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Memorandum

To: Council President Mary Sheffield

From: Nicole Sherard-Freeman, Group Executive of Jobs, Economy & Detroit at Work

CC: Honorable City Council Members, Mayor Mike Duggan, OCFO, LPD, City Clerk

Date: March 20, 2023

Re: **Questions for the Proposed District Detroit Development**

- 1. On Page 12 of LPD's Arena report and as a part of that deal, empowerment zone funding in the amount of \$180 million dollars was approved. Part of that provision was a benefit to Detroit residents which mandates that 35% of the workforce comes from the zone itself. Has this goal been achieved? If not, what are the ramifications of not meeting that goal and how can residents be assured that goals set forth in the District Detroit agreement will be met?**

The Little Caesars Arena project did not utilize any empowerment zone funding as projected by the LPD's 2013 report. Accordingly, none of the requirements associated with that funding source applied to the project.

- 2. Page 20 of LPD's Arena Report it is stated an estimated 5,550 construction jobs would be created by the Event Center. How many jobs were actually created from the construction of the Event Center? Of those jobs that were created, how many went to Detroiters? Please provide a status update of the hiring Detroiters as it relates to compliance with the executive order.**

Please see the attached report titled "LCA Targeted Business & Workforce Statistics," as generated and provided by Olympia. Per this report, the project created 5,684 jobs for skilled workers. Of those, 1303 or 23% were Detroiters.

- 3. Please provide a copy of the business compliance report, Apprenticeship status report, as well as the labor compliance report as a part of the CBA for the construction of the events center.**

Please see the attached "TDD Development Commitment Update" provided By Olympia to LPD on February 13, 2023.

- 4. Please list all philanthropic and community efforts Olympia has been engaged in since the 2014 Land transfer agreement that benefit residents outside of downtown and district Detroit.**

Please see the attached overview document provided by Olympia, describing the Ilitch Companies' "Commitment to the Community: Education; Employment; Economic Inclusion; Environmental Justice; Engagement."

5. Out of the 150,000 square feet being proposed. Will ODM commit to setting aside a certain percentage of retail space for Black owned or disadvantaged small business?

Related-Olympia has committed \$1 million to pay for tenant improvement costs of disadvantaged and Detroit-Based Businesses that locate in the proposed retail space. That funding will be allocated on a pro-rata basis for each building when it is placed in service, and so functions to set aside resources for such businesses on a per-building basis. This program design supports the participation and sustainable success of disadvantaged, small retail businesses by providing supplementary grants over and above the standard landlord tenant improvement allowance. This lowers barriers to entry by reducing the cost of buildout. Due to systemic disparities in access to capital and wealth, accessing sufficient funds for the buildout of retail space can be a major barrier to leasing and expansion for small, disadvantaged retail businesses. To that end, the City has also committed Motor City Match and District Business Liaison support for technical assistance, access to federal, state, and local small business resources, and to make an award to at least one business within the Impact Area in each round of ARPA funding for Motor City Match.

6. Please list the total amount of jobs currently at LCA. How many are Detroiters? How many are full time and how many are part time? Please list all the baseline pay for employees at the LCA as well as the highest salary. What is the average salary for jobs that employ Detroiters?

Per Olympia, as of January 2023, there were a total of 3,169 arena jobs with 48% performed by Detroiters. Approximately 1/3 are full-time and 2/3 part-time. LCA has full-time hourly positions such as security representatives and command center coordinators, ushers, guest service representatives, box office sellers, event production assistants, event accounting, electricians, etc. with hourly pay ranging from \$13/hour to \$53/hour (average \$25/hour). In addition, LCA has numerous salaried leadership roles across the organization in Operations, Sales, Marketing, Finance, etc. with entry level managers starting at \$51,000 per year.

7. What will be the job titles, amount of full time or part time jobs, benefits packages, and salaries for all of the 6,000 projected jobs to be created? Please submit the study that was conducted via a third party that projected these numbers.

The employment numbers reflect "full-time equivalent (FTE)" jobs, derived by taking the total number of hours worked between full-time and part-time jobs and then are divided by 2,040 hours per year per FTE. The jobs titles expected to be filled include the following for each programmatic use:

- Office: loan officers, bank tellers, loan interviewers/clerks, customer service representatives, claims adjusters, insurance claims clerks, sales agents, software developers, computer systems analysts, mechanical engineers, management analysts, and office clerks
- Hotel: concierge, housekeeping cleaners, maintenance & repair workers, waiters, cooks, general operations managers
- Retail: salespersons, supervisors, cashiers, general operations managers, customer service representatives, stockers, office clerks
- Food & Beverage: waiters, cooks, supervisors, hosts, cashiers, dishwashers, bartenders, general operations managers

- Property Management: maintenance & repair workers, office clerks, general operations managers, landscaping and groundskeeping workers

The salaries for the 6,000 projected jobs were derived from average Bureau of Labor & Statistics Quarterly Census of Employment & Wage data (BLS QCEW) for the Detroit-Warren-Dearborn metropolitan statistical area (MSA).

The average wages for each proposed use are as follows:

Job Type	Average Annual Wage
Office	\$114,000
Retail	\$31,938
Hotel	\$28,510
Food & Beverage	\$28,965

Please also see the attached: (1) Net Fiscal Benefit Analysis conducted by HR&A Advisors, which informed the developer’s construction jobs and permanent jobs projections; and (2) TBP Assumptions Report produced by Plante Moran, which further outlines expected salaries.

- 8. Olympia committed to ensure that Detroit-based businesses were given opportunities to bid on contract awards for goods, supplies and services at Little Caesars Arena, spending roughly \$40,000,000 procuring services and goods from Detroit-based businesses from 2017-2019. How many of these were Black or women owned businesses? Please list these contractors and the actual spend during this period.**

Please see the attached report titled “LCA Targeted Business & Workforce Statistics,” as generated and provided by Olympia.

- 9. Please explain Project Destined. How many students will the scholarship cover? How much will be allocated per student? How many are Detroit residents?**

Project Destined (projectdestined.com) is a social impact organization committed to developing the next generation of owners and leaders in real estate through internships working on live deals with the nation’s leading developers. The Developer plans to sponsor 40 student internships at a cost of \$30,000 per year over a 5 year period - for a total cost of \$150,000, all in partnership in partnership with the Detroit Public Schools Community District ("DPSCD") students, Wayne State University students, WCCCD students, and Detroit residents matriculating at a college or university who graduated from a high school in Detroit in its real estate development training program through Project Destined. 100% of the over 60 students the Developer has sponsored to date in the program are from Detroit.

- 10. The amount of funding proposed for the tenant improvement fund for Detroit businesses seems to be low. How much money will be allocated per business? How many businesses does the improvement fund seek to help? Is this fund only for business within the downtown District? If so, can this fund be expanded to included businesses throughout all neighborhoods?**

The fund will provide grants as described in response to question 5. These grants will be made to small, disadvantaged businesses that lease space within the 10 projects that are part of the Transformational Brownfield Plan pending before the City Council. They are targeted to support the Developer and the NAC’s shared vision for meaningful representation of small, disadvantaged businesses in the projects and a

neighborhood that is welcoming for all. A specific number of tenants has not been identified as the mix, number, and size of the retail spaces will continue to evolve through the development and leasing process.

11. The co-development program seeks to create opportunities for emerging developers who are disadvantaged, Detroit-based, Detroit-headquartered, or Detroit-resident businesses to participate in the development of 3 sites currently owned by ODM within the impact area. Please explain the proposed program. How will the \$1.25 million be utilized within the co-development program?

This program promotes economic inclusion by leveraging development sites controlled by Olympia Development of Michigan within the Impact Area. With new intentional partnerships, the co-developer program will unlock new opportunities for emerging developers and deliver program support to remove barriers to success and wealth-building. The program will, among other elements, feature the following: (1) development sites in premier locations; (2) low-cost financing terms; (3) predevelopment funding support valued at \$1.25M and covering such items as ALTA Survey, AutoCAD dimensional drawings, Phase I (and II if necessary) environmental studies and Property Condition assessments; (3) utilization of Related and Olympia's wide-ranging team of professionals for technical assistance; and (4) access to capital via Olympia and Related network.

