

Referrals
1/15/19

**BUDGET,
FINANCE, AND
AUDIT STANDING
COMMITTEE**

8

**OFFICE OF CONTRACTING
AND PROCUREMENT**

January 8, 2019

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6000889 100% City Funding –AMEND 3 – To Provide To Provide Financial Pro
Forma Model Transition and Labor Negotiations Support. – Contractor:
Ernst & Young, LLP – Location: 1098 Woodward Ave., Detroit, MI
48224 – Contract Period: Upon City Council Approval through March 31,
2019 – Contract Increase: \$488,860.00 – Total Contract Amount:
\$3,469,500.00. **OFFICE OF CHIEF FINANCIAL OFFICER**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Office of Contracting and Procurement

BY COUNCIL MEMBER **AYERS**

RESOLVED, that Contract No. 6000889 referred to in the foregoing communication dated January 8, 2019, be hereby and is approved.

Janice M. Winfrey
City Clerk

City of Detroit
OFFICE OF THE CITY CLERK

Caven West
Deputy City Clerk/Chief of Staff

9

January 7, 2019

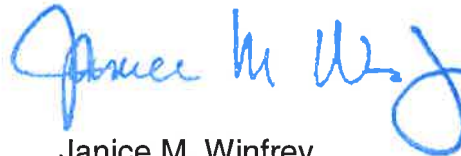
Honorable City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**Re: Application for Neighborhood Enterprise Zone Certificate for
North Corktown**

Dear Council Members:

On October 21, 1992, your Honorable Body established Neighborhood Enterprise Zones. I am in receipt of four (4) applications for a Neighborhood Enterprise Zone Certificate. **THESE APPLICATIONS HAS BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE CITY PLANNING COMMISSION, A COPY OF WHICH IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve this application.

Respectfully submitted,



Janice M. Winfrey
City Clerk

JMW:aj
Enc.

Resolution

By Council Member _____

WHEREAS, Michigan Public Act 147 of 1992 allows the local legislative body to establish Neighborhood Enterprise Zones for the purpose of providing exemption from as valorem property taxes, and the imposition of specific property tax in lieu of as valorem taxes; and

WHEREAS, The Detroit City Council has established a Neighborhood Enterprise Zone for the following area, in the manner required by and pursuant to Public Act 147 of 1992.

NOW, THEREFORE, BE IT RESOLVED, That the City Council approve the following address for receipt of Neighborhood Enterprise Zone Certificate for a fifteen-year period:

<u>Zone</u>	<u>Address</u>	<u>Application No.</u>
North Corktown	1940 Pine Street	06-8519
North Corktown	1942 Pine Street	06-8520
North Corktown	1944 Pine Street	06-8521
North Corktown	1946 Pine Street	06-8522

CITY CLERK 2008 DEC 19 PM 2:15

Alton James
Chairperson
Lauren Hood, MCD
Vice Chair/Secretary

City of Detroit

CITY PLANNING COMMISSION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-6225 Fax: (313) 224-4336
e-mail: cc-cpc@detroitmi.gov

Brenda Goss-Andrews
Lisa Whitmore Davis
David Esparza, AIA, LEED
Gregory Pawlowski
Frederick E. Russell, Jr.
Angy Webb

December 19, 2018

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Applications for four (4) newly constructed condominium units located at 1940, 1942, 1944 and 1946 Pine Street in the North Corktown Neighborhood Enterprise Zone area. (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received four (4) applications requesting a Neighborhood Enterprise Zone (NEZ) certificate forwarded from the office of the City Clerk for the construction of new condominium units located at 1940, 1942, 1944 and 1946 Pine Street. This applications correspond to a qualified site that will facilitate the new construction of the third of three buildings containing a total of 4 townhome-style condominiums. CPC staff has reviewed the applications and recommends approval.

The subject properties have been confirmed as being within the boundaries of the North Corktown NEZ and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The NEZ certificate applications appear to have been submitted prior to the issuance of any applicable building permits.

Please contact our office should you have any questions.

Respectfully submitted,



Marcell R. Todd, Jr., Director CPC
George A. Etheridge, City Planner, LPD

cc: Janice Winfrey, City Clerk

Janice M. Winfrey
City Clerk

City of Detroit
OFFICE OF THE CITY CLERK

Caven West
Deputy City Clerk/Chief of Staff

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January 7, 2019

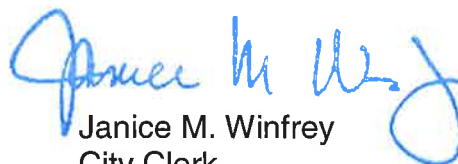
Honorable City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**Re: Application for Neighborhood Enterprise Zone Certificate for
West Village**

Dear Council Members:

On October 21, 1992, your Honorable Body established Neighborhood Enterprise Zones. I am in receipt of one (1) application for a Neighborhood Enterprise Zone Certificate. **THESE APPLICATIONS HAS BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE CITY PLANNING COMMISSION, A COPY OF WHICH IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve this application.

