

Community Benefits Ordinance Recommendations



Presented by
Detroit City Council's Legislative Policy Division

Timeline

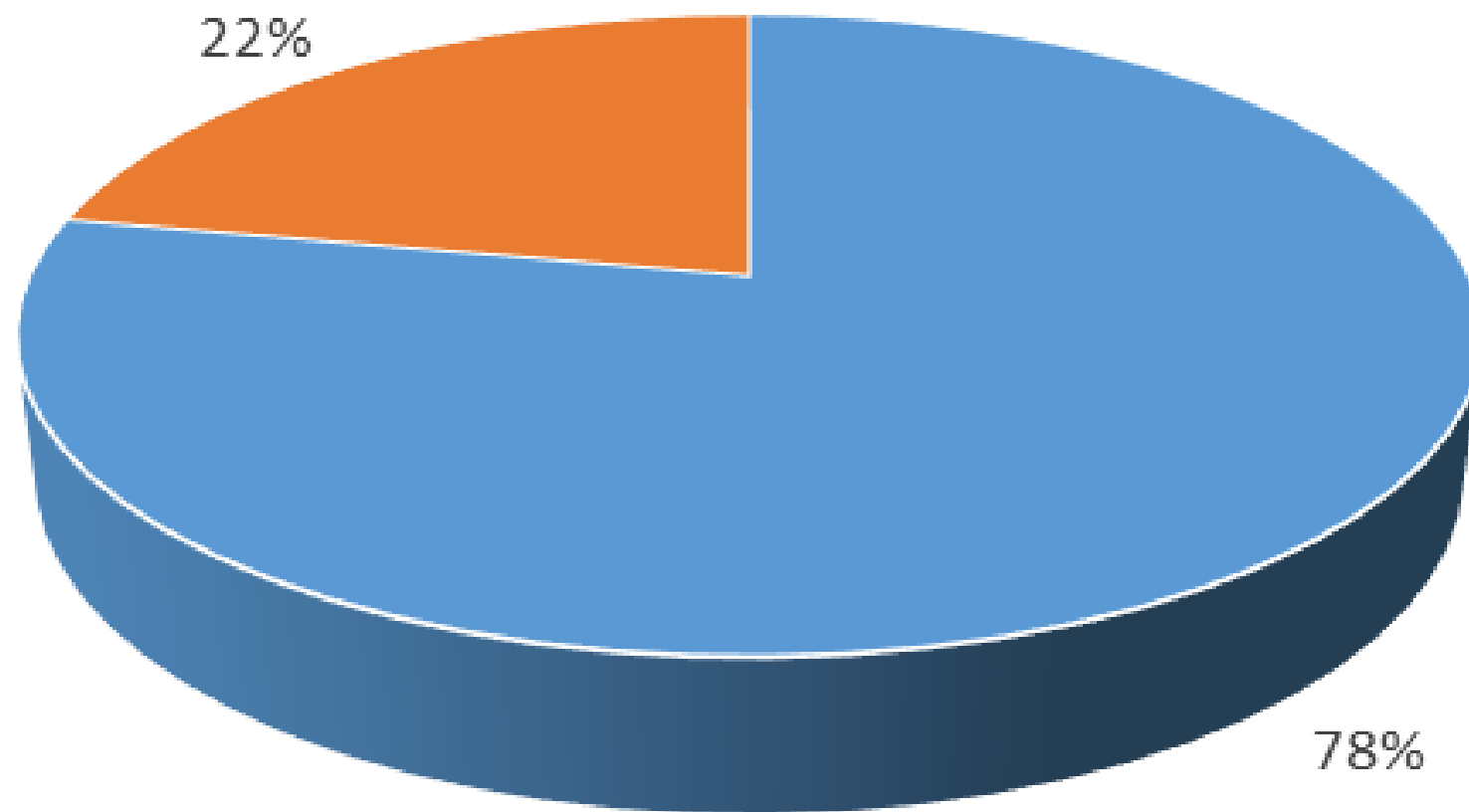
- October 2018 – Working Group Convened
- April 2019 – Working Group Concluded
- August 2019 – Community Benefits Survey sent out to 1,500 interested parties and posted on the City of Detroit website
- September 2019 – CBO Survey closed
- January 2020 – City wide stakeholders meeting
- July 2020 – City wide Developer stakeholders meeting
- October 2020 – Final LPD report and recommendations submitted to Council

1. Tier 1 Development Project – Sec. 14-12-2

Tier 1 Development Project means a development project in the City that is expected to incur the investment of **Fifty** Million Dollars (**\$50,000,000**) or more during the construction of facilities, or to begin or expand operations or renovate structures, where the developer of the project is negotiating public support for investment in one or both of the following forms:

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

1. Tier 1 Development Project



■ Yes ■ No

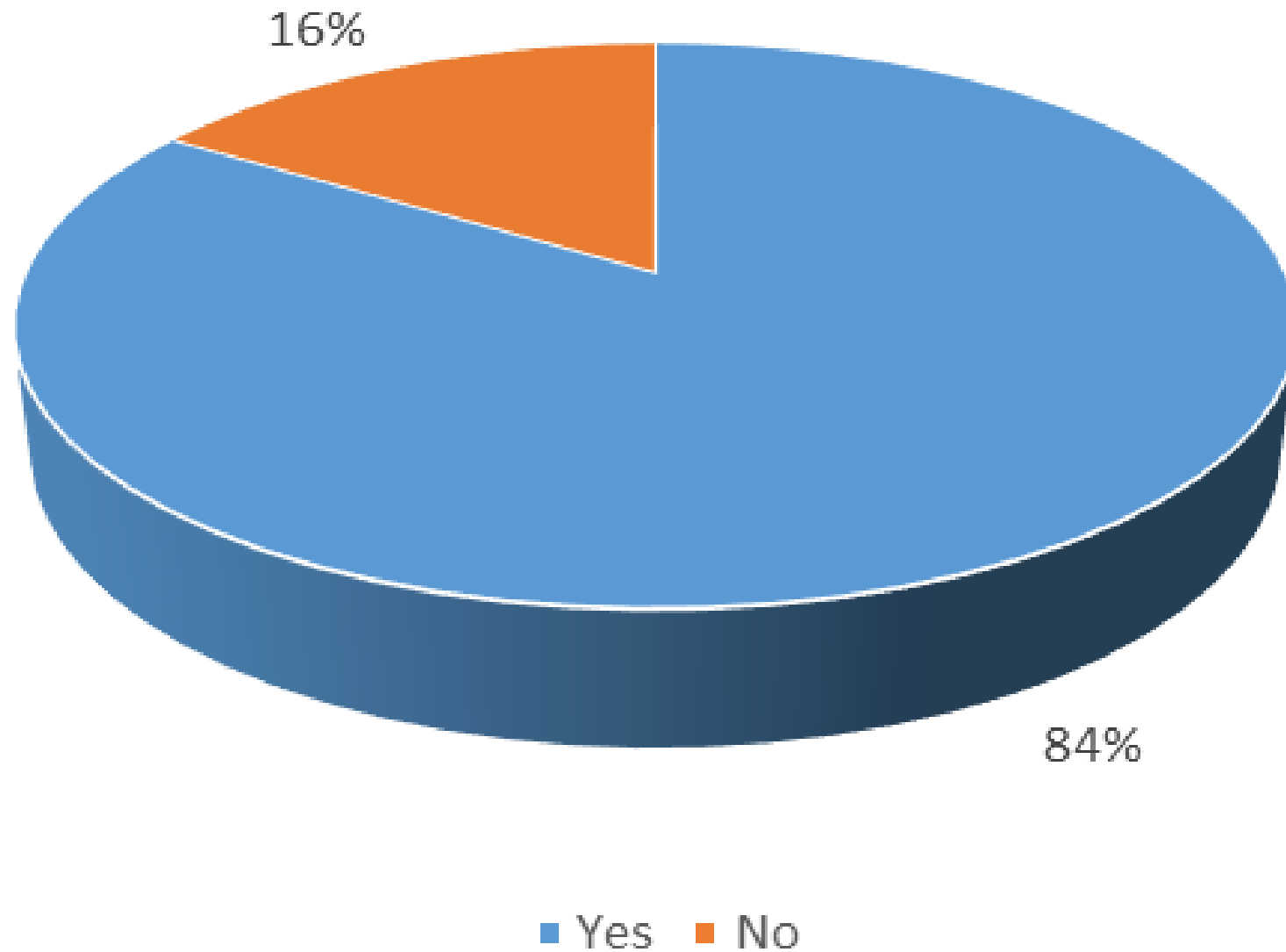
2. Enforcement Committee – Sec. 14-12-2

The proposed revisions to this section would read as follows:

Enforcement Committee means a committee led by the City’s Corporation Counsel and composed of representatives from the Planning and Development Department, Law Department, **Department of Civil Rights, Inclusion and Opportunity, City Council’s Legislative Policy Division, the Neighborhood Advisory Council Chair of the respective Tier 1 Development Project**, and other relevant City departments as determined by the Planning Director.

The chair of each Neighborhood Advisory Committee shall be an ex-officio member of the related Enforcement Committee.