12. The requested Detroit-based business spend benefit states that the developer "shall have a target" to procure, or cause to be procured \$100,000,000 million of good and services from disadvantaged businesses, Detroit Based Businesses, Detroit Small Businesses, Detroit Headquartered Business, and Detroit Resident Business. In theory and as currently written, this could allow one Detroit-based company to receive the whole spend. What protections does the agreement offer that would ensure several businesses, especially disadvantaged and businesses owned by Detroiters, will have access to these opportunities? What is the timeline for meeting the "spend" benefit goals? Are there any annual benchmarks with respect to the timeline for satisfying the "spend" agreement? (In the absence of such benchmarks, the developer could in theory wait 5,10, or 20 years before meeting this objective.)

The developer will leverage its \$1.5 billion development budget for the proposed projects to deliver the \$100 million spend target. To maximize the spread and impact, the developer agreed to retain an experienced minority business consultant (see "Recruitment Consultant" in the Community Benefits Agreement). The Recruitment Consultant will help ensure distribution of the spend across a range of business opportunities. The funds will be expended over the construction of the ten projects, which must happen in the next five years.

The Administration has been advised by the Law Department that Article 26, Section 1 of the Michigan Constitution prohibits the use of affirmative action programs. The Law Department encouraged the use of the word target acknowledging the term's lack of specificity. Specificity, according to the Corporation Counsel, would turn the target into a constitutionally suspect quota, not enforceable by the City of Detroit.

The developers acknowledge they will be held to a best-efforts standard. Publication of the business inclusion and expenditure results will allow the City Council to determine if the development group has in fact exerted best efforts.

13. Please explain the definition of a disadvantage business.

During the CBO process, the Law Department resisted suggestions by the NAC to define the word disadvantaged. It was the Corporation Counsel's judgment that the purposeful failure to define the word

would allow interested parties including members of the City Council to define the word based on each person's experience and expectation. The lack of definition will not serve as a barrier to measuring development group best efforts.

14. Please clarify and provide the total cost of the parking and traffic study. The LPD Report and the contract have two different amounts. (The reports states \$175,000 and the contract states \$100,000.)

During the CBO negotiation process, the NAC requested an expanded scope for the study and the projected cost increased accordingly from \$100,000 to \$175,000.

15. The contract does not quantify the total amount for the free employee transit program for employees for the first 5 years while other documents state the amount is up to \$100,000. Please clarify the amount and specify where this amount can be found in the contract.

The \$100,000 reflects the developer's estimate of the potential costs associated with this program. However, this is an estimate only. The developer's obligation to deliver this commitment is not capped at \$100,000, and it could cost more. The commitment resides in the Community Benefits Agreement under the section "Encouragement of Mass Transit Options."

16. What are the exact claw-back provisions or ramifications if the commitments in the CBA are not reached? What is the financial penalty?

The Community Benefits Provision Agreement is a binding and enforceable agreement between the City and the developer. As noted at the Thursday, March 16 sitting of the Planning & Economic Development Committee of City Council, the City has multiple paths to enforcement. First, the developer is expressly subject to the enforcement and mitigation processes in the Community Benefits Ordinance itself. That ordinance authorizes an enforcement committee to investigate complaints and make recommendations to Council. City Council under the ordinance and its prerogatives has the power to take whatever enforcement actions it deems necessary. Finally, under the express terms of the Community Benefits Provision Agreement itself, the City has the right to enforce the agreement by a court order of specific performance.

17. Residents have repeatedly expressed an interest in access to capital, equity and resources as a condition for the approval of tax incentives and abatements. Please explain the ways in which District Detroit is honoring these requests?

The developer entered the CBO process with economic inclusion as one the development program's stated core values; the commitments in the Community Benefits Agreement put that value into application. In particular, the TI Fund, the Contractor Bond Fund, Emerging Co-Developer program, and the \$100M target spend were all created by the developer in partnership with the NAC to provide capital, equity, and resources to disadvantaged individuals and businesses.

18. Please explain the reimbursable loan for housing and the residency requirement that must be maintained to receive the reimbursement. Who monitors the enforcement of the income guidelines and residency terms?

The Downtown Development Authority authorized \$23.8 million in loans for the three multifamily residential projects in the 10-project Transformational Brownfield Plan development program that will deliver 139 deeply affordable units at 50% AMI. These loans were made under a new DDA Affordable

Loan program whose parameters were conceptualized as a tool to incentivize more mixed-income projects with deeply affordable housing options, in response to feedback that an inclusive downtown is important to the DDA board of directors, the Administration, City Council, and their constituents.

These loans have performance-based terms for partial forgiveness, on an annual basis, over 30 years for after each project is put into service, for each year the developer successfully fills 50% or more of the affordable units with existing Detroit residents who have lived in the city for at least three years. Monitoring responsibility will involve both the Housing & Revitalization Department and the DDA.

19. Has the general contractor been selected and are they a union employer?

The General Contractor has not yet been selected for any of the developments.

20. EO 2014-5 sets a target of 30% Detroit based contractor spend and there is no language in the agreement with respect to this commitment. Has ODM made this commitment and if so, where can this be located in the agreement?

EO 2014-5 directs City departments and agencies to make their best efforts to “implement specific purchasing goals for utilization of Detroit Headquartered Businesses and Detroit Based Businesses.” It does not, then, specifically apply to private developers such as the Related-Olympia developer partnership. EO 2014-5 did serve as inspiration for the NAC and Developer to reach agreement on the commitment in the Community Benefits Agreement concerning \$100 million in development spend to support “disadvantaged businesses, Detroit-Based Businesses, Detroit Based Small Businesses, Detroit Headquartered Businesses, and Detroit-Resident Businesses.” That commitment exceeds the parameters of EO 2014-5 by including Detroit Based Small Businesses, Detroit-Resident Businesses, and, most significantly, disadvantaged businesses. By setting a target to procure, or cause to be procured, the developers are submitting to the same “best efforts”-style standard put on City departments and agencies by EO 2014-5.

21. With respect to the Arena Deal, ODM receives concessions, parking, television rights and naming rights revenue from the events center operation. Additionally, ODM does not contribute any funding directly to the City until the MSF bonds are paid off. According to a Legislative Policy Division report, the level of private contribution to the events center seems more favorable to ODM. Ideally, ODM would provide a revenue stream directly to the City of Detroit related to the events taking place in the entertainment district. Therefore, I am requesting ODM and Related Companies agree to voluntarily institute a 2% ticket surcharge on every entertainment event, at facilities owned or managed by either company, to be remitted to the City of Detroit on a monthly basis. Will the Developers and the Administration agree to amend the development agreement to reflect compliance with this request?

Olympia and Related have informed the Administration that, respectfully, they cannot accommodate this request. Among other reasons, it concerns the operations of the arena facility and those operations are not part of the 10-project development proposal pending before the City Council. Olympia Development of Michigan is a development company, and does not operate the Little Caesars Arena. ODM cannot commit to such a surcharge on behalf of the LCA operator, nor can it on behalf of the Detroit Pistons, the Detroit Red Wings, and other (sub-)concessionaires or partners whose contractual rights are implicated by this request and/or whose consent is required.

The Related Companies has no stake or role in the operations in the LCA. Its partnership with ODM centers strictly on real estate development.

Additionally, please note within the same referenced report, the Legislative Policy Division (LPD) report indicates that while the “level of private contribution seem more favorable to ODM... when the development of the Ancillary Area (the \$200M in additional private investment) is included with the Events Center (LCA Arena) as the proposed Catalyst Development Project, the combined development is more favorable to the City of Detroit when compared to other projects...”