Respectfully submitted,


Janice M. Winfrey
City Clerk

JMW:aj
Enc.

Resolution

By Council Member _____

WHEREAS, Michigan Public Act 147 of 1992 allows the local legislative body to establish Neighborhood Enterprise Zones for the purpose of providing exemption from as valorem property taxes, and the imposition of specific property tax in lieu of as valorem taxes; and

WHEREAS, The Detroit City Council has established a Neighborhood Enterprise Zone for the following area, in the manner required by and pursuant to Public Act 147 of 1992.

NOW, THEREFORE, BE IT RESOLVED, That the City Council approve the following address for receipt of Neighborhood Enterprise Zone Certificate for a fifteen-year period:

<u>Zone</u>	<u>Address</u>	<u>Application No.</u>
West Village	1439 Van Dyke	06-8498

Alton James
Chairperson
Lauren Hood, MCD
Vice Chair/Secretary

CITY CLERK 2018 DEC 19 PM 2:15

City of Detroit

CITY PLANNING COMMISSION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-6225 Fax: (313) 224-4336
e-mail: cc-cpc@detroitmi.gov

Brenda Goss-Andrews
Lisa Whitmore Davis
David Esparza, AIA, LEED
Gregory Pawlowski
Frederick E. Russell, Jr.
Angy Webb

December 19, 2018

HONORABLE CITY COUNCIL

**RE: Neighborhood Enterprise Zone Certificate Application for the rehabilitation of 1439 Van Dyke Avenue in the West Village Neighborhood Enterprise Zone area.
(RECOMMEND APPROVAL)**

The office of the City Planning Commission (CPC) has received an application requesting a Neighborhood Enterprise Zone (NEZ) certificate forwarded from the office of the City Clerk for the rehabilitation of one property located at 1439 Van Dyke Avenue. This application corresponds to a qualified facility that is to be newly renovated into housing. The project consists of the insulation on all walls and attic ceiling, new electrical wiring throughout, plumbing, HVAC and duct work, framing for the second floor bathroom and two bedrooms. CPC staff has reviewed the application and recommends approval.

The subject property has been confirmed as being within the boundaries of the West Village NEZ and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The property to be rehabilitated consists of the three-story residential structure located at 1439 Van Dyke Avenue. The NEZ certificate application appears to have been submitted prior to the issuance of any applicable building permits.

Please contact our office should you have any questions.

Respectfully submitted,



Marcell R. Todd, Jr., Director CPC
George A. Etheridge, City Planner, LPD

cc: Janice Winfrey, City Clerk

Janice M. Winfrey
City Clerk

City of Detroit
OFFICE OF THE CITY CLERK

Caven West
Deputy City Clerk/Chief of Staff

11

January 7, 2019

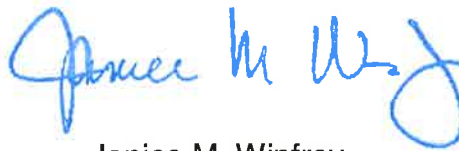
Honorable City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**Re: Application for Neighborhood Enterprise Zone Certificate for
Rosko Development Company LLC**

Dear Council Members:

On October 21, 1992, your Honorable Body established Neighborhood Enterprise Zones. I am in receipt of one (1) application for a Neighborhood Enterprise Zone Certificate. **THESE APPLICATIONS HAS BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE CITY PLANNING COMMISSION, A COPY OF WHICH IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve this application.

Respectfully submitted,



Janice M. Winfrey
City Clerk

JMW:aj
Enc.

Resolution

By Council Member _____

WHEREAS, Michigan Public Act 147 of 1992 allows the local legislative body to establish Neighborhood Enterprise Zones for the purpose of providing exemption from as valorem property taxes, and the imposition of specific property tax in lieu of as valorem taxes; and

WHEREAS, The Detroit City Council has established a Neighborhood Enterprise Zone for the following area, in the manner required by and pursuant to Public Act 147 of 1992.