2. Enforcement Committee

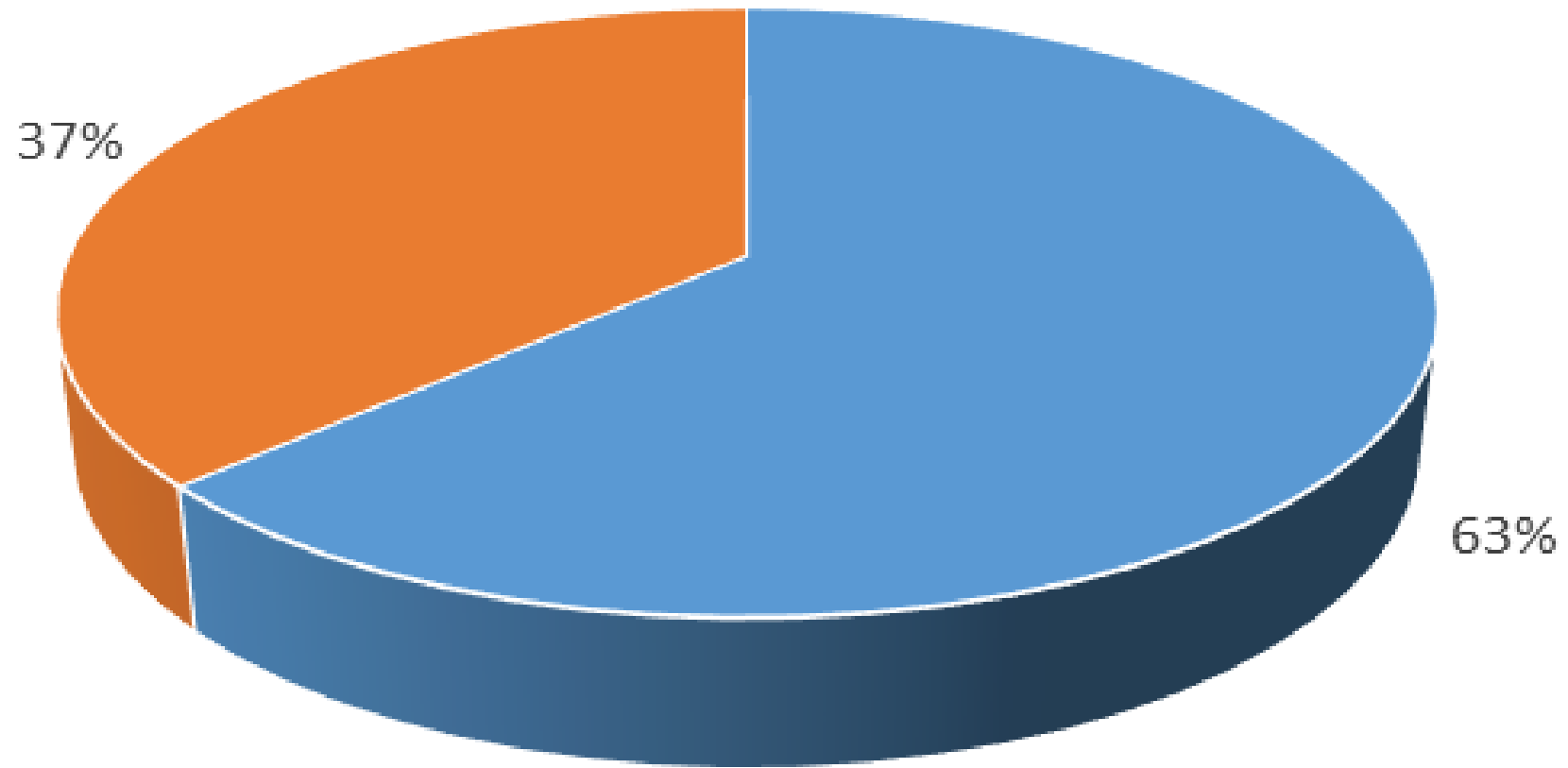


3. Tier 2 Development Project – Sec. 14-12-2

Tier 2 Development Project means a development project in the City that does not qualify as a Tier 1 Project and is expected to incur the investment of **Three-Hundred Thousand Dollars (\$300,000)** or more, during the construction of facilities, or to begin or expand operations or renovate structures, where the Developer is negotiating public support for investment in one or both of the following forms:

- (1) Land transfers that have a cumulative market value of Three Hundred Thousand Dollars (\$300,000) or more (as determined by the City Assessor or independent appraisal), without open bidding and priced below market rates; or
- (2) Tax abatements that abate more than Three Hundred Thousand Dollars (\$300,000) of City taxes over the term of the abatement that inure directly to the Developer, but not including Neighborhood Enterprise Zone tax abatements.

3. Tier 2 Development Project



■ Yes ■ No

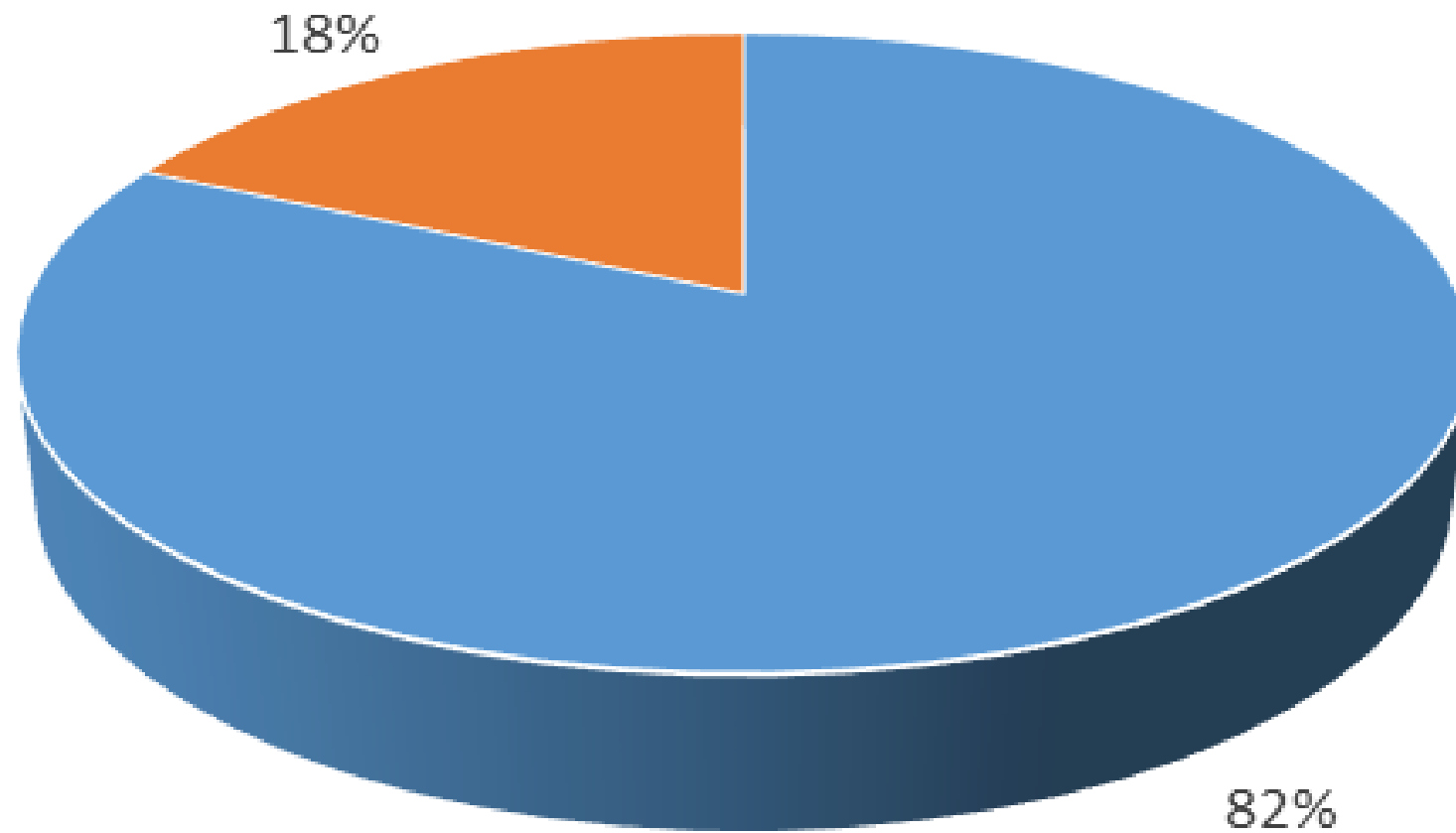
4. Community Engagement Process – Sec. 14-12-3

Sec. 14-12-3. Tier 1 Projects.

