible Property (Section 13(2)(i-l))**

There are no persons or businesses residing on the eligible property and no occupied residences will be acquired or cleared, therefore there will be no displacement or relocation of persons or businesses under this Plan.

**I. Local Brownfield Revolving Fund ("LBRF") (Section 8; Section 13(2)(m))**

The DBRA has established a Local Brownfield Revolving Fund (LBRF). The LBRF will consist of all tax increment revenues authorized to be captured and deposited in the LBRF, as specified in Section 13(5) of Act 381, under this Plan and any other plan of the DBRA. It may also include funds appropriated or otherwise made available from public or private sources.

The amount of tax increment revenue authorized for capture and deposit in the LBRF is estimated at \$0. All funds, if any, deposited in the LBRF shall be used in accordance with Section 8 of Act 381.

**J. Brownfield Redevelopment Fund (Section 8a; Section 13(2)(m))**

The DBRA shall pay to the Department of Treasury at least once annually an amount equal to 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, that are captured under this Plan for up to the first twenty-five (25) years of the duration of capture of tax increment revenues for each eligible property included in this Plan. If the DBRA pays an amount equal to 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, on a parcel of eligible property to the Department of Treasury under Section 13b(14) of Act 381, the percentage of local taxes levied on that parcel and used to reimburse eligible activities for the Project under this Plan shall not exceed the percentage of local taxes levied on that parcel that would have been used to reimburse eligible activities for the Project under this Plan if the 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, on that parcel were not paid to the Department of Treasury under Section 13b(14) of Act 381.

**K. Developer's Obligations, Representations and Warrants**

The Developer and its affiliates shall comply with all applicable laws, ordinances, executive orders, or other regulations imposed by the City or any other properly constituted governmental authority with respect to the Property and shall use the Property in accordance with this Plan.

The Developer, at its sole cost and expense, shall be solely responsible for and shall fully comply with all applicable federal, state, and local relocation requirements in implementing this Plan.

The Developer represents and warrants that a Phase I Environmental Site Assessment ("ESA"), and if appropriate, a Phase II ESA, baseline environmental assessment, and due care plan, pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act (MCL 324.20101 *et seq.*), have been or will be performed on the Property ("Environmental Documents"). Attached hereto as Attachment G is the City of Detroit's Department of Buildings, Safety Engineering and Environmental acknowledgement of its receipt of the Phase I ESA and the Phase II ESA.

The Developer further represents and warrants that the Project does not and will not include a City of Detroit Land Bank Authority, Wayne County Land Bank Authority or State of Michigan Land Bank financing component.

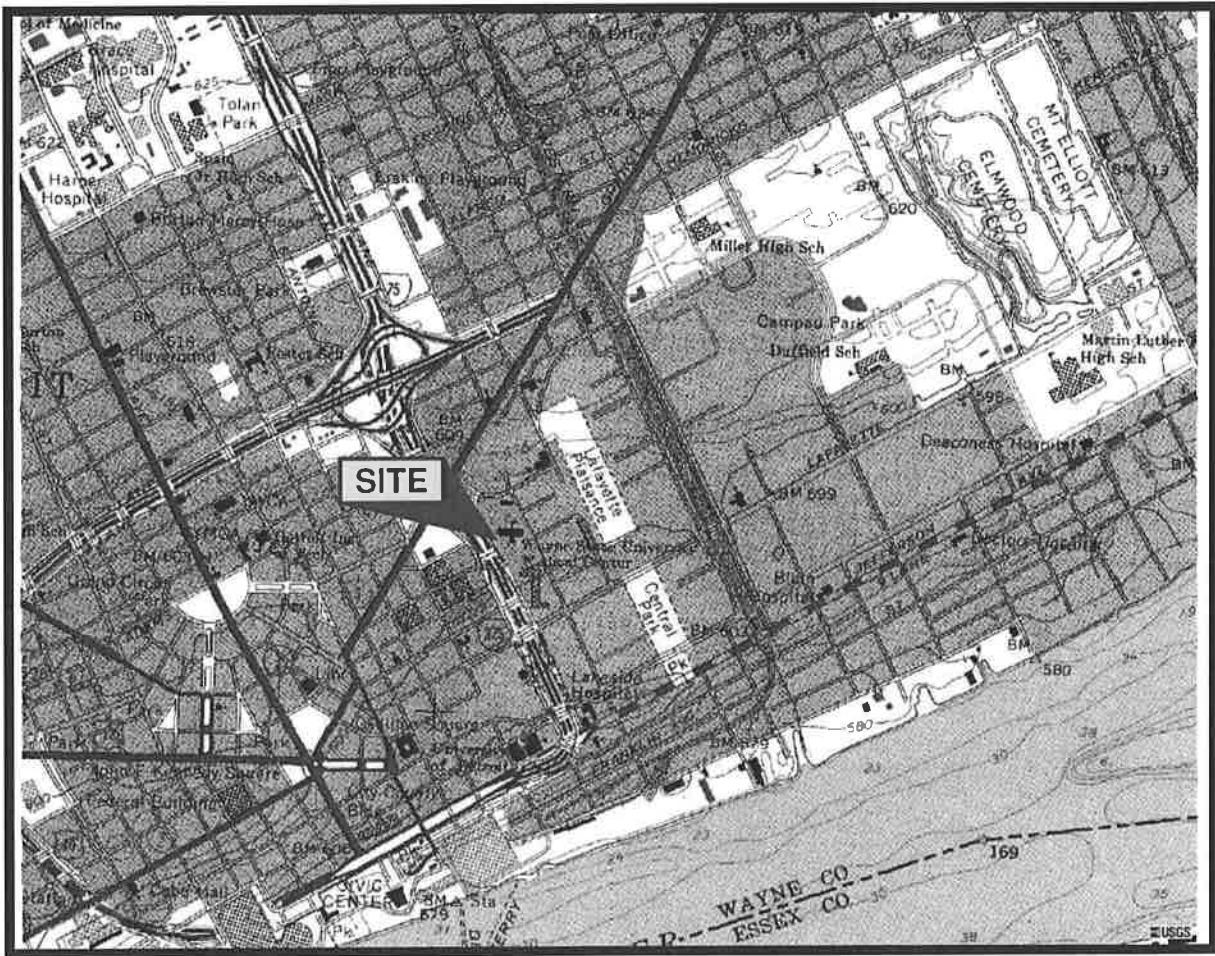
Except as otherwise agreed to by the DBRA, any breach of a representation or warranty contained in this Plan shall render the Plan invalid, subject to the Developer's reasonable opportunity to cure as described in the Reimbursement Agreement.

### **III. ATTACHMENTS**

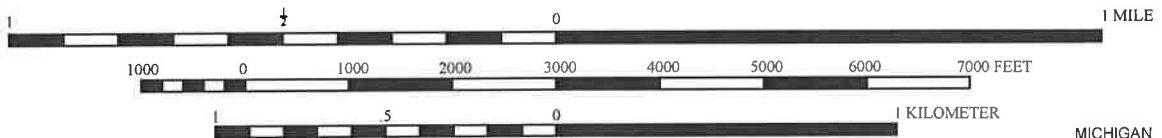
**ATTACHMENT A**

**Site Map**

DETROIT QUADRANGLE  
 MICHIGAN - WAYNE COUNTY  
 7.5 MINUTE SERIES (TOPOGRAPHIC)



T.2 S. - R.12 E.



CONTOUR INTERVAL 5 FEET  
 DATUM IS MEAN SEA LEVEL



IMAGE TAKEN FROM 1968 U.S.G.S. TOPOGRAPHIC MAP  
 PHOTOREVISED 1973

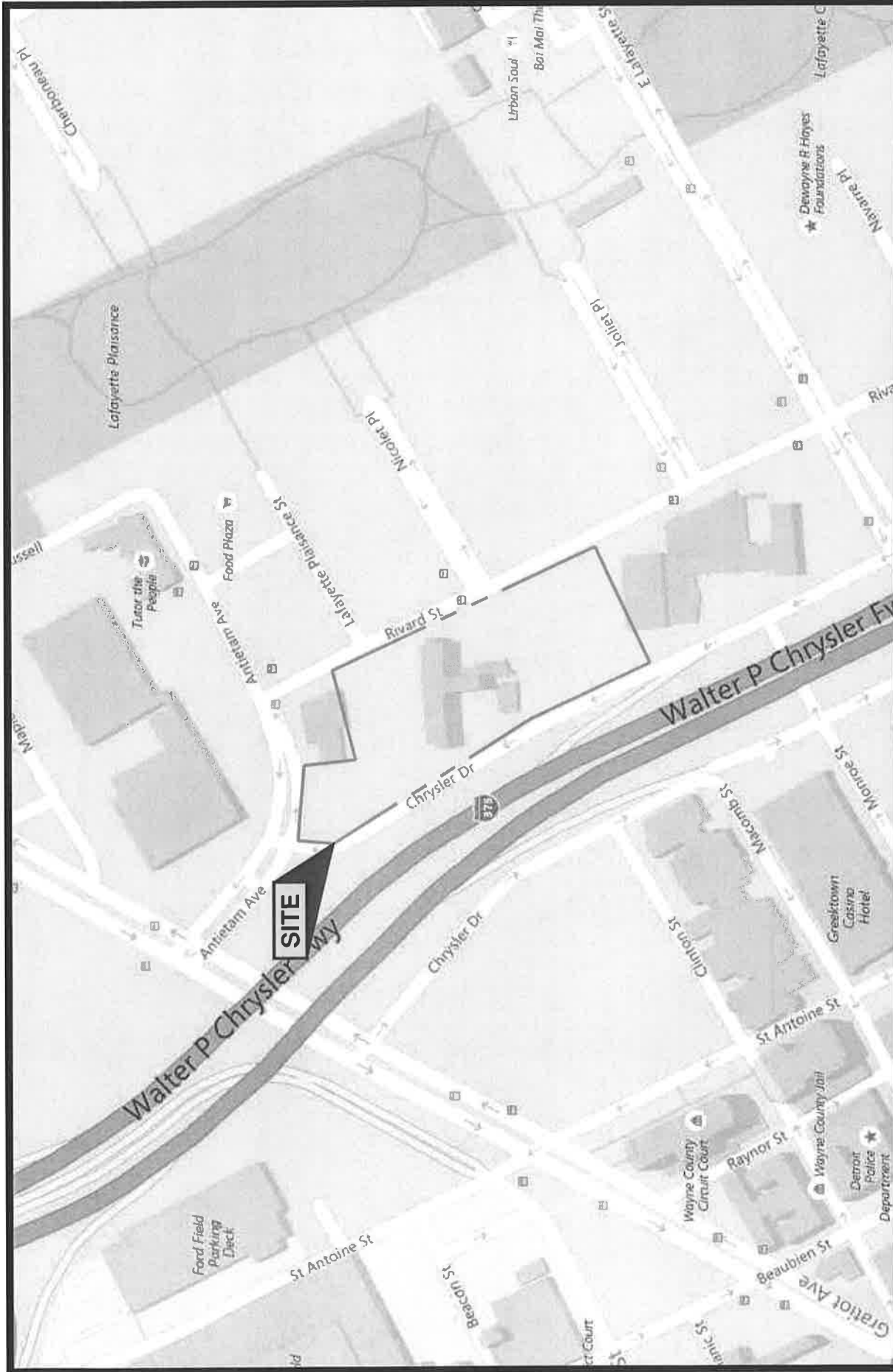
**AKT** PEERLESS  
 www.aktpeerless.com

**TOPOGRAPHIC LOCATION MAP**

1401 RIVARD STREET  
 DETROIT, MICHIGAN  
 PROJECT NUMBER: 12862F-2-17

DRAWN BY: ARR  
 DATE: 11/28/2017

FIGURE 1



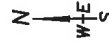
**SUBJECT PROPERTY LOCATION MAP**

1401 RIVARD STREET  
 DETROIT, MICHIGAN  
 PROJECT NUMBER: 12862F-2-17



[www.aktpeerless.com](http://www.aktpeerless.com)

**LEGEND**



DRAWN BY: ARR  
 DATE: 11/27/2017

FIGURE 2



**ATTACHMENT B**

**Legal Descriptions of Eligible Property to which the Plan Applies**

Address	1401 Rivard Street
Parcel ID	05003750-82
Owner	Lafayette Acquisition Partners LLC
Legal Description	W RIVARD PART OF LOT 24 LAFAYETTE PARK SUB L80 P87-91 PLATS WCR 5/148 DESC AS BEG AT A PTE DISTANT S 28D 04 M 53 S 169.01 FT FROM THE INTERSECTION OF THE SLY LINE ANTIETAM AND THE WLY LINE OF RIVARD THENCE S 28D 04M 53S E 111.27 FT THENCE S 26D 02M 57S E 526.67 FT THENCE S 59D 52M 15S 287.05 FT THENCE N 26D 02M 57S 315.07 FT THENCE N 32D 09M 51S W 560.00 FT THENCE N 04D 48M 18S E 53.48 FT THENCE ALG THE SLY LINE OF ANTIETAM ON A CUR TO THE LEFT WHOSE RADIUS IS 358.34 AN ARC DISTANCE OF 158.14 FT CH OF SD CUR BEARS S 86D 07M 51S E 156.86 FT THENCE S 09D 22M 51S E 122.37 FT THENCE N 80D 37M 09S E 223.13 FT TO POB 227,283 SQ FT

**ATTACHMENT C**

**Project Description**

## Project Description – Lafayette West Redevelopment

<b>Project Developer:</b>	Lafayette Acquisition Partners, LLC
<b>Project Location:</b>	1401 Rivard Street
<b>Capital Investment:</b>	~\$111 million
<b>Eligible Activities:</b>	~\$28,116,141 (Department Specific Activities, Lead & Asbestos Abatement, Demolition, Site Preparation, Infrastructure Improvements, 15% Contingency on aforementioned activity costs and Preparation of a Brownfield Plan and Act 381 Work Plan.)
<b>Type of Eligible Property:</b>	Facility

**Project Overview:** Lafayette Acquisition Partners, LLC is planning to redevelop the approximately 5.5-acre property currently containing the former Shapero Hall, which was a Wayne State University facility. A comprehensive redevelopment plan has not yet been finalized, but will likely incorporate mixed-use residential and retail uses including a 12-story tower, two 4-story residential buildings, and approximately 60 for-sale condominium townhomes. The tower will be serviced by a 4-level underground & aboveground parking structure and the two midrise buildings will be podium style developments with integrated ground level parking and four stories of apartments atop the parking. The new development will be harmonious with existing development in adjacent Lafayette Park. It is also in close proximity to District Detroit, Greektown, East Riverfront, and Eastern Market.

The Project also anticipates local and state approval of Commercial Rehabilitation Act (CRA) and Neighborhood Enterprise Zone (NEZ) Tax Abatements and Act 381 Work Plans.

The 12-story tower will have a ~10,000 square foot footprint; the two 4-story buildings are planned for ~13,000 and 22,000 square foot footprints, respectively. The city grid will be restored onsite, and improvements will be made to utilities and landscaping.

Commencement is anticipated in fall 2018. Completion is anticipated within two years. The final development plans and will be determined based on market changes and community need. However, the primary objective will be to radically transform this underutilized property into a landmark redevelopment, attracting new residents, creating new jobs and stimulating further redevelopment on nearby properties.

**ATTACHMENT D**

**Supportive Letters**



# HORATIO WILLIAMS FOUNDATION

*Leadership For Life*

August 1, 2018

Brian Vosburg, AICP  
Brownfield Redevelopment Manager  
Detroit Economic Growth Corporation  
500 Griswold, Suite 2200  
Detroit, MI 48226

RE: Lafayette West Brownfield Project

Dear Mr. Vosburg,

As the Founder of the Horatio Williams Foundation, I am writing you to assert our support for the Lafayette West brownfield redevelopment project, which will radically transform a long-vacant property in our neighborhood.

The Horatio Williams Foundation is a non-profit organization founded in 2005 to find a way to give kids a "SECOND CHANCE". Our goal is to be lifelong vehicles to helping children become leaders. Our teamwork approach requires every participant to develop trust, build integrity, and give as a servant to our community, while participating in our events and programs.

We are very excited for this new development as it will provide a range of housing options in the Lafayette Park neighborhood and attract new residents. The Horatio Williams Foundation owns the building just North of the proposed Lafayette West development initiative. We support the Lafayette West development initiative because it has the potential to be a major catalyst in the enhancement of the Lafayette Park neighborhood, which is simply an extension of the wonderful revitalization efforts happening in within the City of Detroit. It also affords the area with more households of all socio-economic backgrounds to utilize the life changing services of the Horatio Williams Foundation.

Sincerely,

  
Horatio Williams  
Founder

**1010 ANTIETAM  
DETROIT MI 48207**

---

**313.567.4945 phone**  
**313.567.4945 fax**  
**horatiowilliamsfoundation.org**

Woodward Academy  
951 E Lafayette Ave.  
Detroit, MI 48207

August 1, 2018

Brian Vosburg, AICP  
Brownfield Redevelopment Manager  
Detroit Economic Growth Corporation  
500 Griswold, Suite 2200  
Detroit, MI 48226

RE: Lafayette West Brownfield Project

Dear Mr. Vosburg,

As the Managing Member of Smiling Angel, LLC., I am writing to you to assert our support for the Lafayette West brownfield redevelopment project, which will radically transform a long-vacant property in our neighborhood.

Smiling Angel, LLC owns the Woodward Academy school site adjacent to the proposed Lafayette West development initiative.

We are very excited for this new development as it will provide a range of housing options in the Lafayette Park neighborhood and attract new residents. Smiling Angel, LLC supports the Lafayette West development initiative as it not only is a pedestrian focused sustainable community designed to complement Lafayette Park's architectural and design heritage, but it continues the restoration and alignment of the street grid that reconnect the neighborhood with the downtown district.

Sincerely,

A handwritten signature in black ink, appearing to read 'Isaac Hanna', with a long horizontal flourish extending to the right.