NOW, THEREFORE, BE IT RESOLVED, That the City Council approve the following address for receipt of Neighborhood Enterprise Zone Certificate for a fifteen-year period:

<u>Zone</u>	<u>Address</u>	<u>Application No.</u>
Rosko Development Co., LLC	1208 Woodward Ave.	06-8495

Alton James
Chairperson
Lauren Hood, MCD
Vice Chair/Secretary

CITY CLERK 2018 DEC 19 PM 2:15

City of Detroit

CITY PLANNING COMMISSION
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Gregory Pawlowski
Frederick E. Russell, Jr.
Angy Webb

December 19, 2018

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Application for the construction 250 residential units at 1208 Woodward Avenue (The Hudson's Site) in the Rosko Development Company LLC Neighborhood Enterprise Zone area. (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received an application requesting a Neighborhood Enterprise Zone (NEZ) certificate forwarded from the office of the City Clerk for the construction of an estimated 250 residential apartment units (tower levels 38-58) located at the developed Hudson's site at 1208 Woodward Avenue. This application corresponds to a qualified new facility. The Hudson's Site redevelopment is anticipated to include a high-rise tower which will contain an estimated 250 residential units on Floors 38-58. Groundbreaking on the project occurred on December 14, 2017. The building permit for the project has not yet been issued. To date all work done has been demolition or excavation. The project is currently expected to be completed on December 31, 2022. CPC staff has reviewed the application and recommends approval.

The subject property has been confirmed as being within the boundaries of the Rosko Development Company NEZ and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The property to be rehabilitated consists of the former Hudson's Site located at 1208 Woodward Avenue. The NEZ certificate application appears to have been submitted prior to the issuance of any applicable building permits.

Please contact our office should you have any questions.

Respectfully submitted,



Marcell R. Todd, Jr., Director CPC
George A. Etheridge, City Planner, LPD

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

City of Detroit

CITY COUNCIL

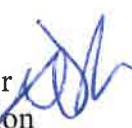
LEGISLATIVE POLICY DIVISION

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

Christopher Gulock, AICP
Derrick Headd
Marcel Hurt, Esq.
Kimani Jeffrey
Anne Marie Langan
Jamie Murphy
Kim Newby
Analine Powers, Ph.D.
Jennifer Reinhardt
Sabrina Shockley
Thomas Stephens, Esq.
David Teeter
Theresa Thomas
Kathryn Lynch Underwood

LaKisha Barclift, Esq.
M. Rory Bolger, Ph.D., AICP
Elizabeth Cabot, Esq.
Tasha Cowen
Richard Drumb
George Etheridge
Deborah Goldstein

TO: Detroit City Council

FROM: David Whitaker, Director
 Legislative Policy Division 

DATE: January 9, 2019

RE: Report on Gaming Tax Revenue through December 2018

For Council's review, the attached schedules present the gaming tax revenue activity through December 2018 and prior fiscal years.

Through the sixth month of the fiscal year the casinos reported a combined gross gaming receipts increase of 4.38% compared to the same period in the prior fiscal year. Broken out by casino, MGM's gross receipts are up by 5.46%, Motor City's are up by 2.32% and Greektown's are up by 5.40%, compared with the first six months of the prior fiscal year.

In the sixth month of the fiscal year, the City collected \$16.15 million in gaming tax revenue, which was 9.69% greater than December 2017, as reflected in Chart 1. Chart 2 "Monthly Detroit Gaming Tax Collections" through a twelve-month moving average trend line shows an increase of 3.17% since last December among the combined casino tax revenues. Based on existing data, there is projected to be a surplus of \$4.29 million for the fiscal year for a gaming revenue total of \$185.1 million, a 3.40% increase over last year.

Adjusted gross casino gaming receipts were reported at \$127.46 million for the month of December 2018 as shown in Chart 1A. This represented a 9.73% gain compared with December 2017. Chart 2A "Monthly Detroit Gaming Receipts" through a twelve-month moving average trend line shows growth of 3.15% among the combined casino receipts.

MGM and Motor City are each paying 12.9% of gross gaming receipts to the City, while Greektown Casino is paying 11.9% of gross gaming receipts and is broken out as follows. By state law, all casinos are now paying 10.9% of gross gaming receipts to the City as wagering tax. The casinos also have an additional 1% payment because of the 2002 amended development agreement with the City. Additionally, if a casino reaches \$400 million in receipts in a calendar year, like MGM and Motor City, then an additional 1% is paid to the City per the amended development agreement of 2002.

There is not a complete one-to-one relationship between the adjusted gross receipts and the tax revenue collection increases when comparing prior years, due to two factors. First, there is the fact that MGM and Motor City casinos began paying the City 1% less due to the permanent casinos opening on October 3 and November 29 of 2007. This reduction to the City is part of state Public Act 306 of 2004, when the legislature amended Public Act 69 of 1997, which was the original casino gaming legislation. P.A. 306 increased the wagering tax by 6% of which 2% went to the City of Detroit. P.A. 306 also allowed that when the permanent casino had been certified by the state gaming board as having operated for 30 consecutive days and once the City determined the project was complete, 5% of the 6% additional wagering tax would be eliminated, with the remaining 1% allocated to the City where the casino is being operated. Greektown continued to pay the 6% additional wagering tax – 4% to the state, 2% to the City – until its permanent status was agreed to by the Administration and approved by the State Gaming Commission, which occurred on March 9, 2010.