(a) *Community Engagement Process for Public Meeting.*

(1) Prior to submitting to City Council a request for approval of Land transfers or Tax abatements related to a Tier 1 Project, the Planning Director shall hold **no fewer than five (5)** public meetings in the Impact Area as defined in this Section, **unless a majority of the NAC deems otherwise.**

4. Community Engagement Process

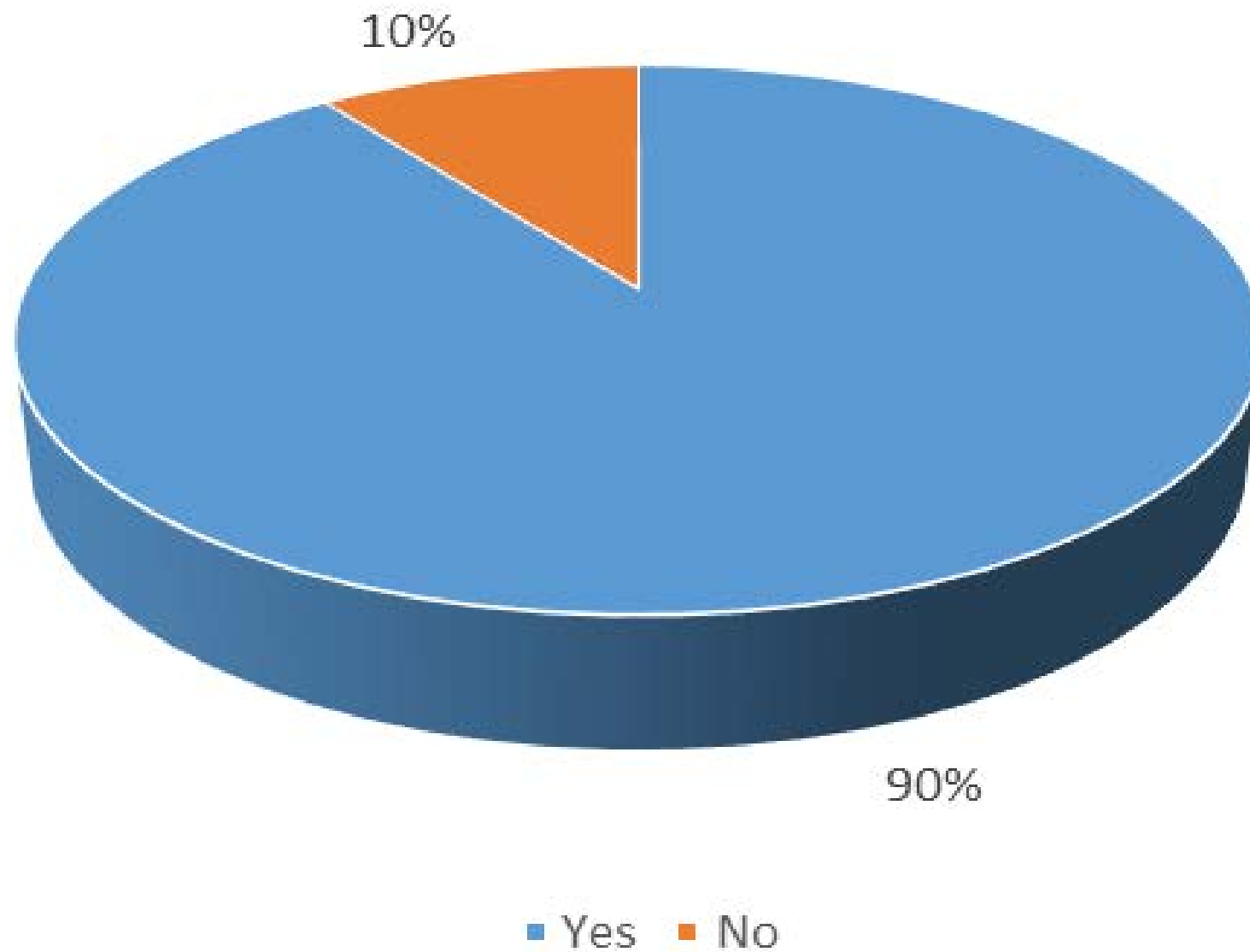


■ Yes ■ No

5. Meeting Notice – Sec. 14-12-3(a)(2)

- (2) The City Clerk shall forward notice of the public meeting via First Class Mail no less than 10 days before such meeting to all City of Detroit residents within three hundred radial feet of the Tier 1 Project **Impact Area**. The notice shall include:
- a. The time, date and location of the public meeting;
 - b. General information about the Tier 1 Project;
 - c. A description of the Impact Area and the location of the Tier 1 Project;
 - d. Information related to potential impacts of the Tier 1 Project and possible mitigation strategies; and

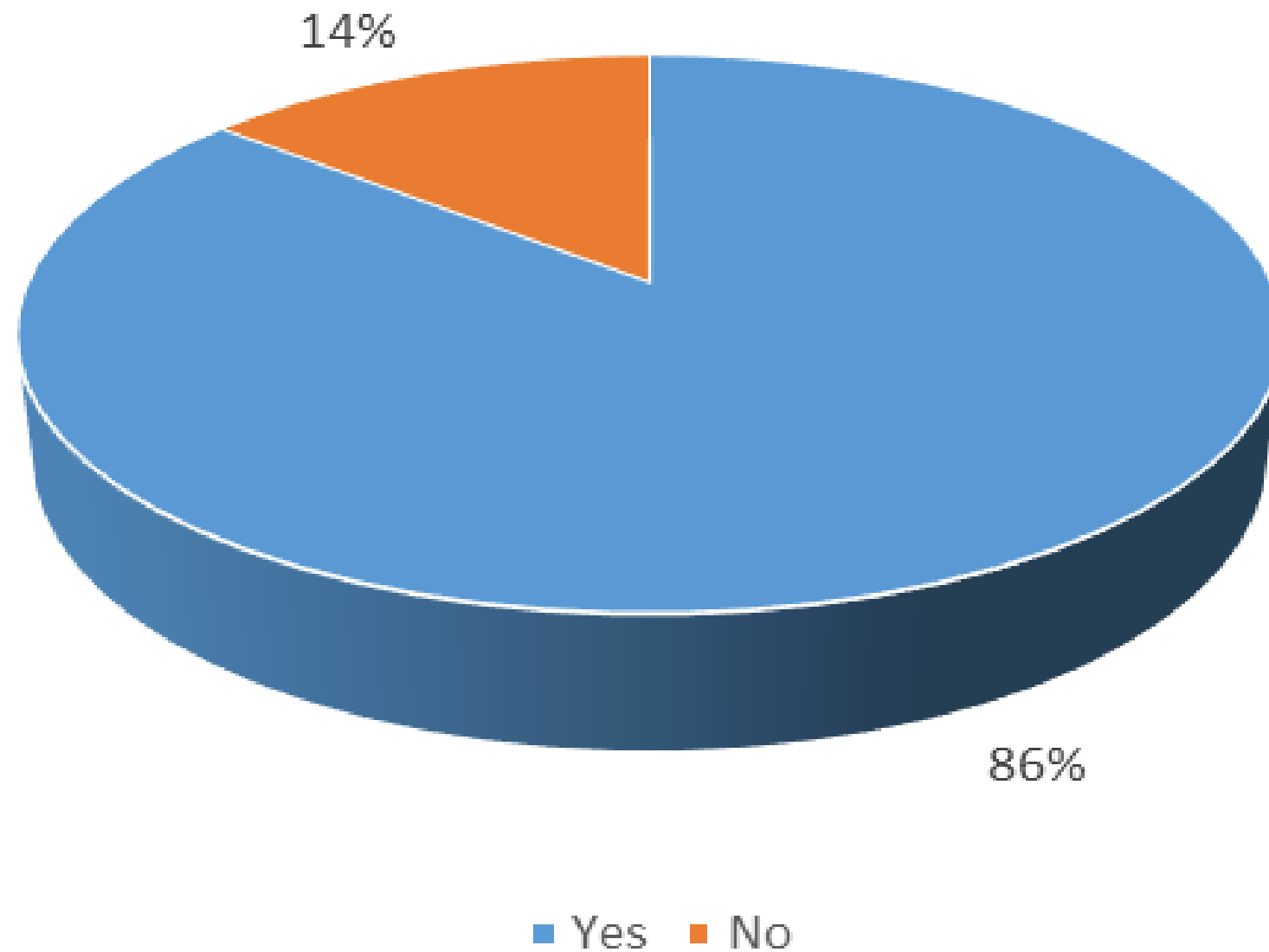
5. Meeting Notice



6. Presentation of the CBO Process and NAC Roles – Sec. 14-12-3(a)(4)

- (4) At the public meeting, the Planning Director will present general information about the Tier 1 Project, discuss ways in which the Tier 1 Project is anticipated to impact the local community, and ways in which the Developer and the Planning Director plan to address or mitigate these impacts. At the initial public meeting the Planning Director will present in detail on the CBO process, how the NAC fits within that broader process, the responsibilities of the NAC and the proposed timeline for the NAC meetings. The Planning Department shall discuss previous NACs and share outcomes and best practices learned from them. The meeting/workshop, shall allow for the community to ask questions and learn about the upcoming CBO process. The Developer shall not be present at this first meeting.

