



TAX ABATEMENT PRESENTATION

DETROIT ECONOMIC GROWTH CORPORATION

**Detroit City Council:
Planning + Economic Development Standing Committee Meeting
Thursday, February 16, 2022**





DISTRICT DETROIT EXECUTIVE SUMMARY



ECONOMIC IMPACT + FISCAL BENEFITS

\$1.5B

ESTIMATED
INVESTMENT

6K

PERMANENT
JOBS

12K

CONSTRUCTION
JOBS

139

DEEPLY
AFFORDABLE UNITS

\$751M

CITY OF DETROIT
NET BENEFIT

PROJECT DETAILS

- 10 buildings being developed in Downtown Detroit
- 695 new residential units (139 affordable units @ 50 AMI)
- 1.2M SF of office space and 140,000 SF of retail space

REQUESTED INCENTIVES

- Neighborhood Enterprise Zone + Commercial Rehabilitation Act
- Transformational Brownfield Plan
- DDA Funding to support Affordable Housing + Public Infrastructure

No City of Detroit General Fund Revenue will be used



WHAT IS THE DETROIT ECONOMIC GROWTH CORPORATION?

- Established in 1978 by Mayor Coleman A. Young as a private, non-profit organization
- Lead economic development organization supporting small businesses, real estate development, business attraction + retention in the City of Detroit
- Staff public authorities including:
 - Detroit Brownfield Redevelopment Authority (DBRA)
 - Downtown Development Authority (DDA)

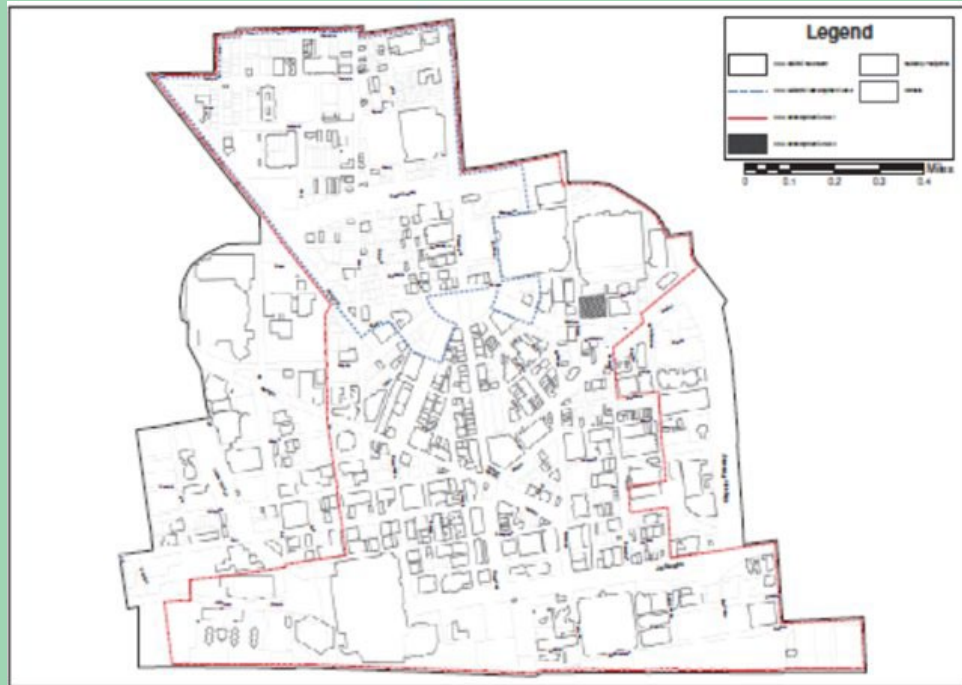
WHY IS DEGC HERE?

- Review the development finances to confirm:
 - Request for incentives is necessary (“but-for”) and
 - Incentives are in the City’s financial interest (fiscal benefits)

DEGC.ORG/REAL-ESTATE-DEVELOPMENT



WHAT IS THE **DOWNTOWN DEVELOPMENT AUTHORITY?**



- DDA TIF district was established by City in 1978 under state law, with strong advocacy from Mayor Coleman A. Young Jr.
- **Designed to increase economic activity downtown.**
- While the property taxes generated in the DDA District can only be used in the Downtown, the income tax revenues generated go to the City's General Fund and are used citywide.
- The DDA supports investments + business growth through:
 - Loans
 - Sponsorships
 - Grants
 - Infrastructure
 - Addt'l programs





DISTRICT DETROIT

PROPOSED TAX INCENTIVES

PROPERTY TAX ABATEMENTS

Temporary coupon on new
Property taxes for up to 15
years

BROWNFIELD TAX INCREMENT FINANCING (TIF)

Reimburses the developer
using new tax revenues from
the project



DISTRICT DETROIT

PROPERTY TAX ABATEMENTS





DISTRICT DETROIT

TAX ABATEMENT DISTRICT REQUESTS

PED HEARING SCHEDULE

THURSDAY, 2/16/23

- 10:05 AM – NEZ – Project #8 – ▲
- 10:15 AM – NEZ – Project #2 – ◆
- 10:25 AM – PA 210 – Projects 1-5a, 10 – +
- 10:35 AM – PA 210 – Projects 8, 9, 5b – ●

#	PROJECT NAME	PA 210 DISTRICT	NEZ DISTRICT
1	2200 Woodward – Office	+	
2	2250 Woodward – Residential	+	◆
3	2211 Woodward – Fox Hotel	+	
4	2300 Woodward – Mixed Use	+	
5A/5B	2305 Woodward.2300 Cass – Flexible Site – Office	+ ●	
6	2455 Woodward – Little Caesars Arena Hotel		
7	408 Temple – The American Residential		
8	2205 Cass – DCI Residential	●	▲
9	2115 Cass – DCI Business Incubator	●	
10	2210 Park – Detroit Life Residential	+	



DISTRICT DETROIT

NEW AND RENOVATED HISTORIC PROJECTS

#	PROJECT NAME	PA 210 DISTRICT	NEZ DISTRICT
1	2200 Woodward – Office	X	
2	2250 Woodward – Residential	X	X
3	2211 Woodward – Fox Hotel	X	
4	2300 Woodward – Mixed Use	X	
5A/5B	2305 Woodward.2300 Cass – Flexible Site – Office	X	
6	2455 Woodward – Little Caesars Arena Hotel	X	
7	408 Temple – The American Residential	X	X
8	2205 Cass – DCI Residential	X	X
9	2115 Cass – DCI Business Incubator	X	
10	2210 Park – Detroit Life Residential	X	X

Residential

- New Construction
- Historic Renovation

Academic / Business Incubator

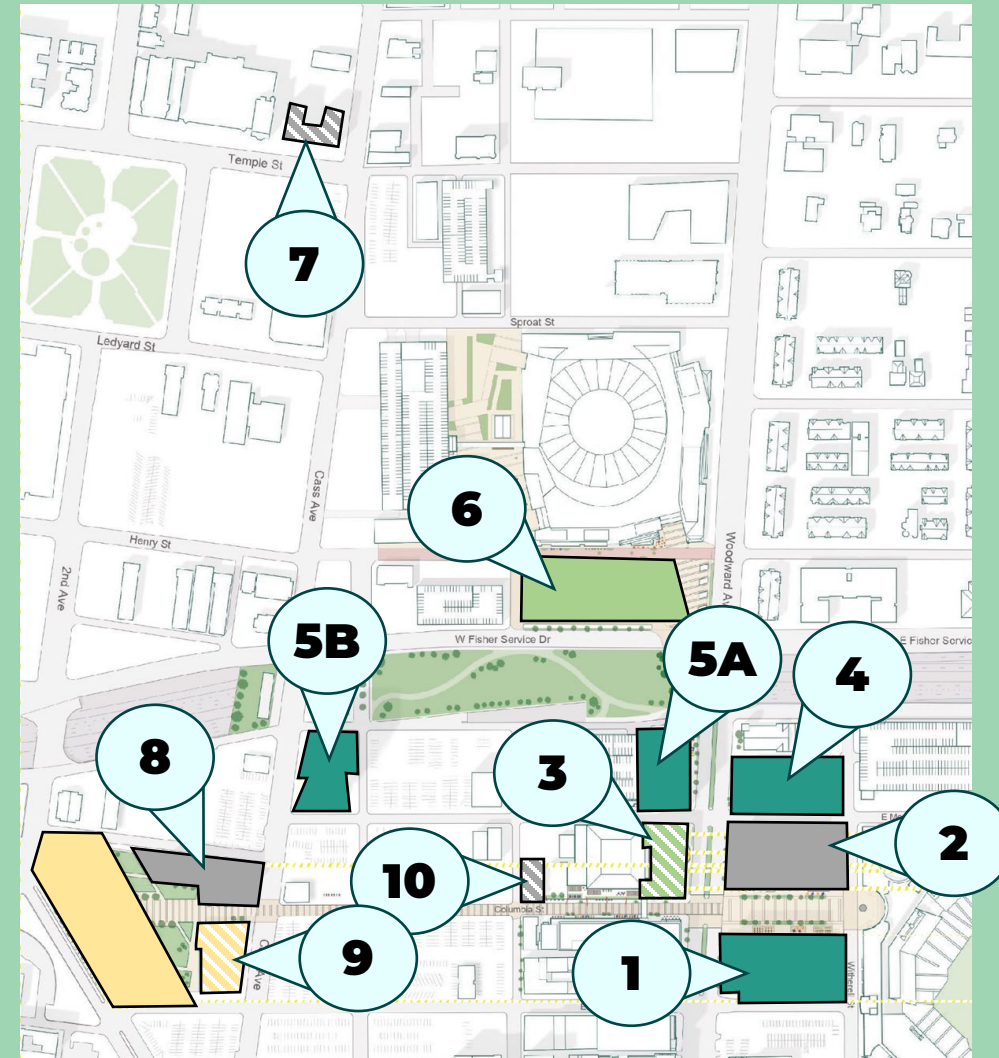
- New Construction
- Historic Renovation