In fact, the actual resulting levels of investment and development delivered more upside for the City than what LPD could have projected in 2013. ODM has since exceeded both its direct investment in the LCA and the Ancillary Area (\$200M planned vs. \$850M invested). Those investments unlocked, to name a partial set, the following sources of income tax and other revenues for the City:

LITTLE CAESARS ARENA

- (a) Net-new Ilitch Sports & Entertainment employees
- (b) 313 Presents employees
- (c) visiting entertainers
- (d) Detroit Pistons employees
- (e) Detroit Pistons players
- (f) Visiting NBA players
- (g) Delaware North concession and suite workers
- (h) TPG maintenance workers
- (i) Olympia Development of Michigan Parking employees;
- (j) City Shield employees
- (k) ODM employees

ANCILLARY AREA DEVELOPMENTS

- (a) Eddystone residential tenants
- (b) Basan restaurant and its employees
- (c) Warner Norcross & Judd employees
- (d) Boston Consulting Group and its employees
- (e) Google and its employees
- (f) Frita Batidos and its employees
- (g)MDen and its employees
- (h) Union Assembly and its employees
- (i) JoJo’s Shake Bar and its employees
- (j) Wayne State University Mike Ilitch School of Business employees

22. Detroiters constantly state that they want to know how this project will benefit them. Will ODM commitment to making a contribution to the Neighborhood Improvement fund to help support community programs and initiatives in the neighborhood?

The developer believes that the most effective way for it to address the shortage of affordable housing in Detroit is to develop new projects – not only in The District, but also in the neighborhoods. This will allow developer to leverage its expertise and capital relationships in order to build more affordable housing units than could be created through a cash contribution. Developer is currently in discussions with multiple local, disadvantaged developers to partner on affordable housing projects of strategic importance to their neighborhoods.

23. The agreement does not call for the developers to commit to any post-construction jobs. Will the developers commit to a percentage of post construction jobs going to Detroiters?

Developer is not the end user for most of the proposed projects and as such is only expected to be directly responsible for 63 jobs. Developer has committed to opening the Opportunity Connector and participating in Detroit at Work as its preferred resource for hiring in order to ensure that Detroit residents are aware of the jobs that are the developer's. Additionally, the developer has committed in the CBA to a range of internship and training programs to ensure that more Detroiters are ready for employment. Finally, to address the jobs that will be created by tenants of the projects, the developer has committed in the CBA to encourage all of its tenants to participate in Detroit at Work.

24. How many of the post-construction jobs are projected to be under the control of ODM and Related Companies? Is there a commitment for a certain percentage of those jobs to go to Detroiters? For the post-construction jobs that will not be under the purview of the developers, what are the plans to encourage/require the companies who will occupy commercial spaces to hire Detroiters? What targets/goals will the developers seek for Detroiters in these jobs? Will the developers seek tenants that will agree to remove barriers to employment such as drug testing for marijuana and being non-violent felon friendly?

Please see response to question 23. Additionally, Detroit at Work will pursue a Priority Hiring Agreement with District Detroit Tenants, which requires employers who commit to Ban the Box and eliminate drug testing except where required for business insurance purposes.

25. Please explain how the figures were calculated for the following programs: Small Business Bond Fund, District Detroit Co-developer Program, and the Tenant Improvement Fund. How many businesses will the proposed funding help in each program?

The size of the program commitments is based on the relative priorities of the NAC, developer's expertise with similar initiatives, and the project's ability to support the cost of each initiative. Developer does not have a specific estimate of the number of businesses that will be helped but developer will track and report on each program as part of its obligations under the CBA.

26. What percentage of Little Caesar Franchises, nationwide, are black-owned? How many projects, locally and nationally, has ODM and Related Companies co-developed with disadvantaged and/or minority-owned developers?

This question concerns the operations of Little Caesar Enterprises, a company that is not part of the 10-project development proposal pending before the City Council. Olympia Development of Michigan is a development company, and does not operate the Little Caesars Enterprises and The Related Companies has no stake or role in the operations of Little Caesars Enterprises. Its partnership with ODM centers strictly on real estate development.

As to the questions concerning real estate development:

ODM is co-developing the [Residences @ 150 Bagley](#) in Detroit, in partnership with minority led Bagley Development Group. This historic mixed-use renovation into ground floor retail and 148 apartments, with 20% of the units dedicated as affordable, is slated for completion in 2024. This \$75 million project is one of the largest African-American led developments ever to occur in the City of Detroit.

Below are examples of some of the projects that the Related Companies is developing or has developed with minority-owned partners:

Fulton Elliott-Chelsea Houses, New York, NY | Public Housing Redevelopment

MBE Co-Developer: Essence Development

Related and its MBE partner Essence Development were selected by New York City Housing Authority (NYCHA) and resident leaders as the development team that will deliver comprehensive building and apartment upgrades for nearly 4,500 residents living in more than 2,054 apartments at four NYCHA campuses in Manhattan. Essence Development, an MBE, will serve as the lead on this project and is an equal partner with Related. Their proposal will result in rehabilitation of all apartments, upgraded building common areas and public spaces, and replacement or upgrade of all building systems. The new facilities will also house a 14,000 square foot community health center and a new facility for social services provider, Hudson Guild.

4300 W. Roosevelt Road Chicago, IL | Industrial Innovation Center

MBE Co-Developer: 548 Enterprise

Related and its MBE development partner 548 Enterprise were the winning proposal for a new Industrial Warehouse & Innovation Center, located at 4300 W. Roosevelt Road. The development, now in the pre-construction phase, will bring 500 jobs to the North Lawndale neighborhood and introduce two innovation centers that will create opportunities for community groups to provide valuable services to local residents. This \$68M project will leverage the location's strengths for freight and logistics with a pair of industrial structures totaling 363,520 SF: a 181,670 SF building with 27 dock spaces on both the southern and northern portion of the property. The development will also include two Innovation Centers that will serve as headquarters for Black Men United, an organization that provides workforce development, and New Covenant Community Development Corp., which will provide a hub for the business community to collaborate with the community. An adjacent community park will provide community-based uses. The project will include a 3 megawatt rooftop community solar system, by

548 Enterprise, that will power approximately 500 West Side homes. (Please see the following recent news article for more information: <https://chicago.urbanize.city/post/4300-w-roosevelt-breaks-ground>)

Lathrop, 2000 W. Diversey Chicago, IL | Historic Neighborhood Redevelopment

MBE/WBE Co-Developer, Bickerdike Corporation

Related, along with partners Heartland Housing, Bickerdike Redevelopment Association and the Chicago Housing Authority (CHA), have fully restored and completed more than 500 mixed income units on the northwest side of Chicago over the last 8 years. When all phases are complete, this AIA award winning neighborhood will include 1,116 mixed-income apartments set into an extraordinary greenspace in a reinvigorated neighborhood. Lathrop residents enjoy the popular onsite Hexe Coffee shop with an inviting atmosphere and outdoor patio, a five-acre riverfront park, reimagined by award-winning landscape architectural firm Michael Van Valkenburgh Associates (MVVA), creator of Chicago's Maggie Daley Park, the 606 trail and Bennett Park. Incorporating inspiration from the original landscaping plan created by Jens Jensen, the reimagined outdoor spaces include Lathrop's iconic Great Lawn—a two-acre green space at the heart of the community that provides a pedestrian connection between Clybourn Avenue and the riverfront. Other improvements include a quarter-mile pedestrian riverwalk with native plantings, pathways, bridges and a dock with a kayak launch; an updated Elizabeth Wood Park with a new playlot, a Lathrop Cooperative Woodshop; and a new riverfront dog park. (Please see the following recent news article for more information: <https://www.bdcnetwork.com/chicagos-historic-lathrop-public-housing-complex-gets-new-life-mixed-income-community>)

The Row Fulton Market, Chicago, IL | Luxury Rental Development with Affordable Housing

MBE General Contractor as Co-Lead: BOWA Construction

The Row Fulton Market, opening this June, is the first high rise tower in Chicago co-built by an MBE General Contractor, BOWA Construction. While adding architectural significance to Chicago's skyline, the development will also be a model for the future as it is the first major building constructed under new Affordable Illinois legislation, with 80 percent market-rate and 20 percent affordable units, totaling 60 affordable residences. The Row features a spectacular array of rental apartments and a full suite of amenities and services that will be available to all residents. The building will include a 24-hour concierge and doorman, a dedicated lobby and five-star services including move-in coordination. Indoor amenities include a fitness and wellness center with a club-level gym featuring top-of-the-line cardiovascular and strength equipment, a children's play suite, a co-working space with modular seating and private conference areas, an event suite featuring a catering kitchen and direct access to the recreational deck, a lounge area and a bike room. Outdoor amenities include a landscaped recreational sun deck with pool, fire pit lounges and outdoor kitchens. Additional storage and private garage parking will also be available. (Please see the following recent news article for more information:

<https://www.chicagotribune.com/real-estate/ct-re-900-randolph-bowa-construction-20221011-n4s5p4iuubgedg6tfn7lvep4by-story.html>)

27. According to the Developer Commitment document submitted, there is a commitment to employ policies to Reduce Barriers to Employment with respect to marijuana use and prior criminal convictions. The commitment refers to the Developer's hiring process. Which jobs and how many in total will be covered under this commitment?