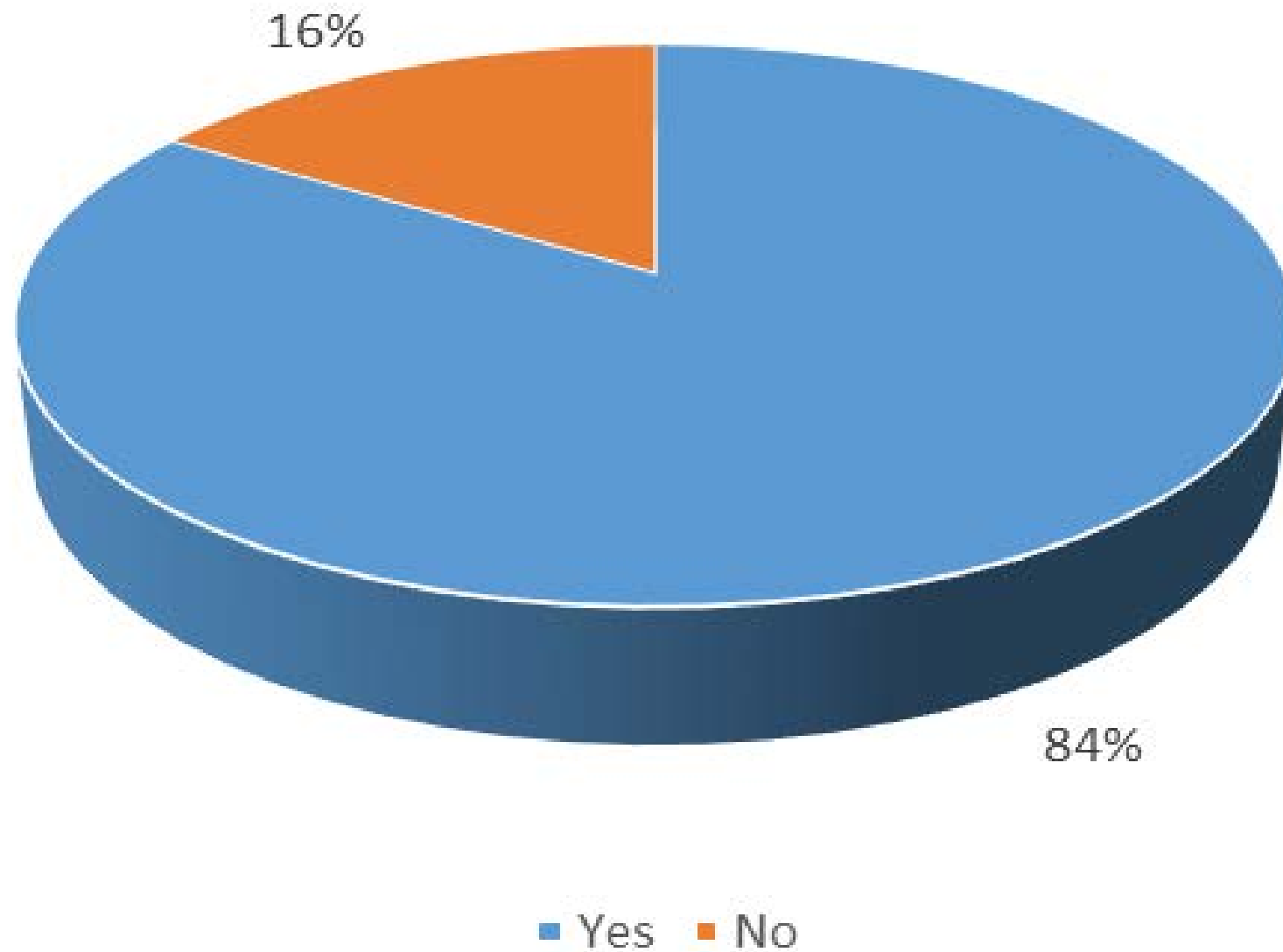
6. Presentation of the CBO Process & NAC Role



7. NAC Members – Sec. 14-12-3(b)(3)

- (3) The NAC shall consist of nine members, selected as follows:
- a. **Three** Members selected by residents of the Impact Area chosen from the resident nominated candidates;
 - b. **Three** Members selected by the Planning Director from the resident nominated candidates, with preference given to individuals the Planning Director expects to be directly impacted by the Tier 1 Project;
 - c. One Member selected by the Council Member in whose district contains the largest portion of the Impact Area from the resident nominated candidates; and
 - d. One Member selected by the At-Large Council Members from the resident nominated candidates.
 - e. **The Planning and Development Director as well as the Council Member in whose district contains the largest portion of the Impact Area, and the At-Large Council Members are permitted to select NAC members from outside of the list of resident nominated candidates, however those selected must reside within the impact area.**
 - f. **There should be one alternate selected by the community. The person with the third highest votes from the community should be listed as the alternate person. This person must agree to be present at all meetings and will be notified by the Planning Department when they are needed to formally replace a NAC member.**

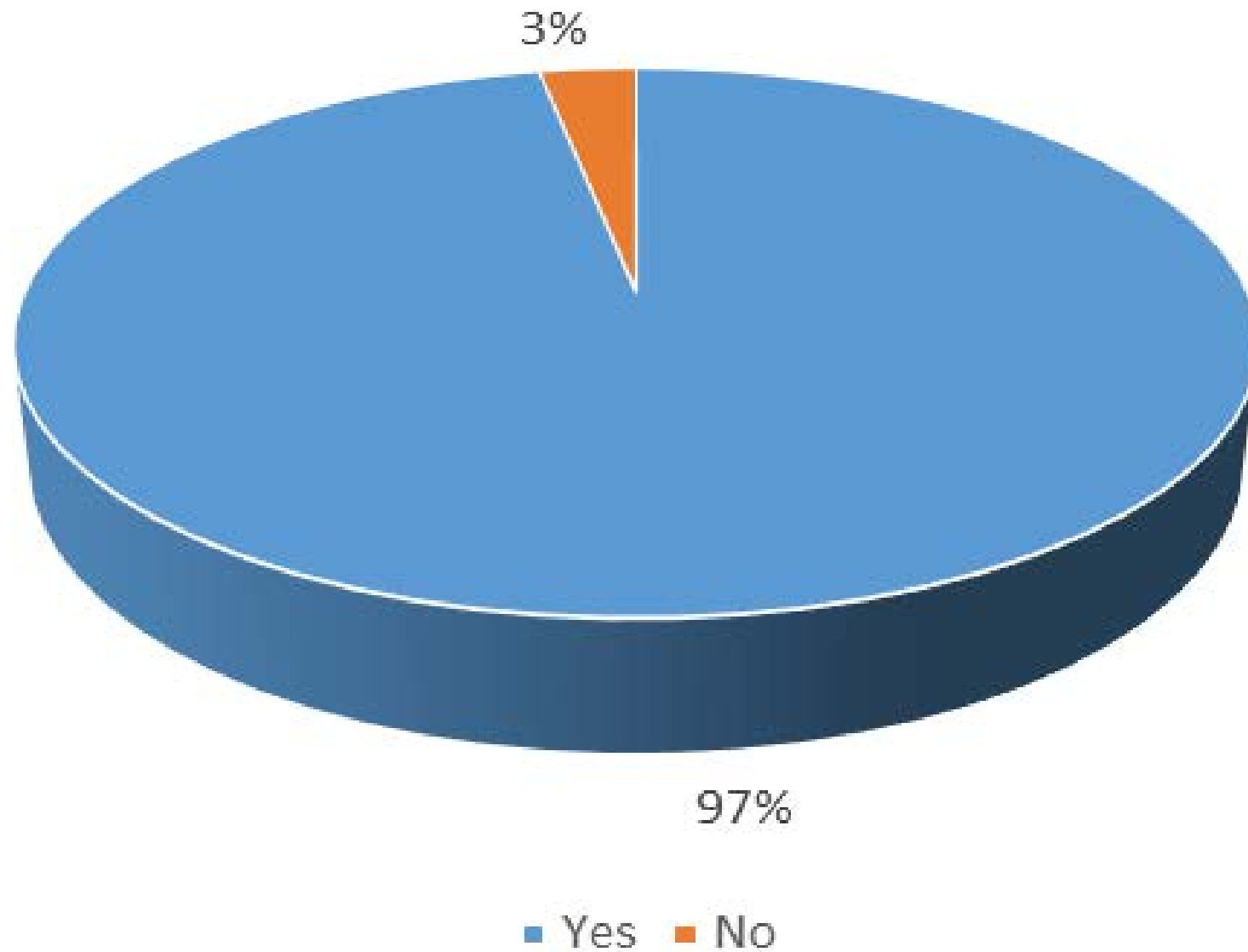
7. NAC Members



8. NAC Impact Area – Sec. 14-12-3(b)(2)

- (2) All residents over the age of 18 that reside in the Impact Area are eligible for nomination. **Any person who is an agent, employee, or official of the developer must disclose their relationship to the developer prior to selection to the NAC.**