Isaac Hanna  
Member

**WIRELESS GIANT HEADQUARTERS**  
32000 STEPHENSON HWY  
MADISON HEIGHTS, MI 48071

**ATTACHMENT E**

**Estimated Cost of Eligible Activities Table**



**Table 1. Eligible Activities**

Lafayette West  
 1401 Rivard Street  
 Detroit, MI  
 AKT Peerless Project No. 12862f2  
 As of August 29, 2018

<b>ELIGIBLE ACTIVITIES COST SUMMARY</b>		<b>Estimated Cost of Eligible Activity</b>
MDEQ Department Specific Activities (e.g. environmental testing, soil remediation)		\$ 4,397,460
<b>TOTAL ENVIRONMENTAL ELIGIBLE ACTIVITIES</b>		<b>\$ 4,397,460</b>
Demolition		\$ 1,500,000
Lead and Asbestos Activities		\$ 515,000
Site Preparation Activities		\$ 1,252,500
Eligible Infrastructure Improvement Activities		\$ 11,865,296
<b>TOTAL NON-ENVIRONMENTAL ELIGIBLE ACTIVITIES</b>		<b>\$ 15,132,796</b>
<b>Total Environmental and Non-Environmental Eligible Activities</b>		<b>\$ 19,530,256</b>
	15% Contingency on Eligible Activities	\$ 2,929,538
Brownfield Plan & Act 381 WP Preparation Activities		\$ 30,000
Brownfield Tracking, Reporting and Compliance		\$ 30,000
<b>Total Eligible Activities Cost with 15% Contingency</b>		<b>\$ 22,519,794</b>
Interest (calculated at 5% simple, after expiration of Abatements)		\$ 5,596,346
<b>Total Eligible Activities Cost, with Contingency &amp; Interest</b>		<b>\$ 28,116,141</b>
BRA Administration Fee		\$ 2,583,903
State Revolving Fund		\$ 1,472,147
Local Brownfield Revolving Fund (LBRF)		\$ -
<b>Total Eligible Costs for Reimbursement</b>		<b>\$ 32,172,191</b>

**ATTACHMENT F**

**TIF Tables**

Table 2. Tax Increment Revenue Estimates

1401 Board Street  
 Detroit, MI  
 AKT Peerless Project No. 1282F  
 As of August 1, 2018

Line	Description	Plan Year												End of M3		
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		2032	2033
2	Estimated TV increase rate: 1.01															
3	Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
4	Initial Taxable Value \$	278,104	\$ 278,104	\$ 278,104	\$ 278,104	\$ 278,104	\$ 278,104	\$ 278,104	\$ 278,104	\$ 278,104	\$ 278,104	\$ 278,104	\$ 278,104	\$ 278,104	\$ 278,104	\$ 278,104
5	Estimated New TV \$	5,933,491	\$ 17,505,613	\$ 15,595,472	\$ 19,791,427	\$ 19,969,341	\$ 20,189,231	\$ 20,391,127	\$ 20,595,038	\$ 20,800,969	\$ 21,008,998	\$ 21,219,048	\$ 21,431,279	\$ 21,645,592	\$ 21,862,048	\$ 22,080,659
6	Incremental Difference (New TV - Initial TV) \$	5,655,387	\$ 17,628,709	\$ 19,317,368	\$ 19,513,323	\$ 19,711,337	\$ 19,911,131	\$ 20,113,029	\$ 20,316,934	\$ 20,522,885	\$ 20,730,894	\$ 20,940,944	\$ 21,153,175	\$ 21,367,488	\$ 21,583,844	\$ 21,802,255
7	Plan Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
8	Tax Jurisd.	29,524	\$ 96,624	\$ 102,136	\$ 103,174	\$ 104,222	\$ 105,281	\$ 106,351	\$ 107,431	\$ 108,522	\$ 109,624	\$ 110,737	\$ 111,861	\$ 112,996	\$ 114,141	\$ 115,297
9	Incremental	29,524	\$ 96,624	\$ 102,136	\$ 103,174	\$ 104,222	\$ 105,281	\$ 106,351	\$ 107,431	\$ 108,522	\$ 109,624	\$ 110,737	\$ 111,861	\$ 112,996	\$ 114,141	\$ 115,297
10	Tax Jurisd.	5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006
11	Incremental	5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006
12	Tax Jurisd.	74,384	\$ 262,428	\$ 265,102	\$ 267,803	\$ 270,532	\$ 273,287	\$ 276,070	\$ 278,881	\$ 281,719	\$ 284,587	\$ 287,483	\$ 290,408	\$ 293,362	\$ 296,345	\$ 299,359
13	Incremental	74,384	\$ 262,428	\$ 265,102	\$ 267,803	\$ 270,532	\$ 273,287	\$ 276,070	\$ 278,881	\$ 281,719	\$ 284,587	\$ 287,483	\$ 290,408	\$ 293,362	\$ 296,345	\$ 299,359
14	School Total	1,669	\$ 1,669	\$ 1,669	\$ 1,669	\$ 1,669	\$ 1,669	\$ 1,669	\$ 1,669	\$ 1,669	\$ 1,669	\$ 1,669	\$ 1,669	\$ 1,669	\$ 1,669	\$ 1,669
15	State Education Tax (SET)	29,524	\$ 96,624	\$ 102,136	\$ 103,174	\$ 104,222	\$ 105,281	\$ 106,351	\$ 107,431	\$ 108,522	\$ 109,624	\$ 110,737	\$ 111,861	\$ 112,996	\$ 114,141	\$ 115,297
16	Incremental	29,524	\$ 96,624	\$ 102,136	\$ 103,174	\$ 104,222	\$ 105,281	\$ 106,351	\$ 107,431	\$ 108,522	\$ 109,624	\$ 110,737	\$ 111,861	\$ 112,996	\$ 114,141	\$ 115,297
17	School Operating Tax*	5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006
18	Incremental	5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006	\$ 5,006
19	Percent of new development anticipated to be homestead exempt: 23%															
20	Total School Captured Taxes	104,508	\$ 359,052	\$ 367,238	\$ 370,977	\$ 374,754	\$ 378,568	\$ 382,421	\$ 386,312	\$ 390,241	\$ 394,211	\$ 398,219	\$ 402,268	\$ 410,160	\$ 418,169	\$ 426,296
21	Local Captured Taxes	275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275
22	Wayne Co	339	\$ 685	\$ 1,031	\$ 1,042	\$ 1,053	\$ 1,063	\$ 1,073	\$ 1,084	\$ 1,095	\$ 1,106	\$ 1,116	\$ 1,127	\$ 1,138	\$ 1,149	\$ 1,160
23	Incremental	339	\$ 685	\$ 1,031	\$ 1,042	\$ 1,053	\$ 1,063	\$ 1,073	\$ 1,084	\$ 1,095	\$ 1,106	\$ 1,116	\$ 1,127	\$ 1,138	\$ 1,149	\$ 1,160
24	WC JMIH	261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261
25	Incremental	261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261
26	WC Parks	68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68
27	Incremental	68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68	\$ 68
28	WC HGMA	170	\$ 256	\$ 259	\$ 261	\$ 264	\$ 267	\$ 269	\$ 272	\$ 275	\$ 278	\$ 281	\$ 284	\$ 287	\$ 290	\$ 293
29	Incremental	170	\$ 256	\$ 259	\$ 261	\$ 264	\$ 267	\$ 269	\$ 272	\$ 275	\$ 278	\$ 281	\$ 284	\$ 287	\$ 290	\$ 293
30	WC RESA	148	\$ 223	\$ 225	\$ 227	\$ 230	\$ 232	\$ 234	\$ 237	\$ 239	\$ 241	\$ 243	\$ 245	\$ 247	\$ 249	\$ 251
31	Incremental	148	\$ 223	\$ 225	\$ 227	\$ 230	\$ 232	\$ 234	\$ 237	\$ 239	\$ 241	\$ 243	\$ 245	\$ 247	\$ 249	\$ 251
32	WC RESA SP ED	937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937
33	Incremental	937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937	\$ 937
34	WC RESA ENH	556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556
35	Incremental	556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556
36	WC Comm College	901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901
37	Incremental	901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901	\$ 901
38	General City	5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549
39	Incremental	5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549	\$ 5,549
40	Library	1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288
41	Incremental	1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288	\$ 1,288
42	WC Tax	1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571
43	Incremental	1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571	\$ 1,571
44	Local Total	1,669	\$ 3,911	\$ 5,896	\$ 5,945	\$ 6,004	\$ 6,064	\$ 6,125	\$ 6,186	\$ 6,248	\$ 6,311	\$ 6,374	\$ 6,437	\$ 6,500	\$ 6,563	\$ 6,626
45	Local Total Captured Taxes	14,165	\$ 28,613	\$ 43,064	\$ 41,389	\$ 41,803	\$ 42,221	\$ 42,643	\$ 43,070	\$ 43,501	\$ 43,936	\$ 44,374	\$ 44,816	\$ 45,262	\$ 45,711	\$ 46,163
46	Non-Captured Taxes	52	\$ 97	\$ 132	\$ 133	\$ 134	\$ 135	\$ 136	\$ 137	\$ 138	\$ 140	\$ 140	\$ 141	\$ 142	\$ 143	\$ 144
47	Zoo	124	\$ 184	\$ 264	\$ 266	\$ 268	\$ 270	\$ 273	\$ 275	\$ 277	\$ 279	\$ 281	\$ 283	\$ 285	\$ 287	\$ 289
48	Incremental	124	\$ 184	\$ 264	\$ 266	\$ 268	\$ 270	\$ 273	\$ 275	\$ 277	\$ 279	\$ 281	\$ 283	\$ 285	\$ 287	\$ 289
49	Police Service	5,118	\$ 8,001	\$ 10,889	\$ 10,969	\$ 11,056	\$ 11,144	\$ 11,232	\$ 11,322	\$ 11,412	\$ 11,503	\$ 11,595	\$ 11,688	\$ 11,781	\$ 11,875	\$ 11,969
50	Incremental	5,118	\$ 8,001	\$ 10,889	\$ 10,969	\$ 11,056	\$ 11,144	\$ 11,232	\$ 11,322	\$ 11,412	\$ 11,503	\$ 11,595	\$ 11,688	\$ 11,781	\$ 11,875	\$ 11,969
51	School Debt	13,000	\$ 12,617	\$ 17,163	\$ 17,435	\$ 17,713	\$ 17,994	\$ 18,278	\$ 18,564	\$ 18,852	\$ 19,142	\$ 19,434	\$ 19,728	\$ 20,024	\$ 20,321	\$ 20,620
52	Incremental	13,000	\$ 12,617	\$ 17,163	\$ 17,435	\$ 17,713	\$ 17,994	\$ 18,278	\$ 18,564	\$ 18,852	\$ 19,142	\$ 19,434	\$ 19,728	\$ 20,024	\$ 20,321	\$ 20,620
53	Total Non-Capturable Taxes	21,547	\$ 38,765	\$ 410,302	\$ 412,367	\$ 414,557	\$ 416,779	\$ 419,034	\$ 421,324	\$ 423,649	\$ 425,999	\$ 428,374	\$ 430,774	\$ 433,199	\$ 435,649	\$ 438,124
54	Total Estimated Local & State Captured Taxes	118,673	\$ 387,695	\$ 410,302	\$ 412,367	\$ 414,557	\$ 416,779	\$ 419,034	\$ 421,324	\$ 423,649	\$ 425,999	\$ 428,374	\$ 430,774	\$ 433,199	\$ 435,649	\$ 438,124
55	Total Estimated Local & State Captured Taxes	118,673	\$ 387,695	\$ 410,302	\$ 412,367	\$ 414,557	\$ 416,779	\$ 419,034	\$ 421,324	\$ 423,649	\$ 425,999	\$ 428,374	\$ 430,774	\$ 433,199	\$ 435,649	\$ 438,124

Table 2. Tax Increment Revenue Estimates

Lafayette West  
 1401. Board Street  
 Detroit, MI  
 AKT Peerless Project No. 12862F  
 As of August 1, 2019

	A	B	C	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH
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Table 3. Reimbursement Allocation Schedule

Lafayette West  
1401. Richard Street  
Detroit, MI  
AKT Peerless Project No. 12862F  
As of August 1, 2018

	B	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AI
1																		
2																		
3																		
4																		
5																		
6																		
7																		
8																		
9																		
10	Total State Incremental Revenue	\$ 426,296	\$ 434,543	\$ 438,955	\$ 443,411	\$ 447,912	\$ 452,458	\$ 457,049	\$ 461,686	\$ 466,370	\$ 471,101	\$ 475,878	\$ 480,704	\$ 485,578	\$ 490,500	\$ 495,472	\$ 500,493	\$ 12,565,503
11	State Brownfield Revolving Fund (50% of SET)	\$ 63,468	\$ 66,070	\$ 68,733	\$ 71,445	\$ 74,207	\$ 77,019	\$ 79,881	\$ 82,793	\$ 85,755	\$ 88,767	\$ 91,829	\$ 94,941	\$ 98,103	\$ 101,315	\$ 104,577	\$ 107,889	\$ 1,472,147
12	State TIR Available for Reimbursement	\$ 362,827	\$ 368,473	\$ 370,222	\$ 371,966	\$ 373,705	\$ 375,439	\$ 377,168	\$ 378,895	\$ 380,615	\$ 382,332	\$ 384,047	\$ 385,760	\$ 387,471	\$ 389,180	\$ 390,887	\$ 392,593	\$ 11,093,356
13	Total Local Incremental Revenue	\$ 738,915	\$ 866,043	\$ 874,812	\$ 883,670	\$ 892,516	\$ 901,352	\$ 910,177	\$ 918,995	\$ 927,804	\$ 936,606	\$ 945,403	\$ 954,194	\$ 962,979	\$ 971,758	\$ 980,532	\$ 989,302	\$ 17,847,434
14	BRA Administrative Fee (15% of annual TIR)	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,398,789
15	Annual Deferred Admin. Fee																	
16	Capture and Payment of Deferred Admin. Fee																	
17	Local TIR Available for Reimbursement	\$ 638,915	\$ 766,043	\$ 774,812	\$ 783,670	\$ 792,516	\$ 801,352	\$ 810,177	\$ 818,995	\$ 827,804	\$ 836,606	\$ 845,403	\$ 854,194	\$ 862,979	\$ 871,758	\$ 880,532	\$ 889,302	\$ 2,583,903
18	Total Available for Reimbursement	\$ 1,001,742	\$ 1,134,516	\$ 1,149,034	\$ 1,159,640	\$ 1,170,221	\$ 1,181,304	\$ 1,192,882	\$ 1,204,890	\$ 1,217,331	\$ 1,230,217	\$ 1,243,544	\$ 1,257,314	\$ 1,271,525	\$ 1,286,177	\$ 1,291,424	\$ 1,307,186	\$ 15,269,531
19	Unallocated TIR Available																	
20	Developer Reimbursement Balance	\$ 20,522,333	\$ 19,347,817	\$ 18,240,789	\$ 17,081,123	\$ 15,906,632	\$ 14,721,369	\$ 13,525,026	\$ 12,313,531	\$ 11,088,753	\$ 9,850,560	\$ 8,598,817	\$ 7,360,319	\$ 6,147,260	\$ 4,936,495	\$ 3,751,875	\$ 2,603,024	\$ 1,527,722
21	DEVELOPER																	
22	STATE Reimbursement Balance	\$ 6,857,016	\$ 6,488,543	\$ 6,116,238	\$ 5,740,331	\$ 5,360,517	\$ 4,976,846	\$ 4,589,279	\$ 4,197,779	\$ 3,802,305	\$ 3,402,818	\$ 2,999,278	\$ 2,581,574	\$ 2,151,996	\$ 1,742,496	\$ 1,340,024	\$ 947,604	\$ 546,531
23	Eligible Activities Reimbursement	\$ 362,827	\$ 368,473	\$ 372,216	\$ 375,996	\$ 379,815	\$ 383,671	\$ 387,566	\$ 391,500	\$ 395,474	\$ 399,487	\$ 403,540	\$ 407,632	\$ 411,764	\$ 415,935	\$ 420,145	\$ 424,394	\$ 428,681
24	Environmental Eligible Activities	\$ 114,912	\$ 116,700	\$ 117,886	\$ 119,081	\$ 120,293	\$ 121,514	\$ 122,743	\$ 123,980	\$ 125,235	\$ 126,507	\$ 127,797	\$ 129,104	\$ 130,428	\$ 131,768	\$ 133,124	\$ 134,496	\$ 135,884
25	Non-Environmental Eligible Activities	\$ 247,915	\$ 251,772	\$ 254,430	\$ 256,013	\$ 257,522	\$ 259,057	\$ 260,519	\$ 261,999	\$ 263,495	\$ 264,992	\$ 266,500	\$ 268,019	\$ 269,548	\$ 271,087	\$ 272,636	\$ 274,195	\$ 275,764
26	Interest Accumulation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Environmental Portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Non-Environmental Portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Total STATE TIR Reimbursement	\$ 362,827	\$ 368,473	\$ 372,216	\$ 375,996	\$ 379,815	\$ 383,671	\$ 387,566	\$ 391,500	\$ 395,474	\$ 399,487	\$ 403,540	\$ 407,632	\$ 411,764	\$ 415,935	\$ 420,145	\$ 424,394	\$ 428,681
30	LOCAL Reimbursement Balance	\$ 11,665,316	\$ 12,899,274	\$ 14,099,271	\$ 15,260,791	\$ 16,399,115	\$ 17,496,524	\$ 18,553,257	\$ 19,569,504	\$ 20,545,275	\$ 21,480,570	\$ 22,375,391	\$ 23,229,748	\$ 24,043,652	\$ 24,817,114	\$ 25,550,146	\$ 26,242,756	\$ 26,894,945
31	Eligible Activities Reimbursement	\$ 638,915	\$ 766,043	\$ 774,812	\$ 783,670	\$ 792,516	\$ 801,352	\$ 810,177	\$ 818,995	\$ 827,804	\$ 836,606	\$ 845,403	\$ 854,194	\$ 862,979	\$ 871,758	\$ 880,532	\$ 889,302	\$ 898,061
32	Environmental Eligible Activities	\$ 202,353	\$ 242,616	\$ 245,394	\$ 248,199	\$ 251,032	\$ 253,894	\$ 256,784	\$ 259,702	\$ 262,648	\$ 265,622	\$ 268,624	\$ 271,654	\$ 274,712	\$ 277,798	\$ 280,912	\$ 284,054	\$ 287,224
33	Non-Environmental Eligible Activities	\$ 436,562	\$ 523,427	\$ 529,418	\$ 535,471	\$ 541,484	\$ 547,458	\$ 553,398	\$ 559,306	\$ 565,194	\$ 571,072	\$ 576,940	\$ 582,808	\$ 588,676	\$ 594,544	\$ 600,412	\$ 606,280	\$ 612,148
34	Interest Accumulation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	Environmental Portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	Non-Environmental Portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	Total LOCAL TIR Reimbursement	\$ 638,915	\$ 766,043	\$ 774,812	\$ 783,670	\$ 792,516	\$ 801,352	\$ 810,177	\$ 818,995	\$ 827,804	\$ 836,606	\$ 845,403	\$ 854,194	\$ 862,979	\$ 871,758	\$ 880,532	\$ 889,302	\$ 898,061
38	Total LOCAL Reimbursement	\$ 638,915	\$ 766,043	\$ 774,812	\$ 783,670	\$ 792,516	\$ 801,352	\$ 810,177	\$ 818,995	\$ 827,804	\$ 836,606	\$ 845,403	\$ 854,194	\$ 862,979	\$ 871,758	\$ 880,532	\$ 889,302	\$ 898,061
39	Net Annual Developer Reimbursement	\$ 4,001,242	\$ 4,134,516	\$ 4,267,841	\$ 4,401,166	\$ 4,534,491	\$ 4,667,816	\$ 4,801,141	\$ 4,934,466	\$ 5,067,791	\$ 5,201,116	\$ 5,334,441	\$ 5,467,766	\$ 5,601,091	\$ 5,734,416	\$ 5,867,741	\$ 6,001,066	\$ 6,134,391
40	LOCAL BROWNFIELD REVOLVING FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	LBFF Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	STATE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	LOCAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	Total Available for Reimbursement	\$ 1,001,742	\$ 1,134,516	\$ 1,149,034	\$ 1,159,640	\$ 1,170,221	\$ 1,181,304	\$ 1,192,882	\$ 1,204,890	\$ 1,217,331	\$ 1,230,217	\$ 1,243,544	\$ 1,257,314	\$ 1,271,525	\$ 1,286,177	\$ 1,291,424	\$ 1,307,186	\$ 15,269,531

**ATTACHMENT G**  
**BSEED Acknowledgement**

**Attachment B**

TO: THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY

FROM: DETROIT, BUILDINGS, SAFETY ENGINEERING, AND ENVIRONMENTAL DEPARTMENT

PROJECT: 1401 RIVARD STREET, LAFAYETTE ACQUISITION PARTNERS, LLC

DATE: April 6, 2018

The undersigned, from the City of Detroit, Buildings, Safety Engineering, and Environmental Department acknowledges the receipt of the environmental documents listed below, which have been submitted by Lafayette Acquisition Partners, LLC, as developer, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment Authority (DBRA), for the 1401 Rivard Street Project.

- Phase I Environmental Site Assessment, pursuant to USEPA's. All Appropriate Inquiry using American Society of Testing Materials (ASTM) Standard E 1527-13
- Phase II Environmental Site Assessment, pursuant to ASTM Standard 1903 (if appropriate)
- Baseline Environmental Assessment, pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act, MCL 324.20101 *et seq.* (if appropriate).
- Due Care Plan, pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act, MCL 324.20101 *et seq.* (if appropriate).

Based upon its review of the above environmental documents and the representations of the developer, the City of Detroit, Buildings, Safety Engineering, and Environmental Department agrees with the environmental consultant that the site is a facility and has determined that the documents received for this project satisfy the DBRA Guidelines.

City of Detroit, Buildings, Safety  
Engineering, and Environmental  
Department

By: Paul J. Max

Its: General Manager



**ATTACHMENT H**

**Supplemental Information/Job Incentive Chart**

# City of Detroit

CITY COUNCIL

COUNCIL PRESIDENT BRENDA JONES

## **INCENTIVE INFORMATION CHART:**

Project Type	Incentive Type	Investment Amount	District
New Construction	TIF, CRA & NEZ	\$111,851,500	Lafayette Park

Jobs Available							
Construction				Post Construction			
Professional	Non-Professional	Skilled Labor	Non-Skilled Labor	Professional	Non-Professional	Skilled Labor	Non-Skilled Labor
42	170	131	85				8

1. What is the plan for hiring Detroiters?

*The project will use Executive Order requirements as the basis for all trade contracts in terms of local participation.*

2. Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc.

*The completed project is anticipated to create 8 new jobs with an average hourly wage of \$11.50 to \$15.00. The commercial/retail tenants are yet-to-be-decided; but positions may include retail positions, managerial positions, property maintenance staff and parking attendants.*

*The project will create an estimated 428 temporary construction jobs.*

3. Will this development cause any relocation that will create new Detroit residents?

*The completed project will create 225 new apartments units in Detroit's Lafayette Park neighborhood. In accordance with local requirements, 20% of the new units will be made available at affordable (minimum 80% AMI) rents. The new development will greatly increase urban density in this area of the City and will transform this long-vacant lot into a neighborhood asset.*

4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs?