Office

- New Construction
- Historic Renovation

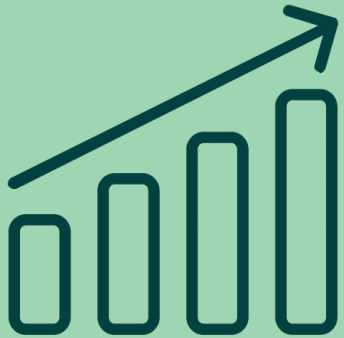
Hotel

- New Construction
- Historic Renovation



DISTRICT DETROIT

PROPERTY TAX ABATEMENTS



BUSINESS EXPANSION



NEW CONSTRUCTION OF
COMMERCIAL PROPERTY
ON VACANT LAND



REHABILITATES
BLIGHTED,
CONTAMINATED +
OBSOLETE
STRUCTURES



BRINGS MORE
AFFORDABLE HOUSING
UNITS + HOME
OWNERSHIP
TO MARKET

DISTRICT DETROIT

"BUT FOR" TEST



"BUT FOR" TEST

Demonstrated need
Based on underwriting:

*Would the project happen
Without the incentives?*



ECONOMIC BENEFITS

Job Creation

6,000 permanent

12,000 construction



FISCAL BENEFITS

Net Benefit

*\$751M in net fiscal benefit to the
City of Detroit over 35 years*



STRATEGIC BENEFITS

Enable deeply affordable housing

Activation of Vacant Land

Reuse of historic assets

DISTRICT DETROIT

COMMUNITY CONCERNS



DOES NOT take City money and give that money to developers.
Developers pay less in taxes as they build.



ONLY recommended if there is a net benefit to the City.



ARE NOT granted without accountability or oversight.



DO NOT deliver benefits until developments are completed.



DISTRICT DETROIT

DEGC “BUT FOR” ANALYSIS



DISTRICT DETROIT

INCENTIVE NEED

**Q: COULD THIS PROJECT HAPPEN
WITHOUT INCENTIVES?**

**A: THIS PROJECT COULD NOT HAPPEN
WITHOUT INCENTIVES**

THIS PROJECT WOULD NOT HAPPEN WITHOUT INCENTIVES BECAUSE:

1. The project would not be able to receive financing without the incentives.
2. The project would not be worth investing in without the incentives.



DISTRICT DETROIT

INCENTIVE NEED

Q: HOW DOES THIS PROJECT COMPARE TO OTHER PROJECTS THAT HAVE RECEIVED INCENTIVES?

In 2021 and 2022 City Council voted to approve incentives on \$2.0 billion in mixed-use projects:

	RETURN ON INVESTMENT (ROI)	DISTRICT DETROIT ROI
2021	4.3%	4.4%
2022	7.1%	

DISTRICT DETROIT

THE DDA INVESTMENT

DDA



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graph TD; DDA[DDA] --> A["$25M to Reimburse Public Infrastructure Costs"]; DDA --> B["$23.7 Million Loan to Support Deeply Affordable Housing"];
```

**\$25M to Reimburse
Public Infrastructure
Costs**

**\$23.7 Million Loan
to Support Deeply
Affordable Housing**



DISTRICT DETROIT

HOW DOES TBP WORK?

UNIQUE PARTNERSHIP THAT PROVIDES MAJOR STATE INCOME TAX INCENTIVES
ON TOP OF TYPICAL LOCAL PROPERTY TAX INCENTIVES

TOTAL TAX INCENTIVES CONTRIBUTED TO THE PROJECT

City of Detroit General Fund	\$0*
Detroit Public Schools	\$0*
* No Impact Because DDA Would Otherwise Capture Taxes	
Downtown Development Authority (DDA) Investment	\$48 Million
Property Tax Abatement Benefit (PA 210, NEZ)	\$133 Million
Brownfield Tax Increment Financing	\$214 Million
State of Michigan Transformation Brownfield Program	\$402 Million
Total Incentives Over 35 Years	\$798 Million

THIS ASSUMES PROJECT IS FULLY BUILT OUT

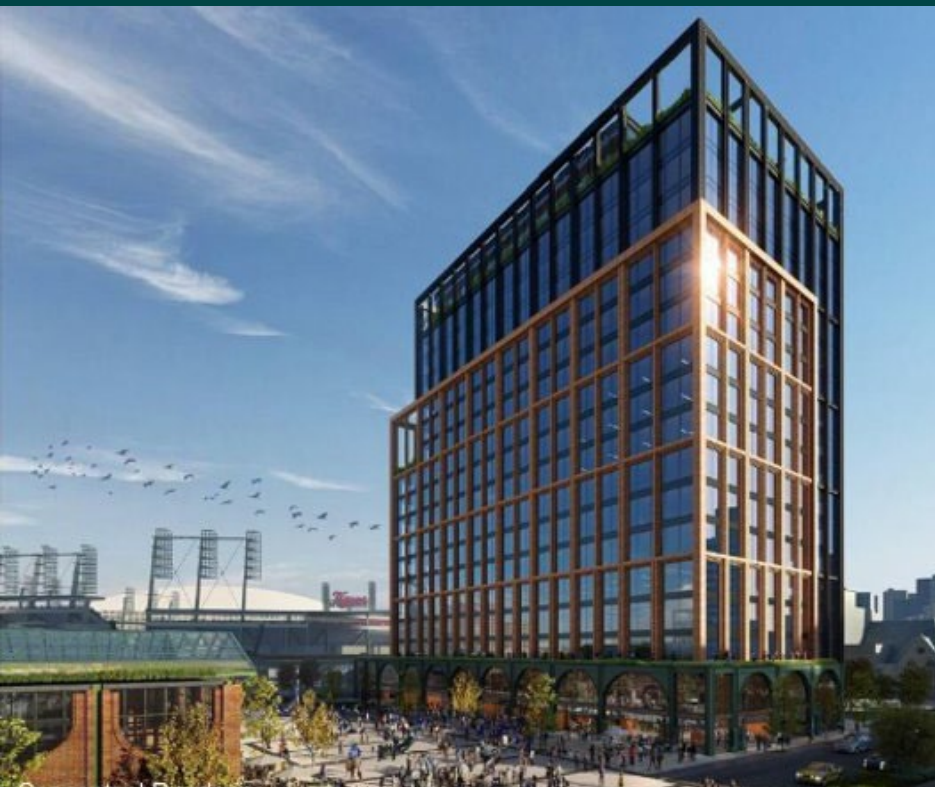
THE DEVELOPER RECEIVES NOTHING IF THEY DO NOT BUILD

THE DEVELOPERS CAN EARN THESE INCENTIVES OVER 35 YEARS BY BUILDING THE PROJECTS & FILLING THE BUILDINGS WITH CITY OF DETROIT RESIDENTS & EMPLOYEES

TOTAL TBP BENEFIT = \$616M



HOW DOES THIS PROJECT **IMPACT DETROIT?**



ANNUAL TAXES CURRENTLY RECEIVED BY THE CITY OF DETROIT

Today, Detroit receives approximately \$249,000 per year from the properties included in the proposed development project.

\$23,000

General Fund Share of City Property Taxes remain “grandfathered” before the creation of the DDA. By state law, new property tax revenues, after the creation of the DDA, go to the DDA and not to the City general fund.

\$211,000

Employee and Corporate City Income Taxes from the Fox Office Building.

\$15,000

Employee and Corporate City Income Taxes from the Hockeytown Café.

\$249,000 ANNUAL TOTAL



DISTRICT DETROIT

NET BENEFIT

**THE CITY IS PROJECTED TO SEE A NET BENEFIT OF \$751M
OVER THE NEXT 35 YEARS**

*CURRENT ANNUAL
CITY REVENUES*

PROPERTY TAXES
\$23K

CITY INCOME TAXES
\$178K

CORPORATE INCOME TAX
\$48K

UTILITY USER TAX + OTHER MSC.
TAXES/FEEES
NOMINAL

\$249K/YEAR

*TOTAL CITY REVENUES
OVER 35 YEARS*

PROPERTY TAXES
\$805K

CITY INCOME TAXES
\$635M

CORPORATE INCOME TAX
\$52M

UTILITY USER TAX + OTHER MSC.
TAXES/FEEES
\$63M

\$21M/YEAR



- For 8 of 10 TBP projects, the DDA is required to capture increased tax revenues generated from the current library millage.
 - *Current library millage has no opt-out rights under DDA Act.*
 - *DDA Bond Indenture specifically prohibits DDA from entering into any new tax sharing agreements with taxing jurisdictions.*



- For 2 of 10 TBP projects, the DBRA is required to capture increased tax revenues generated from the current library millage that are not captured by DDA. These two project are estimated to result in a net benefit to the library of approximately \$462,000 over the life of the TBP.
 - *Taxing jurisdictions do not have opt-out rights under Brownfield Act.*
 - *Brownfield Act specifically prohibits DBRA from entering to tax sharing agreements with any taxing jurisdiction.*



DISTRICT DETROIT

DPS & DPSCD STRUCTURE

DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT (DPSCD)

- Established in 2016 to continue all rights, functions, and responsibilities of education of children
- Not responsible for retiring any old debt
- Does not levy any property taxes
- **Entirely funded by the State of Michigan School Aid Fund**

DETROIT PUBLIC SCHOOLS (OLD DPS)

- Since 2016 only exists to retire operating and capital debt
- Levies 18 operating mills and 13 debt mills of property taxes