Second, the amended development agreement of August 2002 between the City and the casinos, which is separate from the state law, has all casinos, beginning in January 2006, paying an additional 1% over the state law, plus another 1% when the casino reaches \$400 million in gross receipts in a calendar year. For the thirteenth year, MGM and Motor City did exceed \$400 million in the calendar year and increased gaming tax collections by \$11.09 million between August and December. MGM reached \$400 million in August, a month earlier than prior years, and Motor City reached \$400 million in October similar to last year. MGM's additional 1% totaled 6.19 million and Motor City's totaled \$4.89 million.

Attachments (5)

cc: Auditor General
John Hill, CFO
John Naglick, Finance Director
Tanya Stoudemire, Budget Director
Renee Short, Budget Manager
Steve Watson, Budget Manager
James George, Agency CFO
Stephanie Washington, Mayor's Office

Chart 1

Monthly Comparison Detroit Gaming Tax Collections By Fiscal Year

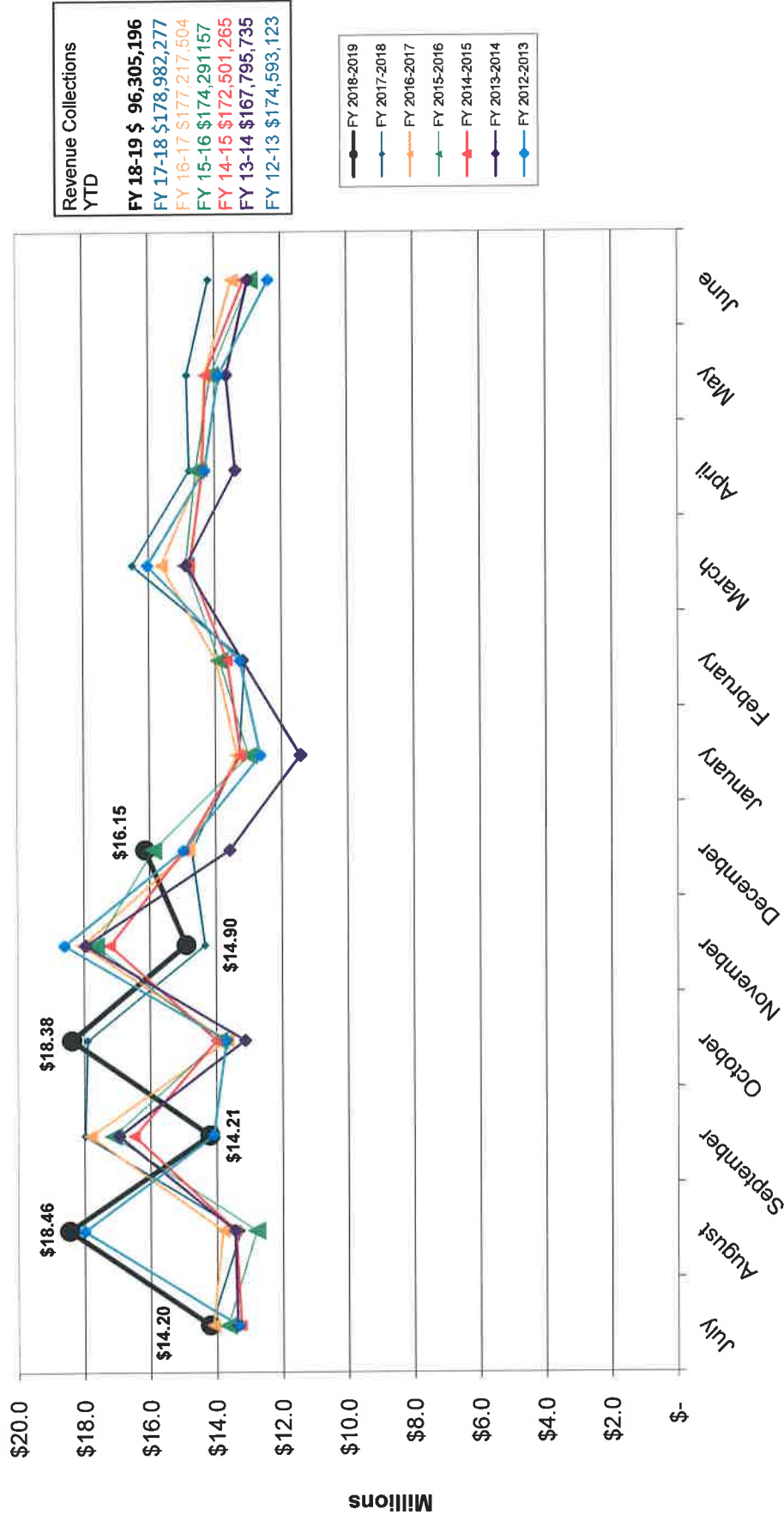
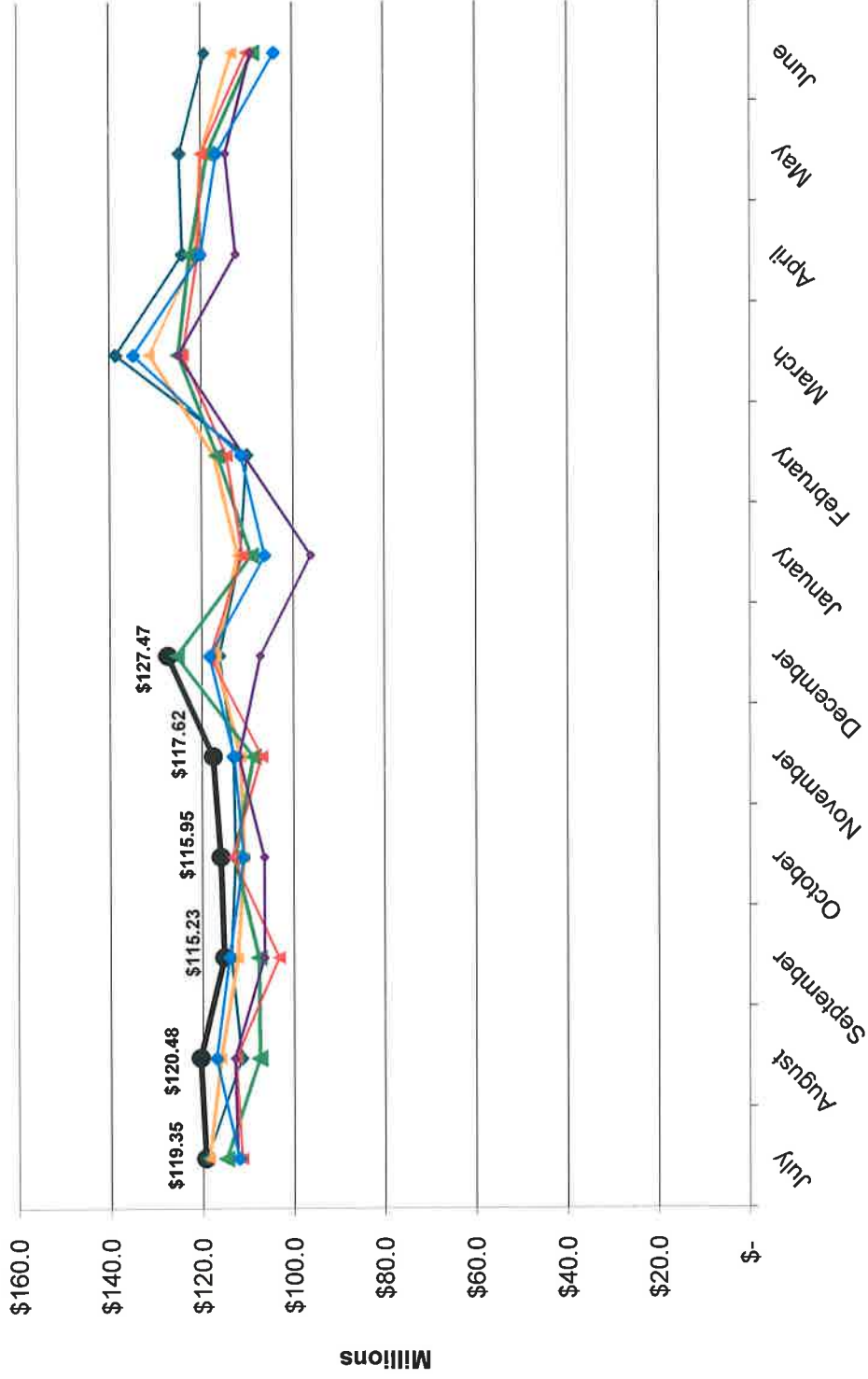