*The developer intends to participate in Council President Jones' Skilled Trades Task Force to maximize the use of local contractors and make a best faith effort to hire local workers – both for temporary and full-time positions created by this project.*

5. When is construction slated to begin?

*The project will begin with demolition of the existing, obsolete commercial building located on site and with site preparation activities. Pending the approval of the necessary incentives and financing, these activities will start in the 4<sup>th</sup> quarter of 2018.*

6. What is the expected completion date of construction?

*Construction is expected to continue for 24 months. The anticipated grand opening is spring 2021.*

\*Please contact Linda Wesley at (313) 628-2993 or [wesleyl@detroitmi.gov](mailto:wesleyl@detroitmi.gov) to schedule a date to attend the Skilled Trades Task Force.

Coleman A. Young Municipal Center • 2 Woodward Avenue • Suite 1340 • Detroit, Michigan 48226  
(313) 224-1245 Fax (313) 224-4095



City of Detroit

## Brownfield Redevelopment Authority

### Community Advisory Committee

500 Griswold Street • Suite 2200

Detroit, Michigan 48226

Phone: 313 963-2940

Fax: 313 963-8839

August 8, 2018

The Honorable City Council  
City of Detroit  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 1340  
Detroit, Michigan 48226

City of Detroit Brownfield Redevelopment Authority  
Board of Directors  
500 Griswold Street, Suite 2200  
Detroit, Michigan 48226

Re: Recommendation for Approval of the Lafayette West Brownfield Redevelopment Plan

Honorable Members of the Detroit City Council and the City of Detroit Brownfield Redevelopment Authority Board of Directors:

In accordance with the resolution of the Detroit City Council creating the City of Detroit Brownfield Redevelopment Authority (the "Authority"), the Community Advisory Committee, at its meeting of August 8, 2018, adopted a resolution approving the proposed Brownfield Plan for the Lafayette West Redevelopment and recommending adoption of this Brownfield Plan by the Authority and City Council.

Please accept this letter of recommendation for approval from the Community Advisory Committee on the Brownfield Plan for the Lafayette West Redevelopment.

Very truly yours,

By:



Allen Rawls, Chairperson

Community Advisory Committee to the City of Detroit  
Brownfield Redevelopment Authority

City of Detroit



**Brownfield Redevelopment Authority**

500 Griswold Street • Suite 2200

Detroit, Michigan 48226

Phone: 313 963-2940

Fax: 313 963-8839

**MINUTES OF THE  
DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
PUBLIC HEARING FOR THE  
LAFAYETTE WEST  
BROWNFIELD REDEVELOPMENT PLAN**

**Wednesday, August 15, 2018**

**Horatio Williams Foundation**

**1010 Antietam Ave.**

**Detroit, MI 48207**

**5:30 PM**

In attendance were:

Brian Vosburg (DEGC/DBRA)

Cora Capler (DEGC/DBRA)

Nathan Keup (Ginosko)

Mark Bennett (MJB PLLC)

Bret Stuntz (AKTPeerless)

Ryan Southen

Sade

Jackie Bell

Earl Bell

Patrice McKinnon

Rep. Stephanie Chang

Sloan Kennedy

Will Kennedy

Horatio Williams

Mr. Vosburg called the meeting to order at 5:40 PM.

Mr. Vosburg informed the hearing of the tax increment financing request per the Brownfield Plan and answered questions regarding the capture of school taxes, the members of the Detroit Brownfield Redevelopment Authority Board and the Community Advisory Committee, the eligible expenses under the Brownfield Plan, and the process and timeline for local and state approvals for the Brownfield Plan.

Mr. Keup and Mr. Stuntz provided details regarding the redevelopment plan for the project location and answered questions regarding parking, demolition, abatement of lead and asbestos, environmental cleanup, site security, affordable housing, and plan for employment of Detroit residents and contractors.

Paper copies of the Brownfield Plan were provided.

There were no comments received in support or opposition to the project.

Citing no further public comments, Mr. Vosburg closed the public hearing at 6:55 PM.



Detroit Brownfield Redevelopment Authority  
500 Griswold Street • Suite 2200  
Detroit, Michigan 48226  
Phone: 313 963-2940  
Fax: 313 963-8839

**CODE DBRA 18-08-259-03**

**LAFAYETTE WEST BROWNFIELD REDEVELOPMENT PLAN**

WHEREAS, pursuant to 381 PA 1996, as amended ("Act 381"), the City of Detroit Brownfield Redevelopment Authority (the "DBRA") has been established by resolution of the City Council of the City of Detroit (the "City Council") for the purpose of promoting the revitalization of environmentally distressed areas in the City of Detroit; and

WHEREAS, under Act 381 the DBRA is authorized to develop and propose for adoption by City Council a brownfield plan for one or more parcels of eligible property; and

WHEREAS, in accordance with the policies, procedures and bylaws governing the DBRA, the DBRA has submitted a proposed brownfield plan for the Lafayette West Redevelopment Project (the "Plan") to the Community Advisory Committee for its consideration and comment and has solicited comments by the public by publication of notice stating that the proposed Plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies; and

WHEREAS, the Community Advisory Committee has considered the proposed Plan and approved a resolution recommending the approval of the proposed Plan by the DBRA and the City Council as presented by the DBRA; and

WHEREAS, in accordance with the provisions of Act 381, the Board of Directors of the DBRA has considered the proposed Plan and desires to approve the proposed Plan and to request that City Council call a public hearing to consider and adopt a resolution approving the proposed Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the DBRA has determined that the adoption of the brownfield plan for the **Lafayette West Redevelopment Project** is in keeping with the purposes of Act 381 and recommends submittal of the Plan to City Council for approval.

2. The Board of Directors of the DBRA has determined that the Plan constitutes a "Qualifying Downtown Brownfield Project" under that certain Interlocal Agreement by and between the DBRA and the City of Detroit Downtown Development Authority.

2. The Board of Directors of the DBRA approves the Plan substantially in the form attached hereto and on file with the Secretary of the DBRA.

3. Any Authorized Agent of the DBRA is authorized and directed to submit a certified copy of this Resolution and the Plan to the City Clerk, together with a request that the City Council call a public hearing concerning the Plan and to take all other actions required to approve the Plan in accordance with Act 381.

4. That any one of the officers and any one of the Authorized Agents of the DBRA or any two of the Authorized Agents of the DBRA shall hereafter have the authority to negotiate and execute all documents, contracts, or other papers, and take such other actions, necessary or appropriate to implement the provisions and intent of this Resolution on behalf of the DBRA.

5. That all of the acts and transactions of any officer or authorized agent of the DBRA, in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

August 22, 2018

**EXHIBIT D**

**RESOLUTION CALLING A PUBLIC HEARING REGARDING  
APPROVAL OF THE BROWNFIELD PLAN OF THE  
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
FOR THE LAFAYETTE WEST REDEVELOPMENT**

---

The following preamble and resolution were offered by Member \_\_\_\_\_ and supported by Member \_\_\_\_\_:

WHEREAS, the City of Detroit, County of Wayne, Michigan (the "City") is authorized by the provisions of Act 381, Public Acts of Michigan, 1996 ("Act 381"), to create a brownfield redevelopment authority; and

WHEREAS, pursuant to Act 381, the City Council of the City duly established the City of Detroit Brownfield Redevelopment Authority (the "Authority"); and

WHEREAS, in accordance with the provisions of Act 381, the Authority has prepared a Brownfield Plan for the Lafayette West Redevelopment (the "Plan") and submitted the Plan to the Community Advisory Committee for review and comment; and

WHEREAS, after receipt of the recommendation of the Community Advisory Committee to approve the, the Authority has approved the Plan and forwarded it to City Council with a request for its approval; and

WHEREAS, prior to approval of the Plan, the City Council is required to hold a public hearing in connection with consideration of the Plan pursuant to Act 381.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby acknowledges receipt of the Plan from the Authority.
2. A public hearing is hereby called on Thursday, the 20<sup>th</sup> day of September, 2018 at 10:10 AM, prevailing Eastern Time, in the Council Chambers, 13<sup>th</sup> Floor of the Coleman A. Young Municipal Center in the City to consider adoption by the City Council of a resolution approving the Plan.



3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

4. The City Clerk is requested to submit three (3) certified copies of this resolution to the DBRA, 500 Griswold Street, Suite 2200, Detroit, MI 48226.

AYES: Members \_\_\_\_\_

\_\_\_\_\_

NAYS: Members \_\_\_\_\_

RESOLUTION DECLARED ADOPTED.

WAIVER OF RECONSIDERATION

\_\_\_\_\_  
Janice Winfrey, City Clerk  
City of Detroit  
County of Wayne, Michigan

**RESOLUTION APPROVING BROWNFIELD PLAN  
OF THE CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
FOR THE LAFAYETTE WEST REDEVELOPMENT PROJECT**

City of Detroit  
County of Wayne, Michigan

---

**WHEREAS**, pursuant to 381 PA 1996, as amended (“Act 381”), the City of Detroit Brownfield Redevelopment Authority (“Authority”) has been established by resolution of the City Council of the City of Detroit (the “City”) for the purpose of promoting the revitalization of eligible properties in the City; and

**WHEREAS**, under Act 381 the Authority is authorized to develop and propose for adoption by City Council a brownfield plan for one (1) or more parcels of eligible property; and

**WHEREAS**, pursuant to the resolution establishing the Authority and the bylaws of the Authority, the Authority has submitted a proposed Amended and Restated Brownfield Plan for the Lafayette West Redevelopment Project (the “Plan”); and

**WHEREAS**, the Authority submitted the Plan to the Community Advisory Committee for consideration on August 8, 2018, per the provisions of the resolution establishing the Authority, and a public hearing was conducted by the Authority on August 15, 2018 to solicit comments on the proposed Plan; and

**WHEREAS**, the Community Advisory Committee recommended approval of the Plan on August 8, 2018; and

**WHEREAS**, the Authority approved the Plan on August 22, 2018 and forwarded it to the City Council with a request for its approval of the Plan; and

**WHEREAS**, the required notice of the public hearing on the Plan was given in accordance with Section 13 of Act 381; and

**WHEREAS**, the City Council held a public hearing on the proposed Plan on September 20, 2018.

**NOW, THEREFORE, BE IT RESOLVED, THAT:**

1. Definitions. Where used in this Resolution the terms set forth below shall have the following meaning unless the context clearly requires otherwise:

“Eligible Activities” or “eligible activity” shall have the meaning described in Act 381.

“Eligible Property” means the property designated in the Plan as the Eligible Property, as described in Act 381.

“Plan” means the Plan prepared by the Authority, as transmitted to the City Council by the Authority for approval, copies of which Plan are on file in the office of the City Clerk.

“Taxing Jurisdiction” shall mean each unit of government levying an ad valorem property tax on the Eligible Property.

2. Public Purpose. The City Council hereby determines that the Plan constitutes a public purpose.

3. Best Interest of the Public. The City Council hereby determines that it is in the best interests of the public to promote the revitalization of environmentally distressed areas in the City to proceed with the Plan.

4. Review Considerations. As required by Act 381, the City Council has in reviewing the Plan taken into account the following considerations:

(a) Portions of the property designated in the Plan meets the definition of Eligible Property, as described in Act 381, including consideration of the criteria of “blighted” as defined in Act 381;

(b) The Plan meets the requirements set forth in section 13 of Act 381.

(c) The proposed method of financing the costs of eligible activities is feasible and the Authority has the ability to arrange the financing.

(d) The costs of eligible activities proposed are reasonable and necessary to carry out the purposes of Act 381.

(e) The amount of captured taxable value estimated to result from adoption of the Plan is reasonable.

5. Approval and Adoption of Plan. The Plan as submitted by the Authority is hereby approved and adopted. A copy of the Plan and all amendments thereto shall be maintained on file in the City Clerk’s office.

6. Preparation of Base Year Assessment Roll for the Eligible Property.

(a) Within 60 days of the adoption of this Resolution, the City Assessor shall prepare the initial Base Year Assessment Roll for the Eligible Property in the Plan. The initial Base Year Assessment Roll shall list each Taxing Jurisdiction levying taxes on the Eligible Property on the effective date of this Resolution and the amount of tax revenue

derived by each Taxing Jurisdiction from ad valorem taxes on the Eligible Property, excluding millage specifically levied for the payment of principal and interest of obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit.

(b) The City Assessor shall transmit copies of the initial Base Year Assessment Roll to the City Treasurer, County Treasurer, Authority and each Taxing Jurisdiction which will have Tax Increment Revenues captured by the Authority, together with a notice that the Base Year Assessment Roll has been prepared in accordance with this Resolution and the Plan approved by this Resolution.

7. Preparation of Annual Base Year Assessment Roll. Each year within 15 days following the final equalization of the Eligible Property, the City Assessor shall prepare an updated Base Year Assessment Roll. The updated Base Year Assessment Roll shall show the information required in the initial Base Year Assessment Roll and, in addition, the Tax Increment Revenues for each Eligible Property for that year. Copies of the annual Base Year Assessment Roll shall be transmitted by the Assessor to the same persons as the initial Base Year Assessment Roll, together with a notice that it has been prepared in accordance with the Plan.

8. Establishment of Project Fund; Approval of Depository. The Authority shall establish a separate fund for the Eligible Property subject to this Plan, which shall be kept in a depository bank account or accounts in a bank or banks approved by the Treasurer of the City. All moneys received by the Authority pursuant to the Plan shall be deposited in the Project Fund for the Eligible Property. All moneys in the Project Fund and earnings thereon shall be used only in accordance with the Plan and Act 381.

9. Use of Moneys in the Project Fund. The moneys credited to the Project Fund and on hand therein from time to time shall be used annually to first make those payments authorized by and in accordance with the Plan and any development agreement governing such payments and then to the Local Site Remediation Revolving Fund, as authorized by Act 381:

10. Return of Surplus Funds to Taxing Jurisdictions. The Authority shall return all surplus funds not deposited in the Local Site Remediation Revolving Fund proportionately to the Taxing Jurisdictions.

11. Payment of Tax Increment Revenues to Authority. The municipal and the county treasurers shall, as ad valorem and specific local taxes are collected on the Eligible Property, pay the Tax Increment Revenues to the Authority for deposit in the Project Fund. The payments shall be made not more than 30 days after the Tax Increment Revenues are collected.

12. Disclaimer. By adoption of this Resolution and approval of the Plan, the City assumes no obligation or liability to the owner, developer, lessee or lessor of the Eligible Property for any loss or damage that may result to such persons from the adoption

of this Resolution and Plan. The City makes no guarantees or representations as to the determinations of the appropriate state officials regarding the ability of the owner, developer or lessor to qualify for a Michigan Business Tax Act credit (or assignment thereof) pursuant to Act 36, Public Acts of Michigan, 2007, as amended, or as to the ability of the Authority to capture tax increment revenues from the State and local school district taxes for the Plan.

13. Repealer. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

14. The City Clerk is requested to submit four (4) certified copies of this Resolution to the DBRA, 500 Griswold Street, Suite 2200, Detroit, MI 48226

AYES:           Members

---

NAYS:           Members

---

RESOLUTION DECLARED ADOPTED.

---

Janice Winfrey, City Clerk  
City of Detroit  
County of Wayne, Michigan

WAIVER OF RECONSIDERATION IS REQUESTED

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Detroit, County of Wayne, State of Michigan, at a regular meeting held on \_\_\_\_\_, 2018, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

---

Janice Winfrey, City Clerk  
City of Detroit  
County of Wayne, Michigan

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107 PED.

CITY CLERK 2018 AUG 24 4:03:42

David Whitaker, Esq.  
Director  
Irvin Corley, Jr.  
Executive Policy Manager  
Marcell R. Todd, Jr.  
Senior City Planner

# City of Detroit CITY COUNCIL

LEGISLATIVE POLICY DIVISION  
208 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Phone: (313) 224-4946 Fax: (313) 224-4336

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Timothy Boscarino, AICP  
Elizabeth Cabot, Esq.  
Janese Chapman  
Tasha Cowen  
Richard Drumb  
George Etheridge

TO: Detroit City Council  
  
FROM: David Whitaker, Director  
Legislative Policy Division Staff  
  
DATE: August 24, 2018  
  
RE: **Summary of the Detroit Land Bank Authority Quarterly Report July 2018**

The Legislative Policy Division (LPD) has been requested by Council Member James Tate to provide a summary review on the Detroit Land Bank Authority's Quarterly Report to City Council July 2018.

The Detroit Land Bank Authority (DLBA) submits a quarterly report to the City Council which provides an overview of the activity of the entity. The report primarily breaks down the various divisions of the DLBA which include the Finance Department, Inventory Department, Disposition Department, Demolition Department, Legal Department and Community Affairs Department. LPD will provide a summary of the current status of the various departments as outlined in the quarterly report.

### Finance Department

The DLBA's Finance Department conducted a financial overview of the entities financial status. The June 2018 fiscal year to date actual versus budget indicates total income for the period was \$66,978,727 vs a budgeted amount of \$82,960,057.<sup>1</sup> The actual expenses incurred during the period was \$57,638,486 vs a budget of \$82,960,057. Accordingly, the year to date actual net

<sup>1</sup> The DLBA Income Statement Summary –Management View (Unaudited) indicates that of the \$66,978,727 of total Income, \$21,998,799 was revenue received from the City of Detroit representing approximately 32.8%; revenue received from governmental units (MSHDA) of \$35,382,224, representing approximately 52.83%; revenue from sales programs of \$6,905,295, representing approximately 10.3%; revenue from private grants of \$1,771,119, representing approximately 2.64%; and donated goods and other income of \$921,290 representing 1.37%.

2014-2017	0	0	37,542	37,542
Grand Total	53,558	9,814	44,402	107,774

The DLBA indicates for the period 1937-2013 it received 70,232 properties and had sales of 7,798 properties<sup>6</sup>. From 2014-2017 the DLBA received 37,542 properties and had sales of 5,032 properties. Of the 107,774 properties received it has sold a total of 12,830 properties. In a chart showing a comparison of sales between P&DD and the DLBA, the report indicates from the years 2012-2017 the Planning and Development Department averaged annual sales of 588.5 (including the 1,500 parcels sold to Hantz Farms). During the same period from 2012-2017 the chart shows the DLBA has averaged annual sales of 2,162.<sup>7</sup>

The DLBA various programs has its inventory broken down as follows:

Rehabbed and ready	0.06% or approx.	57 properties
Non-Residential Demolition	0.17% or approx.	161 properties
Buy-Back	0.34% or approx.	323 properties
Auction	0.87% or approx.	828 properties
Projects	2.96% or approx.	2,819 properties
Own it Now	5.31% or approx.	5,057 properties
Demolition	15.06 or approx.	14,344 properties
Side Lot	23% or approx.	22,765 properties
Inventory	51.32% or approx.	48,883 properties

The pipeline's largest volume of properties are listed as, inventory with 48,883. The breakdown of properties in the inventory category are:

Other	0.34% or approx.	166 properties
Salvage	0.49% or approx.	239 properties
Institutional Partner Coordination	0.56% or approx.	273 properties
PDD Quarantine	2.27% or approx.	1,109 properties
Tax Problem Identified	4.76% or approx.	2,326 properties
Occupied	5.68% or approx.	2,776 properties
Structures Under Review	16.12% or approx.	7,879 properties
Vacant Land	69.78% or approx.	34,110 properties

The DLBA report provides that its Call Center Division during the period of January – June 2018 received 40,042 calls. The Call Center answered 33,561 calls. There were 6,070 calls abandoned.

<sup>6</sup> The DLBA sales of 7,798 appears to be for the period from 2008 to 2013 when the DLBA was originally formed. In July 2013 the First Amended and Restated Intergovernmental Agreement between the Michigan Land Bank Fast Track Authority and the City of Detroit was executed amending and restating the Original Agreement and in December 2013 the Second Amended and Restated Intergovernmental Agreement between the Michigan Land Bank Fast Track Authority and the City of Detroit was executed forming the amended and reconstituted Detroit Land Bank Authority as constituted today.

<sup>7</sup> LPD notes that the historical chart provided in the Quarterly Report shows the total number of sales for the DLBA as 12,830. The P&DD/DLBA comparative sales chart shows a total number of sales from 2012-2017 for the DLBA as 12,972 a difference of 142. If the 12,830 number is correct the annual average of sales for the period 2012-2017 would be 2,138 (still significantly higher than the P&DD average sales).



program and scheduled for completion in July 2018; another 103 participants being monitored under the program for completion in July 2019. There are 172 applicants under review for eligibility. During April-June of 2018, the DLBA closed on 46 properties under the program.