- Operating debt projected to be paid off by 2027 and capital debt projected to be paid off by 2052

*****DPSCD PER-PUPIL FUNDING DOES NOT CHANGE**



**10:05 AM – PED HEARING
NEZ District – Project #8**

An architectural rendering of a modern urban plaza. The scene is filled with people of various ages and ethnicities, some sitting on wide concrete steps, others walking, and some standing in small groups. The plaza is surrounded by lush greenery, including trees and flowering plants. In the background, there are modern buildings with large windows and balconies. The overall atmosphere is vibrant and community-oriented.

DETROIT ECONOMIC GROWTH CORPORATION

**Project 8 – NEZ District – 2205 Cass – DCI Residential
Thursday, February 16, 2022**



DISTRICT DETROIT

NEW AND RENOVATED HISTORIC PROJECTS

1.2M+

SF OF OFFICE

146K

SF OF RETAIL

467

HOTEL ROOMS

695

MIXED INCOME RESIDENTIAL UNITS

20% Earmarked at 50% of the Area Median Income (AMI)
Rents at \$783/Month for a 1-person household earning \$31,350
Rents at \$1,007/Month for a 3-person household earning \$40,300
*Represents 2022 AMI figures. Can change over time.

Residential

- New Construction
- Historic Renovation

Academic / Business Incubator

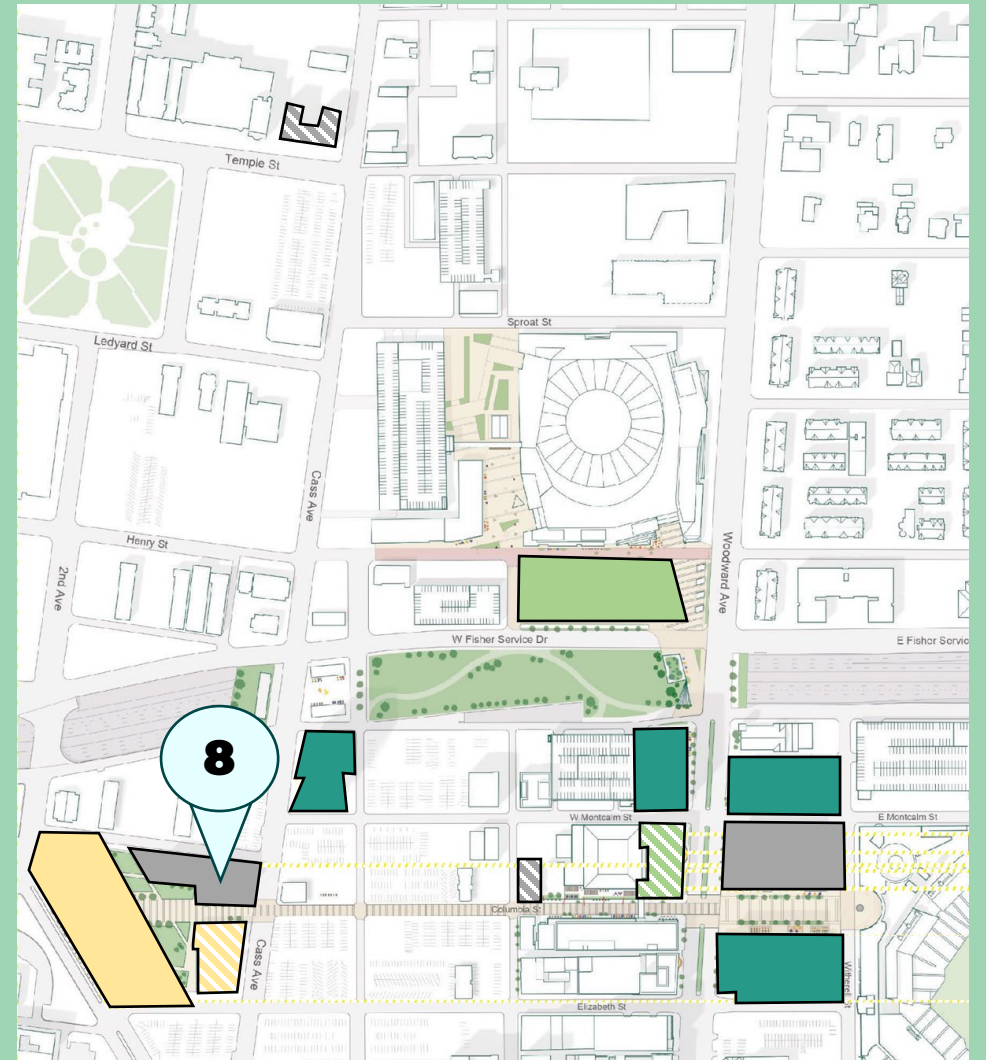
- New Construction
- Historic Renovation

Office

- New Construction
- Historic Renovation

Hotel

- New Construction
- Historic Renovation





DISTRICT DETROIT

MIXED INCOME, NEW CONSTRUCTION
ADJACENT TO THE DCI
2205 CASS - DCI RESIDENTIAL

By The Numbers

- 1K** Construction Jobs
- 60** Permanent Jobs
- 261** Residential Units
 - Deeply Affordable Units at 50% of Area Median Income
- 54** Deeply Affordable Units at 50% of Area Median Income
- 9K SF** Shops & Dining
- \$150M** Total Investment
- \$12M** Net City Fiscal Benefit
- NEZ-N**, Abatements
- PA 210**
 - Rents at \$783/Month for a 1-person household earning \$31,350
 - Rents at \$1,007/Month for a 3-person household earning \$40,300
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BEFORE



AFTER

DISTRICT DETROIT

NEZ DISTRICT – PROJECT 8





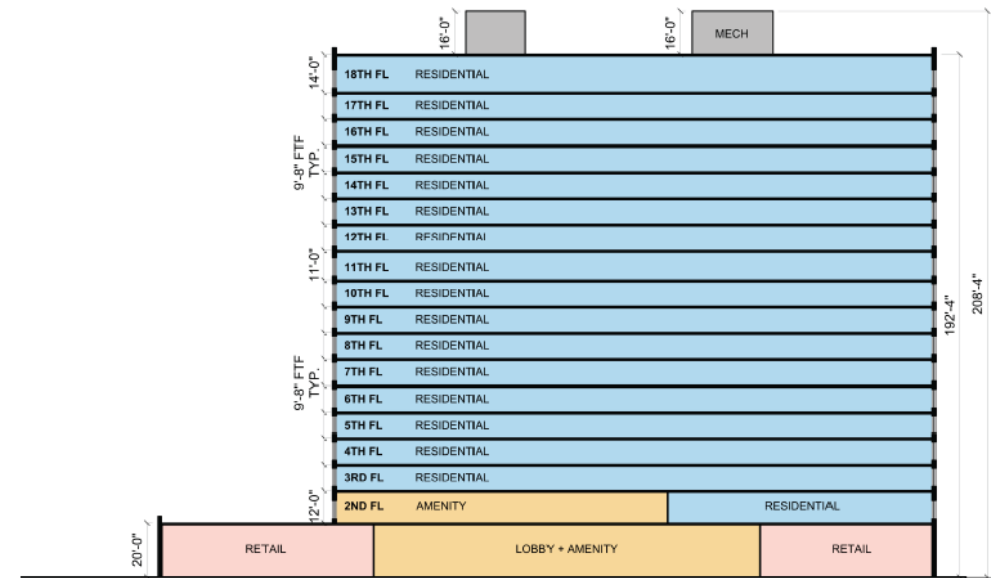
DISTRICT DETROIT

NEZ DISTRICT – PROJECT 8

PROGRAM STACK + AREA SCHEDULE

2205 Cass - DCI Residential

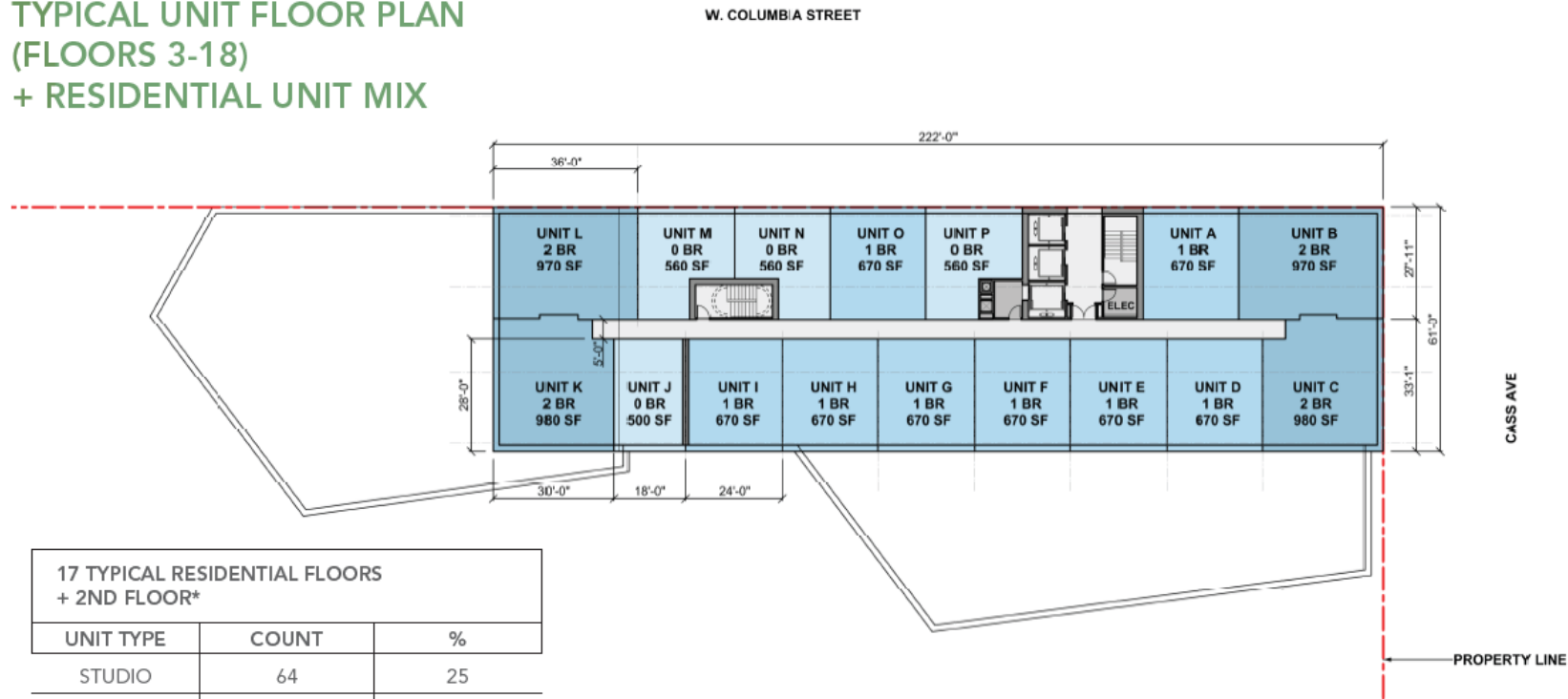
Unit Type	All		Market-Rate		Affordable @ 50% AMI		
	Unit Ct	Avg SF	Unit Ct	Avg SF	Unit Ct	Avg SF	% of Total
Studio	64	545	51	545	13	545	20%
1 Bedroom	131	670	104	670	27	670	20%
2 Bedroom	66	975	52	975	14	975	21%



DISTRICT DETROIT

NEZ DISTRICT – PROJECT 8

TYPICAL UNIT FLOOR PLAN (FLOORS 3-18) + RESIDENTIAL UNIT MIX



17 TYPICAL RESIDENTIAL FLOORS + 2ND FLOOR*		
UNIT TYPE	COUNT	%
STUDIO	64	25
1 BDR	131	50
2 BDR	66	25
TOTAL UNITS PROVIDED: 261 TOTAL BATHS PROVIDED: 327		

*16 UNITS PER TYP FLOOR
5 UNITS PER 2ND FLOOR
EFFICIENCY: 84%





**10:15 AM – PED HEARING
NEZ District – Project #2**

An architectural rendering of a modern residential development. The scene shows a multi-story building with a mix of brick and light-colored panels, featuring a ground-floor storefront with a "% Δ R" sign. In the foreground, a public plaza is filled with people of various ages and ethnicities. Some are sitting on a long wooden bench, while others are walking or standing. The plaza is landscaped with greenery, including trees and flowering plants. The overall atmosphere is vibrant and community-oriented.

DETROIT ECONOMIC GROWTH CORPORATION

**Project 2 – NEZ District – 2250 Woodward – Residential
Thursday, February 16, 2022**



DISTRICT DETROIT

NEW AND RENOVATED HISTORIC PROJECTS

1.2M+

SF OF OFFICE

146K

SF OF RETAIL

467

HOTEL ROOMS

695

MIXED INCOME RESIDENTIAL UNITS

20% Earmarked at 50% of the Area Median Income (AMI)
Rents at \$783/Month for a 1-person household earning \$31,350
Rents at \$1,007/Month for a 3-person household earning \$40,300