Related-Olympia expects to grow their development team by an additional 63 employees, all of whom will be hired according to the standards outlined in the "Reduce Barriers to Employment" section of the CBA.

LCA Targeted Business and Workforce Statistics

thru 12/31/17

# of Companies on Project		294	
# of Michigan Contractors & Suppliers on Project		205	
# of Detroit Contractors & Suppliers on Project		43	
# of Business Outreach Events		6	
# of Workforce Outreach Events		7	
Prime Contracts Awarded to Detroit Businesses	\$	530,530,607.10	71%
Prime Contracts Awarded to Michigan Businesses	\$	675,278,947.98	90%
Total Prime Contracts Awarded	\$	747,102,827.97	
Total EO 2016-1 Assessments	\$	6,281,864.19	
Total # of Skilled Workers		5684	
# of Detroit Residents		1303	23%
# of Apprentices & Pre-Apprentices During Constr		914	

List of Michigan Businesses on the Project

(awarded prime contract)

Company	City	State
3LK	DETROIT	MI
ADAMO GROUP, INC.	DETROIT	MI
ADECCO	BINGHAM FARMS	MI
AKINS CONSTRUCTION, INC.	DETROIT	MI
ALL IN ONE FACILITY SERVICES	DETROIT	MI
AMPTHINK	SOUTHFIELD	MI
ANGELO IAFRATE CONSTRUCTION COMPANY	WARREN	MI
APPLIED FLOORING, INC.	MASON	MI
APPLIED HANDLING	DEARBORN	MI
ARANAE, INC.	WIXOM	MI
ARTISAN TILE INC.	BRIGHTON	MI
ASSA ABLOY ENTRANCE SYSTEMS	LIVONIA	MI
ASSEMBLERS PRECAST & STEEL SERVICES INC.	PINCKNEY	MI
AUDIO COMMUNICATIONS, DBA SOUND ENGINEERING, INC.	LIVONIA	MI
BANNER SIGN COMPANY DBA DIGITAL PRINT SPECIALTIES	HAZEL PARK	MI
BARTON MALOW HUNT JV	SOUTHFIELD	MI
BAYVIEW ELECTRIC COMPANY, LLC	DETROIT	MI
BEN WASHINGTON AND SONS PLUMBING & HEATING, INC	DETROIT	MI
BENKARI LLC	DETROIT	MI
BLAZE-IAFRATE JV	DETROIT	MI
BLUE STAR, INC.	WARREN	MI
BLUEWATER TECHNOLOGIES	SOUTHFIELD	MI
BOSTON TILE AND TERRAZZO COMPANY	DETROIT	MI
BRAND SCAFFOLD (G.C)	SOUTHFIELD	MI

List of Michigan Businesses on the Project

(awarded prime contract)

Company	City	State
BRINKER TEAM CONSTRUCTION	DETROIT	MI
BRUNER PLUMBING & HEATING COMPANY	DETROIT	MI
C-STONE INSTALLATION COMPANY	TROY	MI
C.L. RIECKHOFF	TAYLOR	MI
CADILLAC ASPHALT, LLC	CANTON	MI
CASS SHEETMETAL	DETROIT	MI
CENTURYLINK	SOUTHFIELD	MI
CERAMI	SOUTHFIELD	MI
CHRISTENDETROIT	DETROIT	MI
CHRISTMAN CONSTRUCTORS, INC.	LANSING	MI
CITY CARPET AND FLOORING	DETROIT	MI
CITY OF DETROIT	SOUTHFIELD	MI
CITY STEEL INC	WATERFORD	MI
COLASANTI MIG JV	DETROIT	MI
COMSOURCE INC	PLYMOUTH	MI
CONNELLY CRANE RENTALS	REDFORD CHARTER TWP	MI
CONTROLLED DEHUMIDIFICATION	BRIGHTON	MI
CROSS ENTERPRISES, INC.	MELVINDALE	MI
CURTIS GLASS COMPANY	TROY	MI
DATA SUPPLIES COMPANY	PLYMOUTH	MI
DE-CAL INC.	WARREN	MI
DESAI/NASR CONSULTING ENGINEERS	WEST BLOOMFIELD	MI
DETROIT DIAMOND DRILLING, INC.	DETROIT	MI
DETROIT DISMANTLING CORP	DETROIT	MI
DETROIT FIRE EXTINGUISHER COMPANY INC.	DETROIT	MI
DIVERSIFIED CONSTRUCTION SPECIALISTS, INC.	ROCHESTER HILLS, MI	MI
DIXON, INC	DETROIT	MI
DJ CONLEY ASSOCIATES	TROY	MI
DMC CONSULTANTS, INC	DETROIT	MI
DORE & ASSOCIATES CONTRACTING	BAY CITY	MI
DON EQUIPMENT	LIVONIA	MI
DUMAS CONSTRUCTION SERVICES	DETROIT	MI
DVS	SOUTHFIELD	MI
EAGLE SPECIALTIES, LLC	PLYMOUTH	MI
ECOLAB	NOVI	MI
ECOWORKS STUDIO	SOUTHFIELD	MI
ED ROETHER	SOUTHFIELD	MI
EDGEWOOD ELECTRIC LLC	DETROIT	MI
EDWARDS GLASS COMPANY	LIVONIA	MI

List of Michigan Businesses on the Project

(awarded prime contract)

Company	City	State
ETS ENGINEERING	SOUTHFIELD	MI
EUGENIO PAINTING COMPANY	GROSSE POINTE WOODS	MI
FANTASEE LIGHTING	BELLEVILLE	MI
FERRANTE MANUFACTURING CO.	DETROIT	MI
FIFE-PEARCE ELECTRIC	DETROIT	MI
FINAN SERVICES INC.	KALEVA	MI
FIRE SYSTEMS OF MICHIGAN, INC.	REDFORD	MI
FLAMINGO KID SIGNS	BYRON	MI
FMG CONCRETE CUTTING	BRIGHTON	MI
FOCUSED LOGISTICS, INC.	SAGINAW	MI
FRCH ARCHITECTS	SOUTHFIELD	MI
FUTURE FENCE COMPANY	WARREN	MI
GD TOP NOTCH CLEANING SERVICE INC	REDFORD	MI
GEARIG ENTERPRISES, INC. DBA KASL ENTERPRISES	TROY	MI
GIFFELS-WEBSTER	SOUTHFIELD	MI
GOLD STAR PRODUCTS	OAK PARK	MI
GROUND PENETRATING RADAR TECHNOLOGY	ANN ARBOR	MI
GSA ENGINEERS	SOUTHFIELD	MI
GUARDIAN EQUIPMENT CO.	NOVI	MI
GUIDELINE MECHANICAL, INC.	CLINTON TOWNSHIP	MI
HAMILTON ANDERSON	SOUTHFIELD	MI
HARD ROCK STONE WORKS	STERLING HEIGHTS	MI
HARDMAN CONSTRUCTION	LUDINGTON	MI
HARRIS STEEL, INC.	BELLEVILLE	MI
HERCULES & HERCULES, INC.	DETROIT	MI
I.F. METALWORKS	ROSEVILLE	MI
IDEAL CONTRACTING LLC	DETROIT	MI
IDENTIFY, INC.	MADISON HEIGHTS	MI
ILLUMINATING CONCEPTS	SOUTHFIELD	MI
INDUSTRIAL ELECTRIC CO.	DETROIT	MI
INDUSTRIAL FENCE AND LANDSCAPING, INC.	DETROIT	MI
INFINITE SCALE	SOUTHFIELD	MI
INTEGRATED INTERIORS INC	WARREN	MI
INTERNATIONAL TEST & BALANCE, INC.	SOUTHFIELD	MI
IRWIN SEATING CO	GRAND RAPIDS	MI
J.J. CURRAN CRANE COMPANY	DETROIT	MI
JDS PRO INC	KEEGO HARBOR	MI
JOHN A. PAPALAS & COMPANY	LINCOLN PARK	MI
JOHN E. GREEN CO.	HIGHLAND PARK	MI