## **Demolition Department**

The Demolition Department has assisted in blight reduction in highly populated/high density areas, thoroughfares and commercial corridors. Its main funding source is the Hardest Hit Funds (HHF) provided by the U.S. Department of Treasury in conjunction with the Michigan State Housing Development Authority (MSHDA). The DLBA reports that beginning in June 2018, MSHDA began issuing credits to the DLBA representing a refund of settlement proceeds as well as the return of the Fire Insurance Escrow dollars paid to MSHDA.<sup>9</sup> The current refund is \$6,602,690.52 which will be used to demolish additional residential structures. The last quarter refunds were issued as follows: HHF1 \$5,409,638.69; HHF2 \$1,192,413.56; HHF3 \$638.25. As of the date of this report, all five rounds of HHF funding are currently open. The DLBA is working to identify properties from the HHF rounds to apply the respective refunds issued for each round as the boundaries were expanded as the program continued.

The Department is currently in the fifth round of HHF distribution. This round of funding is to provide \$88,153,425 in demolition funds. As of June 2018 the DLBA (in conjunction with the Detroit Building Authority/ DBA) has issued demolition and abatement contracts for 1,267 properties totaling \$25,816,395. The DLBA expects to demolish approximately 5,200 residential structures under this final round of funding. As of the date of the quarterly report the DLBA has been reimbursed \$744,918.29; leaving \$87,408,506.71 in grant funds to be drawn down, which is inclusive of the \$533,937.24 for which the DLBA is seeking reimbursement.

In April 2018, the DLBA issued an RFP for Procurement Administrative Services to transition the HHF procurement process to a third-party company skilled at providing such services on the scale and scope the DLBA envisioned. The DLBA indicates the reason for obtaining a third-party to handle the HHF program procurement process was to stabilize demolition cost and commit to a greater level of predictability. In addition, the number of properties per month for demolition per RFP has increase and the volume of time, resources and staff the DBA as project manager was spending on procurement issues limiting its ability to focus on field operations.<sup>10</sup> The DLBA notes that the DBA's responsibility with manage field operations have increased with the supervisory responsibilities imposed by the March 6, 2018, Department of Health protocols for the demolition program. Effective July 1, 2018 the DLBA transitioned all of its HHF procurement services from the DBA to Price, Waterhouse, Coopers, Public Sector, LLP (PWC).<sup>11</sup>

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<sup>9</sup> The DLBA report indicates that MSHDA is issuing credits representing a refund of settlement proceeds. However the report does not indicate how or why the credits are being issued. City Council may wish to inquire as to what issues were being settled? What funding source was being disputed? How much of the original funding was retained by MSHDA or was the entire amount refunded?

<sup>10</sup> LPD notes that the procurement process handled by the DBA under the DLBA has been the subject of investigations, litigation and media scrutiny which also may have played a role in seeking a third party vendor for the procurement process.

<sup>11</sup> LPD notes that according to an article in Crain's Detroit Business dated July 27, 2018, the contract for PWC to evaluate and score Detroit housing demolition bids is for one year at \$701,000.00. PWC was awarded the contract

<u>Compliance Program:</u>	<u>Total</u>	<u>2018</u>	<u>Quarter Ending 6/30/18</u>
Currently monitored	2,486	904	537
Compliance Achieved	2,424	379	189
Failed Compliance	678	301	68

### **Community Affairs Department**

The Community Affairs Department handles community outreach, public meetings, open houses, off site sales events and social media communications as part of its community engagement program. The Department in January 2018 began holding monthly office hours in all seven districts from 5:00 pm to 7:00 pm. Each District is provided a certain day of the month of which DLBA staff will be available for the designated time and place. The monthly schedule and location for each District is as follows:

District 1	Crowell Recreation Center	1 <sup>st</sup> Wednesday
District 2	Northwest Activity Center	2 <sup>nd</sup> Tuesday
District 3	Farwell Recreation Center	3 <sup>rd</sup> Wednesday
District 4	Samaritan Center	3 <sup>rd</sup> Thursday
District 5	Butzel Family Recreation Center	2 <sup>nd</sup> Thursday
District 6	Patton Recreation Center	1 <sup>st</sup> Tuesday
District 7	Adams/Butzel Recreation Center	4 <sup>th</sup> Tuesday

In addition, the Department continues to attend multiple community meetings in every district when invited by community partners or City Council members.

In marketing and promotion the DLBA kicked off radio ads on local radio stations. The DLBA intends to market using billboards and transit signs on DDOT and SMART buses. The website will offer more video stories of recent buyers and show more before and after pictures of once blighted properties that have been transformed. In addition the DLBA is meeting with news directors, producers and reports in both broadcast and print newsrooms to promote the positive impact DLBA customers who are now tax-paying Detroit homeowners have made.

If we can be of further assistance please call upon us.

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# City of Detroit CITY COUNCIL

## LEGISLATIVE POLICY DIVISION

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TO: Detroit City Council  
FROM: David Whitaker, Director  
Legislative Policy Division Staff  
DATE: August 24, 2018

**RE: Report on Regulating Formula Businesses**

The Legislative Policy Division (LPD) has been requested by Council Member Janee' Ayers to provide a report on the City of Detroit's (City) options under Michigan law for regulating formula businesses within the city limits. The purpose of any regulation of formula businesses by the City of Detroit (City) would be to preserve the character and diversity of the City's business districts. In response to the request, LPD provides the following report.

To provide a base for what is being discussed, LPD is using the general understanding of a "formula business" a commercial enterprise, such as stores and restaurants that have uniformed or standardized services, décor (menus, logos, signs, etc.), methods of operation, and other features that make them virtually identical to businesses elsewhere. To provide further clarity, for formula business restaurants (think of franchises such as McDonalds or Applebee's) for a formula business retail establishments (think of franchises such as Dollar General or CVS). At issue is the potential proliferation of formula business establishments in a city or in a particular area or community within a city and the displacement of unique local diversity within the business or commercial corridor of businesses that provide like goods and services if not regulated in some manner. Regulating formula businesses can alleviate the negative impact of an abundance of these establishments on the character and distinctive visual appeal of neighborhood business districts or downtown areas, preventing each area from looking like carbon copies of one another.

In addition to preserving the character of a community, municipalities are seeking to design public policy to preserve the economic and financial viability of independent entrepreneurs and low margin businesses that are local and unique to the community. The local restaurateurs and retailers often face being pushed out of a community because of the rising rents that formula businesses can generate to land owners as well as undercutting prices that lower margin local businesses

of land development and the establishment of 1 or more districts within its zoning jurisdiction which regulate the use of land and structures to meet the needs of the state's citizens for food, fiber, energy, and other natural resources, places of residence, recreation, industry, trade, service, and other uses of land, to ensure that use of the land is situated in appropriate locations and relationships, to limit the inappropriate overcrowding of land and congestion of population, transportation systems, and other public facilities, to facilitate adequate and efficient provision for transportation systems, sewage disposal, water, energy, education, recreation, and other public service and facility requirements, and to promote public health, safety, and welfare.

The regulation of land uses (including formula businesses) is within the authority granted the City under the Michigan Zoning Enabling Act. However, in *Nectow v. City of Cambridge* 277 U.S. 183, 48 S. Ct. 447, 72 L. Ed. 842 (1928), the U.S. Supreme Court held:

The governmental power to interfere by zoning regulations with the general rights of the land owner by restricting the character of his use, is not unlimited, and, other questions aside, such restriction cannot be imposed if it does not bear a substantial relation to the public health, safety, morals, or general welfare.

The authority of the City to regulate land use is not absolute, a land owner or those with an interest in land have constitutional rights that cannot be arbitrarily abridged by government interference. It is pursuant to this legal concept that the governmental interference of the general rights of land owners is tested, such interference must bear a substantial relation to the public health, safety, morals, or general welfare of those the governmental unit serves. The relationship between zoning ordinances upon the public's health and safety are often more easily recognized, such as separating industrial areas from residential or restricting building heights for health and safety reason respectively. However, zoning regulations or restrictions on land use for the public's general welfare are often more difficult to pinpoint the substantial relationship between the two. As held in *Bristow v. City of Woodhaven*, 35 Mich. App. 205, 217, 192 N.W.2d 322 (1971) "That term is not a mere catchword to permit the translation of narrow desires into ordinances which discriminate against or operate to exclude certain ... uses deemed beneficial." In *Standard Oil Co. v. City of Bowling Green*, 244 Ky. 362, 50 S.W.2d 960 (1937) the Court stated:

The phrase "general welfare," of course, is a very broad one, and it is quite apparent from even a casual reading of the cases bearing on zoning problems that the element of "the protection of the value and usefulness of urban land and the assurance of such orderliness in municipal growth as will facilitate the execution of the city plan and the economical provision of public services" (quoted from *Zoning-An Analysis of the Purposes and Legal Sanctions*, by Edward D. Landels, American Bar Association Journal, March, 1931, page 163), comes within its purview. *Id* at 961.

It has been argued that the "general welfare", "public welfare" and "common welfare" are synonymous. A law that is for the direct benefit of the welfare of many may bring indirect benefit

A statute or ordinance that discriminates on its face against interstate commerce and in favor of local businesses is virtually invalid per se. The statute or ordinance will be unconstitutional unless the state governmental body can show, under rigorous scrutiny, that it has no other means to advance a legitimate local interest.

If the statute or ordinance does not discriminate against interstate interests on its face, a balancing test must be performed to determine whether the statute or ordinance “merely regulates evenhandedly with only incidental effects upon interstate commerce.” The statute or ordinance will be upheld under this balancing test “unless the burden imposed on interstate commerce is ‘clearly excessive in relation to the putative local benefit.’” (citations deleted). Id at 669.

The afore referenced cases provide that although the City has the right to regulate land use through zoning which may restricting the land owner’s use of property (including but not limited to formula businesses), it must do so in a way that does not impose commercial barriers or discriminate for the purpose of local economic protectionism.<sup>4</sup> Any ordinance designed to limit or prohibit formula businesses must regulate evenhandedly with only incidental effects upon interstate commerce and provide a substantial relation to the public health, safety, morals, or general welfare.

As previously indicated the proliferation of formula businesses in particular areas of Detroit may detract from the local character that has been established. Additional concerns are the increased rents that may result from formula businesses and the pricing out of local businesses by those that offer discount prices local businesses cannot match. Part of this is the nature of business as the consumer is deciding what is of value to them. Any ordinance regarding formula businesses should be drafted in a manner that would be flexible enough to allow formula businesses to enter an area if the area is available to similar local businesses (even though they may have to adapt or modify their operations and/or appearance to blend in with the character of the area). Keeping in mind that there are other areas in Detroit that are barren of business in which those in that community would welcome formula businesses to spur activity. In any event, if the ordinance is designed to restrict or prohibit formula businesses it must have a well-defined and stated purpose of which the public health, safety, morals, or general welfare of the City is clearly being served.

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<sup>4</sup> In compliance with the Commerce Clause, any local ordinance regulating formula businesses must be equally applicable to local and out-state businesses. If the business district has a concentration of hamburger restaurants, the restriction of a Five-Guys hamburger chain restaurant should also apply to Mom & Pop local burger restaurant. The law must be applied evenhandedly or meet the strict scrutiny showing of having a substantial relation to the public health, safety, morals, or general welfare and no other means to advance a legitimate local interest.



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# City of Detroit

CITY COUNCIL

MARY SHEFFIELD  
PRESIDENT PRO TEMPORE  
DISTRICT 5

## MEMORANDUM

**TO:** Mr. David Whitaker, Director Legislative Policy Division  
**FROM:** Council President Pro Tempore Mary Sheffield (MS)  
**DATE:** August 14, 2018  
**RE:** Request for LPD to Draft an Ordinance Requiring the Utilization of Detroit Residents on City Contracts and Publically Funded Construction Projects

The City of Detroit is experiencing a robust renaissance. It is of the utmost importance that we ensure that Detroiters play an active role in this renaissance and are able to financially benefit from the city's revitalization. It is critical that Detroit residents are given priority for the new jobs that are being created by municipal financing and development programs. It is time for the utilization of Detroit residents on publically-funded construction projects and other city-related contracts to be codified into an ordinance.

The goal of the ordinance is to mandate that at least 51% of bona fide Detroit residents are hired on city contracts and publicly funded construction projects. It is essential that there be strong enforcement and compliance mechanisms put in place to ensure adherence to the ordinance, therefore I am requesting that a funding mechanism be created to adequately staff CRIO for the enforcement of the ordinance.

The District of Columbia has enacted The Workforce Intermediary Establishment and Reform Act of 2011 to increase the number of D.C. residents hired on projects funded by D.C. tax payer dollars. The D.C ordinance also created the First Source local hiring program. Utilizing principals in the D.C. ordinance and First Source Program as well as similar ordinances in Atlanta and San Francisco, please provide me with a draft ordinance with a local hiring target of 51% that can be applied to city contracts and publically funded construction projects - including those receiving tax abatements. Lastly, please establish corrective measures for non-compliance in the ordinance including, but not limited to, financial penalties to be paid into the Workforce Training Fund.

Thank you.

Attachments

Cc: Honorable Colleagues  
Hon. Janice Winfrey, City Clerk

**ATTACHMENT A - D.C. ORDINANCE**

**ENROLLED ORIGINAL**

AN ACT

D.C. ACT 19-244

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

DECEMBER 21, 2011

*Codification  
District of  
Columbia  
Official Code*

2001 Edition

2012 Winter  
Supp.

West Group  
Publisher

To amend the First Source Employment Agreement Act of 1984 to clarify and add definitions, to require that the Department of Employment Services (“DOES”) receive 7 days notice prior to any new First Source project moving forward, to increase the base subsidy level that triggers First Source agreements to \$300,000 and to require that each government-assisted construction project receiving government assistance totaling \$5 million or more adhere to enhanced First Source hiring requirements, to update reporting requirements associated with the hiring requirements, to require DOES to issue new hiring and reporting requirements for government-assisted non-construction projects that receive government assistance of \$5 million or more, to allow beneficiaries to double-count hours worked by District residents who are hard to employ, to clarify the duration of time beneficiaries are subject to First Source requirements, to allow beneficiaries to count hours that exceeded previous requirements towards their current requirements, to require bidders and offerors of government contracts valued at \$5 million or more to submit initial employment plans that review past compliance and employment practices as part of their bid package that will be scored and will account for 10% of their total bid score, to require beneficiaries to submit a detailed employment plan that identifies specific details regarding associated jobs and strategies to meet their hiring requirements, to require the Mayor to review and report to the Council the appropriateness of the hiring and reporting requirements every 3 years, to allow DOES to consider altering the ratio of journey worker to apprentice positions based on a compelling District-resident hiring rationale, to require specific documentation evidencing a good-faith effort to comply with First Source requirements prior to obtaining a waiver from a First Source employment agreement, to include additional pro-rated fines for not reaching specific hiring requirements, to debar from consideration for award of contracts and to deem ineligible of consideration for government-assisted projects those who have been found in violation 2 times over a 10-year period, to provide online public access to executed First Source employment agreements, current compliance status of each project, and the contact information for the relevant compliance officer, to establish a workforce intermediary pilot program that shall act as an intermediary between employers and training providers to provide employers with qualified job applicants, and to establish a workforce trust fund in which contributions and monetary fines for breach of First Source



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employment agreements shall be deposited for the purpose of establishing and operating a District of Columbia workforce intermediary program.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Workforce Intermediary Establishment and Reform of First Source Amendment Act of 2011".

Sec. 2. The First Source Employment Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.01 *et seq.*), is amended as follows:

(a) Section 2 (D.C. Official Code § 2-219.01) is amended as follows:

Amend  
§ 2-219.01

(1) Paragraph (1) is amended as follows:

(A) Subparagraph (A) is amended as follows:

(i) Strike the phrase ", or the successful applicant for any street or alley closing pursuant to the Street and Alley Closing and Acquisition Procedures Act of 1982, effective March 10, 1983 (D.C. Law 4-201; D.C. Official Code § 9-201.01 *et seq.*)",.

(ii) Strike the phrase "government-assisted project" and insert the phrase "government-assisted project or contract" in its place.

(B) Subparagraph (B) is amended as follows:

(i) Strike the phrase "A beneficiary" and insert the phrase "A recipient" in its place.

(ii) Strike the word "public".

(iii) Strike the figure "\$100,000" and insert the figure "\$300,000" in its place.

(C) Subparagraph (C) is amended as follows:

(i) Strike the phrase "a direct beneficiary" and insert the phrase "a direct recipient" in its place.

(ii) Strike the figure "\$100,000" and insert the figure "\$300,000" in its place.

(iii) Strike the phrase "; provided, that obligations imposed by this title shall apply only for 5 years following the commencement of the tenant's initial lease date of the real estate. Developers of a government-assisted project with retail and commercial tenants that directly benefitted from that assistance shall require those tenants to sign an agreement stating that the tenants will adhere to the requirements of this act for 5 years following the commencement of the tenant's initial lease date".

(2) Paragraph (3) is amended by striking the phrase "managerial, nonmanagerial," and inserting the phrase "union and non-union managerial, nonmanagerial" in its place.

(3) Paragraph (5) is amended to read as follows:

"(5) "Government-assisted project or contract" means any construction or non-construction project or contract receiving funds or resources from the District of Columbia,

or

**ENROLLED ORIGINAL**

funds or resources which, in accordance with a federal grant or otherwise, the District of Columbia

government administers, including contracts, grants, loans, tax abatements or exemptions, land transfers, land disposition and development agreements, tax increment financing, or any combination thereof, that is valued at \$300,000 or more.”

(4) Paragraph (6) is amended by striking the phrase “government-assisted project” and inserting the phrase “government-assisted project or contract” in its place.

(5) New paragraphs (7), (8), (9), and (10) are added to read as follows:

“(7) “Hard to employ” means a District resident who is confirmed by a District of Columbia government agency as:

“(A) An ex-offender who has been released from prison within the last 10 years;

“(B) A participant of the Temporary Assistance for Needy Families program;

“(C) A participant of the Supplemental Nutrition Assistance Program;

“(D) Living with a permanent disability verified by the Social Security Administration or District vocational rehabilitation program;

“(E) Unemployed for 6 months or more in the last 12-month period;

“(F) Homeless;

“(G) A participant or graduate of the Transitional Employment Program established by section 2102 of the Transitional Employment Program and Apprenticeship Initiative Establishment Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 32-1331); or

“(H) An individual who qualified for inclusion in the Work Opportunity Tax Credit Program as certified by the Department of Employment Services.

“(8) “Direct labor costs” means all costs, including wages and benefits, associated with the hiring and employment of personnel assigned to a process in which payroll expenses are traced to the units of output and are included in the cost of goods sold.

“(9) “Indirect labor costs” means all costs, including wages and benefits, that are part of operating expenses and are associated with the hiring and employment of personnel assigned to tasks other than producing products.

“(10) “Workforce Act” means the Workforce Intermediary Establishment and Reform of the First Source Amendment Act of 2011, passed on 2nd reading on December 6, 2011 (Enrolled version of Bill 19-50).”

(b) Section 4 (D.C. Official Code § 2-219.03) is amended as follows:

(1) Subsection (a) is amended by striking the phrase “government-assisted project” wherever it appears and inserting the phrase “government-assisted project or contract” in its place.

(2) Subsection (c) is amended to read as follows:

“(c) The Mayor shall transmit each employment agreement to the Department of

Amend  
§ 2-219.03

ENROLLED ORIGINAL

Employment Services no less than 7 calendar days in advance of the project or contract start date, whichever is later, and no work associated with the relevant government assistance can begin on a project or contract until the employment agreement has been accepted by the Department of Employment Services."

(3) Subsection (d) is repealed.

(4) Subsection (e) is amended as follows:

(A) Paragraph 1 is amended to read as follows:

"(1)(A) The Mayor shall include in each government-assisted project or contract that receives government assistance totaling between \$300,000 and \$5,000,000, a provision that at least 51% of the new employees hired to work on the project or contract shall be District residents. Collective bargaining agreements shall not be the basis for a waiver from this requirement.

"(B) Prior to the employment agreement being accepted by the Department of Employment Services, each beneficiary covered by this paragraph shall choose whether the 51% of the new employees hired shall be:

"(i) Cumulative of all new hires, including those made by all subcontractors at any tier who work on the project or contract; or

"(ii) Met by each beneficiary covered by this paragraph and each individual subcontractor at any tier who works on the project or contract.