*Represents 2022 AMI figures. Can change over time.

Residential

- New Construction
- Historic Renovation

Academic / Business Incubator

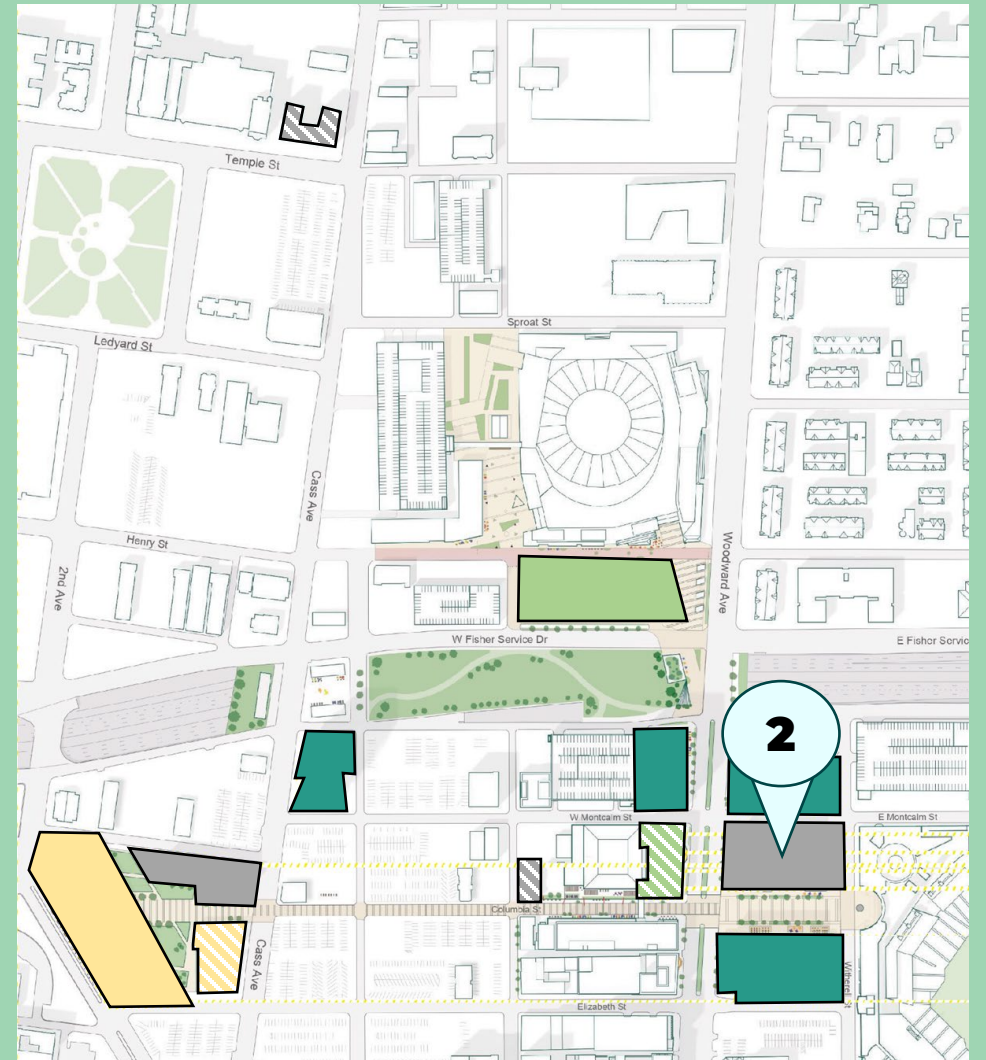
- New Construction
- Historic Renovation

Office

- New Construction
- Historic Renovation

Hotel

- New Construction
- Historic Renovation





DISTRICT DETROIT

NEW CONSTRUCTION MIXED-USE, MIXED INCOME IN THE HEART OF DOWNTOWN

2250 WOODWARD

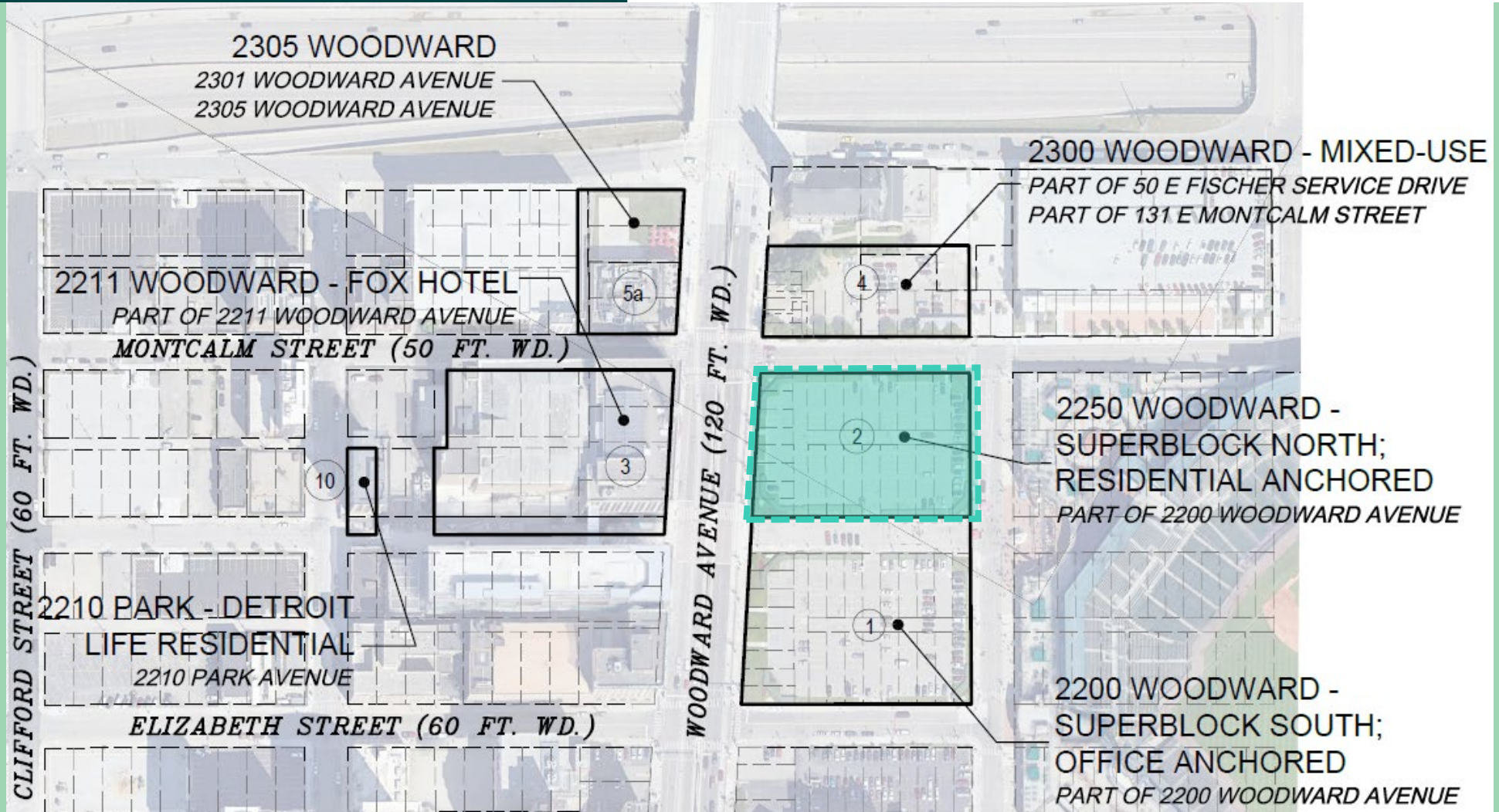
By The Numbers

- 2K** Construction Jobs
- 240** Permanent Jobs
- 287** Residential Units
- 58** Deeply Affordable Units at 50% of Area Median Income
- 27K SF** Shops & Dining
- \$216M** Total Investment
- \$20M** Net City Fiscal Benefit
- NEZ-N**, Abatements
- PA 210** Rents at \$783/Month for a 1-person household earning \$31,350
Rents at \$1,007/Month for a 3-person household earning \$40,300
*Represents 2022 AMI figures. Can change over time.



DISTRICT DETROIT

NEZ DISTRICT – PROJECT 2





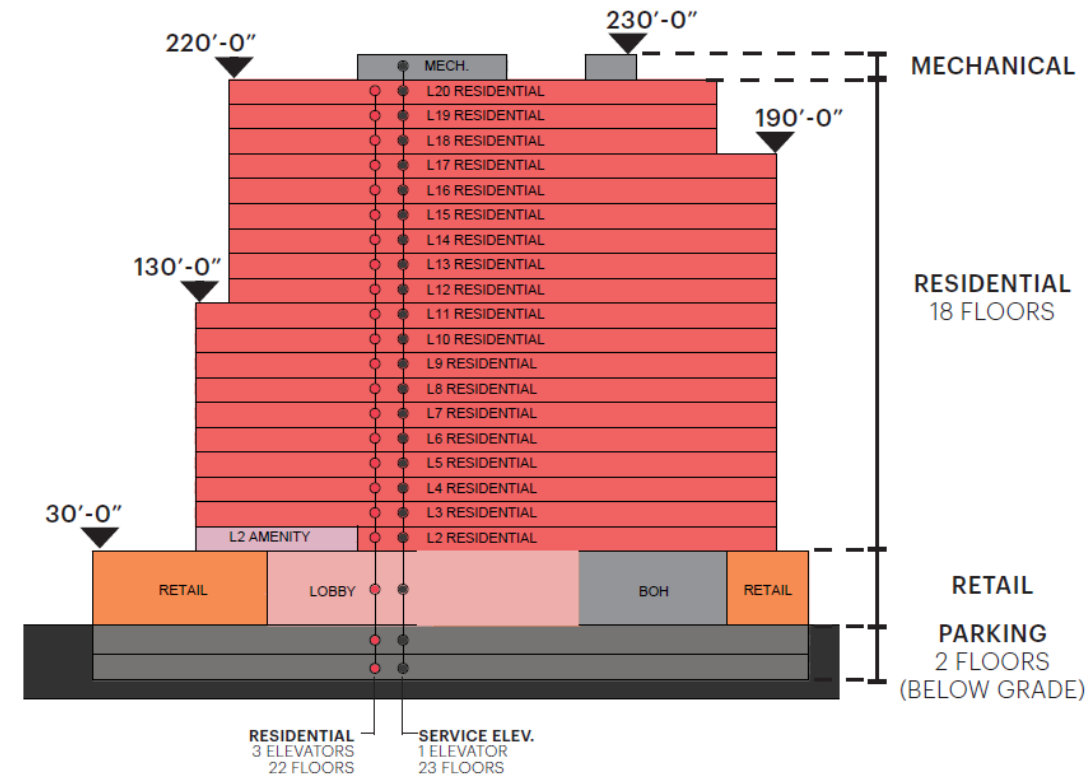
DISTRICT DETROIT

NEZ DISTRICT – PROJECT 2

2250 Woodward - Residential

Unit Type	All		Market-Rate		Affordable		% of Total
	Unit Ct	Avg SF	Unit Ct	Avg SF	Unit Ct	Avg SF	
Studio	79	520	63	520	16	520	20%
1 Bedroom	135	722	108	722	27	722	20%
2 Bedroom	73	1,151	58	1,151	15	1,151	21%

2250 Woodward Ave
PROGRAM STACK + AREA SCHEDULE

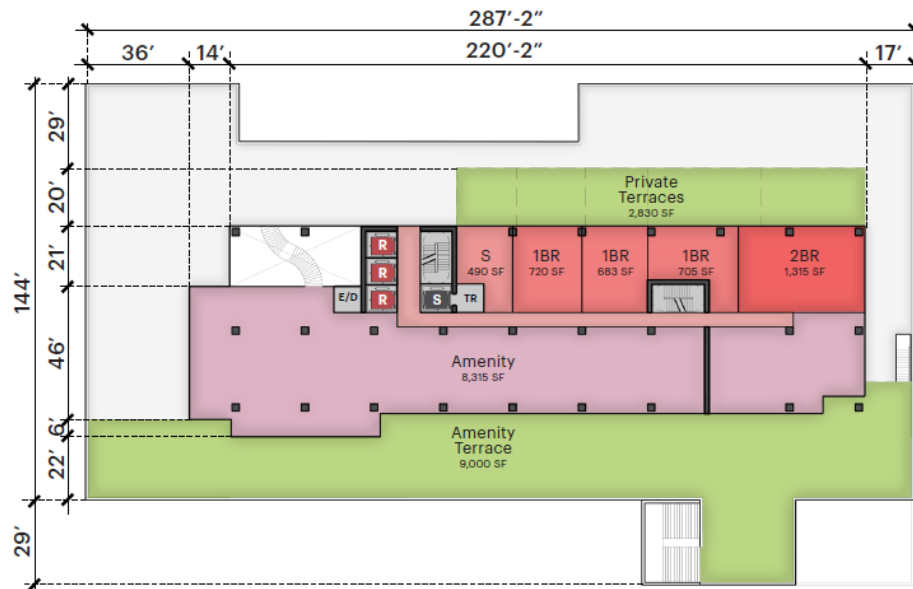


DISTRICT DETROIT

NEZ DISTRICT – PROJECT 2

2250 Woodward Ave

L2 AMENITY & TYP TOWER PLANS



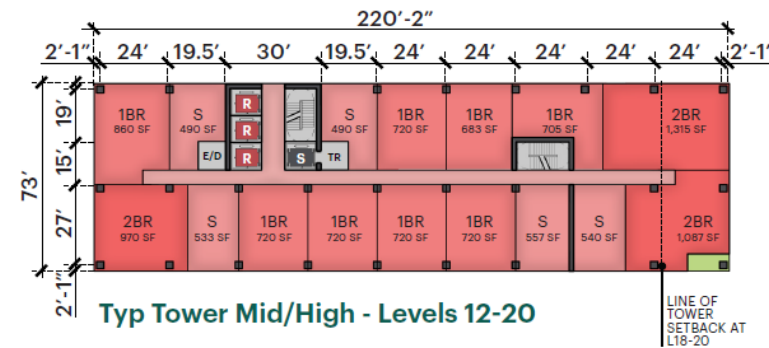
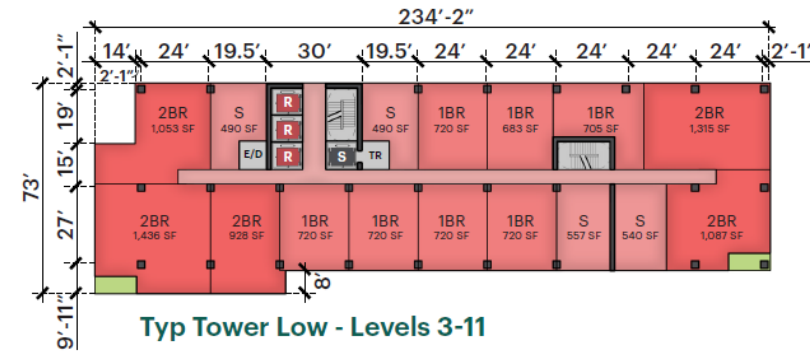
2ND FLOOR (5 UNITS) +
 9 TYP LOW RESIDENTIAL FLOORS (16 UNITS/FL) +
 6 TYP MID RESIDENTIAL FLOORS (16 UNITS/FL) +
 3 TYP HIGH RESIDENTIAL FLOORS (14 UNITS)

UNIT TYPE	COUNT	%
STUDIO	79	28%
1 BEDROOM	135	47%
2 BEDROOM	73	25%
TOTAL UNITS	287	

EFFICIENCY 85%

*POST TENSIONED CONCRETE STRUCTURE

- STUDIO
- 1 BEDROOM
- 2 BEDROOM
- RESIDENTIAL AMENITY
- CORE / MEP





**10:25 AM – PED HEARING
PA 210 District – Projects #1-5a, 10**

An architectural rendering of a vibrant public plaza. The scene is filled with diverse people of various ages and abilities, including a person in a wheelchair, walking, sitting on benches, and socializing. The plaza is landscaped with lush greenery, trees, and modern buildings in the background. A storefront with the logo "% Δ R" is visible on the left. The overall atmosphere is one of a thriving, inclusive community space.

DETROIT ECONOMIC GROWTH CORPORATION


**Projects 1-5a – PA 210 District
Thursday, February 16, 2022**

DISTRICT DETROIT

NEW AND RENOVATED HISTORIC PROJECTS

#	PROJECT NAME
1	2200 Woodward – Office
2	2250 Woodward – Residential
3	2211 Woodward – Fox Hotel
4	2300 Woodward – Mixed Use
5A	2305 Woodward – Flexible Site – Office
10	2210 Park – Detroit Life Residential



Residential

-  New Construction
-  Historic Renovation



Academic / Business Incubator

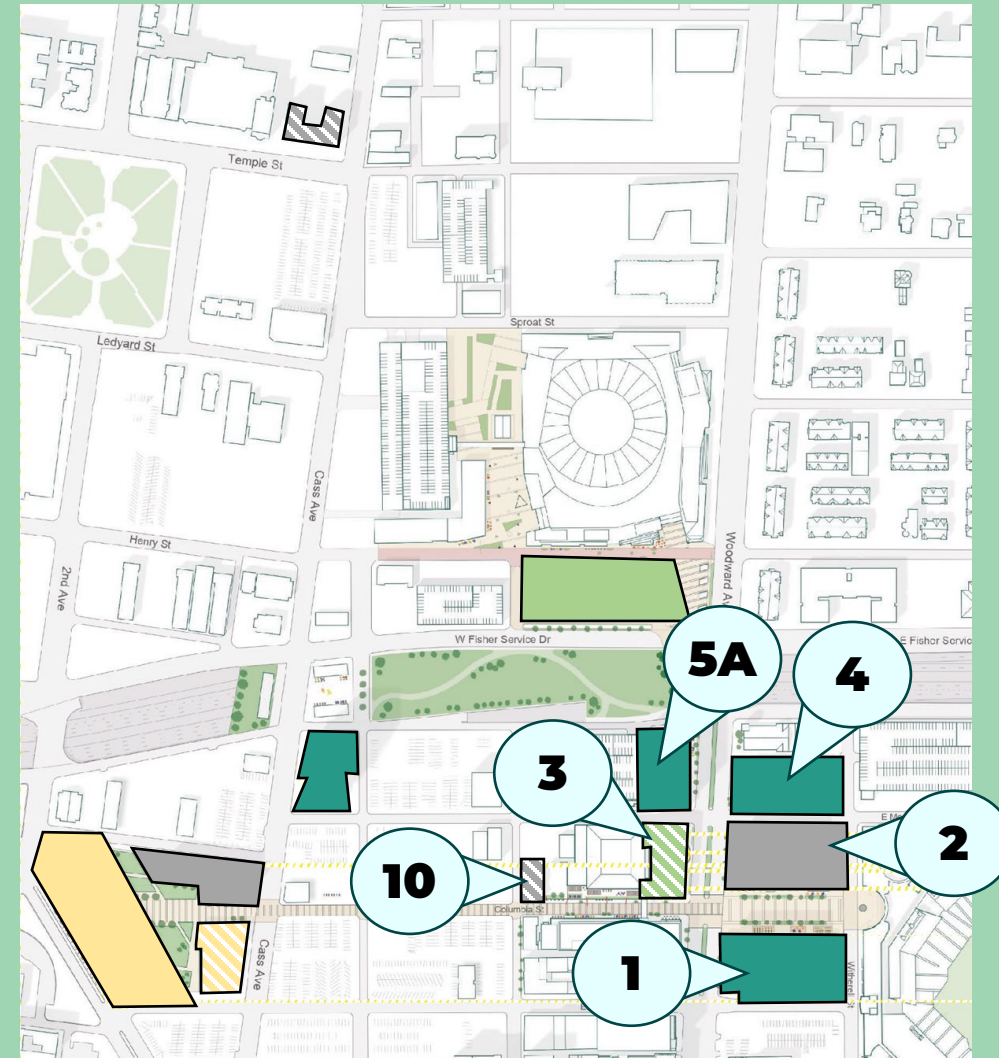
-  New Construction
-  Historic Renovation

Office

-  New Construction
-  Historic Renovation

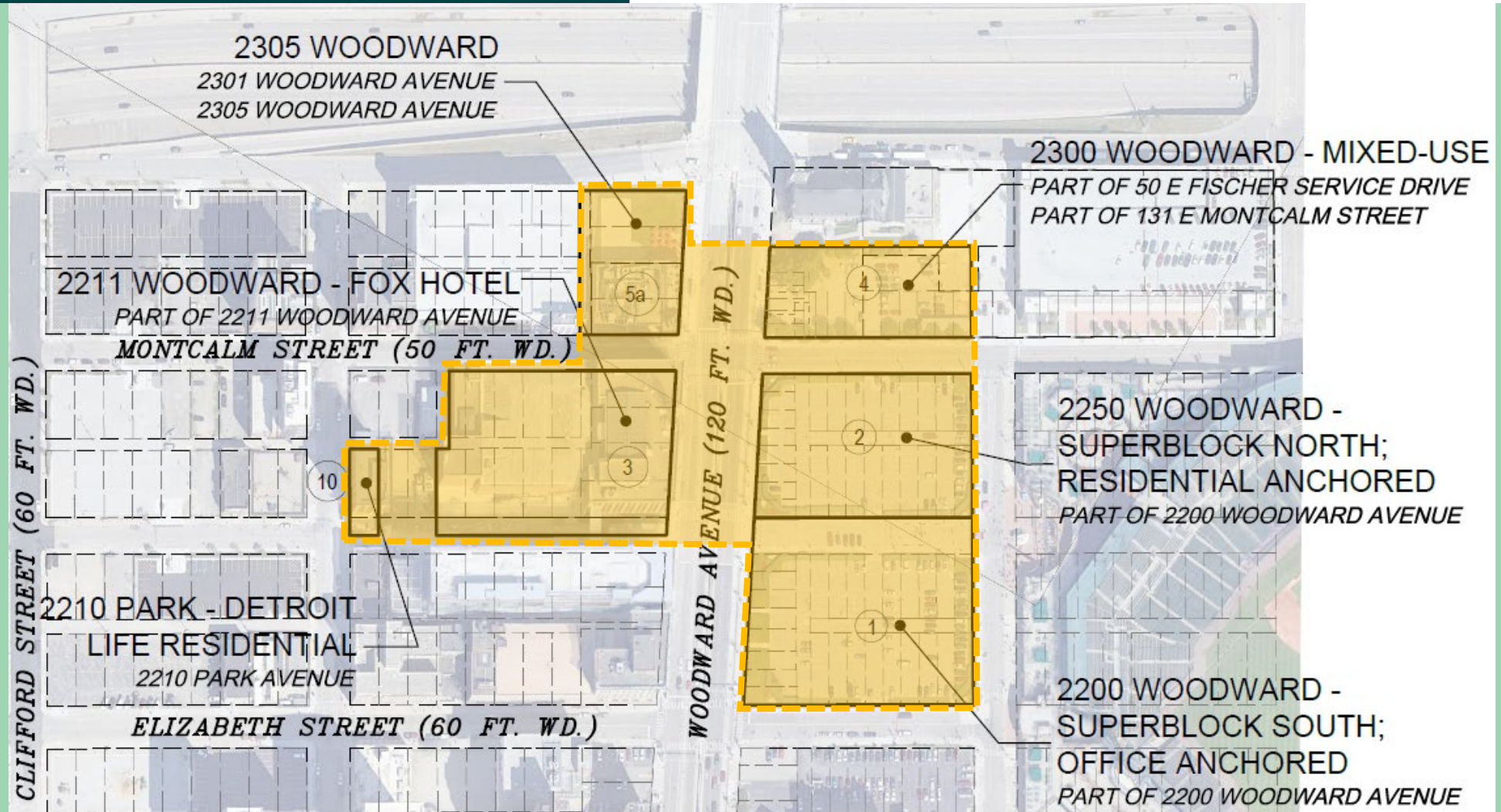
Hotel

-  New Construction
-  Historic Renovation



DISTRICT DETROIT

PA 210 DISTRICT – PROJECTS 1-5a, 10





DISTRICT DETROIT

SURFACE PARKING LOT CONVERTED
TO VERTICAL DEVELOPMENT
2200 WOODWARD

By The Numbers

- 2K** Construction Jobs
- 2K** Permanent Jobs
- 493K SF** Office Space
- 28K SF** Shops & Dining
- \$340M** Total Investment
- \$273M** Net City Fiscal Benefit
- PA 210** Abatement



BEFORE



AFTER



DISTRICT DETROIT

NEW CONSTRUCTION MIXED-USE, MIXED INCOME IN THE HEART OF DOWNTOWN 2250 WOODWARD

By The Numbers

- 2K** Construction Jobs
 - 240** Permanent Jobs
 - 287** Residential Units
 - 58** Deeply Affordable Units at 50% of Area Median Income
 - 27K SF** Shops & Dining
 - \$216M** Total Investment
 - \$20M** Net City Fiscal Benefit