List of Michigan Businesses on the Project

(awarded prime contract)

Company	City	State
JOHNSON CONTROLS INC	LAKE ORION	MI
K&A SIGNS	WARREN	MI
K&D INDUSTRIES	MIDLAND	MI
KLA LABORATORIES INC	DEARBORN	MI
KLEARVIEW MECHANICAL SYSTEMS INC.	DETROIT	MI
KONE INC	LIVONIA	MI
KVM DOOR SYSTEMS INC.	CLINTON TOWNSHIP	MI
LAFORCE	TROY	MI
LANSING GLASS COMPANY	LANSING	MI
LARAMIE ENTERPRISES INC	WIXOM	MI
LEIDAL & HART MASON CONTRACTORS, INC.	LIVONIA	MI
LEONARD'S SYRUPS	DETROIT	MI
LIMBACH COMPANY LLC	PONTIACE	MI
LOWE CONSTRUCTION COMPANY INC.	HORTON	MI
MADIAS BROTHERS INC.	DETROIT	MI
MADISON HEIGHTS GLASS	FERNDALE	MI
MARC DUTTON IRRIGATION, INC.	WATERFORD	MI
MARTINEZ MECHANICAL SERVICES, INC.	DETROIT	MI
MASTER MECHANICAL INSULATION, INC.	TROY	MI
MCMANN STRIPING CO. INC.	REDFORD	MI
MICHIELUTTI BROS INC	EASTPOINTE	MI
MICHIGAN AIR PRODUCTS	TROY	MI
MICHIGAN GLASS COATINGS	AUBURN HILLS	MI
MICHIGAN MECHANICAL INSULATION	FARMINGTON HILLS	MI
MIDWEST STEEL, INC.	DETROIT	MI
MIDWESTERN CONSULTING	ANN ARBOR	MI
MKA	SOUTHFIELD	MI
MOD INTERIORS, INC	IRA TWP	MI
MORRISON HERSHFIELD CORP	SOUTHFIELD	MI
MOTOR CITY ELECTRIC CO	DETROIT	MI
MOTOR CITY ELECTRIC TECHNOLOGIES INC.	DETROIT	MI
MSL-LIMBACH JV	DETROIT	MI
NATIONAL SPECIALTY CONTRACTORS	YPSILANTI	MI
NEDERVELD, INC	GRAND RAPIDS	MI
NELSON MILL COMPANY	SOUTHFIELD	MI
NILES INDUSTRIAL COATINGS, LLC	FENTON	MI
NTH	SOUTHFIELD	MI
ONEGROUP INSTALLATION INC	TAYLOR	MI
PARSONS BRINCKERHOFF	SOUTHFIELD	MI

List of Michigan Businesses on the Project

(awarded prime contract)

Company	City	State
PCPTB	MADISON HTS	MI
PERSOHN HAHN	SOUTHFIELD	MI
PGA - SNOW REMOVAL	SOUTHFIELD	MI
PHOENIX REFRIGERATION, INC.	WIXOM	MI
PMP ENTERPRISES DBA PMP MARBLE & GRANITE	TROY	MI
PROFICIENT TRAINING & CONSULTING	RICHMOND	MI
PROIMAGE FACILITY SERVICES, INC.	REDFORD	MI
PROJECT QUALITY ASSURANCE	SOUTHFIELD	MI
QUALITY RE-STEEL INC.	BRIGHTON	MI
RAM CONSTRUCTION SERVICES	LIVONIA	MI
RBV CONTRACTING, INC.	DETROIT	MI
REAGAN MECHANICAL LLC	DETROIT	MI
RICH & ASSOC.	SOUTHFIELD	MI
RIVAL INSULATION LLC	FERNDALE	MI
ROHRSCHEIB SONS CAISSONS, INC.	NEW HUDSON	MI
ROSSETTI	SOUTHFIELD	MI
ROTOR ELECTRIC COMPANY	DETROIT	MI
RWDI	SOUTHFIELD	MI
SAFEWAY SERVICES, LLC	SOUTHFIELD	MI
SEAWAY PAINTING, L.L.C.	LIVONIA	MI
SEBESTA BLOMBERG	SOUTHFIELD	MI
SELLINGER ASSOC.	SOUTHFIELD	MI
SHAMBAUGH & SON	SOUTHFIELD	MI
SHOCK BROTHERS FLOORCOVERING, INC.	ROSEVILLE	MI
SIGNS BY CRRANNIE	FLINT	MI
SIEMENS	HOWELL	MI
SMITH GROUP JJR	SOUTHFIELD	MI
SOMAT ENGINEERING	SOUTHFIELD	MI
SOUNDCOM SYSTEMS	FARMINGTON HILLS	MI
SPALDING DEDECKER	ROCHESTER HILLS	MI
SSR	SOUTHFIELD	MI
STAGERIGHT INC.	CLARE	MI
STERLING PROJECT DEVELOPMENT	SOUTHFIELD	MI
STONHARD	TAYLOR, MI	MI
STONY CREEK SERVICES, INC.	WESTLAND	MI
SVW/COMMERCIAL MOVING AND RIGGING	SHELBY TWP.	MI
TELECOM TECHNICIANS, INC.	STERLING HEIGHTS	MI
THE CADEIRA GROUP	GRAND RAPIDS	MI
THE CASPER CORPORATION	FARMINGTON HILLS	MI

List of Michigan Businesses on the Project

(awarded prime contract)

Company	City	State
THERMALNETICS	AUBURN HILLS	MI
TIOGA HVAC RENTALS	TROY	MI
TMI CLIMATE SOLUTIONS	HOLLY	MI
TOOLES CONTRACTING GROUP LLC	DETROIT	MI
TRAFFIC & SAFETY CONTROL SYSTEMS INC	WIXOM	MI
TREND MILLWORK	LINCOLN PARK	MI
TRI CROSSING INSTALLATION SERVICES	WIXOM	MI
TURN KEY SYSTEMS	HERSEY	MI
TUV RHEINLAND	SOUTHFIELD	MI
UNIVERSAL GLASS AND METALS INC.	DETROIT	MI
UNIVERSAL LAUNDRY MACHINERY	WESTLAND	MI
VAN WAGNER	SOUTHFIELD	MI
VENTCON, INC.	ALLEN PARK	MI
VERIZON WIRELESS	SOUTHFIELD	MI
VETBUILT BUILDING GROUP, INC.	DETROIT	MI
VSAG	SOUTHFIELD	MI
W.J. O'NIEL	LIVONIA	MI
WADE TRIM, INC	FLINT	MI
WESTERN MECHANICAL	CLINTON TOWNSHIP	MI
WH CANON LANDSCAPE COMPANY	ROMULUS	MI
WILLIAM CARUSO & ASSOCIATES	SOUTHFIELD	MI
WILLIAM E WALTER, INC	FLINT	MI
WILLIAM REICHENBACH COMPANY	LANSING	MI
WJHW	SOUTHFIELD	MI
WOOD REFRIGERATION INC.	BRIGHTON	MI



TO: City of Detroit City Council Legislative Policy Division
FROM: John M. Valentine, VP and General Counsel, Olympia Development of Michigan
DATE: February 13, 2023
RE: **Status of The District Detroit Development Commitments**

The following is an update to the Legislative Policy Division regarding the various development commitments of Olympia Development of Michigan, L.L.C., or its affiliates (collectively, “Olympia”), to the Detroit Downtown Development Authority (“DDA”) in The District Detroit.