Chart1A

Monthly Comparison Adjusted Gross Casino Gaming Receipts By Fiscal Year



Cumulative Receipts YTD

FY 18-19	\$ 749,886,516
FY 17-18	\$1,414,067,617
FY 16-17	\$1,466,148,555
FY 15-16	\$1,376,408,437
FY 14-15	\$1,365,041,620
FY 13-14	\$1,324,236,621
FY 12-13	\$1,377,704,417

- FY 2018-2019
- FY 2017-2018
- FY 2016-2017
- FY 2015-2016
- FY 2014-2015
- FY 2013-2014
- FY 2012-2013

Chart 2

Monthly Detroit Gaming Tax Collection History

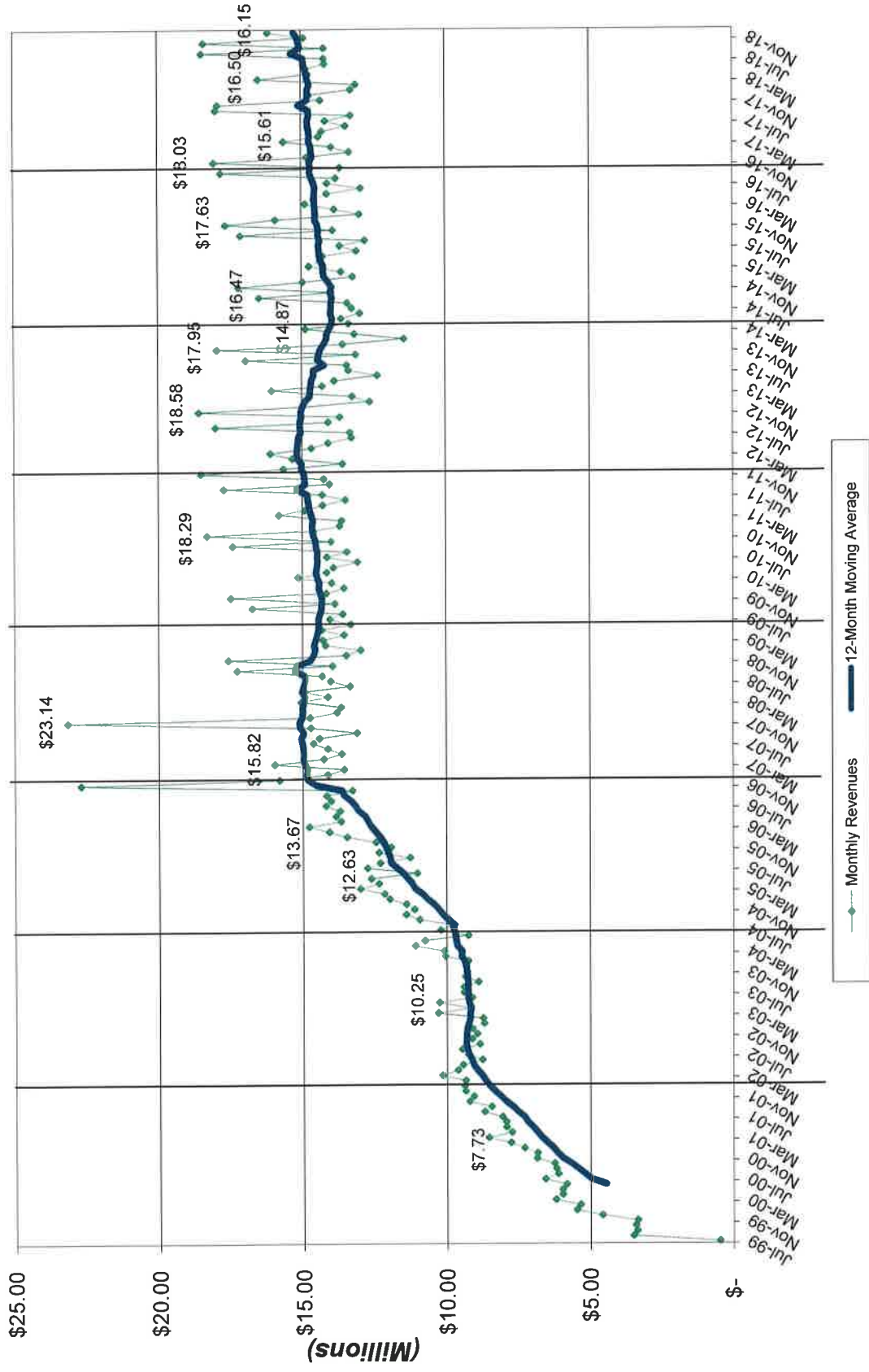


Chart 2A

Monthly Adjusted Gross Casino Gaming Receipt History

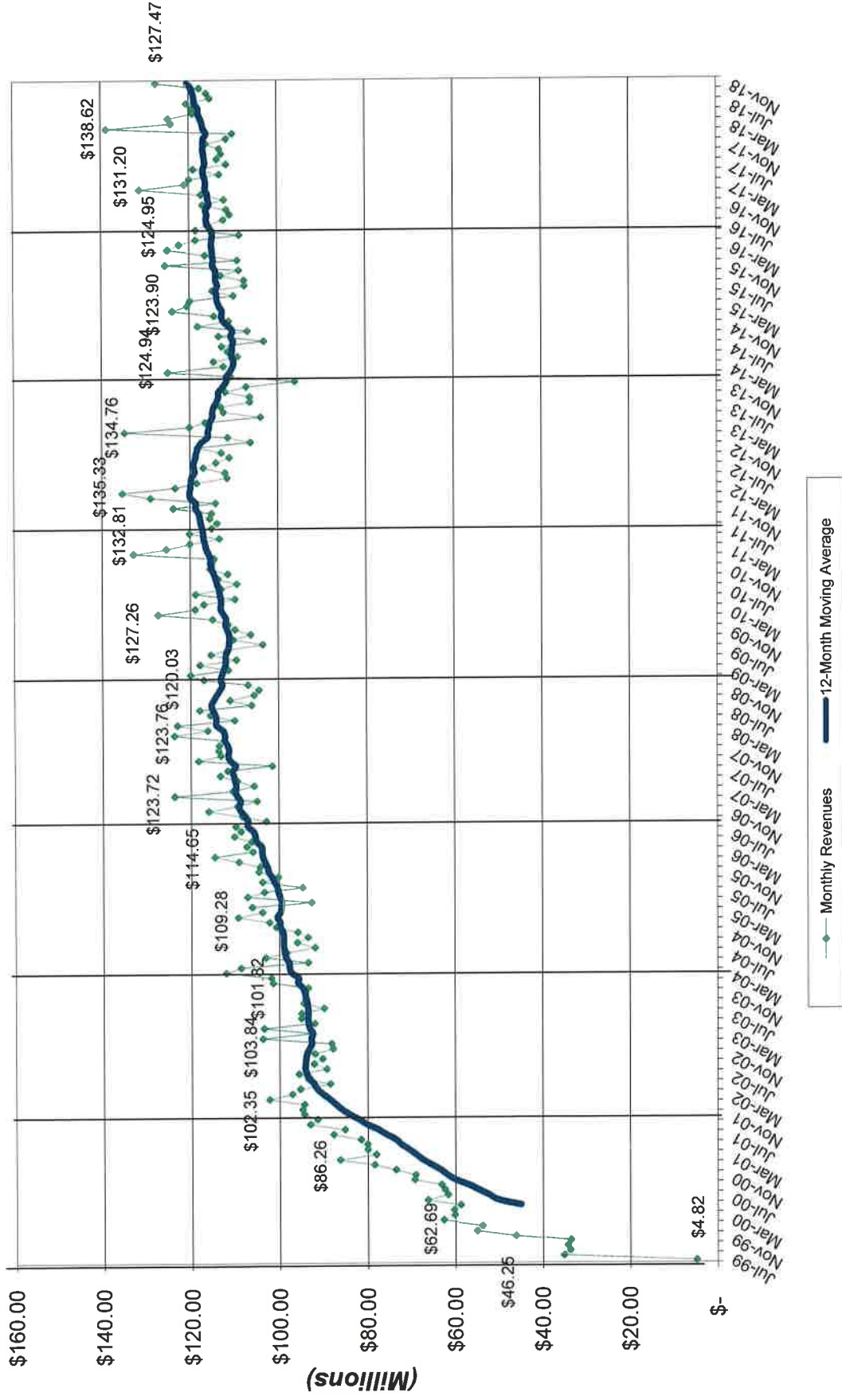


Table 1

Wagering Tax History and Tax Projections - All Casinos

	Total Adjusted Gross Receipts	Chng. over prior year	Total Adjusted Gross Receipts	Chng. over prior year	Total Adjusted Gross Receipts	Chng. over prior year	Total Adjusted Gross Receipts	Chng. over prior year	Total Adjusted Gross Receipts	Chng. over prior year	Total Adjusted Gross Receipts	Chng. over prior year
	FY 13-14		FY 14-15		FY 15-16		FY 16-17		FY 17-18		FY 18-19	
July	\$ 112,324,111.14	0.29%	\$ 111,335,628.63	-0.88%	\$ 114,773,549.99	3.09%	\$ 118,462,544.37	3.21%	\$ 119,025,164.52	0.47%	\$ 119,352,251.03	0.27%
August	\$ 112,898,452.02	-3.45%	\$ 112,662,906.77	-0.21%	\$ 107,454,382.18	-4.62%	\$ 115,902,952.87	7.86%	\$ 111,475,141.33	-3.82%	\$ 120,481,280.32	8.08%
September	\$ 106,340,200.54	-6.78%	\$ 103,111,649.21	-3.04%	\$ 107,556,002.33	4.31%	\$ 112,167,563.98	4.29%	\$ 113,650,378.92	1.32%	\$ 115,227,814.05	1.39%
October	\$ 106,324,915.12	-4.17%	\$ 113,375,138.17	6.63%	\$ 112,839,250.36	-0.47%	\$ 110,737,995.50	-1.86%	\$ 112,667,682.55	1.74%	\$ 115,953,356.87	2.92%