"(C) Each beneficiary covered by this paragraph shall submit to the Department of Employment Services each month following the start of the project or contract a hiring compliance report for the project or contract that includes the:

"(i) Number of employees who worked on the project or contract;

"(ii) Number of current employees transferred;

"(iii) Number of new job openings created;

"(iv) Number of job openings created by employee attrition;

"(v) Number of job openings listed with the Department of

Employment Services;

"(vi) Total monthly direct and indirect labor costs associated with the project or contract;

"(vii) Total number of all District residents hired for the reporting period and the cumulative total number of District residents hired; and

"(viii) Total number of all employees hired for the reporting period and the cumulative total number of employees hired, including each employee's:

"(I) Name;

"(II) Social security number;

"(III) Job title;

"(IV) Hire date;

"(V) Residence; and

"(VI) Referral source for all new hires.

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“(D)(i) Government-assisted construction projects or contracts covered by this paragraph shall be subject to the hiring and reporting requirements set forth in this paragraph until construction is completed and a final certificate of occupancy has been issued.

“(ii) Government-assisted non-construction projects or contracts covered by this paragraph shall be subject to the hiring and reporting requirements set forth in this paragraph for as long as the benefit is being received.

“(iii) A retail or commercial tenant that is a beneficiary as defined under section 2(1)(C) and is covered by this paragraph shall be subject to the hiring and reporting requirements set forth in this paragraph for 5 years following the commencement of the tenant’s initial lease date.”.

(B) New paragraphs (1A), (1B), and (1C) are added to read as follows:

“(1A)(A) The Mayor shall include in each government-assisted construction project or contract that receives government assistance totaling \$5 million or more, a provision requiring that:

“(i) At least 20% of journey worker hours by trade shall be performed by District residents;

“(ii) At least 60% of apprentice hours by trade shall be performed by District residents;

“(iii) At least 51% of the skilled laborer hours by trade shall be performed by District residents; and

“(iv) At least 70% of common laborer hours shall be performed by District residents.

“(B) Collective bargaining agreements shall not be a basis for a waiver from this requirement.

“(C) As part of the employment plan required by subparagraph (F)(ii) of this paragraph, each beneficiary covered by this paragraph shall choose whether all residency work requirements shall be:

“(i) Cumulative of all hours worked, including those hours worked by subcontractors at any tier who work on the project or contract; or

“(ii) Met by each beneficiary covered by this paragraph and each individual subcontractor at any tier who works on the project or contract.

“(D) Each month following the start of the project or contract, beneficiaries covered by this paragraph shall submit to the Department of Employment Services copies of their monthly and cumulative certified payrolls, monthly and cumulative certified payrolls from all subcontractors at any tier working on the project or contract, as well as a report of the total monthly direct and indirect labor costs associated with the project or contract.

“(E) Government-assisted construction projects or contracts covered by this paragraph shall be subject to the hiring and reporting requirements set forth in this paragraph until construction is completed and a final certificate of occupancy has been issued.

ENROLLED ORIGINAL

“(F)(i) Bids and proposals responding to a solicitation for a government-assisted project or contract covered by this paragraph shall include an initial employment plan outlining the bidder or offeror’s strategy to meet the local hiring requirements as part of its response to the solicitation. These plans shall be evaluated and scored by the Mayor based on the criteria listed in sub-sub-subparagraphs (I), (II), and (III) of this sub-subparagraph. The evaluation shall be worth 10% of the overall score of the bid or proposal. The employment plan shall include the following:

“(I) Descriptions of the health and retirement benefits provided to employees who worked on any of the bidder or offeror’s past 3 completed projects or contracts;

“(II) A description of the bidder or offeror’s efforts to provide District residents with ongoing employment and training opportunities after they complete work on the job for which they were initially hired; and

“(III) A disclosure of past compliance with the Workforce Act and the Davis-Bacon Act of 1931, approved March 3, 1931 (46 Stat. 1494; 40 U.S.C. § 3141 *et seq.*) (“Davis-Bacon Act”), where applicable, on projects or contracts completed within the last 2 years.

“(ii) The winning bidder or offeror shall submit a revised employment plan to the Mayor for approval prior to beginning work associated with the relevant government project or contract. The employment plan shall include:

“(I) A projection of the total number of hours to be worked on the project or contract by trade;

“(II) A projection of the total number of journey worker hours, by trade, to be worked on the project or contract and the total number of journey worker hours, by trade, to be worked by District residents;

“(III) A projection of the total number of apprentice hours, by trade, to be worked on the project or contract and the total number of apprentice hours, by trade, to be worked by District residents;

“(IV) A projection of the total number of skilled laborer hours, by trade, to be worked on the project or contract and the total number of skilled laborer hours, by trade, to be worked by District residents;

“(V) A projection of the total number of common laborer hours to be worked on the project or contract and the total number of common laborer hours to be worked by District residents;

“(VI) A timetable outlining the total hours worked by trade over the life of the project or contract and an associated hiring schedule;

“(VII) Descriptions of the skill requirements by job title or position, including industry-recognized certifications required for the different positions;

“(VIII) A strategy to fill the hours required to be worked by District residents pursuant to this paragraph, including a component on communicating these requirements to contractors and subcontractors and a component on potential community

**ENROLLED ORIGINAL**

outreach partnerships with the University of the District of Columbia, the University of the District of Columbia Community College, the Department of Employment Services, Jointly Funded Apprenticeship Programs, or other government-approved, community-based job training providers;

“(IX) A remediation strategy to ameliorate any problems associated with meeting these hiring requirements, including any problems encountered with contractors and subcontractors;

“(X) The designation of a senior official from the general contractor who will be responsible for implementing the hiring and reporting requirements;

“(XI) Descriptions of the health and retirement benefits that will be provided to District residents working on the project or contract;

“(XII) A strategy to ensure that District residents who work on the project or contract receive ongoing employment and training opportunities after they complete work on the job for which they were initially hired and a review of past practices in continuing to employ District residents from one project or contract to the next;

“(XIII) A strategy to hire graduates of District of Columbia Public Schools, District of Columbia public charter schools, and community-based job training providers, and hard-to-employ residents; and

“(XIV) A disclosure of past compliance with the Workforce Act and the Davis-Bacon Act, where applicable, and the bidder or offeror’s general District-resident hiring practices on projects or contracts completed within the last 2 years.

“(iii) The Mayor shall require all beneficiaries of government-assisted projects or contracts covered by this paragraph that are not awarded through the contracting process to develop and submit to the Department of Employment Services the employment plan required in sub-subparagraph (ii) of this subparagraph.

“(iv) Once approved, the employment plan required by sub-subparagraph (ii) of this subparagraph shall not be amended except with the approval of the Mayor.

“(G) For the purpose of calculating hours worked by District residents, beneficiaries covered by this paragraph may receive double credit for hours worked by District residents who are certified by the Department of Employment Services as hard to employ as long as they include the resident’s hard-to-employ certification as part of the monthly reporting. No more than 15% of the total hours worked by District residents may be comprised of double-credit hours.

“(H) For the purpose of calculating hours worked by District residents, beneficiaries covered by this paragraph may count any hours worked by District residents on other completed projects or contracts subject to and in excess of the Workforce Act’s hiring requirements that are certified by the Mayor.

“(I) Within one year of the effective date of the Workforce Act, the Mayor shall review the hiring and reporting requirements set forth by this paragraph to determine the

## ENROLLED ORIGINAL

appropriateness of each percentage and make relevant findings of the determination in a report to the Council. After the initial submission of this report the Mayor shall regularly, but at least once every 3 years, conduct a new review of the hiring and reporting requirements set forth by this paragraph to determine the appropriateness of each percentage and make relevant findings of the determination in a report to the Council.

“(J) The Department of Employment Services shall consider requests from beneficiaries to recommend to the D.C. Apprenticeship Council to alter the ratio of journey worker to apprentice positions as long as the request does not jeopardize the quality or safety of the project or contract and there is a compelling District-resident hiring rationale.

“(1B)(A) Within one year of the effective date of the Workforce Act, the Mayor shall issue rules establishing enhanced hiring and reporting requirements for government-assisted non-construction projects or contracts that receive government assistance totaling \$5 million or more.

“(B)(i) These rules shall include industry-specific requirements by percentage of total hours worked for full-time and part-time hourly wage employees and by percentage of full-time and part-time salaried employees, broken out by job category. The proposed rules shall also establish the length of time that these projects or contracts shall comply with the hiring and reporting requirements.

“(ii) The proposed rules shall be submitted to the Council for a 45-day period of review, excluding Saturdays, Sundays, legal holidays, and days of Council recess. If the Council does not approve or disapprove the proposed rules, by resolution, within this 45-day review period, the proposed rules shall be deemed disapproved.

“(iii) Until the final rules have been adopted after approval by the Council pursuant to this paragraph and paragraph (1C)(F) of this subsection, government-assisted non-construction projects or contracts that receive government assistance totaling \$5 million or more shall be subject to the hiring and reporting requirements set forth in paragraph (1) of this subsection.

“(1C)(A) Once final rules have been adopted after Council approval pursuant to paragraph (1B) of this subsection and subparagraph (F) of this paragraph, the Mayor shall include these District hiring and reporting requirements in each government-assisted non-construction project or contract that receives government assistance totaling \$5 million or more. These government-assisted non-construction projects or contracts shall be subject to the procedures set forth in this paragraph.

“(B)(i) Bids and proposals responding to a solicitation for a government-assisted project or contract covered by this paragraph shall include an initial employment plan outlining the bidder or offeror’s strategy to meet the local hiring requirements as part of its response to the solicitation. These plans shall be evaluated and scored by the Mayor based on the criteria listed in sub-sub-subparagraphs (I), (II), and (III) of this sub-subparagraph. The evaluation shall be worth 10% of the overall score of the bid or proposal. The employment plan shall include the following:

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“(I) Descriptions of the health and retirement benefits provided to employees who worked on any of the bidder or offeror’s past 3 completed projects or contracts;

“(II) A description of the bidder or offeror’s efforts to provide District residents with ongoing employment, training, and career advancement opportunities; and

“(III) A disclosure of past compliance with the Workforce Act, where applicable, on projects or contracts completed within the past 2 years.

“(ii) The winning bidder or offeror shall submit a revised employment plan to the Mayor for approval, before beginning work associated with the project or contract. The revised employment plan shall include:

“(I) A projection of the total number of hours to be worked by full-time and part-time hourly wage employees on an annual basis by job category and the total number of hours to be worked by full-time and part-time hourly wage employees who are District residents;

“(II) A projection of the total number of full-time and part-time salaried employees on an annual basis by job category and the total number of full-time and part-time salaried employees that will be District residents;

“(III) A timetable outlining the total hours worked by full-time and part-time hourly wage employees by job category and the total number of full-time and part-time salaried employees by job category over the duration of the life of the hiring requirements set forth by the Department of Employment Services and an associated hiring schedule which predicts when specific job openings will be available;

“(IV) Descriptions of the skill requirements, including industry-recognized certifications required for the different positions;

“(V) A strategy to fill the District-resident hiring requirements, including whether the bidder plans to pursue potential community outreach partnerships with the University of the District of Columbia, the University of the District of Columbia Community College, the Department of Employment Services, or other government-approved, community-based job training providers;

“(VI) A remediation strategy to ameliorate any problems associated with meeting these hiring requirements;

“(VII) The designation of a senior official from the beneficiary who will be responsible for implementing the hiring and reporting requirements;

“(VIII) Descriptions of the health and retirement benefits that will be provided to District residents working on the project or contract;

“(IX) A strategy to hire graduates of District of Columbia Public Schools, District of Columbia public charter schools, and community-based job training providers, and hard-to-employ residents; and

“(X) A disclosure of past compliance with the Workforce Act, where applicable, and the bidder or offeror’s general District hiring practices on projects or contracts completed within the past 2 years.



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“(iii) The Mayor shall require all beneficiaries of government-assisted projects or contracts covered by this paragraph that are not awarded through the contracting process to develop and submit to the Department of Employment Services the employment plan required in sub-subparagraph (ii) of this subparagraph.

“(iv) Once approved, the employment plan required by sub-subparagraph (ii) of this subparagraph shall not be amended except with the approval of the Mayor.

“(C) For the purpose of calculating hours worked and full-time and part-time salaried positions filled by District residents, beneficiaries covered by this paragraph may receive double credit for hours worked and for full-time and part-time salaried positions filled by District residents who are certified by the Department of Employment Services as hard to employ as long as they include the resident’s hard-to-employ certification as part of the monthly reporting. No more than 15% of the total hours worked and full-time and part-time salaried positions filled by hard-to-employ District residents may be comprised of double-credit hours or double-credit full-time and part-time salaried positions.

“(D) For the purpose of calculating hours worked and full-time and part-time salaried positions filled by District residents, beneficiaries covered by this paragraph may count any hours worked and full-time and part-time salaried positions filled by District residents on other completed projects or contracts subject to and in excess of the Workforce Act’s hiring requirements that are certified by the Mayor.

“(E) Within one year of the effective date of the rules approved by the Council pursuant to paragraph (1B) of this subsection, the Mayor shall review the hiring and reporting requirements set forth by this paragraph to determine the appropriateness of each percentage and make relevant findings of the determination in a report submitted to the Council. After the initial submission of this report the Mayor shall regularly, but at least once every 3 years, conduct a new review of the hiring and reporting requirements set forth by this paragraph to determine the appropriateness of each percentage and make relevant findings of the determination in a report submitted to the Council.

“(F) Within 90 days of the effective date of the rules approved by the Council pursuant to paragraph (1B) of this subsection, the Mayor shall issue rules to implement the provisions of this paragraph. The proposed rules shall be submitted to the Council for a 45-day period of review, excluding Saturdays, Sundays, legal holidays, and days of Council recess. If the Council does not approve or disapprove the proposed rules, in whole or in part, by resolution within this 45-day review period, the proposed rules shall be deemed approved.”

(C) Paragraph (2) is amended to read as follows:

“(2) With the submission of the final request for payment from the District, the beneficiary shall:

“(A) Document in a report to the Mayor its compliance with paragraph (1), (1A), (1B), or (1C) of this subsection; or

“(B) Submit a request to the Mayor for a waiver of compliance with

paragraphs (1), (1A), (1B), or (1C) of this subsection, which shall include the following documentation:

“(i) Material supporting a good-faith effort to comply;  
“(ii) Referrals provided by the Department of Employment Services and other referral sources; and

“(iii) Advertisement of job openings listed with the Department of Employment Services and other referral sources.”.

(D) Paragraph (3) is amended to read as follows:

“(3)(A) The Mayor may waive the provisions of paragraph (1), (1A), (1B), or (1C) of this subsection if the Mayor finds that:

“(i) The Department of Employment Services has certified that a good-faith effort to comply has been demonstrated by the beneficiary;

“(ii)(I) The beneficiary is located outside of the Washington Standard Metropolitan Statistical Area;

“(II) None of the contract work is performed inside the Washington Standard Metropolitan Statistical Area;

“(III) The beneficiary published each job opening or part-time work needed for 7 calendar days in a District newspaper of city-wide circulation; and

“(IV) The Department of Employment Services certifies that there are insufficient eligible applicants from the First Source Register that possess the skills required by the positions, or the eligible applicants are not available for part-time work or do not have a means to travel to the onsite job; or

“(iii) The beneficiary enters into a special workforce development training or placement arrangement with the Department of Employment Services.

“(B) The Department of Employment Services shall consider the following when making a determination of a good-faith effort to comply:

“(i) Whether the Department of Employment Services has certified that there is an insufficient number of District residents in the labor market who possess the skills required to fill the positions that were created as a result of the project or contract;

“(ii) Whether the beneficiary posted the jobs on the Department of Employment Services job website for a minimum of 10 calendar days;

“(iii) Whether the beneficiary posted each job opening or part-time work needed in a District newspaper with city-wide circulation for a minimum of 7 calendar days;

“(iv) Whether the beneficiary has substantially complied with the relevant monthly reporting requirements set forth in this section;

“(v) For government-assisted projects or contracts covered by paragraph (1A) or (1C) of this subsection, whether the beneficiary has submitted and substantially complied with its most recent employment plan that has been approved by the Department of Employment Services; and

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“(vi) Any additional documented efforts.”.

(E) Paragraph (4) is amended to read as follows:

“(4)(A) Willful breach of the employment agreement, or failure to submit the required hiring compliance report pursuant to paragraph (1), (1A), (1B), or (1C) of this subsection, or deliberate submission of falsified data, shall be enforced by the Mayor through the imposition of a monetary fine of 5% of the total amount of the direct and indirect labor costs of the project or contract, in addition to other penalties provided by law.

“(B) Failure to meet the required hiring requirements pursuant to paragraph (1), (1A), (1B), or (1C) of this subsection or failure to receive a good-faith waiver pursuant to paragraph (3) of this subsection may result in the Mayor imposing a penalty equal to 1/8 of 1% of the total amount of the direct and indirect labor costs of the project or contract for each percentage by which the beneficiary fails to meet the hiring requirements.

“(C) Upon a second violation within a 10-year time frame of the required hiring or reporting requirements set forth within paragraphs (1), (1A), (1B), or (1C) of this subsection or failure to receive a good-faith waiver pursuant to paragraph (3) of this subsection, the Mayor shall debar a person or entity from consideration for award of contracts or subcontracts with the District of Columbia for a period of not more than 5 years.

“(D) Upon a second violation within a 10-year time frame of the required hiring or reporting requirements set forth within paragraphs (1), (1A), (1B), or (1C) of this subsection or failure to receive a good-faith waiver pursuant to paragraph (3) of this subsection, the Mayor may deem a person or entity ineligible of consideration for government-assisted projects with the District of Columbia for a period of not more than 5 years.

(F) Paragraph (5) is amended to read as follows:

“(5) The beneficiary may appeal any decision of the Mayor regarding a contract pursuant to paragraph (4) of this subsection to the Contract Appeals Board. For those projects that are not awarded through the contracting process, the Mayor shall establish by rule an administrative appeals process that allows the beneficiary to appeal any decision of the Mayor pursuant to paragraph (4) of this subsection.”.

(G) Paragraph (6) is amended by striking the phrase “government-assisted projects” and inserting the phrase “government-assisted projects or contracts” in its place.

(c) Section 4a (D.C. Official Code § 2-219.03a) is amended by striking the phrase “government-assisted projects” and inserting the phrase “government-assisted projects or contracts” in its place.

Amend  
§ 2-219.03a

(d) Section 5 (D.C. Official Code § 2-219.04) is amended by striking the phrase “government-assisted projects” wherever it appears and inserting the phrase “government-assisted projects or contracts” in its place.

Amend  
§ 2-219.04

(e) New sections 5a, 5b, and 5c are added to read as follows:

“Sec. 5a. Modernization of First Source recordkeeping.

“Within 120 days of the effective date of the Workforce Act, the Department of Employment Services shall provide public access on its website to all employment agreements

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entered into in 2009 through the present and shall make available online all future employment agreements, their status of compliance, and the project or contract's assigned Contracting Officer or First Source Compliance Officer and their contact information.

"Sec. 5b. Establishment of a workforce intermediary pilot program.

"(a)(1) By April 1, 2012, the Mayor shall establish a workforce intermediary pilot program for Fiscal Year 2012 based on Council and Mayor-approved recommendations made by the Workforce Intermediary Task Force established by the Workforce Intermediary Task Force Establishment Second Emergency Act of 2011, effective October 18, 2011 (D.C. Act 19-167; 58 DCR 8900), or succeeding legislation.

"(2) The workforce intermediary pilot program shall act as an intermediary between employers and training providers to provide employers with qualified District resident job applicants.

"(3) The workforce intermediary pilot program shall have a start-up budget not to exceed \$2 million, which shall be funded by all funds deposited in the District of Columbia Jobs Trust Fund ("Fund"), established in section 5c, and other existing local funds.

"(4) Thirty days before the end of the pilot program, the Deputy Mayor for Planning and Economic Development, in consultation with the Department of Employment Services and the workforce intermediary, shall develop a progress report and recommendations for continued operations of the workforce intermediary that take into account the Council and Mayor-approved recommendations made by the Workforce Intermediary Task Force.

"Sec. 5c. Establishment of the District of Columbia Jobs Trust Fund.

"(a) There is established as a nonlapsing fund the District of Columbia Jobs Trust Fund, which shall be administered by the Deputy Mayor for Planning and Economic Development. The funds in the Fund shall be used solely for the purpose of establishing and operating the workforce intermediary pilot program, established in section 5b, or any succeeding program. The following shall be deposited into the Fund:

"(1) Voluntary and negotiated contributions and donations, including past contributions for similar purposes that have yet to be collected or expended; and

"(2) All outstanding monetary fines for breach of this act.