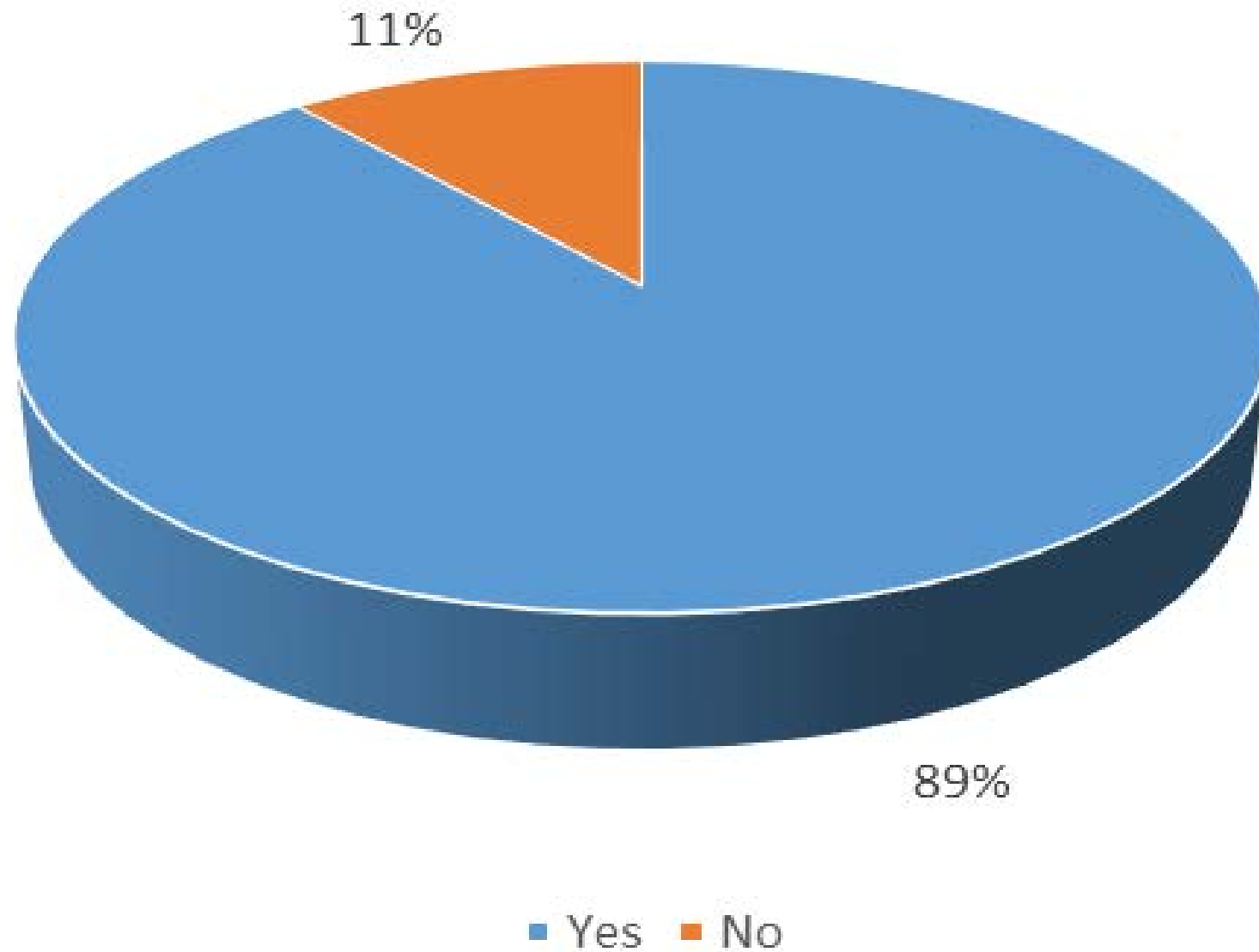
8. NAC Impact Area



9. NAC Nominations – Sec. 14-12-3(b)(4)

- (4) If the NAC receives less than nine nominations, the City Council Member in whose district contains the largest portion of the Impact Area may seek out individuals that live outside the Impact Area but within the City Council District or Districts where the Tier 1 Project is located.

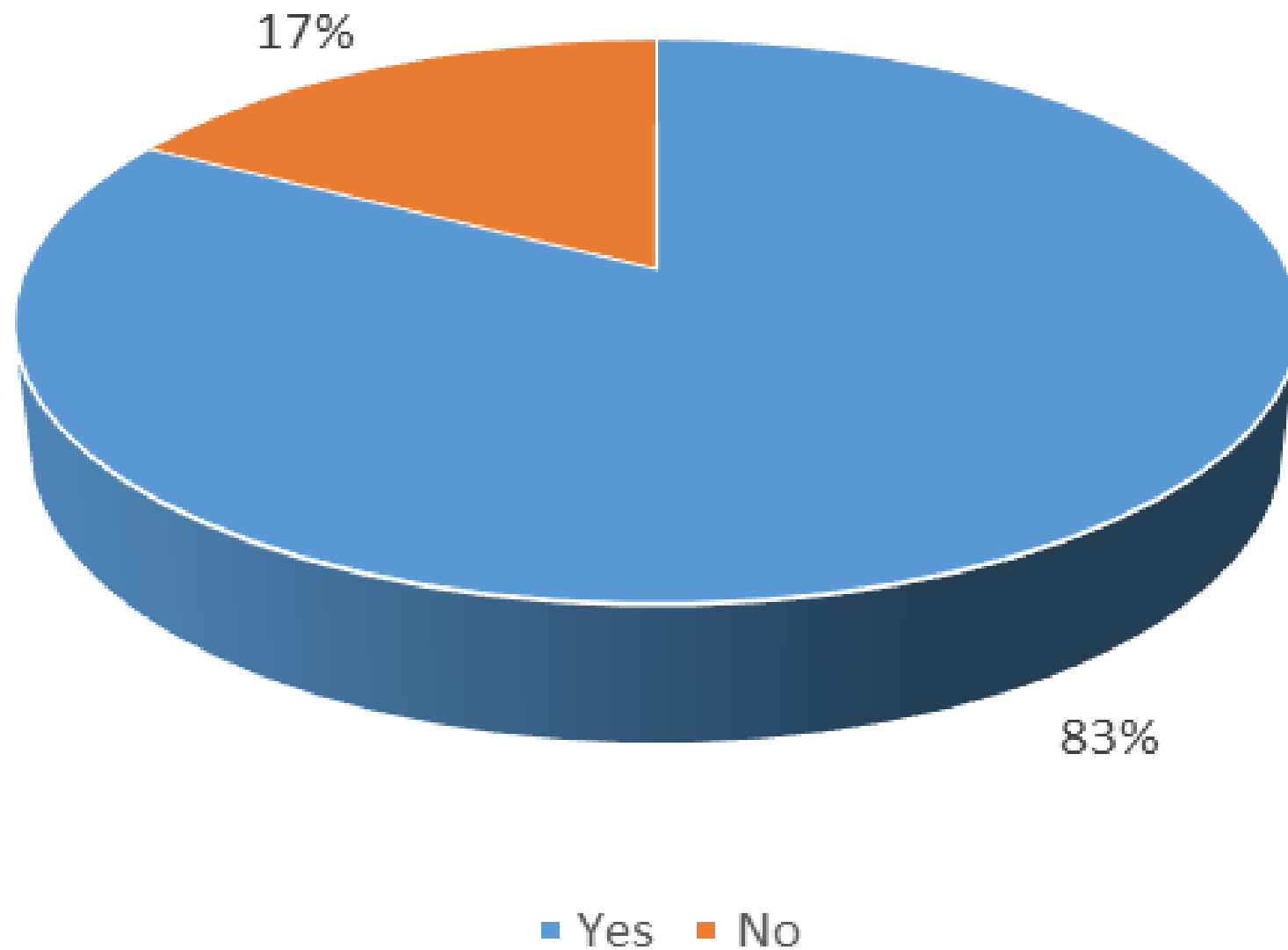
9. NAC Nominations



10. NAC Actions/Consent – Sec. 14-12-3(b)(5)

- (5) All actions of the NAC may be taken with the consent of a majority of NAC members serving. Attendance at all NAC meetings by all elected and appointed NAC members shall be mandatory, unless advance notice is provided. More than one (1) absence could disqualify one from further being a NAC member. If a member fails to attend an NAC meeting, an alternate may be appointed by the NAC as a permanent replacement member, at the discretion of the NAC.

10. NAC Actions Consent

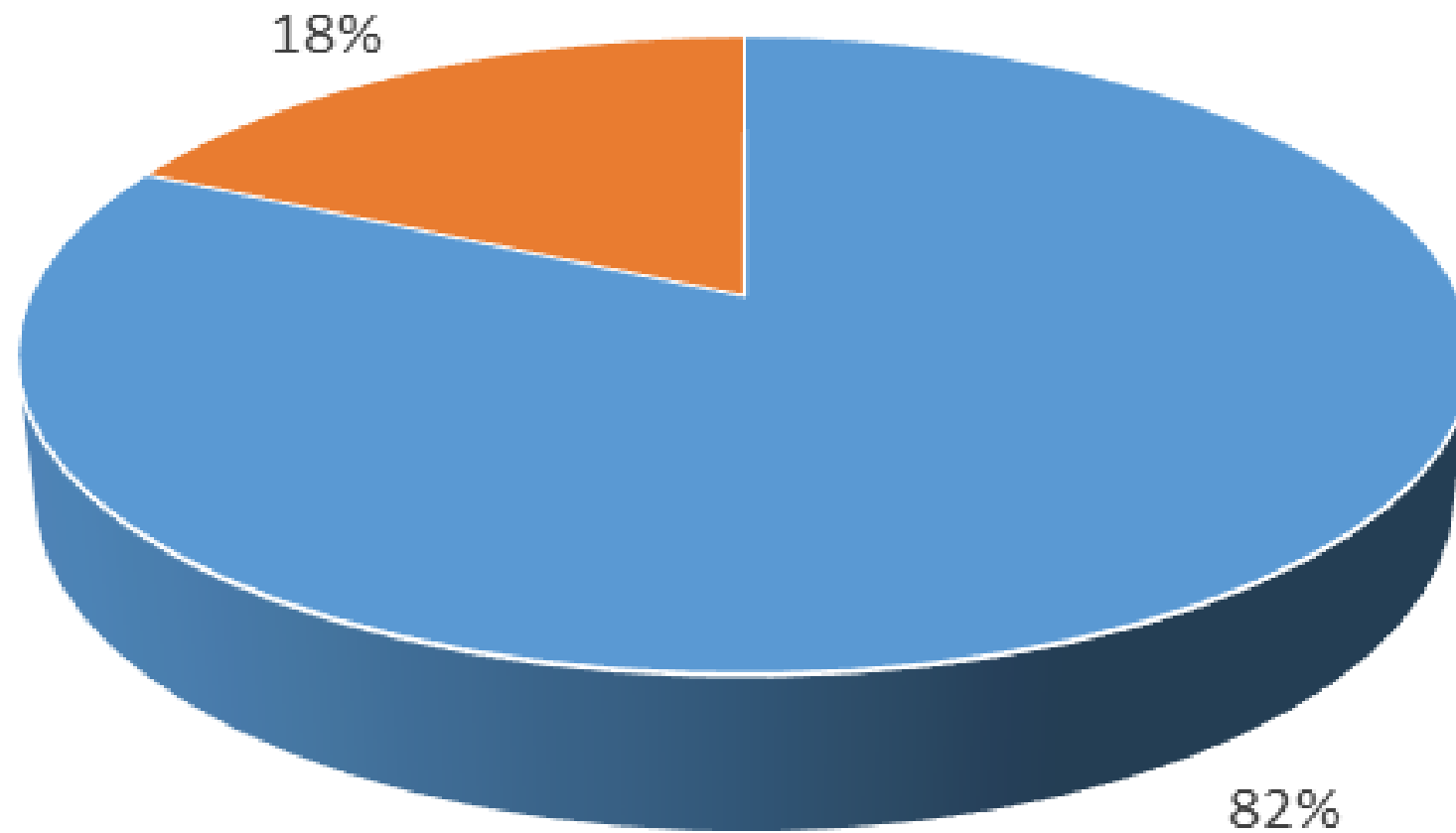


11. Meetings between the Developer and the NAC – Sec. 14-12-3(c)(1)

(c) Engagement with Developer.