1. **Master Development Agreement Obligations:** Pursuant to that certain Master Development and Reimbursement Agreement between the DDA and Olympia, dated as of December 11, 2014, as amended from time to time (the “MDA”), Olympia made the following development commitments (terms used but not defined herein having their respective meanings in the MDA):
 - a. **Commitment to Invest \$200,000,000:**
 - Olympia committed to make, or cause others to make, a minimum investment of at least \$200,000,000 in “Eligible Costs” in the EC Ancillary Development Area, by September 12, 2022, five (5) years after the opening of Little Caesars Arena on September 12, 2017.
 - **Since then, Olympia has actually invested, or caused others to invest, over \$1,365,000,000 in Little Caesars Arena and other Projects within the EC Ancillary Development Area:**
 - Little Caesars Arena: Per the CMA (described below) and associated bond financing documents, Olympia committed to construct Little Caesars Arena at a cost of approximately \$450,000,000, of which approximately \$284,750,000 was to be publicly funded, with the remaining \$165,250,000 to be privately funded by Olympia. However, the actual cost to construct Little Caesars Arena was approximately \$863,000,000, of which approximately \$320,750,000 was publicly funded (\$284,750,000 initial public investment, plus \$36,000,000 to fund the relocation of the Detroit Pistons), with the remaining \$542,250,000 privately funded by Olympia;
 - Mike Ilitch School of Business (described below): Accepted Development Plan as of July 29, 2016, with actual costs of

approximately \$60,000,000 (of which \$40,000,000 were funded via a charitable donation from the Ilitch family);

- Little Caesars Global Resource Center (described below): Accepted Development Plan as of September 30, 2016, with actual costs of approximately \$152,500,000;
- Henry West Garage (described below): Accepted Development Plan as of September 30, 2016, with actual costs of approximately \$20,700,000;
- McLaren Garage (formerly known as “Tiger 2 Garage” or “D Garage”): Sub-Concession and Management Agreement as of March 29, 2017, with actual costs of approximately \$29,000,000;
- Temple West Garage (described below): Accepted Development Plan as of December 19, 2017, with actual costs of approximately \$24,200,000;
- Google Office Space at 52 Henry Street (described below): Accepted Development Plan as of December 20, 2017, with actual costs of approximately \$15,100,000;
- 2715 Woodward Avenue (described below): Accepted Development Plan as of June 27, 2018, with actual costs of approximately \$60,100,000;
- Former Eddystone Hotel (described below): Accepted Development Plan as of June 4, 2019, with actual costs of approximately \$40,000,000;
- The historic former United Artists Building at 150 Bagley is currently being restored by Detroit-based and Black-led Bagley Development Group and will bring 148 apartments, 20 percent of which will be designated as affordable housing, and street-level retail to the area around Grand Circus Park. This project has commenced, and has budgeted costs of approximately \$75,000,000;
- 2714 Second Avenue Residences, a renovation of residences to serve as transitional housing for residences of the Cass & Henry redevelopment during construction. This project has commenced, and has budgeted costs of approximately \$725,000; and
- The historic Women’s City Club Building at 2110 Park Avenue has been restored and is awaiting occupancy by office and retail tenants. It

consists of approximately 48,000 gross square feet of office space and approximately 21,000 gross square feet of retail space. This project has commenced and has budgeted costs of approximately \$25,000,000.

- **Moreover, Olympia anticipates that it will invest, or cause others to invest, approximately \$365,000,000 in the following currently planned projects:**

- The Cass & Henry redevelopment of seven historic buildings on a single, intact city block which will bring 170 new residential units, 84 of which would be set aside as deeply affordable housing, has earned LIHTC support and are expected to begin construction in 2023. This project has budgeted costs of approximately \$73,000,000; and
- Little Caesars Arena Hotel on the “Hotel Block” (described below): Accepted Development Plan as of October 11, 2022, with budgeted costs of approximately \$264,000,000.

b. Commitment to Develop Woodward Frontage Sites:

- If each of the Woodward Properties (i.e., 2473, 2715, 2743, and 2771 Woodward) that were conveyed to Olympia by the DDA was not subject to an Accepted Development Plan by September 12, 2022, Olympia was required to reconvey the applicable Woodward Property to the DDA..
- As of July 29, 2016, the Woodward Properties known as 2743 Woodward and 2771 Woodward were subject to the Accepted Development Plan for the Mike Ilitch School of Business (described below).
- As of June 27, 2018, the Woodward Property known as 2715 Woodward was subject to the Accepted Development Plan for 2715 Woodward (described below).
- Olympia submitted prior to September 12, 2022, and as of October 12, 2022 per agreement of Olympia and the DDA, the Woodward Property known as 2473 Woodward Avenue was subject to the Accepted Development Plan for the Little Caesars Arena Hotel (described below), so this obligation has been satisfied.

c. Commitment to Develop Ancillary Development Properties:

- Pursuant to the MDA and the Ancillary Land Transfer Agreement, dated December 11, 2014, if each of the Ancillary Development Properties (consisting of various parcels located along Third and Fourth Streets between Ledyard Street and Charlotte Street, two parcels within the “Hotel Block”

described below, and three parcels on Park Avenue between Sproat Street and Temple Street), that were conveyed to Olympia by the DDA, is not subject to an Accepted Development Plan by September 12, 2023, Olympia is required to reconvey the applicable Ancillary Development Property to the DDA with the DDA paying the same purchase price that Olympia paid for the relevant parcel.

- As of December 19, 2017, the Ancillary Development Property known as 2723 Park was subject to the Accepted Development Plan for Temple West Garage (described below).
- As of October 12, 2022, the Ancillary Development Properties known as 54 W. Fisher and 83 Henry were subject to an Accepted Development Plan for the Little Caesars Arena Hotel (described below).
- Olympia has until September 12, 2023 to agree with the DDA upon Accepted Development Plans for the remaining Ancillary Development Parcels.

d. Commitment to Redevelop the former Eddystone Hotel:

- Pursuant to the First Amendment to MDA dated April 22, 2015, Olympia committed to “redevelop, or cause an Affiliate or another party to redevelop, the Eddystone Hotel for commercial and residential use with a 20 percent affordable housing component and including restoration of the building facades in compliance with established procedures and processes relative to historic structures per applicable Federal, State and City law.”
- Pursuant to the Fifth Amendment to MDA dated June 4, 2019, because redevelopment had not commenced, Olympia and the DDA established certain milestones relative to development that Olympia needed to meet and required Olympia to deliver a \$33M letter of credit as security for its obligation to complete the redevelopment of the building per the terms set forth in the Fifth Amendment.
- This Project is complete; all milestones in the Fifth Amendment were met, the letter of credit was returned, the 92 residential units (20 percent of which are designaged as affordable housing) are fully leased, the restaurant is open, and Olympia has closed its historic tax credit transaction.

2. **Project Specific Development Agreement Obligations:** Pursuant to those various Project Specific Development Agreements between the DDA and Olympia, described below, Olympia made the following development commitments and pursued the following developments, despite the continuously changing market for real estate development, changing opportunities and economic downturns (terms used but not defined herein having their respective meanings in the PSDAs):

a. Wayne State University Mike Ilitch School of Business:

- *2771 Woodward Avenue*
- Project Specific Development Agreement with the DDA dated July 29, 2016, for the Wayne State University Business School, included classrooms, offices, administrative space, a library, an auditorium, a small café, parking, and related spaces found in a first-class business school
- Approximately 120,000 square feet
- This project is complete and leased to Wayne State University, which operates the Mike Ilitch School of Business.

b. Little Caesars Headquarters (Little Caesars Global Resource Center):

- *2125 Woodward Avenue*
- Project Specific Development Agreement with the DDA dated September 30, 2016, for a mixed-use development with 8 floors of offices over first floor retail; site development includes reconstruction of Columbia Street as a “Festival Street” including curbless street paving from the new Little Caesars Global Resource Center to the Fox Office Centre
- Approximately 234,000 square feet including approximately 24,000 square feet of retail space
- This project is complete subject to notices and punch list items, and is leased to leading global quick-service pizza operator Little Caesars as the sole office tenant and to local restaurants or retailers Union Assembly, Mom’s Spaghetti, The M-Den, and Sahara Restaurant and Grill as ground-floor retail tenants, as well as Frita Batidos and Jo Jo’s Shake Bar as tenants on the opposite side of Columbia Street as renovated pursuant to this development agreement.

c. Henry West Garage (renamed United Wholesale Mortgage Garage):