"(b) All funds deposited into the Fund, and any interest earned on those funds, shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time, but shall be continually available for the uses and purposes set forth in subsection (a) of this section without regard to fiscal year limitation, subject to authorization by Congress."

(f) Section 6 (D.C. Official Code § 2-219.05) is amended to read as follows:

"Sec. 6. Rules.

"(a)(1) Except as provided in section 4(e)(1B) and (1C), within 180 days of the effective date of the Workforce Act, the Mayor, pursuant to Title I of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*), shall issue rules to implement the provisions of the Workforce Act.

Amend  
§ 2-219.05

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“(2) The proposed rules shall be submitted to the Council for a 45-day period of review, excluding Saturdays, Sundays, legal holidays, and days of Council recess. If the Council does not approve or disapprove the proposed rules, in whole or in part, by resolution within this 45-day review period, the rules shall be deemed approved.


“(b) Any subsequent rules issued by the Mayor to implement the provisions of this act shall be submitted to the Council for a 45-day period of review in accordance with subsection (a)(2) of this section.”.

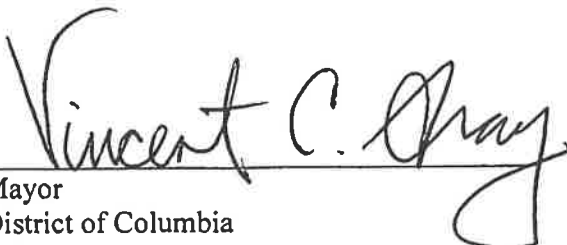
**Sec. 3. Fiscal impact statement.**

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

**Sec. 4. Effective date.**

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

  
\_\_\_\_\_  
Chairman  
Council of the District of Columbia

  
\_\_\_\_\_  
Mayor  
District of Columbia

**APPROVED**  
December 21, 2011



## The District of Columbia

### Workforce Intermediary Establishment and Reform of First Source Amendment Act of 2011

Effective February 24, 2012, the District of Columbia Workforce Intermediary Establishment and Reform of First Source Amendment Act of 2011 significantly changes the District's First Source law. Crafted to increase the number of D.C. residents hired on projects funded by D.C. taxpayer dollars, it implements more aggressive requirements for hiring, monitoring, and compliance. These changes ensure that District residents are given priority for new jobs created by municipal financing and development programs. A workforce intermediary pilot program will be created by the Workforce Investment Council (WIC) and shall act as an intermediary between employers and training providers to provide employers with qualified residents. The intermediary will focus on the construction and hospitality industries.

Other major changes to the new law include:

- The initial Employment Plan from bidders or offerors must outline a strategy to meet local hiring requirements as part of its response to the bid solicitation. An evaluation will be made and shall be worth 10% of the overall score of the bid or proposal.
- The new law requires bidders and offerors of government contracts valued at five million dollars (\$5M) or more to submit initial Employment Plans that reveal past compliance and employment practices of D.C. residents as part of their bid packages. The past compliance also includes disclosure of apprenticeship and Davis-Bacon Act compliance.
- The winning bidder or offeror must submit a revised Employment Plan to the using agency for approval prior to beginning work associated with the relevant government project or contract. The new law outlines the requirements for Employment Plans.
- The new law requires the primary beneficiary of the First Source Employment Agreement to choose whether the hiring requirements of District residents will be cumulative on a project or contract or will be met by each individual beneficiary covered by the project or contract.
- The Department of Employment Services (DOES) must receive the First Source Employment Agreement no less than seven (7) calendar days in advance of the project or contract start date, whichever is later. No work associated with the relevant government assistance can begin on a project or contract until the First Source Employment Agreement has been accepted by DOES.
- The new law eliminates contracts under \$300,000 from the First Source obligations, but continues to require 51% of all new hires on government contracts be District residents.



# First Source



Department of Employment Services  
F. Thomas Luparello, Acting Director

- Government-assisted construction projects receiving government assistance totaling five million dollars (\$5M) or more must have the following percentage of D.C. residents on those projects:
  - 20% of journey-worker hours
  - 60% of apprentice hours
  - 51% of skilled laborer hours
  - 70% of common laborer hours
- The new law allows contractors to double-count hours worked by “hard to employ” District residents up to 15% of total hours worked by District residents.
- The new law allows DOES to consider altering the ratio of apprentices to journey-workers employed, based on a compelling District resident hiring rationale.
- The new law allows “roll over” hours for beneficiaries to count hours that exceed previous requirements toward their current requirements if hours are in excess.
- The new law maintains the 5% direct and indirect labor costs (monetary fine) level. The new law also includes debarment for those found in violation two (2) times over a ten-year period for a period of five (5) years.
- Appeals are heard at the Contract Appeals Board.

## Department of Employment Services Contact:

First Source Program

4058 Minnesota Avenue, NE, Suite 3000

Washington, DC 20019

(202) 698-6284

[Firstsource@dc.gov](mailto:Firstsource@dc.gov)



Government of the District of Columbia  
Vincent C. Gray, Mayor



**ATTACHMENT B - ATLANTA ORDINANCE**

10-O-0928

**AN ORDINANCE BY  
COUNCIL MEMBERS JOYCE M. SHEPERD, MICHAEL BOND, NATALYN  
ARCHIBONG, AARON WATSON, H. LAMAR WILLIS, ALEX WAN, CLETA  
WINSLOW, C. T. MARTIN, CARLA SMITH, AND IVORY LEE YOUNG, JR.**

**AS SUBSTITUTED(2) AND AMENDED BY  
COMMUNITY DEVELOPMENT & HUMAN RESOURCES COMMITTEE**

**AN ORDINANCE TO AMEND THE CODE OF  
ORDINANCES OF THE CITY OF ATLANTA, GEORGIA  
CHAPTER 2, ARTICLE IV, SECTION 2-195 TO EXPAND  
THE FUNCTIONS AND DUTIES OF THE ATLANTA  
WORKFORCE DEVELOPMENT AGENCY; TO INSERT A  
NEW ARTICLE XI ENTITLED THE ATLANTA FIRST  
SOURCE AND ATLANTA CITYBUILD PROGRAM, WHICH  
NEW ARTICLE XI SHALL INCLUDE DIVISION 1 -  
GENERAL PROVISIONS, DIVISION 2 - FIRST SOURCE  
JOBS POLICY, DIVISION 3 - ATLANTA CITYBUILD  
PROGRAM, DIVISION 4 - ATLANTA FIRST SOURCE AND  
ATLANTA CITYBUILD ADVISORY COMMITTEE;  
DIVISION 5 - PENALTIES; TO REPEAL CONFLICTING  
ORDINANCES; AND FOR OTHER PURPOSES.**

WHEREAS, the City of Atlanta seeks to create opportunities for unemployed or underemployed residents do not possess the job skills which hinders entry into the employment market; and

WHEREAS, the City enters into numerous public works and improvement contracts, which contracts call for various workers with building and construction trade skills to fulfill and perform the work required under the contract, and these contracts are funded by public dollars;

WHEREAS, the City has previously enacted a First Source Jobs Policy to create entry level employment opportunities for low income city residents from contracts let by the City;

WHEREAS, the construction industry is an industry which provides a path to middle-class careers for individuals without advanced degrees and for individuals who face barriers to quality and sustainable employment;

WHEREAS, pre-apprenticeship programs play a critical function in preparing individuals who do not possess strong literacy, mathematical or educational backgrounds and who have had no prior introduction or orientation to the construction industry for entry into programs where these individuals can attain construction and building trades skills;

WHEREAS, it is the desire and the intention of the Atlanta City Council that the City expenditure of funds pursuant to certain city contracts should provide a benefit to the City's communities in the form of greater job training and employment opportunities for low-income unemployed and underemployed City residents;

WHEREAS, it is the desire and intention of the Atlanta City Council that the First Source Jobs Policy Advisory Board be reconstituted into a larger First Source and Atlanta CityBuild Advisory Board.

NOW THEREFORE, the Council of the City of Atlanta, Georgia hereby ordains as follows:

SECTION 1. That Chapter 2, Article IV, Section 2-195 [of the City of Atlanta Code of Ordinances?] is hereby amended to add a new subsection (5), which shall read as follows.

- (5) Administering the First Source Jobs Policy set forth pursuant to Division 2 of Article XI, Chapter 2 of this title and administering the Atlanta CityBuild Program set forth pursuant to Division 3 of Article XI, Chapter 2 of this title.

SECTION 2. That Chapter 2, Article XI, of the City of Atlanta Code of Ordinances is hereby amended to delete the current Article in its entirety and to insert in lieu thereof the following Article, so that said Article shall read as follows.

**Article XI. First Source Jobs Program**

**Division 1. General Provisions**

Sec. 2-1651. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Apprentice* means any person who is enrolled in a Certified Apprentice Program and who has resided in the City for a period of at least two (2) years preceding commencement of employment under a Construction Contract pursuant to which such person will be employed pursuant to this ordinance, at either the Construction Contractor or Subcontractor level.

*AWDA* means the Atlanta Workforce Development Agency.

*Beneficiary* means the immediate recipient of any industrial revenue bonds, commercial or industrial abatement, urban redevelopment action grants or community development block funds administered by the city or agencies substantially controlled by the city, including the economic development corporation, urban residential finance authority. The term shall only apply to those entities benefiting from such city funds or administered funds in the amount of \$25,000.00 or more with 15 or more employees.

*Certified Apprentice Program* means a program that is registered with the U. S. Department of Labor that trains participants in construction skills related to specific trades and

occupations and that enters into a written agreement with a Pre-Apprenticeship Program to admit and place substantial numbers of Trainees into employment in the construction trades.

*City* means the City of Atlanta, Georgia.

*City Agencies* means departments, entities, agencies, or authorities, including, but not limited to, the Atlanta Development Authority and its affiliated and interlocking agencies and authorities, such as: Atlanta Beltline, Inc., the Downtown Development Authority of Atlanta and the Urban Residential Finance Authority, over which the City or its elected officials exercise administrative or policymaking authority.

*City Resident* means any person who resides in the City and has continuously been a resident of the City for at least two years immediately preceding their participation in the First Source, Pre-Apprenticeship Program or such individuals' work participation as an Apprentice or Skilled Construction Worker on a Construction Contract or Subcontract.

*Construction Contract* means a contract entered into by the City or a contract funded by the City for the performance of work which requires construction or building trades skills and has a face value that is at or greater than the Threshold Amount.

*Construction Contractor* means any person, firm, partnership, limited liability company, corporation, joint venture, proprietorship, trust, unincorporated association or other entity, whether profit or nonprofit, that enters into a Construction Contract.

*Contract* means a contract entered into with the City for the performance of work on a Eligible Project that is greater than \$20,000

*Contractor* means any person, firm, partnership, limited liability company, corporation, joint venture, proprietorship, trust, unincorporated association or other entity, whether profit or nonprofit, that enters into a Contract.

*Employment Agreement* means a contract executed by the City and a Beneficiary or Contractor, the terms of which shall include, among other provisions, details as to the number and description of each entry-level job for which the Beneficiary or Contractor is required to use the first source register and other applicable sections of this article.

*Entry-level job* means any nonmanagerial, nonprofessional or nontechnical position for which little or no prior work experience or vocational skill training is required to successfully perform the job tasks.

*First Source Register* means a listing of Low-Income City Residents, including graduates of programs funded by the Workforce Investment Act (WIA), which is compiled and maintained by ADWA pursuant to Sec. 2-1657 below.

*Low-Income City Resident* means any City Resident who meets one of the following criteria: (i) resides in a census tract within the City with a rate of unemployment in excess of

100% of the City's unemployment rate; (ii) resides in a household with a family income at or below the poverty level as defined by the Federal Office of Management and Budget (OMB); (iii) has a major barrier to employment such as disability status, veteran status, teenage parents, lacking a high school diploma or a GED, homeless, dislocated, laid-off or older workers. Such individuals must be at least 18 years old and, if not a high school graduate, must not have been enrolled in a secondary school or below within the past six months.

*Pre-Apprenticeship Program* means a job training program a majority of whose enrollees are Low-Income City Residents and that prepares individuals to enter into a Certified Apprenticeship program by providing them with skills training that provides an initial introduction to the construction industry, that increases literacy and mathematical skills, and that increases life skills.

*Program* means the Atlanta First Source, Job Training and Employment Placement Program established by this article.

*Skilled Construction Worker* means any person who has completed a Certified Apprentice Program, who resides in the City and who has continuously resided in the City for a period of at least two (2) years prior to such individual's work participation on a Construction Contract or Subcontract.

*Threshold Amount* means as to each Construction Contract a face amount of \$500,000 and as to each Subcontract under a face amount of \$250,000.

*Trainee* means a Low-Income City Resident that is enrolled in a Pre-Apprenticeship Program listed on the registry established pursuant to Section 2-1660.

Sec. 2-1652 Severability.

If any provision of this article shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this article.

**Division 2. First Source Jobs Policy**

Sec. 2-1653. AWDA Duties

The duties of AWDA shall include the following:

- (1) Administration of this division.
- (2) Establishment of written procedures to effectuate this division.
- (3) Approval of Employment Agreements.

- (4) Provision of all necessary forms, applications, documents and papers necessary to comply with this article.
- (5) Establish training programs that include Pre-Apprenticeship programs, entrepreneurial skills programs and upgrade training for skilled workers.
- (6) Establish training programs that may include Apprenticeship programs provided nothing in this provision shall require that participants join a labor union.
- (7) Make determinations whether or not bidders have complied with executing the First Source Jobs Agreement and First Source Job Information Sheet.
- (8) Provide recruitment efforts for both Entry Level Job workers and Skilled Construction Workers provided said Skilled Construction Workers fit within the definition of Low Income City Resident.
- (9) Meet with City of Atlanta user agency representatives and the Chief Procurement Officer ( or his/her designee) prior to the issuance of any bid solicitation sourced from that user agency which may appropriately include First Source requirements to discuss whether the inclusion or exclusion of the First Source provision is appropriate for said solicitation.
- (10) The Director of AWDA shall provide an annual report to the Mayor and City of Atlanta Council outlining the efforts in complying with the goals of this Article, the number of jobs created, the skill sets demanded by employers and any other metric as may be requested by the Mayor and the City Council consistent with federal, state and local law.
- (11) The Director of AWDA (or his/her designee) shall provide notices of workshops, training and employment opportunities (including anticipated job position requirements, full or part time nature, employee benefits offered, if any, employer's promotion policy, possibility of advancement, employees expected hours and other policies related to the winning bidders project). Said notices shall be provided in hard copy form and electronic form to Community Based Organizations, Centers of Hope and any other local venue which may effectively inform local economically disadvantaged participants and Low Income City Residents.
- (12) The Director of AWDA shall, consistent with the One Stop delivery system as designated by WIA and other WIA provisions, determine an effective training program which may include utilization of local colleges in order to provide an

adequate pool of trained, ready and able economically disadvantaged participants and Low Income City Residents for employers.

#### Sec. 2-1654 Office of Contract Compliance Duties

Working in conjunction with AWDA, the Office of Contract Compliance duties are:

- (1) Once notified by AWDA that an Employer is not compliant with this Article, make determinations as to whether any of the penalties set forth in section 2-1657 for noncompliance are appropriate.
- (2) Notify a non-compliant Employer by registered mail that the party has the right to appeal a determination of noncompliance with this article to the contract compliance hearing officer within seven days of receipt of the notice of noncompliance.
- (3) Notify the Chief Procurement Officer, the head of the affected using agency and any other appropriate City officials of any determination of noncompliance with the requirements of this article and any appeal from such determination of noncompliance.

#### Sec. 2-1655 User Agency Duties

City of Atlanta user agencies may meet with AWDA personnel, as designated by the Director of AWDA, and the Chief Procurement Office (or his/her designee), prior to the issuance of bid solicitations to discuss the inclusion of First Source requirements in any forthcoming bid solicitations. Said user agency representative shall provide a list of potential positions and skill sets to allow AWDA to train and present an adequate pool of trained, ready and available potential participants who meet the definition of Low Income City Residents.

#### Sec. 2-1656 Employer Duties

Winning bidders on solicitations which include First Source requirements shall meet with the Director of AWDA (or his/her designee) after award but prior to execution of the contract to provide appropriate notification of available Entry Level, Apprentice and Skilled Labor positions prior to interviewing applicants to allow AWDA time to train and refer an adequate pool of economically disadvantaged participants to employers for consideration. Said notification shall include the following information:

- 1) Skill sets required for any Entry Level Jobs.

- 2) Employer's recruitment, hiring and retention goals consistent with an Employment Agreement which the winning bidder will execute.
- 3) Occupational title of the Entry Level job.
- 4) Hours required for the Entry Level job.
- 5) Expected duration of the Entry Level job.
- 6) Any English language proficiency requirements, or absence thereof.
- 7) Projected schedule, and procedures for hiring Entry Level jobs.

Sec. 2-1657. First Source Register.

- (a) AWDA shall compile and maintain a First Source Register.
- (b) In compiling and maintaining the First Source Register, AWDA shall contact the Georgia Department of Labor, community-based organizations, welfare agencies and any other agency whose primary target group is the economically disadvantaged.

Sec. 2-1658. Employment Agreement Required.

Under this article, the City shall require each Employer for every applicable project that is subject to this Ordinance, to enter into an Employment Agreement with the City in the form to be required by AWDA.

Sec. 2-1659. First Source Hiring Guidelines.

Prior to hiring any Entry-level Jobs, each Employer will review job applicants exclusively from the First Source Register for a period of at least thirty days prior to reviewing job applicants from any other source.

- (a) Each Employer will maintain as a goal that 50 percent of Entry-level Jobs under that Employer's control will be filled with individuals from the First Source Register
- (b) Each Employer will make best efforts to attain the above goal.

Each Employer will make best efforts to hire Low-Income City Residents for all Entry-level Jobs that are under the Employer's control.

**Division 3 Atlanta CityBuild Program**

Sec. 2-1660. Program.

- (a) Subject to funding as stated in Section 2-1665, there is hereby established within AWDA a program named the Atlanta CityBuild Program. This program shall have the following purposes: (1) to administer the Atlanta CityBuild Program; (2) to increase the number of



Low Income City Residents who enroll in, participate in, and completing Pre-Apprenticeship Programs; (3) to monitor the effectiveness of Pre-Apprenticeship Programs serving Low Income City Residents; (4) to increase the number of Low Income City Residents who complete Pre-Apprenticeship Programs and then enroll in, participate in and complete Certified Apprenticeship Program; (5) to facilitate and ensure that Construction Contracts provide training and employment opportunities for City residents, including Low Income City Residents who participate in Certified Apprenticeship Programs; (6) to work in conjunction with the Department of Procurement, to make a forecast of the construction and building trades skills to be required under Construction Contracts projected to be let by the City in specified future time periods for purposes of identifying in advance the construction skills training and employment opportunities likely to be generated by such contracts; (7) to inventory the construction and building skills available in Certified Apprenticeship Programs; (8) to assist in the enforcement of the requirements of the programs; (9) to prepare and issue annual reports to the Mayor, the City Council and the public on the effectiveness of the Atlanta CityBuild Program; and (10) to work closely with the First Source Program Director and Atlanta CityBuild Advisory Board in determining how the program can be improved and made more effective.

(b) The program shall be led by a Director of the Atlanta CityBuild Program. The Director of the Atlanta City Build program shall report to the department head of AWDA

Sec.2-1661 Appropriations for Atlanta CityBuild, Pre-Apprenticeship, Apprenticeship and Skilled Labor Programs

Funding up to \$500,000 for the Atlanta CityBuild, Pre-Apprenticeship, Apprenticeship and Skilled Labor Programs shall be made at such time funds are available and such funding is subject to the discretion of the Mayor and City Council.

Sec. 2-1662 Pre-Apprenticeship Programs.

AWDA shall develop and maintain a registry of Pre-Apprenticeship Programs. To be listed on the Pre-Apprenticeship Programs Registry, such program must provide reasonable evidence to the Director of the Atlanta CityBuild Program that it is able to meet the objective of preparing students to enter a Certified Apprenticeship Program. Such evidence must include a minimum of a 120 hour curriculum that covers the topics of the Occupational Health and Safety Administration 10 hour construction safety training, CPR and First Aid Training and Certification, blueprint reading, orientation, math skills, industry history, industry awareness, and tools and materials. AWDA shall have the authority to develop whatever programs it deems desirable to identify, encourage, assist, and support the establishment and maintenance of Pre-Apprenticeship Programs in the City and to monitor the performance of such Pre Apprenticeship Programs in fulfilling the mission of preparing Low-Income City Residents for entry into Certified Apprentice Programs.