 - NEZ-N, PA 210** Abatements
- Rents at \$783/Month for a 1-person household earning \$31,350
Rents at \$1,007/Month for a 3-person household earning \$40,300
*Represents 2022 AMI figures, Can change over time.





DISTRICT DETROIT

PRESERVING A CITY ICON

2211 WOODWARD – THE FOX HOTEL

By The Numbers

- 940** Construction Jobs
- 220** Permanent Jobs
- 177** Keys of Hotel Rooms
- 8K SF** Shops & Dining
- \$121M** Total Investment
- \$6M** Net City Fiscal Benefit
- PA 210** Abatement





DISTRICT DETROIT

FROM VACANCY TO VIBRANCY

2300 WOODWARD

By The Numbers

630	Construction Jobs
610	Permanent Jobs
131K SF	Office Space
18K SF	Shops & Dining
\$84M	Total Investment
\$75M	Net City Fiscal Benefit
PA 210	Abatement



BEFORE

AFTER



DISTRICT DETROIT

ACHIEVING NEW HEIGHTS

2305 WOODWARD – 2ND OFFICE A

By The Numbers

- 2K** Construction Jobs
- 2K** Permanent Jobs
- 546K SF** Office Space
- 10K SF** Shops & Dining
- \$279M** Total Investment
- \$285M** Net City Fiscal Benefit
- PA 210** Abatement



BEFORE



AFTER



DISTRICT DETROIT

A NEW DETROIT LIFE

2210 PARK – DETROIT LIFE RESIDENTIAL

By The Numbers

220	Construction Jobs
30	Permanent Jobs
16	Residential Units
3K SF	Shops & Dining
\$24M	Total Investment
\$2M	Net City Fiscal Benefit
NEZ-R, PA 210	Abatements





**10:35 AM – PED HEARING
PA 210 District – Projects #8-9, 5b**

An architectural rendering of a vibrant public plaza. The scene is filled with diverse people of various ages and abilities, including a person in a wheelchair, walking, sitting on benches, and socializing. The plaza is landscaped with lush greenery, including trees and flowering plants. In the background, modern buildings with large windows and balconies are visible, suggesting an urban setting. The overall atmosphere is one of a lively, accessible community space.

DETROIT ECONOMIC GROWTH CORPORATION


**Projects 8-9, 5b – PA 210 District
Thursday, February 16, 2022**

DISTRICT DETROIT

NEW AND RENOVATED HISTORIC PROJECTS

#	PROJECT NAME
5B	2300 Cass – Flexible Site – Office
8	2205 Cass – DCI Residential
9	2115 Cass – DCI Business Incubator



Residential

-  New Construction
-  Historic Renovation


Academic / Business Incubator

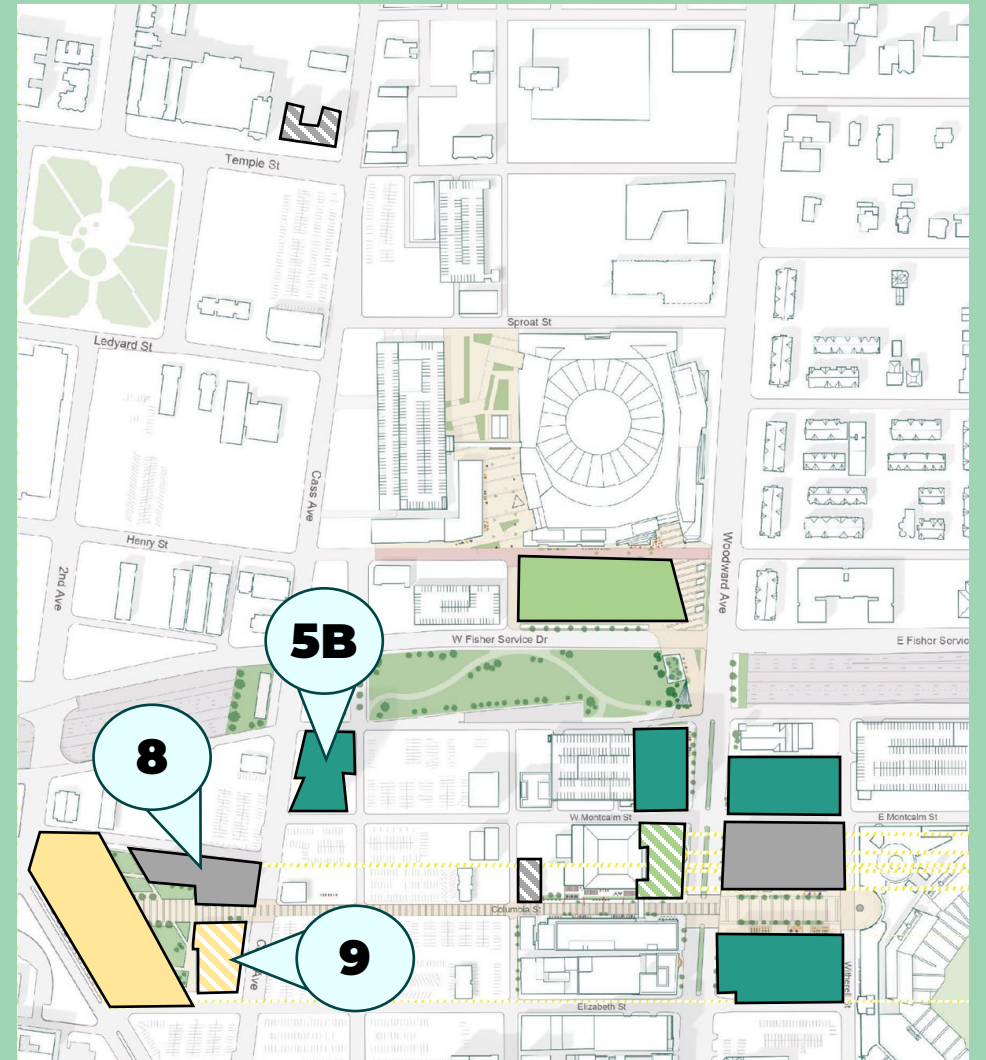
-  New Construction
-  Historic Renovation

Office

-  New Construction
-  Historic Renovation

Hotel

-  New Construction
-  Historic Renovation



DISTRICT DETROIT

PA 210 DISTRICT – PROJECTS 8, 9, 5B





DISTRICT DETROIT

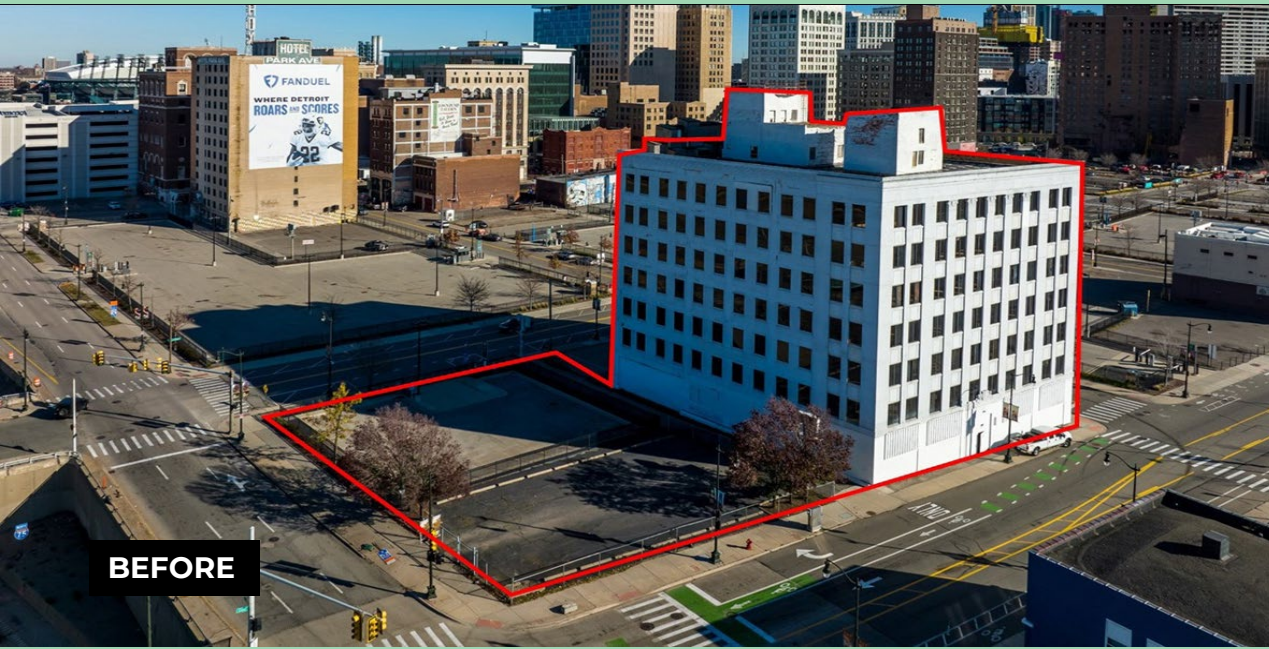
NEW CONSTRUCTION OFFICE

ADJACENT TO THE DCI

2300 CASS – 2ND OFFICE B

By The Numbers

- 2K** Construction Jobs
- 2K** Permanent Jobs
- 546K SF** Office Space
- 10K SF** Shops & Dining
- \$279M** Total Investment
- \$285M** Net City Fiscal Benefit
- PA 210** Abatement



BEFORE



AFTER



DISTRICT DETROIT

MIXED INCOME, NEW CONSTRUCTION
ADJACENT TO THE DCI
2205 CASS - DCI RESIDENTIAL

By The Numbers

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- NEZ-N, Abatements**
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- PA 210**
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BEFORE



AFTER



DISTRICT DETROIT

A HOME FOR DETROIT BASED
ENTREPRENEURS
2115 CASS – DCI INCUBATOR

By The Numbers

420	Construction Jobs
650	Permanent Jobs
83K SF	Office Space
11K SF	Shops & Dining
\$60M	Total Investment
\$48M	Net City Fiscal Benefit
PA 210	Abatement





TAX ABATEMENT PRESENTATION

An architectural rendering of a modern urban plaza. The scene is filled with people walking, sitting on benches, and interacting. In the background, there are modern buildings with large glass windows and greenery. The word 'APPENDIX' is overlaid in the center of the image.

APPENDIX



DISTRICT DETROIT

TAX ABATEMENT BY PROPERTY

(in Millions)