- *128 W. Fisher Service Drive*
- Project Specific Development Agreement with the DDA dated September 30, 2016
- Mixed use retail/parking complex with approximately 7,000 to 8,000 square feet of retail space on the North side of the property along Henry and a 7 story above-grade parking structure with approximately 532 spaces. Project is designed to accommodate a possible residential or office component, which

would be constructed above the retail podium, but this component is not part of the Accepted Development Plan

- The garage portion of this Project is complete and in operation as a public parking garage; the shell of the Henry Street retail portion of the project is constructed, and will be finished as retail space when a tenant leases the space

d. Building DE Residential:

- *120 Henry Street*
- Project Specific Development Agreement with the DDA is dated December 19, 2017
- 4 story residential building to be constructed within a to-be-created air rights condominium unit above the existing one-story retail podium located within the CMA property, on the north side of Henry between Woodward and Cass, on the Arena site
- 153 residential units
- Olympia was to lease property to Arena Lofts 2016, LLC, which would obtain financing and construct the building
- The transaction between Olympia and Arena Lofts 2016, LLC (an entity controlled by American Community Developers) did not occur, and thus the condominium unit in which this project was to be constructed was never deeded to Olympia by the DDA.
- Olympia is exploring future development of this property and anticipates that this Project Specific Development Agreement will need to be amended to incorporate a new development plan.

e. Temple West Garage:

- *123 Temple Street*
- Project Specific Development Agreement with the DDA dated December 19, 2017
- Mixed use parking/retail/residential complex with approximately 3,600 square feet of potential retail space on the North side of the property along Temple Street (the “Temple Street Retail”) and a 7 story above-grade parking structure with approximately 730 spaces. Project is designed to accommodate residential and retail components, although, except for the Temple Street Retail, these components are not part of the Accepted Development Plan

- This garage portion of this project is complete and in operation as a public parking garage; the shell of the Temple Street retail portion of the project is constructed, and will be finished as retail space when a tenant leases the space

f. Google Office Space:

- *52 Henry Street*
- Project Specific Development Agreement with the DDA dated December 20, 2017, and was amended on March 2, 2018, to change legal description following recordation of the Master Deed
- Two story office building above a one-story retail podium and a second floor with office space on the North side of Henry between Woodward Avenue and Cass, on the Arena site (Building C)
- Approximately 30,085 square feet
- This project is complete, and is leased to global technology company Google as the sole office tenant

g. 2715 Woodward Office Building:

- *2715 Woodward Avenue*
- Project Specific Development Agreement with the DDA dated June 27, 2018
- Mixed Use development with 4 floors of office over first floor retail
- Approximately 110,000 square feet
- This project is complete and has signed leases with Michigan law firm Warner, Norcross + Judd and national consulting company Boston Consulting Group

h. Little Caesars Arena Hotel:

- *2455 Woodward Avenue* (future address of “Hotel Block” located between Woodward Avenue to the east, Henry Street to the north, Park Avenue to the west, and W. Fisher Service Drive to the south)
- Project Specific Development Agreement with the DDA dated October 11, 2022

- Mixed use development consisting of an approximately 14-floor, 290-room hotel, and approximately 30,000 sf of hotel amenity and ground floor retail spaces
- Developer anticipates construction to commence in not later than Q3 2024, with completion anticipated thirty-six (36) months thereafter
- This Project has not yet commenced

3. **Concession Management Agreement Obligations:** Pursuant to that certain Amended and Restated Concession and Management Agreement by and among the DDA, Olympia Development of Michigan Events Center, LLC, and Detroit Red Wings, Inc., dated as of December 11, 2014, as further amended and assigned (the “CMA”), Olympia made the following commitments (terms used but not defined herein having their respective meanings in the CMA):

a. Commitment to Allow the DDA to Use the Events Center:

- Under Sections 11.3(b) and (c) of the CMA, Olympia committed to allow the DDA (subject to unavailability due to use reserved to Olympia or the Red Wings) the use of the Events Center for a civic, charitable, or cultural purpose which does not compete with any business of Olympia or the Red Wings or related person. The use by the DDA for the allowed events shall be pursuant to the requirements set forth in the subsection including but not limited to providing written notice ninety (90) days in advance of the DDA Event. Olympia shall provide the DDA a good faith estimate of managerial, operational, maintenance, utility and any other costs which will be incurred as a result of the DDA Event. The DDA is entitled to retain the net revenues from such events.
- While the DDA has not requested the use of the Events Center for a DDA Event, Olympia fully understands its obligations under these sections.

b. Commitment to Pay Security Costs:

- Under Section 12.2(d) of the CMA, Olympia committed to pay reasonable costs that are related to and germane to security both outside and inside the Events Center.
- Olympia has met this commitment by complying with its 2014 letter agreement regarding Arena security with the Detroit Police Department.

c. Commitment to Implement Workforce Participation Provisions:

- Under Section 22.1 of the CMA, Olympia committed to incorporate provisions requiring the Construction Contractor to implement and administer

business and workforce participation and outreach plan for involving Detroit Headquartered and Detroit-based businesses, and bona-fide City residents in the work to be performed and materials to be supplied in connection with the construction of the Events Center Project. Also included is the Apprenticeship Program under which Olympia committed to utilizing commercially reasonable efforts to develop a robust apprenticeship program by utilizing Greater Detroit unionized construction apprentice schools and other apprentice training groups to accomplish that end.

- Olympia implemented a workforce participation and outreach plan as negotiated with the DDA, in full compliance with the City's executive orders then in effect.

d. Commitment to Post-Construction Inclusion Plan and Employment Objectives:

- Under Section 22.2 of the CMA, Olympia committed to seek to maximize the opportunities to hire and promote Detroit residents and the purchase of goods, supplies and services from business located in Detroit or owned by Detroit residents in connection with ongoing operations of the Events Center. The provision estimates that there will be approximately 1,100 jobs at the Events Center. Olympia anticipated that the proportion of jobs filled by Detroit residents at the Events Center will be consistent with or greater than the number of jobs at the Joe Louis Arena. Olympia committed to use commercially reasonable efforts to recruit qualified Detroit residents to fill employee vacancies at the Event Center, provide internal and external development and training opportunities to prepare Detroit resident employees to qualify for promotional opportunities and ensure that Detroit-based and Detroit resident-owned businesses are given ample opportunities to bid on contracts for goods, supplies and services at the Event Center. Olympia also committed to using commercially reasonable efforts to recruit qualified Detroit residents or workforce programs such as Clean Detroit for ongoing maintenance activities at the Event Center as well as encourage its vendors to hire and use Detroit residents and businesses and provide special consideration to those who do so. The DDA has the option to request a meeting with Olympia to discuss its efforts and results under this Section of the CMA, and held such a meeting with Olympia in September 2019
- Olympia has met this commitment:
 - Prior to the opening of Little Caesars Arena, Olympia held several job fairs, attended by over 13,000 people, to maximize the opportunities for the hiring and promotion of Detroit residents for ongoing operations at Little Caesars Arena. These job fairs were supported by Detroit Employment Solutions Corporation.

- At the 2019 meeting, Olympia demonstrated to the DDA that:
 - As of March 2018, there were over 1,700 more jobs at Little Caesars Arena (3,918) than a year prior at Joe Louis Arena (2,141), and the percentage of Detroit residents performing such jobs (44%) exceeded the percentage of Detroit residents performing such jobs at Joe Louis Arena (28%).
 - Olympia had used commercially reasonable efforts to recruit qualified Detroit residents and once hired, provided on the job training so that such Detroiters could qualify for promotional opportunities. At such time, hiring resources included WSU Career Center, Wayne County Community College, Michigan Works centers, and Detroit Employment Solutions Corporation. In addition, all jobs were posted on the company web site.
 - Olympia encouraged its vendors, such as Delaware North, to hire and use Detroit residents and businesses.
 - Olympia had committed to ensure that Detroit-based businesses were given opportunities to bid on contract awards for goods, supplies and services at Little Caesars Arena, spending roughly \$40,000,000 procuring services and goods from Detroit-based businesses from 2017-2019.
- Olympia continues to meet its commitments under this section of the CMA:
 - As of January 2023, 48% of Arena jobs (3,168 total jobs) are performed by Detroit residents.
 - Olympia continues to use commercially reasonable efforts to recruit qualified Detroit residents and provide on the job training to facilitate promotions. Current hiring resources include Wayne State University Career Services Office; Wayne County Community College Career Services Office; Michigan Works!; Mariners Inn; Goodwill; College of Creative Studies; Focus Hope; Detroit Police Alumni; SERCO; City of Detroit Housing and Revitalization Department; Detroit at Work; Ford Resources; Detroit Green Carrot; and SER Metro. In addition, all jobs are posted on the company web site.
 - Olympia continues to encourage its vendors, such as Delaware North, to hire and use Detroit residents and businesses.