In the event that AWDA determines that its direct participation in a Pre-Apprenticeship program is in the best interest of the CityBuild Program, then the Mayor is hereby authorized to negotiate

an intergovernmental agreement with any unit of the University System of Georgia located within the City, DeKalb County, or Fulton County to establish or join a pre-apprenticeship program to facilitate and assist the City in accomplishing the objectives of this ordinance. Any such intergovernmental agreement, once negotiated, shall be presented to the Atlanta City Council for its approval, provided however, that the City shall not be authorized to participate in any pre-apprenticeship program which requires membership in a union as a condition to individuals' participation in such pre-apprenticeship program.

#### Sec. 2-1663 Certified Apprenticeship Programs.

AWDA shall develop and maintain a registry of Certified Apprenticeship Programs. Such registry shall include information, as to each Certified Apprenticeship Program, the construction and building trades within the scope of the program, whether such program is union or nonunion, and the number of City residents, including low income residents, who are enrolled in such programs.

#### Sec. 2-1664 Utilization Requirements.

For each Construction Contract the following utilization requirements shall apply:

At least ten percent (10%) of all construction work hours performed under a Construction Contract or a subcontract shall be performed by Apprentices. In determining compliance with this provision, construction work hours performed by individuals who are residents of states other than Georgia shall be excluded from the calculation.

In Construction Contracts, Construction Contractors shall use good faith efforts to ensure that twenty-five percent (25%) of construction and building trade work hours performed under a Construction Contract being performed by Skilled Construction Workers. In determining compliance with this provision, construction work hours performed by individuals who are residents of states other than Georgia shall be excluded from the calculation.

This ordinance is not intended to and shall not limit any Contractors, Construction Contractors or Subcontractor's ability to assess the qualifications of prospective workers, and to make final hiring and retention decisions. No provision of this ordinance shall be interpreted so as to require a contractor or subcontractor to employ a worker not qualified for this position in question, or to employ or retain any particular worker. Further, this ordinance shall not be interpreted to require any Construction Contractor or subcontractor to hire any worker as a result of such worker's membership in a labor union.

#### Section 2-1665 Recordkeeping Requirements

The City shall be entitled to audit the books and records of a Contractor, Construction Contractor or Subcontractor. Such books and records shall be maintained by the contractor for a period of

three years from the date of final payment under the prime contract and by the subcontractor for a period of three years from the date of final payment under the subcontract, unless a shorter period is authorized in writing. Each Construction Contractor and Subcontractor shall keep, or cause to be kept records of certified payroll and basic records, including time cards, tax forms, and superintendent and foreman daily logs, for all workers within each construction and building trade and skill utilized under such Construction Contract or Subcontract. Such records shall include the name, address and social security number of each worker who worked under the Construction Contract or Subcontract, his or her classification, a general description of the work each worker performed each day, the Apprentice or Skilled Construction Worker of each worker, daily and weekly number of hours worked, the self-identified race, gender and ethnicity of each worker, whether or not the worker was a low income resident, and the Certified Apprentice Program through which the worker was hired. All records described in this section shall at all times be open to inspection and examination by the duly authorized officers and agents of the City, including representatives of the Office of Atlanta CityBuild.

Section 2-1666 Subcontractor Compliance.

Each Construction Contractor shall ensure that all Subcontractors agree to comply with applicable requirements of this ordinance. .

Sec. 2-1667 Good Faith Efforts to Comply.

Where a Construction Contractor has not met the requirements of section 2-1664 above, or has not attained the goal specified in section 2-1665, that Construction Contractor may be deemed to be in compliance by making a showing that it attempted in good faith to comply by demonstrating that it did all of the following:

- (a) contacted all Certified Apprentice Programs on the AWDA registry to identify and request Apprentices and Skilled Construction Workers, on a form to be provided by the City;
- (b) convened pre-bid and pre-construction meetings to educate its managers and Subcontractors on the requirements of this policy;
- (c) developed and submitted a detailed hiring plan for meeting the targeted utilization requirements;
- (d) contacted AWDA to seek its assistance with identifying Apprentices and Skilled Construction Workers;
- (e) provided regular reports to AWDA on its compliance prior to and during its work on the Construction Contract; and

(f) documented why, despite these efforts, it was unable to meet the requirements of Section 2-1664.

**Division 4 Atlanta First Source and CityBuild Advisory Committee**

Sec. 2-1668 Composition; qualifications; terms of office.

- (a) The First Source Policy Advisory Board shall be hereby reconstituted and renamed the Atlanta First Source and CityBuild Advisory Committee. The Committee shall be composed of 5 members who shall select a chair from the membership of the board. The Mayor shall select three members of the Committee

The President of the Atlanta City Council shall have one appointment. The Chair of the Community Development and Human Resources Committee shall have one appointment. AWDA shall provide the staff necessary to support the activities and functions of the Committee.

Said Board shall exist for two years from the date this ordinance shall come into effect and upon the second anniversary of its effective date said Board shall terminate.

Section 2-1669 Purposes and Functions of Advisory Committee

The Advisory Committee shall have the following purposes and functions:

- (a) To assess the First Source and City Build Programs and to offer advice and guidance on ways to improve the effectiveness of such programs;
- (b) To seek out best practices related to First Source, Construction Skills and Local Hire programs around the country and to bring such best practices to the Atlanta CityBuild program; and
- (c) To seek out potential funding sources from governmental, philanthropic and charitable sources to increase the resources available to the First Source and the City Build Programs.

Sec. 2-1670 CityBuild Reporting

The CityBuild Director working in conjunction with the Chief Procurement Officer shall establish reporting procedures for Construction Contractors and Subcontractors to submit to AWDA and the Department of Procurement. Such reports shall be for the purposes of allowing the City to monitor compliance with and effectiveness of this policy. All reports submitted by Construction Contractors and Subcontractors shall be accompanied by a statement of compliance indicating that such reports are accurate and complete. Based upon the reports received from Construction Contractors, Subcontractors and other sources of information, the CityBuild Director shall issue on or before March 1<sup>st</sup> of each calendar year an annual report setting forth

pertinent details regarding the City's progress under this article, statistics showing the utilization of Apprentices and Skilled Construction Workers under Construction Contracts. The CityBuild Director shall issue this annual report to the Committee, to all members of the Atlanta City Council and the Mayor.

#### Section 2-1671 Monitoring

From time to time and in its sole discretion, AWDA and the Office of Contract Compliance may monitor and investigate compliance of Construction Contractors and Subcontractors working on a Construction Contract with requirements of this policy. AWDA and awarding departments shall have the right to engage in random inspections of job sites, subject to construction schedule and safety concerns. Each Construction Contractor and Subcontractor shall allow representatives of AWDA and awarding departments, in the performance of their duties, to engage in random inspections of job sites and to have access to the employees of the Construction Contractor or Subcontractor and the records required to be kept pursuant to Section 2-1666. The Office of Contract Compliance shall establish an administrative procedure for monitoring of compliance with this policy.

#### **Division 5. Penalties**

#### Sec. 2-1672 Penalties.

Upon a determination by the Office of Contract Compliance that a Construction Contractor, has failed to comply with any portion of this article, the City may impose any or all of the following penalties, based upon a determination of the severity of the noncompliance by the Construction Contractor:

- (1) Withholding from the Construction Contractor in violation ten percent of all future payments under the Construction Contract until it is determined that the Construction Contractor is in compliance.
- (2) Refusal of all future bids on city projects or applications for financial assistance in any form from the city or any of its departments or divisions, until such time as the Beneficiary, Contractor or Construction Contractor demonstrates that it has cured its previous noncompliance.
- (3) Cancellation of the Eligible Project or the Construction Contract.

These penalties are in addition to whatever additional remedies may be available to the City under other provisions of the City Code, the terms of the Construction Contracts or Subcontracts, or at law or equity.

SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

A true copy,

**ADOPTED** as amended by the Atlanta City Council  
**APPROVED** as per City Charter Section 2-403

February 04, 2013  
February 13, 2013

Deputy Municipal Clerk

RCS# 2541  
2/04/13  
3:47 PM

Atlanta City Council

10-O-0928

AMEND COA CODE SEC. 2-195: EXPAND THE  
FUNCTIONS: ATLANTA WORKFORCE DEVELOPMENT  
ADOPT/SUB/AMEND

YEAS: 12  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 2  
EXCUSED: 0  
ABSENT 2

Y Smith	Y Archibong	Y Moore	Y Bond
NV Hall	Y Wan	Y Martin	B Watson
Y Young	Y Shook	Y Bottoms	B Willis
Y Winslow	Y Adrean	Y Sheperd	NV Mitchell

10-O-0928

**ATTACHMENT B - SAN FRANCISCO ORDINANCE**

1 [Administrative Code - Expansion of First Source Hiring Program]

2

3 Ordinance amending the Administrative Code to add First Source Hiring requirements  
4 for developers applying for permits for commercial or residential projects to disclose  
5 to the City anticipated entry and apprentice level positions for development projects,  
6 anticipated local hires, and anticipated wages; and to agree to hiring and retention  
7 goals for apprentice level positions.

8

NOTE: Unchanged Code text and uncodified text are in plain Arial font.  
Additions to Codes are in single-underline italics Times New Roman font.  
Deletions to Codes are in ~~strikethrough italics Times New Roman font~~.  
Board amendment additions are in double-underlined Arial font.  
Board amendment deletions are in ~~strikethrough Arial font~~.  
Asterisks (\* \* \* \*) indicate the omission of unchanged Code  
subsections or parts of tables.

9

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Be it ordained by the People of the City and County of San Francisco:

14

15

Section 1. The Administrative Code is hereby amended by revising Sections 83.2,  
83.3, 83.4, 83.6, 83.11, and 83.18 to read as follows:

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17

**SEC. 83.2. FINDINGS.**

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(a) In August 1996, a new Federal law, the Personal Responsibility and Work  
Opportunity Act, also known as "welfare reform," fundamentally changed the nature of public  
assistance programs in this country, shifting the focus from the receipt of benefits to  
procurement of employment within specified time limits. Approximately 17,350 of San  
Francisco's children and 7,330 of its adults (3.4 percent of the population) who currently  
receive Temporary Assistance to Needy Families (TANF), the program formerly known as Aid  
to Families with Dependent Children (AFDC), will be limited to five cumulative years of aid  
during their lifetime. This means that within five years, the adult members of these families,



1 unless specifically exempted, must be employed at an economically self-sufficient level.  
2 Under the new Federal law, after two years on aid, most recipients must work in order to  
3 maintain eligibility for (TANF). As families reach their time limits, there will be no federal or  
4 State funding help to support them. Therefore, the creation and retention of adequate  
5 employment opportunities within the City is essential to prevent these families from falling into  
6 complete destitution.

7 (b) The Federal law will penalize states that fail to meet their assigned quotas for  
8 moving individuals from welfare to work by imposing monetary sanctions that will be passed  
9 on to the counties.

10 (c) Many people on welfare and other economically disadvantaged individuals do  
11 not have immediate access to employment opportunities that will bring economic self-  
12 sufficiency. Often, long-term recipients of public benefits are confronted with multiple barriers  
13 to full employment, including lack of education, job-readiness skills and work experience.

14 (d) In San Francisco, there are 9,000 single unemployed adults in the County Adult  
15 Assistance Program (CAAP) who are also in need of programs to move toward self-  
16 sufficiency. Many CAAP clients have chosen an employment track and are pursuing self-  
17 sufficiency through work. Unlike TANF, CAAP is funded solely by County dollars and is not  
18 subsidized by the State or Federal government. While the economy shows signs of  
19 improvement, unemployment rates in San Francisco remain at 5.8 percent.

20 (e) Since 2000, over 100,000 jobs have been lost, almost three times the job loss  
21 rate of the early 1990's.

22 (f) The welfare time limits imposed upon families place tremendous pressure on the  
23 City to find jobs, provide appropriate training opportunities, and assist economically  
24 disadvantaged individuals to find and retain adequate employment. The availability of  
25 sufficient employment opportunities is essential to the economic and social well-being of the

1 City. This process of workforce development must be a component of the City's economic  
2 development planning.

3 (g) New development and construction of commercial projects tend to increase  
4 property values which in turn can displace low-income residents and put a greater burden on  
5 the City to assist economically disadvantaged individuals. Identifying jobs on these projects that  
6 pay wages that permit economic self-sufficiency, and in particular those that pay a Prevailing Wage,  
7 will allow the City to prioritize and allocate its training resources to foster permanent employment  
8 opportunities for qualified economically disadvantaged individuals that permit those individuals to  
9 achieve economic self-sufficiency.

10 (h) Additionally, business expansion places increased demand upon, and reduces  
11 the available pool, of qualified workers. The City's economic health depends upon the  
12 maintenance of that pool. Job training funds are a component of welfare reform and will result  
13 in an increase of available qualified workers. Thus, early identification of entry and apprentice  
14 level positions in new or growing commercial activity allows the City to plan training programs  
15 that will prepare economically disadvantaged individuals to be available for these new jobs.  
16 One of the goals of this Chapter is to create a seamless job referral system.

17 (i) The City, the business community, the service providers, organized labor, the  
18 schools, and the people who must personally meet the challenge of welfare reform are  
19 gathering at a unique historical moment. The time limits on public assistance are a matter of  
20 law, and the only choice is to organize the opportunities so as not to bypass these workers.  
21 The consequences of welfare reform are significant not just for the individuals who must find  
22 economic self-sufficiency, but for the whole economic well-being and commercial activity of  
23 the City and its constituents.

24 (j) The concept of "First Source Hiring" under this Chapter contains two essential  
25 components: (1) the identification of entry and apprentice level positions that pay wages that

1 permit economic self- sufficiency, including in particular those positions that pay a Prevailing Wage,  
2 in order to properly allocate and prioritize training resources to prepare economically  
3 disadvantaged workers, and in particular those that are local residents, for those positions, and (2)  
4 the availability of the first opportunity for graduates of those training programs to be  
5 considered for employment. The City must work with the business community, the service  
6 providers, organized labor and schools in identifying workforce needs, developing job  
7 readiness standards, supporting training that creates a new pool of qualified workers, and  
8 providing a mechanism by which the business community can draw upon this pool; thereby  
9 facilitating and strengthening the relationship between the City, educational institutions,  
10 community-based job training, development and ~~place-mended~~ placement programs, and the  
11 private sector. While the City commits to providing the support services necessary to ensure  
12 the successful transition to economic self-sufficiency, the business community must be willing  
13 to offer these employment opportunities to qualified economically disadvantaged individuals.

14 One of the best opportunities for economically disadvantaged workers to gain economic self-  
15 sufficiency is through enrollment in an apprenticeship program approved by the California Department  
16 of Industrial Relations. The City will seek to promote apprenticeship opportunities in both private and  
17 public construction programs by providing economically disadvantaged workers with the services  
18 needed to prepare to enter such programs. The construction trade unions must be willing to assist  
19 these workers, when qualified under the state-approved apprenticeship standards, to become enrolled  
20 in the construction trade union apprenticeship training programs.

21 (k) Participation in the City's First Source Hiring Program can be economically  
22 advantageous to employers. The Program provides a ready supply of qualified workers to  
23 employers with hiring needs. There are a variety of City, federal and State tax credits  
24 available for hiring qualified economically disadvantaged individuals. Within State-designated  
25 "Enterprise Zone" areas of San Francisco, the state offers a hiring tax credit for employers

1 who hire job seekers from targeted groups. Employers can claim up to \$31,605.00 in tax  
2 credits over a 5 year period when they hire qualified employees. The State of California also  
3 allows a hiring tax credit against wages paid qualified economically disadvantaged individuals,  
4 and a sales tax credit for equipment purchased for use in designated Enterprise Zones.

5 (l) In order to provide financial assistance to employers who hire qualified  
6 economically disadvantaged individuals, the federal government offers the Federal Welfare-  
7 to-Work Credit that provides up to \$8,500 in tax credits per qualified employee and the Work  
8 Opportunity Tax Credit that provides up to \$2,400 in tax credits per qualified employee.

9 (m) The City is committed, in partnership with the Private Industry Council, to  
10 facilitating employer access to tax credit and other financial incentive information regarding  
11 the hiring of qualified economically disadvantaged individuals who meet City, State or federal  
12 program criteria.

13 (n) The Board of Supervisors passed the FSHA before Congress passed the  
14 Workforce Investment Act of 1998 (WIA) (29 U.S.C.A. 2801 et seq.). The WIA mandates the  
15 creation of a Workforce Investment Board (WIB) that, in partnership with the Mayor, oversees  
16 the workforce development system for the City.

17 (o) The WIA also requires the implementation of a One-Stop delivery system that  
18 provides services to both job seekers and employers. It requires that the workforce  
19 development services in each locality be delivered through a single "One-Stop" delivery  
20 system. The WIA gives states and localities flexibility in deciding how to implement the One-  
21 Stop system with the condition that a "full service center" be formed in each locality, which  
22 provides full access to all services. The WIB, in partnership with the Mayor, agreed to have  
23 one full service center located on Mission Street, two affiliate centers located in the southeast  
24 sector and in the Civic Center area, and a multitude of access points. This structure makes up  
25 the foundation of the One-Stop system in San Francisco. The City chose a consortium of

1 agencies to be responsible for the operation of these centers, including the San Francisco  
2 Human Services Agency (HSA), City College of San Francisco, the National Council on  
3 Aging, and the State of California Employment Development Department.

4 (p) With the passage of the WIA and the implementation of the One-Stop system,  
5 the FSHA has been fully integrated into the delivery of services.

6 (q) In 2003, the FSHA ordinance was extended for one year, during which time an  
7 independent evaluation was conducted on the effectiveness of the program. The final report  
8 indicates that the stakeholders view the ordinance as a tool to open doors to jobs for  
9 populations that have historically had difficulty gaining access to employment opportunities.

10 (r) In March 2004, HSA began implementing a business service initiative designed  
11 to integrate job posting and placement activities within the One-Stop system. With this new  
12 referral system in place, a process exists to connect job seekers with the job opportunities that  
13 result from this ordinance.

14 (s) Also in 2004, HSA implemented a new data system that tracks the activities of  
15 the referral system. Information gathered includes the number of employers notified of first  
16 source requirements, the number that comply with first source requirements, the number of  
17 jobs posted, and the number of job seekers referred and placed in jobs.

18 (t) The proposed Market and Octavia Area Plan - consisting of general plan,  
19 planning code, and zoning map amendments - is a means for implementing an innovative set  
20 of land use controls, urban design guidelines, and public space and transportation system  
21 improvements to create a dense, vibrant and transit-oriented neighborhood. The plan rezones  
22 the commercial uses in the Plan Area; consequently more jobs will occur in the lower wage  
23 industries such as retail, food service, and personal services. Such industries offer  
24 employment opportunities to first time and entry level workers especially served by the City's  
25 First Source Hiring program and as such special efforts will be made to enlist lower income

1 residents and job seekers in these new employment opportunities. Expanding the provisions  
2 of the First Source Hiring Ordinance to the Market and Octavia Area Plan will serve as a pilot  
3 project for other areas of the City and is in the best interest of the residents residing in this  
4 designated area.

5 **SEC. 83.3. PURPOSE.**

6 The purpose of this Chapter is to establish a First Source Hiring Program for the City  
7 and County of San Francisco to foster construction and permanent employment opportunities  
8 for qualified economically disadvantaged individuals. Participation in this program shall be  
9 required in City contracts and City property contracts. In addition, participation in this program  
10 is required by City contractors for any and all work performed by the contractor in the City.

11 This Chapter ~~additionally~~ requires similar first source hiring obligations to be included  
12 in permits authorizing construction of certain commercial development and residential projects  
13 and requires that developers applying for those permits meet with the City before submitting a permit  
14 to disclose the estimated number of entry and apprentice level positions to be used on a project, the  
15 anticipated wages for those positions and, if known, the estimated number of local residents to be hired.  
16 The purpose of this disclosure is to allow the City sufficient time and information to identify those  
17 positions that will afford the best opportunity for economic self-sufficiency for economically  
18 disadvantaged individuals, and to prioritize, allocate, and if necessary, redirect its training resources  
19 to programs to maximize those opportunities.

20 Because of the wide variety of contracts, property contracts, other work performed in  
21 the City by the City contractor, and permits issued by the City, there is no single first source  
22 hiring requirement that can be applied and enforced in all such situations. Therefore, specific  
23 first source hiring requirements must be tailored to individual contracts, property contracts,  
24 work performed in the City by City contractors, and permits for commercial activities and  
25 residential projects. An administrative body shall be established by the City to assist in the

1 tailoring of these requirements, and shall be known as the "First Source Hiring Administration  
2 (FSHA)" for the purpose of implementing and overseeing the first source hiring requirements  
3 under this Chapter.