#	PROJECT NAME	PA 210	NEZ	TOTAL ABATEMENTS (OVER 10-15 YRS)	PRESENT VALUE OF ABATEMENTS (2023 DOLLARS) [1]
1	2200 Woodward – Office	\$35	-	\$35	\$24
2	2250 Woodward – Residential	\$5	\$14	\$19	\$12
3	2211 Woodward – Fox Hotel	\$4	-	\$4	\$2
4	2300 Woodward – Mixed Use	\$8	-	\$8	\$5
5A/5B	2305 Woodward.2300 Cass – Flexible Site – Office	\$25	-	\$25	\$15
6	2455 Woodward – Little Caesars Arena Hotel	\$14	-	\$14	\$9
7	408 Temple – The American Residential	<\$1	\$9	\$9	\$5
8	2205 Cass – DCI Residential	<\$1	\$11	\$11	\$7
9	2115 Cass – DCI Business Incubator	\$4	-	\$4	\$3
10	2210 Park – Detroit Life Residential	<\$1	\$3	\$3	\$2
TOTAL		\$96	\$37	\$133	\$83

[1] “Present Value Of TBP Incentive” Reflects Today’s Value of the 10-to-15-Year Total of the Abatement



DISTRICT DETROIT

TAX ABATEMENT BY PROPERTY

(in Millions)

#	PROJECT NAME	TOTAL COST	STATE TAXES [1]	NON-CITY PROPERTY TAXES	CITY CONTRIBUTION	TOTAL TBP (OVER 35 YEARS)	PRESENT VALUE OF TBP (2023 DOLLARS) [2]
1	2200 Woodward – Office	\$340.1	\$115.1	\$56.0	-	\$171.1	\$76.9
2	2250 Woodward – Residential	\$216.0	\$43.7	\$25.5	-	\$69.2	\$29.2
3	2211 Woodward – Fox Hotel	\$121.0	\$7.6	\$15.1	-	\$22.7	\$8.7
4	2300 Woodward – Mixed Use	\$83.7	\$30.3	\$12.5	-	\$42.8	\$18.2
5A/5B	2305 Woodward.2300 Cass – Flexible Site – Office	\$278.7	\$122.8	\$42.4	-	\$165.2	\$62.7
6	2455 Woodward – Little Caesars Arena Hotel	\$190.8	\$13.3	\$27.2	-	\$40.4	\$17.0
7	408 Temple – The American Residential	\$68.7	\$13.8	\$9.0	-	\$22.8	\$8.2
8	2205 Cass – DCI Residential	\$150.1	\$33.0	\$15.0	-	\$47.9	\$20.6
9	2115 Cass – DCI Business Incubator	\$59.7	\$19.3	\$9.1	-	\$28.4	\$12.0
10	2210 Park – Detroit Life Residential	\$23.6	\$3.0	\$2.7	-	\$5.8	\$2.5
TOTAL		\$1,532	\$401.9	\$214.4	-	\$616.3	\$256.0

[1] “State Taxes” Includes Reimbursement Of Sales/Use Tax During the Project Construction Period & Income Tax Capture During Construction & After (Limited to 20 Years)

[2] “Present Value of TBP Incentive” Reflects Today’s Value of the 35-Year Total of the TBP Incentive



DISTRICT DETROIT

PROGRAM SUMMARY

			PROGRAM						
			Investment \$/M	Mixed Income Residential Units	Mixed Income Residential Gross SF	Office Gross SF	Retail Gross SF	Hotel Keys	Hotel Gross SF
	TOTAL	Dev Begin Date	\$1,532	695	519,073	1,253,397	146,477	467	386,802
1	2200 Woodward – Office	Jul, 2023	340	-	-	492,900	28,000	-	-
2	2250 Woodward – Residential	Oct, 2024	216	287	294,439	-	26,992	-	-
3	2211 Woodward – Fox Hotel	Apr, 2026	121	-	-	-	13,322	177	194,028
4	2300 Woodward – Mixed-Use	Apr, 2025	84	-	-	131,100	18,400	-	-
5 A/B	2305 Woodward / 2300 Cass – A/B Flexible Site – Office	Oct, 2026	279	-	-	545,950	10,050	-	-
6	2455 Woodward – Little Caesars Arena Hotel	Apr, 2024	191	-	-	-	21,900	290	252,900
7	408 Temple – The American Residential	Oct, 2026	69	131	152,325	-	5,310	-	-
8	2505 Cass – DCI Residential	Apr, 2024	150	261	247,300	-	8,750	-	-
9	2115 Cass – DCI Business Incubator	Apr, 2025	60	-	-	83,447	10,753	-	-
10	2210 Park – Detroit Life Residential	Apr, 2024	24	16	41,308	-	3,000	-	-



DISTRICT DETROIT

DEVELOPER SOURCES & USES

(in Millions)	\$ Total	% of Total
USES		
Hard Cost	\$950.9	62%
Infrastructure Costs	\$29.4	2%
Leasing, Marketing, Tenant Improvements	\$163.9	11%
Financing Costs	\$61.4	4%
Soft Cost	\$326.7	21%
Total Uses	\$1,532.5	100%
SOURCES		
Developer Equity	\$654.7	43%
Debt Financing	\$727.0	47%
DDA Affordable Housing Loan	\$23.8	2%
DDA Infrastructure Reimbursement	\$25.0	2%
TBP Sales/Use Exemption	\$38.1	2%
Low-Income Housing Tax Credit Equity	\$37.2	2%
Federal Historic Tax Credit Equity	\$26.7	2%
Total Sources	\$1,532.5	100%

*****Capital source requirements will vary dependent upon final project costs and capital market conditions at the time of construction.**



DISTRICT DETROIT

2022 MSHDA AREA MEDIAN INCOMES & RENTS

Monthly Rent by Bedroom Type			
% of AMI	Studio	1 Bedroom	2 Bedroom