(1) The Planning Director shall facilitate **no fewer than five (5) meetings** between the NAC and the Developer **as required in Subsection (a)(1)** to allow the NAC to learn more details about the project and to provide an opportunity for the NAC to make Developer aware of concerns raised by the NAC. **The Developer and the relevant city departments must present to the members of the NAC, at a minimum, how the proposed project may utilize green infrastructure, create jobs for Detroiters, detail which tax incentives they are seeking with specific amounts, and to what extent the project will feature subsidized/discounted/affordable housing and/or commercial space. These recommendations may included but are not limited to noise, traffic, dust mitigation.**

11. Meetings between the NAC and Developer

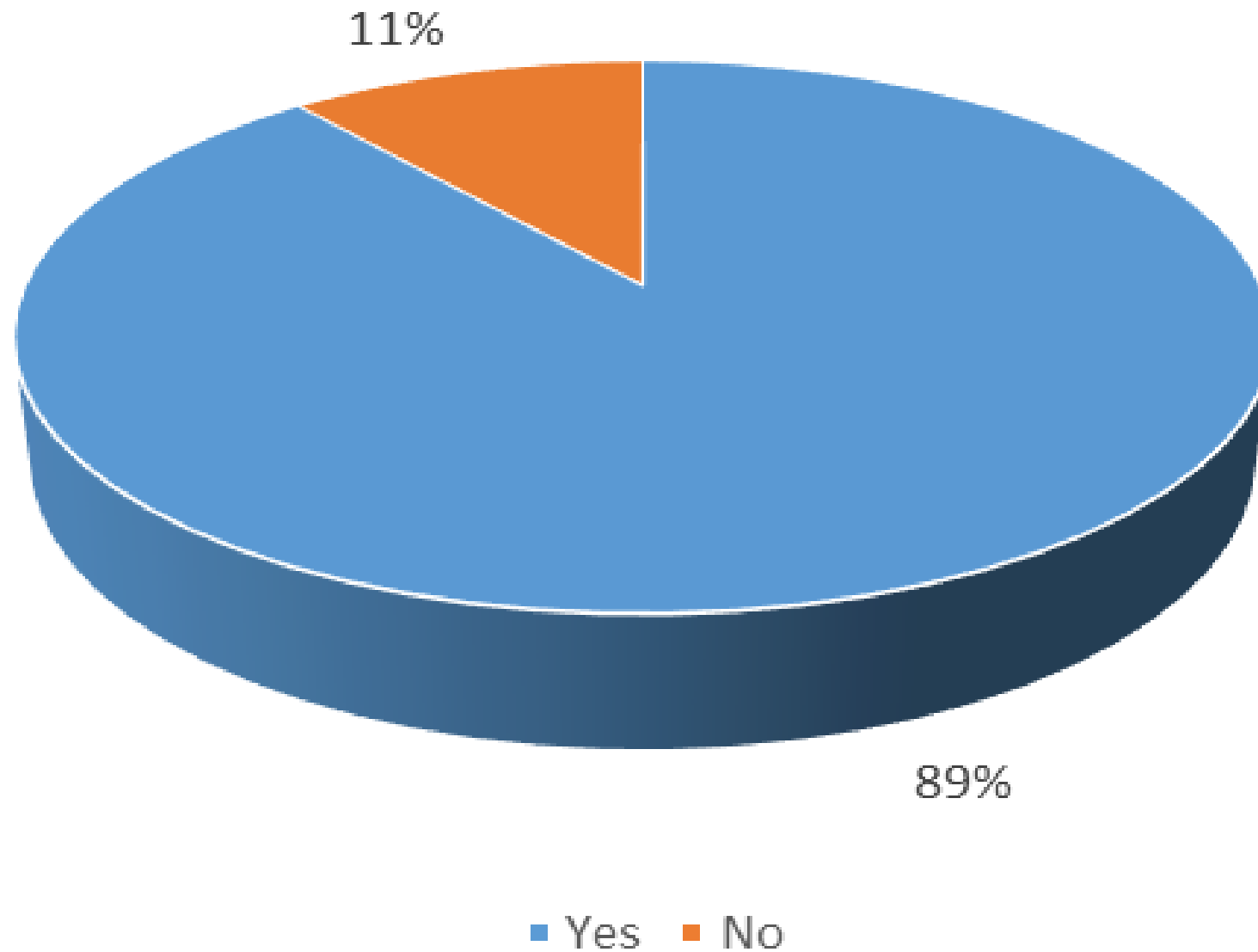


■ Yes ■ No

12. Additional Meetings by 2/3 vote – Sec. 14-12-3(c)(2)

- (2) City Council by a 2/3 vote of members present or the Planning Director may facilitate additional meetings which the Developer, or the Developer's designee, shall participate in as directed. **The City and the DEGC shall provide all essential documents to the NAC Members, District and At-Large City Council members within 72 hrs. of the NAC selection including but not limited to the Detroit Community Benefits Ordinance, development agreements between the city and developer, projected revenue, developer's RFP response, all renderings related to the project, But/For Economic Analysis conducted by DEGC, all environmental studies, documents related to brownfield funding, etc.**

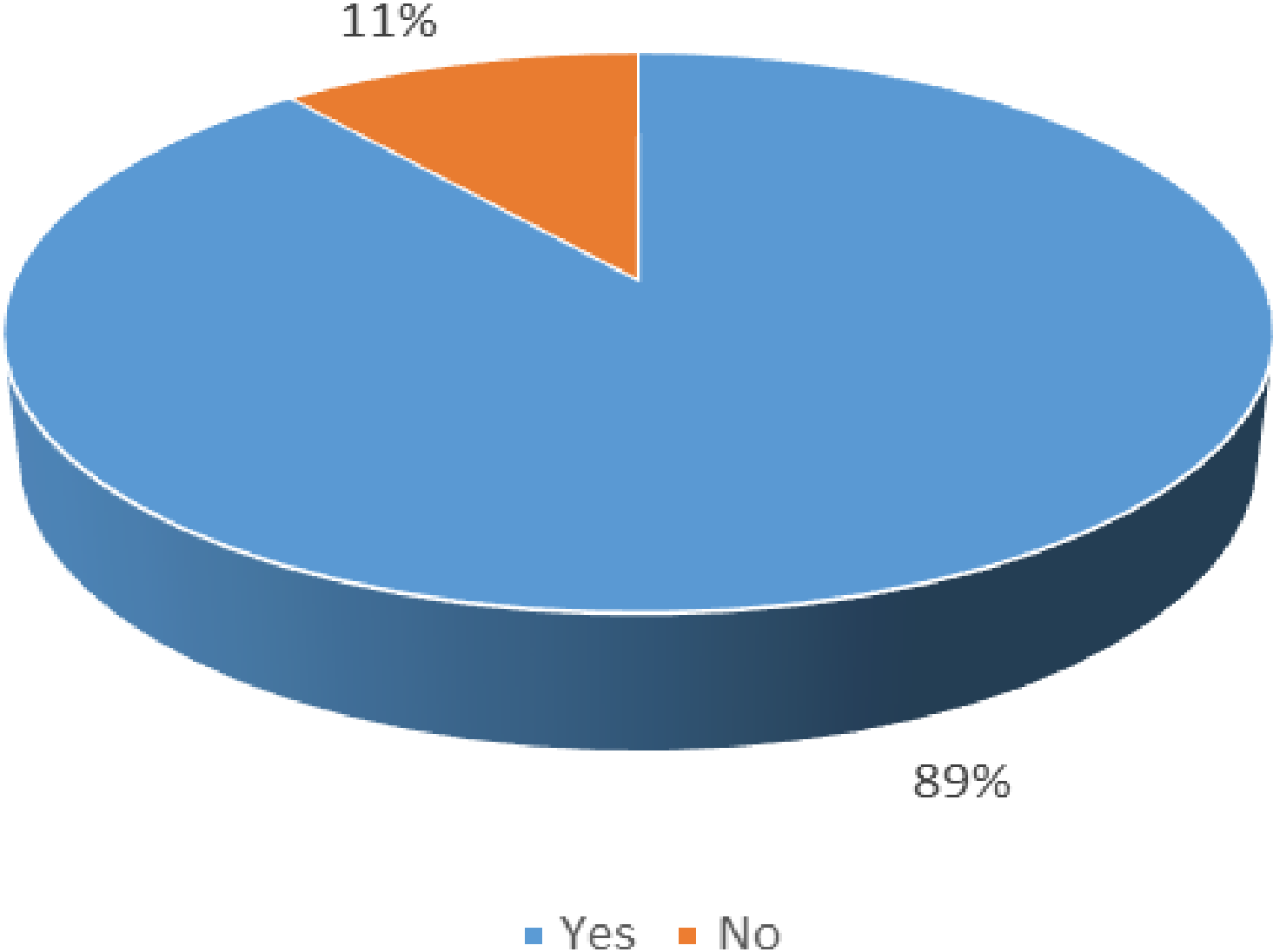
12. Additional Meetings by 2/3 vote



13. CBO Report Content – Sec. 14-12-3(d)(2)

- (2) The Community Benefits Report shall contain:
- a. A detailed account of how notice was provided to organize the public meeting.
 - b. A list of the NAC members, and how they were selected.
 - c. An itemized list of the concerns raised by the NAC.
 - d. A method for addressing each of the concerns raised by the NAC, or why a particular concern will not be addressed.
 - e. A detailed list of community outreach strategies used to solicit and record feedback.