November	\$ 111,841,042.99	-9.90%	\$ 106,779,739.55	-4.53%	\$ 108,679,663.84	1.78%	\$ 111,502,032.31	2.60%	\$ 113,084,415.06	1.42%	\$ 117,619,810.33	4.01%
December	\$ 107,124,733.60	-9.40%	\$ 118,134,341.40	10.28%	\$ 125,463,371.75	6.20%	\$ 116,907,871.10	-6.82%	\$ 116,166,313.36	-0.63%	\$ 127,466,750.31	9.73%
January	\$ 96,048,307.53	-9.54%	\$ 111,021,844.76	15.59%	\$ 109,066,698.11	1.76%	\$ 112,004,791.29	2.69%	\$ 111,494,603.74	-0.46%	\$ -	-100.00%
February	\$ 110,608,613.45	-0.62%	\$ 114,422,344.27	3.45%	\$ 116,400,992.94	1.73%	\$ 117,241,823.84	0.72%	\$ 110,086,015.70	-6.10%	\$ -	-100.00%
March	\$ 124,936,684.16	-7.29%	\$ 123,903,906.42	-0.83%	\$ 124,949,116.99	0.84%	\$ 131,203,575.63	5.01%	\$ 138,618,493.50	5.85%	\$ -	-100.00%
April	\$ 112,273,443.83	-6.47%	\$ 120,548,875.91	7.37%	\$ 122,356,901.35	1.50%	\$ 120,997,540.75	-1.11%	\$ 124,023,991.41	2.50%	\$ -	-100.00%
May	\$ 114,508,495.99	-1.73%	\$ 119,815,053.34	4.63%	\$ 118,534,756.46	-1.07%	\$ 119,945,966.90	1.19%	\$ 124,659,270.12	3.93%	\$ -	-100.00%
June	\$ 109,007,620.90	-4.96%	\$ 109,930,191.80	0.85%	\$ 108,612,340.75	-1.20%	\$ 113,073,887.16	4.11%	\$ 119,116,145.61	5.34%	\$ -	-100.00%
TOT RECEIPTS thru FY	\$ 1,324,236,621.27	-3.88%	\$ 1,365,041,620.23	3.08%	\$ 1,376,687,027.05	0.85%	\$ 1,400,148,545.50	1.70%	\$ 1,414,067,616.62	0.99%	\$ 716,101,262.91	3.11%
Receipts thru Cal Yr	\$ 1,349,503,615.26	-4.75%	\$ 1,332,782,569.59	-1.24%	\$ 1,376,408,436.95	3.27%	\$ 1,385,601,766.53	0.67%	\$ 1,400,536,681.31	1.08%	\$ 1,444,099,783.79	3.11%
Wagering Tax - pre 9/2004 (State)												