30%	\$470	\$503	\$604
40%	\$627	\$671	\$806
50%	\$783	\$839	\$1,007
60%	\$940	\$1,007	\$1,209
80%	\$1,254	\$1,343	\$1,612
100%	\$1,567	\$1,678	\$2,015

Annual Income by Household Size			
% of AMI	1 Person	2 Person	3 Person
30%	\$18,810	\$21,480	\$24,180
40%	\$25,080	\$28,640	\$32,240
50%	\$31,350	\$35,800	\$40,300
60%	\$37,620	\$42,960	\$48,360
80%	\$50,160	\$57,280	\$64,480
100%	\$62,700	\$71,600	\$80,600

*****The Current Unit Mix of the Proposed Projects is 25% Studios, 50% 1 Bedrooms, and 25% 2 Bedrooms, This May Change As the Projects Advance in Design. The Affordable Unit Mix will Always Remain Proportionate to the Building Unit Mix.**



DISTRICT DETROIT

NET BENEFIT

Project	Total Investment	Square Footage	Units/Type	Affordable Units	AMI	Direct Jobs	Average Wages	City Income Tax	Incremental Property Tax	Total Value of PA 210 Abatement	Total Value of NEZ Abatement	Total Net Benefit
2200 Woodward	\$340,113,253	702,600	-	-	-	2,114	\$108,315*	\$251,833,289	-	\$34,744,741	-	\$273,164,397
2250 Woodward	\$216,033,756	399,281	Total Units: 287 Studio: 79 1-Bed: 135 2-Bed: 73 3-Bed: -	Total Units: 58 Studio: 16 1-Bed: 27 2-Bed: 15 3-Bed: -	Total Units: 5 @ 40% AMI; 53 @ 50% AMI Studio: 1 @ 40% AMI; 15 @ 50% AMI 1-Bed: 3 @ 40% AMI; 24 @ 50% AMI 2-Bed: 1 @ 40% AMI; 14 @ 50% AMI 3-Bed: -	137	\$29,377**	\$18,172,066	-	\$5,131,590	\$13,830,216	\$19,654,405
2211 Woodward - Fox Hotel	\$120,984,607	207,350	-	-	-	258	\$28,655**	\$3,402,431	-	\$4,405,948	-	\$5,930,532
2300 Woodward	\$83,669,425	149,500	-	-	-	618	\$101,128*	\$68,482,734	-	\$7,511,952	-	\$74,689,441
2300 Cass - Flex Site	\$278,674,089	556,000	-	-	-	2,235	\$112,069*	\$263,394,362	-	\$25,450,139	-	\$285,136,734
2455 Woodward - LCA Hotel	\$190,799,592	274,800	-	-	-	472	\$28,712**	\$19,217,138	\$405,812	\$14,159,482	-	\$24,330,369
408 Temple - The American	\$68,686,105	157,635	Total Units: 131 Studio: 39 1-Bed: 65 2-Bed: 27 3-Bed: -	Total Units: 27 Studio: 8 1-Bed: 13 2-Bed: 6 3-Bed: -	Total Units: 3 @ 40% AMI; 24 @ 50% AMI Studio: 1 @ 40% AMI; 7 @ 50% AMI 1-Bed: 1 @ 40% AMI; 12 @ 50% AMI 2-Bed: 1 @ 40% AMI; 5 @ 50% AMI 3-Bed: -	27	\$29,406**	\$5,014,828	\$57,184	\$258,702	\$9,138,855	\$5,346,285
2205 Cass - DCI Residential	\$150,140,161	256,050	Total Units: 261 Studio: 64 1-Bed: 131 2-Bed: 66 3-Bed: -	Total Units: 54 Studio: 13 1-Bed: 27 2-Bed: 14 3-Bed: -	Total Units: 5 @ 40% AMI; 49 @ 50% AMI Studio: 1 @ 40% AMI; 12 @ 50% AMI 1-Bed: 3 @ 40% AMI; 24 @ 50% AMI 2-Bed: 1 @ 40% AMI; 13 @ 50% AMI 3-Bed: -	44	\$29,371**	\$11,749,142	-	\$391,483	\$10,717,439	\$12,218,171
2115 Cass - DCI Business Incubator	\$59,742,608	94,200	-	-	-	388	\$102,219*	\$44,566,728	-	\$4,245,935	-	\$48,438,014
2210 Park - Detroit Life Residential	\$23,615,600	44,308	Total Units: 16 Studio: - 1-Bed: - 2-Bed: 14 3-Bed: 2	Total Units: 0 Studio: - 1-Bed: - 2-Bed: - 3-Bed: -	Total Units: 0 Studio: - 1-Bed: - 2-Bed: - 3-Bed: -	15	\$29,362**	\$1,970,530	-	\$148,714	\$3,175,624	\$2,132,831
Total	\$1,532,459,196	2,841,724	Total Units: 695 Studio: 182 1-Bed: 331 2-Bed: 180 3-Bed: 2	Total Units: 139 Studio: 37 1-Bed: 67 2-Bed: 35 3-Bed: -	Total Units: 13 @ 40% AMI; 126 @ 50% AMI Studio: 3 @ 40% AMI; 34 @ 50% AMI 1-Bed: 7 @ 40% AMI; 60 @ 50% AMI 2-Bed: 3 @ 40% AMI; 32 @ 50% AMI 3-Bed: -	6,308	\$96,561	\$687,803,247	\$462,996	\$96,448,686	\$36,862,135	\$751,041,179

Net Benefit Assumptions

1. 35% of the direct FTE jobs created by all projects will be City of Detroit residents - 65% will be non-city residents
2. 20% of non-city residents will work remotely
3. 10% vacancy factor in office buildings
4. 30% of the all residential units will be occupied by new Detroit households
5. 3% annual inflation

* Average wages based on tech and highly skilled office jobs

** Average wages based on restaurant and service industry jobs