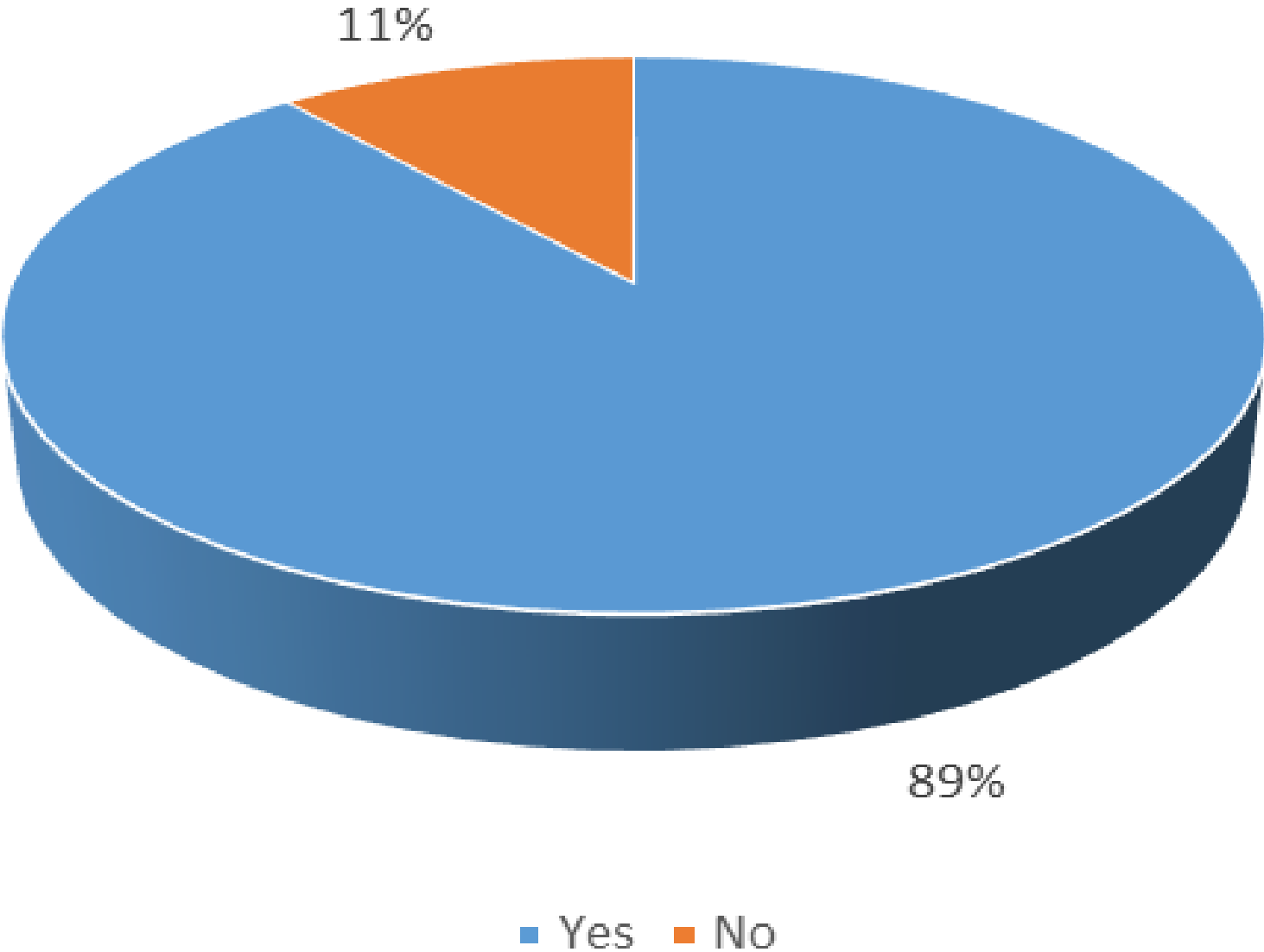
13. Community Benefits Report Content



14. CBO Report to NAC – Sec. 14-12-3(d)(3)

- (3) The Planning Director, where possible, shall provide a copy of the Community Benefits Report to the NAC prior to submission to City Council. **The NAC will have no less than one week to review the Community Benefits Agreement before being asked by the City to vote or sign a letter in support of the proposed benefits.**

14. Community Benefits Report to NAC

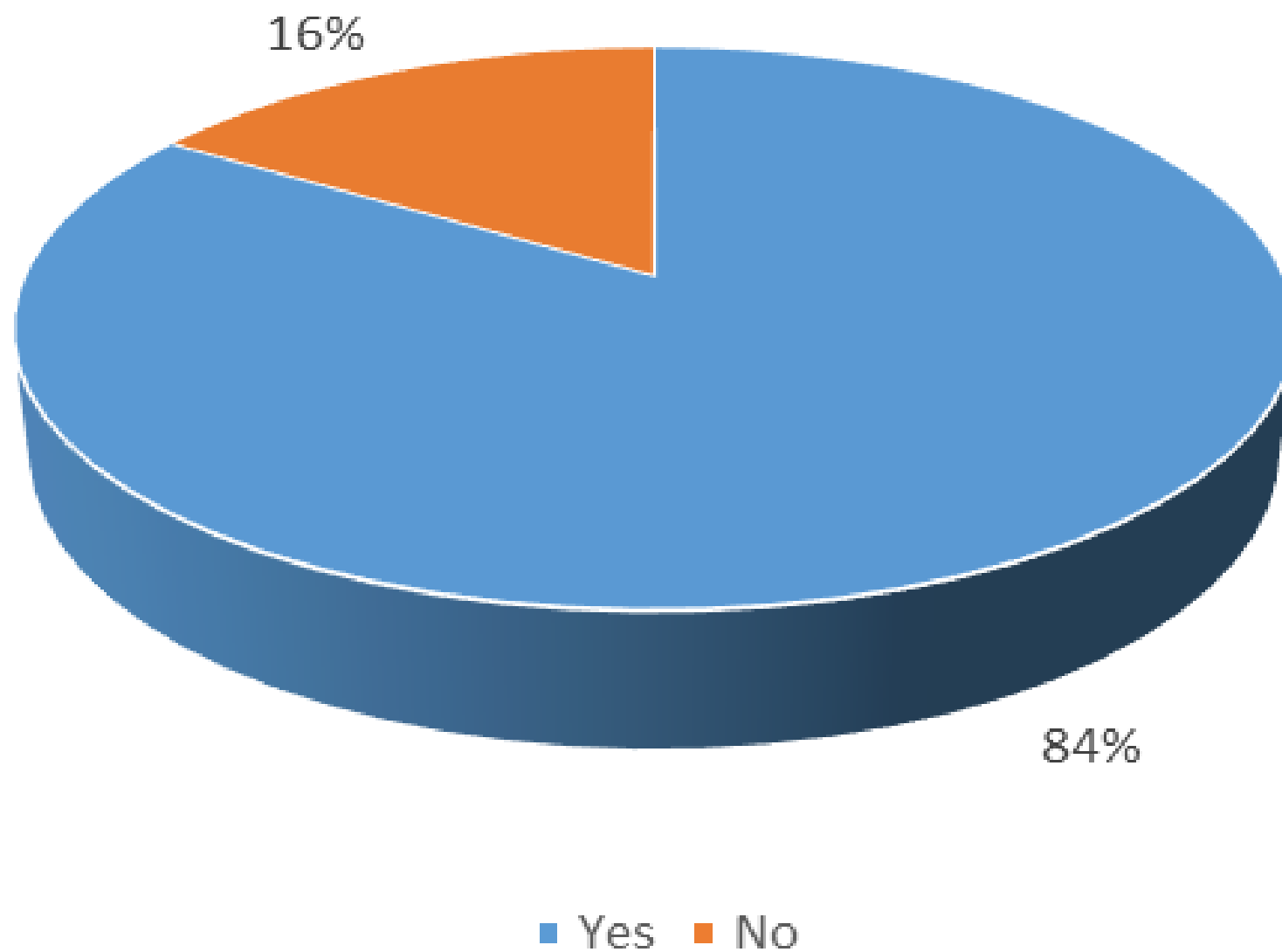


15. Development Agreement – Sec. 14-12-3(e)(1)(a)

(e) *Development Agreement.*

- (1) All development agreements made between the Developer and the City related to the land transfers or tax abatements associated with a Tier 1 Project shall include the Community Benefits Provision, which shall include:
 - a. Enforcement mechanisms for failure to adhere to Community Benefits Provision, that **shall** include but are not limited to, clawback of City-provided benefits, revocation of land transfers or land sales, debarment provisions and proportionate penalties and fees; and