4 This Chapter is intended to authorize and direct the First Source Hiring  
5 Administration, where consistent with the purpose of this Chapter and its assessment of  
6 feasibility, and in a manner that avoids conflicts with applicable federal and State law, to set  
7 ~~entry level position~~ hiring and retention goals for contracts, property contracts, other work  
8 performed in the City by City contractors, and permits.

9 Nothing in this Chapter is intended to, nor shall it be interpreted or applied so to  
10 create delay to contractors or developers under permits subject to the requirements of first  
11 source hiring.

12 Three years after the effective date of this Chapter, the Board of Supervisors shall  
13 review the First Source Hiring Program to determine: (1) the number of entry level positions  
14 identified and acquired by qualified economically disadvantaged individuals; (2) whether  
15 participants in the Workforce Development System received appropriate and sufficient  
16 training; (3) whether the requirements of this Chapter are adequate to achieve the goals of the  
17 program; and (4) whether amendments and/or revisions of this Chapter are needed.

18 **SEC. 83.4. DEFINITIONS.**

19 When used in this Chapter, the following terms have the following meanings:

20 "Apprentice level position" shall mean a position that requires a worker who is indentured in  
21 a construction ~~completion of an~~ apprenticeship program approved by the State of California's  
22 Department of Industrial Relations. "Apprentice level position" shall include temporary and  
23 permanent jobs that are construction jobs related to the development of a commercial activity or  
24 residential project.  
25

1           ~~(a)~~ "Approved plan" shall mean a first source hiring implementation and monitoring  
2 plan developed by a City department and approved by the FSHA.

3           ~~(b)~~ "Biotechnology business" shall mean conducting biotechnology research and  
4 experimental development, and operating laboratories for biotechnology research and  
5 experimental development, using recombinant DNA, cell fusion, and bioprocessing  
6 techniques, as well as the application thereof to the development of diagnostic products  
7 and/or devices to improve human health, animal health, and agriculture.

8           ~~(c)~~ "City" shall mean the City and County of San Francisco.

9           ~~(d)~~ "Commercial activity" shall include but not be limited to, for purposes of this  
10 Chapter only, retail sales and services, restaurant, hotel, education, hospital, and office uses,  
11 biotechnology business, and any other non-profit or for-profit commercial uses.

12           ~~(e)~~ "Contract" shall mean an agreement for public works or improvements to be  
13 performed, or for goods or services to be purchased, or grants to be provided, at the expense  
14 of the City, or to be paid out of moneys deposited in the Treasury of the City, or out of trust  
15 moneys under the control of, or collected by, the City involving an expenditure in excess of  
16 \$350,000 for construction contracts, in excess of \$50,000 for goods, or in excess of \$50,000  
17 for services. Contract shall also mean loans or grants in excess of \$50,000 which are  
18 awarded by the Mayor's Office of Housing, the Mayor's Office of Community Development,  
19 the Mayor's Office of Children, Youth and their Families, or by any other City department for  
20 work covered under this Chapter.

21           The requirements of this Chapter shall apply to: (1) entry level positions for work  
22 performed by a contractor in the City; (2) entry level positions for work performed on the  
23 contract in counties contiguous to the City; ~~and~~ (3) entry level positions for work performed on  
24 the contract on property owned by the City; ~~and~~ (4) positions for work performed on Development  
25 Projects as defined by this Chapter.



1 For purposes of this Chapter, "contract" shall include subcontracts under the  
2 contract subject to first source hiring, unless otherwise exempted under this Chapter.

3 For purposes of this Chapter, "contract" shall not include contracts for urgent  
4 litigation expenses as determined by the City Attorney, emergency contracts under San  
5 Francisco Administrative Code Section 6.30, or Section 21.25, tolling agreements,  
6 cooperative purchasing agreements with other governmental entities or contracts with other  
7 governmental entities.

8 ~~(f)~~ "Contractor" shall mean any person(s), firm, partnership, corporation, or  
9 combination thereof, who enters into a contract or property contract with a department head or  
10 officer empowered by law to enter into contracts or property contracts on the part of the City.

11 ~~(g)~~ "Developer" shall mean the property owner, agents of the property owner,  
12 including but not limited to management companies, person or persons, firm, partnership,  
13 corporation, or combination thereof, having the right under the San Francisco Planning Code  
14 and/or the San Francisco Building Code to make an application for approval of a commercial  
15 activity or residential project.

16 ~~(h)~~ "Development project" shall mean commercial activity(ies) or a residential project  
17 that require a permit that is subject to the requirements of this Chapter, including applicable  
18 permits related to biotechnology business.

19 ~~(i)~~ "Economically disadvantaged individual" shall mean an individual who is either:  
20 (1) eligible for services under the Workforce Investment Act of 1988 (WIA) (29 U.S.C.A. 2801  
21 et seq.), as determined by the San Francisco Private Industry Council, or any successor  
22 agency; or (2) designated "economically disadvantaged" by the First Source Hiring  
23 Administration, as an individual who is at risk of relying upon, or returning to, public  
24 assistance., including unemployment benefits. Examples of "economically disadvantaged  
25 individuals," for purposes of this subsection, may include, but not be limited to, the following

1 individuals: individuals existing the criminal justice system; individuals participating in or  
2 completing substance abuse treatment; individuals who receive financial aid for the purpose  
3 of obtaining an education or other vocational training program; survivors of domestic violence  
4 seeking employment; people with disabilities seeking employment; and veterans seeking  
5 employment.

6 ~~(j)~~—"Employer" shall mean a contractor, sub-contractor, developer, agents of the  
7 developer, tenants or other occupants, or person(s), firm, partnership, corporation, or  
8 combination thereof engaged in work performed under a contract, lease, loan, grant, or  
9 permit, or engaged in work performed in the City, subject to the requirements of this Chapter.

10 ~~(k)~~—"Entry level position" shall mean a position that requires any of the following: (1)  
11 no education above a high school diploma or certified equivalency; (2) less than two years of  
12 training or specific preparation; (3) a college and/or post graduate degree; or (4) a license or a  
13 permit. "Entry level position" shall include temporary and permanent jobs, and construction  
14 jobs related to the development of a commercial activity or residential project.

15 ~~(l)~~—"First source hiring agreement" shall mean the written agreement entered into by  
16 the employer with the City which details the particular first source hiring requirements with  
17 which an employer must comply, as further defined in Sections 83.9 and 83.11 of this  
18 Chapter.

19 ~~(m)~~—"FSHA" shall mean the First Source Hiring Administration.

20 "Local resident" shall mean an individual who is domiciled, as defined by Section 349(b) of the  
21 California Election Code, within the City at least seven (7) days prior to commencing work on a  
22 project.

23 ~~(n)~~ "Permit" shall mean, during Phase I, as defined in this Section 83.4~~(n)~~ below,  
24 either or both of the following: (1) any building permit application for a commercial activity over  
25 50,000 square feet in floor area and involving new construction, an addition, or alteration

1 which results in the expansion of entry or apprentice level positions for a commercial activity;  
2 (2) any application which requires discretionary action by the City's Planning Commission  
3 relating to a commercial activity over 50,000 square feet including, but not limited to, a  
4 conditional use, project authorization under San Francisco Planning Code Section 309, and  
5 office development under San Francisco Planning Code Section 320, et seq. During Phase II,  
6 as defined in this Section 83.4~~(e)~~ below, any or all of the following: (1) any building permit  
7 application for a commercial activity over 25,000 square feet in floor area and involving new  
8 construction, an addition, or alteration which results in the expansion of entry and apprentice  
9 level positions for a commercial activity; (2) any application which requires discretionary action  
10 by the City's Planning Commission relating to a commercial activity over 25,000 square feet  
11 including, but not limited to conditional use, project authorization under San Francisco  
12 Planning Code Section 309, and office development under San Francisco Planning Code  
13 Section 320, et seq., or (3) any building permit application for a residential project as defined  
14 herein.

15 The requirements of this Chapter shall apply to entry and apprentice level positions  
16 for work done under a permit authorizing a development project or residential project in the  
17 City.

18 ~~(e)~~—"Phase I" shall refer to the first stage of implementation of this Article which  
19 became operative on October 20, 1998. Phase I applied to contracts for public works or  
20 improvements to be performed, property contracts, grants or loans issued by the Mayor's  
21 Office of Housing, or by the Mayor's Office of Community Development, and permits issued  
22 for commercial activity over 50,000 square feet.

23 ~~(f)~~—"Phase II" refers to the second stage of implementation of this Chapter which  
24 became operative on April 1, 2001, 24 months after the FSHA adopted a resolution stating  
25 that Phase I had been implemented. In addition to the contracts, property contracts, grants or

1 loans referred to in the definition of Phase I, above, Section 83.4(n), above, Phase II shall apply to  
2 contracts for goods in excess of \$50,000, contracts for services in excess of \$50,000, permits  
3 issued for commercial activity exceeding 25,000 square feet, grants and loans in excess of  
4 \$50,000 issued by other City departments, and permits issued for residential projects as  
5 defined herein. In addition, Phase II shall apply to any and all work performed in the City by  
6 City contractors.

7 "Prevailing Wage" shall mean the highest general prevailing rate of wage plus "per diem  
8 wages" and wages paid for overtime and holiday work paid in private employment in the City and  
9 County where the work is performed of San Francisco for the various crafts and kinds of labor  
10 employed in the performance of any public work or improvement under Chapter 6 of this Code as fixed  
11 by Board of Supervisors pursuant to Administrative Code section 6.22(E)(3). "Per diem wages" are  
12 defined pursuant to Labor Code section 1773.1, as amended from time to time.

13 ~~(g)~~—"Property contract" shall mean a written agreement, including leases,  
14 concessions, franchises and easements, between the City and a private party for the  
15 exclusive use of real property, owned or controlled by the City, for a term exceeding 29 days  
16 in any calendar year (whether by a singular instrument or by cumulative instruments) for the  
17 operation or use of such real property for the operation of a business establishment, that  
18 creates available entry or apprentice level positions. For purposes of this Chapter, "property  
19 contract" does not include an agreement for the City to use or occupy real property owned by  
20 others, or leases, easements or permits entered into by the Public Utilities Commission for  
21 pipeline rights-of-way property and watershed property.

22 ~~(h)~~—"Publicize" shall mean to advertise or post, and shall include participation in job  
23 fairs, or other forums in which employment information is available.

24 ~~(i)~~—"Qualified" with reference to an economically disadvantaged individual shall  
25 mean an individual who meets the minimum bona fide occupational qualifications provided by

1 the prospective employer to the San Francisco Workforce Development System in the job  
2 availability notices required by this Chapter.

3 ~~(t)~~—"Residential project" shall mean a residential development involving new  
4 construction, an addition, a conversion, or substantial rehabilitation that results in the creation  
5 or addition of ten or more residential units.

6 ~~(u)~~—"Retention" shall, when used in this Chapter, be construed to apply to the entry  
7 or apprentice level position, not to any particular individual.

8 ~~(v)~~—"San Francisco Workforce Development System (System)" shall mean the  
9 system established by the City and County of San Francisco, and managed by the FSHA, for  
10 maintaining: (1) a pool of qualified individuals; and (2) the mechanism by which such  
11 individuals are certified and referred to prospective employers covered by the first source  
12 hiring requirements under this Chapter.

13 ~~(w)~~—"Substantial rehabilitation," when used in this Chapter, shall mean rehabilitation  
14 that involves costs in excess of 75 percent of the value of the building after rehabilitation.

15 **SEC. 83.6. FIRST SOURCE HIRING ADMINISTRATION.**

16 \* \* \* \*

17 (c) The FSHA shall phase-in implementation of this Chapter in accordance with  
18 Section 83.18, below, and as defined in Sections 83.4~~(r)~~ and ~~(s)~~, above. The FSHA shall first  
19 establish a schedule for assisting in the development of, or approving existing first source  
20 hiring implementation and monitoring plans by the following City departments: Airport;  
21 Department of Building Inspection; Department of Planning; Department of Public Health;  
22 Mayor's Office of Children, Youth and Families; Mayor's Office of Community Development;  
23 Mayor's Office of Housing; Municipal Railway; Parks and Recreation; Port; Public Works, and  
24 Purchasing. The FSHA shall also establish a schedule for the remaining City departments.

25 \* \* \* \*

1                   **SEC. 83.11. FIRST SOURCE HIRING REQUIREMENTS FOR PERMITS FOR**  
2 **COMMERCIAL DEVELOPMENT AND RESIDENTIAL PROJECTS.**

3                   (a) Developers applying for a Permit as defined in Section 83.4 shall meet with CityBuild,  
4 the City's construction training workforce program, prior to submitting an application for a Permit for  
5 a development project, and shall provide the estimated number of employees from each trade to be  
6 used on the project, including entry and apprentice level, the anticipated wages for those employees,  
7 whether or not the developer will pay Prevailing Wage for those employees, and, if known, the  
8 estimated number of local residents to be hired. Developers applying for permits as defined in  
9 Section 83.4(Ⓣ) shall cooperate with the FSHA in establishing first source hiring agreement(s)  
10 for the development project. The Planning Commission shall not approve a development  
11 project, nor shall any City department issue a permit subject to this Chapter unless the  
12 developer or contractor has met with CityBuild to provide the required information and has  
13 obtained approval from the FSHA of a first source hiring agreement applicable to the  
14 development project or obtained an exemption from the requirements of Chapter 83 pursuant  
15 to Section 83.11(d). The FSHA may condition approval of the first source hiring agreement on  
16 the City's approval of the development project. In the event the development project approved  
17 by the Planning Commission differs substantially from the development project assumed by  
18 the FSHA at the time it approved the agreement, the FSHA may approve modifications to the  
19 first source hiring agreement if necessary for the agreement to conform to the requirements of  
20 this Chapter. Such agreement shall become a condition of the permit, and shall:

21                   (1) Set appropriate hiring and retention goals for entry level positions and, for each  
22 trade, set appropriate hiring and retention goals for apprentices enrolled in an apprenticeship program  
23 approved by the State of California's Department of Industrial Relations, for all employers engaged  
24 in construction work on, and commercial activity(ies) to be conducted in, the development  
25 project, including residential services. The developer shall agree to require all such employers

1 to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish  
2 good faith efforts as to their attempts to do so, as set forth in the agreement. The agreement  
3 shall take into consideration the employer's participation in existing job training, referral and/or  
4 brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications,  
5 participation in such programs may be certified as meeting the requirements of this Chapter.  
6 Failure either to achieve the specified goal, or to establish good faith efforts will constitute  
7 noncompliance and will subject the employer to the sanctions provided in Section 83.12 of this  
8 Chapter.

9 (2) Set first source interviewing, recruitment and hiring requirements for all  
10 employers engaged in construction work on, and commercial activity(ies) to be conducted in,  
11 the development project, including residential services, which will provide the San Francisco  
12 Workforce Development System with the first opportunity to provide qualified economically  
13 disadvantaged individuals for consideration for employment for entry and apprentice level  
14 positions. Employers subject to the agreement shall consider all applications of qualified  
15 economically disadvantaged individuals referred by the System for employment; provided  
16 however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have  
17 the sole discretion to interview and/or hire individuals referred or certified by the San  
18 Francisco Workforce Development System as being qualified economically disadvantaged  
19 individuals. The duration of the first source interviewing requirement shall be determined by  
20 the FSHA and shall be set forth in each agreement but shall not exceed 10 days. During that  
21 period, the employer subject to the agreement may publicize the positions in accordance with  
22 the agreement. A need for urgent or temporary hires must be evaluated, and appropriate  
23 provisions for such a situation must be made in the agreement.

24 (3) Set appropriate requirements for providing notification of available entry and  
25 apprentice level positions to the San Francisco Workforce Development System so that the

1 System may train and refer an adequate pool of qualified economically disadvantaged  
2 individuals to employers subject to the agreement. Notification should include such  
3 information as employment needs by occupational title, skills, and/or experience required, the  
4 hours required, wage scale and duration of employment, identification of entry and apprentice  
5 level positions and training positions, identification of English language proficiency  
6 requirements, or absence thereof, and the projected schedule and procedures for hiring for  
7 each occupation. Employers subject to the agreement should provide both long-term job need  
8 projections, and notice before initiating the interviewing and hiring process. These notification  
9 requirements will take into consideration any need to protect the employer's proprietary  
10 information.

11 (4) Set appropriate record keeping and monitoring requirements. The First Source  
12 Hiring Administration shall develop easy to use forms and record keeping requirements for  
13 documenting compliance with the agreement. To the greatest extent possible, these  
14 requirements shall utilize the employer's existing record keeping systems, be non-duplicative,  
15 and facilitate a coordinated flow of information and referrals.

16 (5) Establish guidelines for employer good faith efforts to comply with the first  
17 source hiring requirements of this Chapter. The FSHA will work with City departments to  
18 develop employer good faith effort requirements appropriate to the types of permits handled  
19 by each department. Employers shall appoint a liaison for dealing with the development and  
20 implementation of the employer's agreement. In the event that the FSHA finds that the  
21 employer has taken actions primarily for purpose of circumventing the requirements of this  
22 Chapter, that employer shall be subject to the sanctions set forth in Section 83.12 of this  
23 Chapter.

24 (6) Set the term of the requirements.  
25



1 (7) Set appropriate enforcement and sanctioning standards consistent with this  
2 Chapter.

3 (8) Provide that the agreement shall be recorded.

4 (9) Set forth the City's obligations to develop training programs, job applicant  
5 referrals, technical assistance, and information systems that assist the employer in complying  
6 with this Chapter.

7 (10) Require developer to include notice of the requirements of this Chapter in  
8 leases, subleases, and other occupancy contracts.

9 (b) The employer subject to the agreement shall make the final determination of  
10 whether an economically disadvantaged individual referred by the System is "qualified" for the  
11 position. Any qualified economically disadvantaged individual who is hired by the employer  
12 shall have the same rights and obligations as all other employees in similar positions. The  
13 employer shall not discriminate against any employees on the basis of participation in the First  
14 Source Hiring Program. Any such discrimination shall be considered a breach of the  
15 employer's "good faith" obligations under the agreement, and shall be subject to the sanctions  
16 set forth in Section 83.12 of this Chapter.

17 (c) Compliance by an employer subject to the agreement with a City department's  
18 approved plan shall be deemed to be compliance with the requirements of this Chapter. In  
19 situations where an employer must comply with the requirements of this Chapter as part of a  
20 contract or property contract, and subsequently must apply for permits for the same project  
21 that is the subject of the contract or property contract, the employer will be deemed to be in  
22 compliance with this Chapter.

23 (d) In any situation where the FSHA concludes based upon application by the  
24 employer that compliance with this Chapter would cause economic hardship or the burden of  
25 compliance would be disproportionate to the impacts of the employer's commercial

1 activity(ies) in the City, the FSHA shall grant an exception to any or all of the requirements of  
2 this Chapter.

3 **SEC. 83.18. OPERATIVE DATE AND APPLICATION.**

4 Phase I, as defined in Section 83.4~~(f)~~ became operative on October 20, 1998. Phase  
5 II, as defined in Section 83.4~~(f)~~ of this Chapter became operative on April 1, 2001, 24 (twenty-  
6 four) months after the FSHA adopted a resolution stating that Phase I had been implemented.  
7 This Chapter is intended to have prospective effect only, and shall not be interpreted to impair  
8 any rights under any existing City contract or property contract or permit.

9 Section 3. Effective Date. This ordinance shall become effective 30 days after  
10 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
11 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
12 of Supervisors overrides the Mayor's veto of the ordinance

13 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
14 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
15 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
16 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
17 additions, and Board amendment deletions in accordance with the "Note" that appears under  
18 the official title of the ordinance.

19  
20 APPROVED AS TO FORM:  
21 DENNIS J. HERRERA, City Attorney

22 By:

  
23 JANA CLARK  
24 Deputy City Attorney

25 n:\leganas2014\1400194\00912434.docx



City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Tails  
Ordinance

File Number: 140150

Date Passed: April 08, 2014

Ordinance amending the Administrative Code to add First Source Hiring requirements for developers applying for permits for commercial or residential projects to disclose to the City anticipated entry and apprentice level positions for development projects, anticipated local hires, and anticipated wages; and agree to hiring and retention goals for apprentice level positions.

March 19, 2014 Budget and Finance Sub-Committee - CONTINUED

March 26, 2014 Budget and Finance Sub-Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

March 26, 2014 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

April 01, 2014 Board of Supervisors - PASSED ON FIRST READING

Ayes: 10 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Tang, Wiener and Yee  
Excused: 1 - Mar

April 08, 2014 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140150

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 4/8/2014 by the Board of Supervisors of the City and County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mayor

  
Date Approved