Wagering Tax - post 9/2004 (State)	\$ 12,900		\$ 12,900		\$ 12,900		\$ 12,900		\$ 12,900		\$ 12,900	
Wagering Tax - post 1/2006 (Dev)												
Wagering Tax - post 1/2006 (Dev)	\$ 1,000		\$ 1,000		\$ 1,000		\$ 1,000		\$ 1,000		\$ 1,000	
\$400 M (Dev. Agrmt)												
Wagering Tax - post 1/2006 (Dev)	\$ 157,584,157.93		\$ 162,439,952.81		\$ 163,825,756.22		\$ 166,617,676.91		\$ 168,274,046.38		\$ 85,216,050.29	
Wagering Tax FYTD												
Add'l 1% after casino reaches \$400M during calendar year (Dev Agrmt)	\$ 10,211,576.83	-4.08%	\$ 10,061,311.75	-1.47%	\$ 10,465,401.23	4.02%	\$ 10,599,827.55	1.28%	\$ 10,708,230.46	1.02%	\$ 11,089,146.20	
Total Revenue FYTD	\$ 167,795,734.76	-3.89%	\$ 172,501,264.56	2.80%	\$ 174,291,157.45	1.04%	\$ 177,217,504.46	1.68%	\$ 178,982,276.84	0.9958%	\$ 96,305,196.49	
First 6 Months' Receipts	\$ 656,853,455.41	-4.12%	\$ 665,399,403.73	1.30%	\$ 676,766,220.45	1.71%	\$ 685,680,959.93	1.32%	\$ 686,069,095.74	0.06%	\$ 716,101,262.91	4.38%
Last 6 Months' Receipts	\$ 667,383,165.86		\$ 699,642,216.50		\$ 699,920,806.60		\$ 714,467,585.57		\$ 727,998,520.88		\$ -	
Ratio of 6 Month to 6 Months	101.60%		105.15%		103.42%		104.20%		106.11%		104.72%	
est. last 6 months' receipts											\$ 749,896,516.43	
est. total annual receipts											\$ 1,465,997,779.34	
Fiscal Year's Wagering Tax (est)											\$ 185,071,231.76	
Budget	\$ 170,000,000.00		\$ 168,000,000.00		\$ 169,042,005.00		\$ 175,200,000.00		\$ 177,780,000.00		\$ 180,779,000.00	
Surplus/Deficit	\$ (2,204,265.24)		\$ 4,501,264.56		\$ 5,249,152.45		\$ 2,017,504.46		\$ 1,202,276.84		\$ 4,292,231.76	