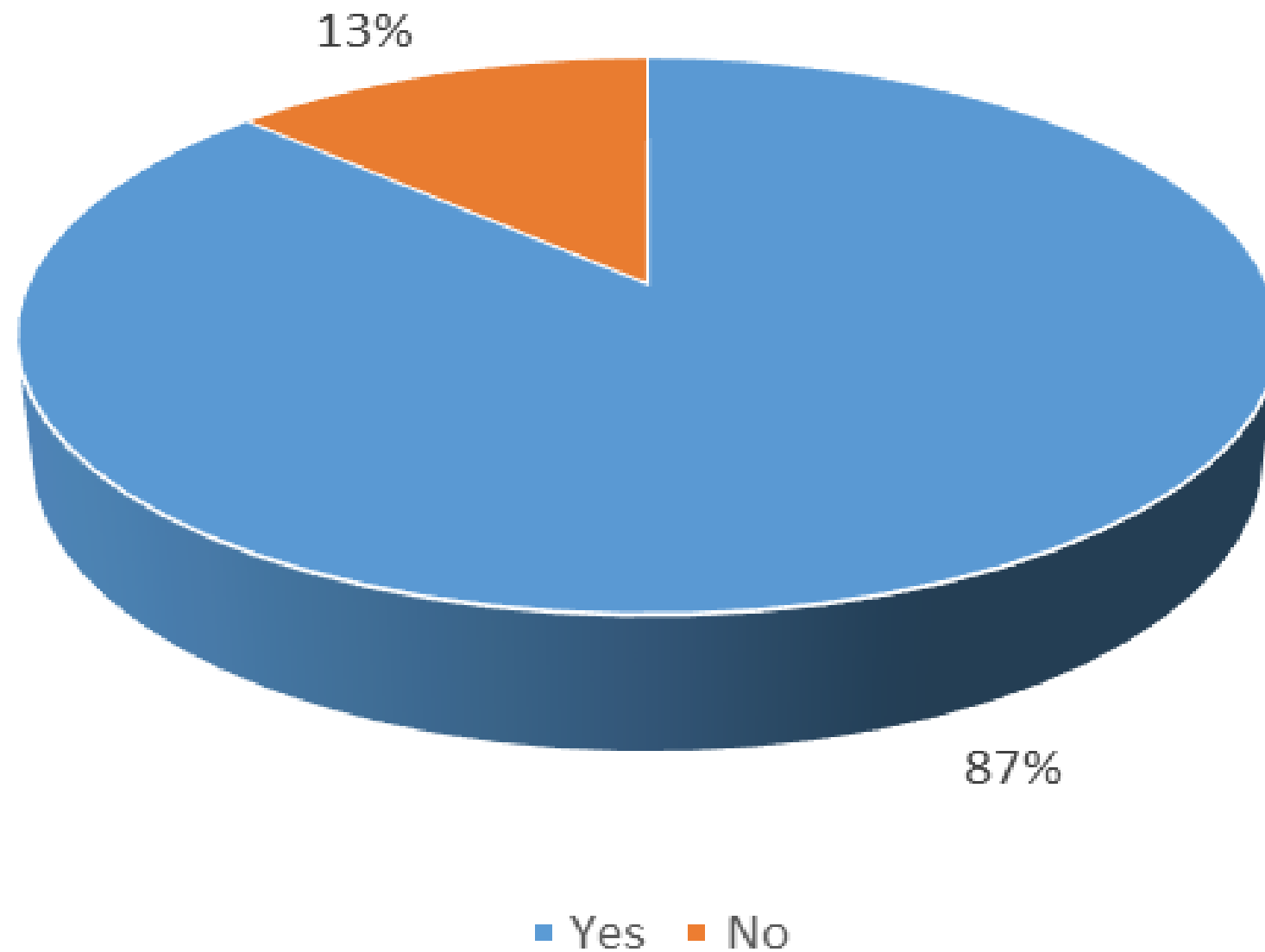
15. Development Agreement



16. Enforcement Committee Composition – Sec. 14-12-3(f)(1)a.iv.

- (1) An Enforcement Committee shall be established to monitor Tier 1 Projects.
 - a. The Enforcement Committee shall be comprised of, at minimum, the following four individuals:
 - i. Corporation Counsel for the City of Detroit; or their designee.
 - ii. a representative from the Planning and Development Department;
 - iii. a representative from the Law Department;
 - iv. a representative from the **Department of Civil Rights, Inclusion and Opportunity.**

16. Enforcement Committee Composition

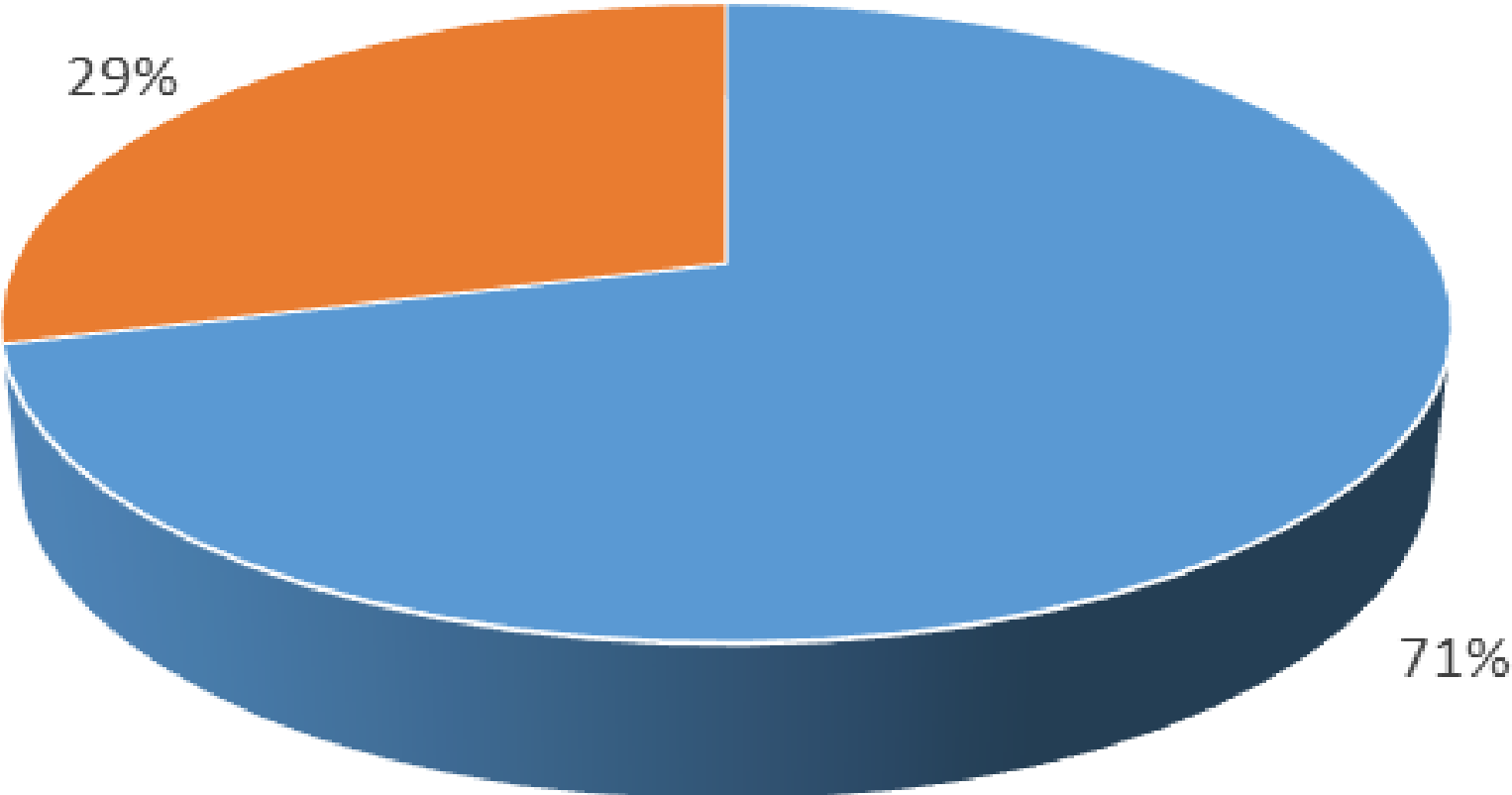


17. Division of Revenue for Tier 2 Developments – Sec. 14-12-4

Sec. 14-12-4. Tier 2 Projects.

- (a) Developers shall:
 - (1) Partner with the City, and when appropriate, a workforce development agency to promote the hiring, training and employability of Detroit residents consistent with State and Federal Law.
 - (2) Partner with the Planning Director to address and mitigate negative impact that the Tier 2 Project may have on the community and local residents.
- (b) The Developer's commitment as identified in Subsection (a) of this section shall be included in the development agreements related to any land transfers or tax abatements associated with the Tier 2 Project for which the Developer seeks approval.
- (3) The remaining 80% of the total sales price from Tier 2 property sales shall be evenly divided among the Neighborhood Improvement Fund and the Skilled Trades Fund.**

17. Division of Revenue for Tier 2 Developments



■ Yes ■ No