- Olympia continues to ensure that Detroit-based businesses are given opportunities to bid on contract awards for goods, supplies and services at Little Caesars Arena.
 - Fairway Packing Company
 - Del Bene Produce
 - Brooks Lumber
 - The Professional Group
 - Advanced Plumbing
 - Motor City Electric
 - Young Supply Co.
 - Caniff Electric Co.
 - Fred's Key Shop
 - Banner Sign Co
 - American Integrated Supply
 - Carhartt

e. Commitment to Community Development and Youth Programs:

- Under Section 23.1 of the CMA, Olympia committed to engage in community development and youth programs and outreach efforts within the City of Detroit designed to introduce Detroit youth to the game of hockey and/or sports and entertainment business or otherwise foster positive local change throughout the community. Olympia will provide to the DDA not more than one (1) time per calendar year a report summarizing such program undertaken in the previous calendar year and a description of the program anticipated to be undertaken in the current calendar year.
- Olympia, its subconcessionaires, affiliates and related entities, including Ilitch Charities, the Detroit Red Wings Foundation, and the Detroit Tigers Foundation, have met this commitment through many community programs including: Learn, Play, Score; Northwest Goldberg Cares Winter Wonderland Synthetic Ice Rink Grant; Little Caesars Arena Community Open Skates; Detroit PAL Baseball, including the Tiny Tigers Youth Baseball Program; Complimentary Tickets for Detroiters Program (Olympia delivered 56,000+ complimentary Tigers tickets in 2022 to Detroiters / Detroit-based organizations); The Detroit Red Wings Road & Bicycle Safety Program; The #DetroitRoots Neighborhood Tour + Season-long Engagement; Fun At Bat: Summer Tour; Detroit Red Wings and Detroit Tigers Game Changers Series; Hometown Holiday Assist; Detroit Tigers and Detroit Red Wings player visits to Children's Hospital of Michigan, Michigan Veterans Foundation, John. D. Dingell VA Medical Center, and firehouses; Red Wings Play Zone at Children's Hospital of Michigan; Cass Technical High School Internship Program; Project Destined; Detroit Red Wings School Assembly Program; Little Caesars Arena blood drives; National Association of Black Journalists

Townhall; Cass Park Adoption Program; and Little Caesars Love Kitchen meal deliveries.

- Additionally, Olympia, its subconcessionaires, affiliates and related entities, including Ilitch Charities, the Detroit Red Wings Foundation, and the Detroit Tigers Foundation, have provided monetary support to a multitude of community organizations, including those set forth on Exhibit A attached to this memorandum.
- Lastly, Olympia, its subconcessionaires, affiliates and related entities, including Ilitch Charities, the Detroit Red Wings Foundation, and the Detroit Tigers Foundation, have provided in-kind donations to a multitude of community organizations, including those set forth on Exhibit B attached to this memorandum.

f. Commitment to Meet with Neighborhood Advisory Council:

- Under Section 23.2 of the CMA, Olympia committed to meet regularly with NAC on at least a quarterly basis for a minimum of two (2) years after the Commencement Date or five years from the NAC's formation, with the option to extend this period by mutual agreement of the City, the NAC and Olympia .
- Olympia met this commitment to meet with the NAC, which expired in 2019.

4. Additional Development:

Olympia expects that development momentum in The District Detroit will continue through the ten proposed developments that Olympia and its development partner, The Related Companies, have included within the Transformational Brownfield Plan currently under consideration.

Exhibit A
Entities Receiving Financial Support

Alternative for Girls	Goodfellows Fund
American Red Cross	Goodwill Industries of Greater Detroit
Arthritis Foundation of Michigan	Health Emergency Lifeline Programs
Autism Alliance of Michigan	Humble Design
Belle Isle Conservancy	John D. Dingell VA Medical Center
Beyond Basics	JVS Detroit
Big Brothers Big Sisters of Metropolitan Detroit	Karmanos Cancer Institute
Black Family Development	Kids on the Go
Boy Scouts of America Great Lakes FS Council	Latin Americans for Social and Economic Development (LA SED)
Boys & Girls Club of Southeastern Michigan	Leukemia and Lymphoma Society
CATCH: Sparky Anderson's Charity for Children	Light Up Detroit
Child and Family Services	Mack Alive
Children's Hospital of Michigan Foundation	March of Dimes
Children's Tumor Foundation	Marine Week Detroit
City of Detroit Motor City Makeover	Mariners Inn
City Year Detroit	Michigan Black Chamber of Commerce
Clark Park Coalition	Michigan Fitness Foundation
Coalition On Temporary Shelter (COTS)	Michigan High School Baseball Coaches Association
College for Creative Studies	Michigan Jewish Sports Foundation
Community Foundation for Southeast Michigan	Michigan Sports Hall of Fame
Community Social Services	Michigan Veterans Foundation
Crime Stoppers of Michigan	Museum of Contemporary Art + Design (MOCAD)
Detroit Children's Choir	NAACP
Detroit Children's Fund	National Association of Black Journalists
Detroit Concert for a Cure	National Business League
Detroit Donates	Neighborhood Service Organization (NSO)
Detroit Entertainment District Association	Old Newsboys' Goodfellow Fund of Detroit
Detroit Institute of Arts (DIA)	Payne Pulliam School of Trade & Commerce
Detroit PAL	Pelotonia Cancer Research
Detroit Public Safety Foundation	Rhonda Walker Foundation
Detroit Public Schools Foundation	S.A.Y. Detroit
Detroit Rescue Mission Ministries	SER-Metro Detroit
Detroit Sports Commission	St. Francis D'Assisi-St. Hedwig Parish
Detroit Sports Media	Susan G. Komen (Pink Elevator)
Detroit Symphony Orchestra	The Children's Center
Detroit Windsor Dance Academy	The EMG Foundation
Detroit Youth Sports Commission	The Parade Company
Detroit Zoological Society	University Detroit Jesuit Scholarship
Dignity Detroit	Variety The Children's Charity
Fisher House Detroit	Volunteers of America
Forgotten Harvest	Wayne State University
Franklin-Wright Settlements	Women of Tomorrow

Exhibit B
List of Entities Receiving In-Kind Donations

A Place of Our Own Clubhouse
A.L. Holmes Academy of Blended Learning
Accounting Aid Society
Adams/Butzel Recreation Complex
Adopt-A-Park Program
Adult Well Being Services
Alpha Epsilon Phi Sorority

Alpha Kappa Alpha Foundation of Detroit
Alternatives For Girls
American Heart Association Walk
American Human Rights Council
American Red Cross
Amplify Christian Church
Archdiocese of Detroit
Arthritis Foundation
Arts and Scraps
Autism Alliance of Michigan
Ballet Folklorico De Detroit
Behavioral Health Professionals Inc.
Belle Isle Conservancy
Big Brothers Big Sisters of Metropolitan Detroit
Black Family Development, Inc.
BoATFE G.R.E.A.T (Gang Resistance Educ. & Training)
Boy Scouts of America
Boys & Girls Club of SE Michigan
Boys Hope Girls Hope
Brazeal + Dennard Chorale Choir
Bridging Communities
Brown Bag Kitchen Workers
Brush Park Manor
Bunche Elementary Prep Academy
Burton International School
Cancer Awareness and Resource Network
Capuchin Soup Kitchen
Carelton Elementary School
Detroit Aint Violent Its Safe (DAVIS)
Detroit Area Pre-College Engineering Program
Detroit Baseball Clinics through Ike Blessitt
Detroit Blight Busters
Detroit Branch NAACP
Detroit Bridge Unit
Detroit Catholic Pastoral Alliance
Detroit Central City CMH - Women's Trauma Program

Caring Athletes Team for Children's and Henry Ford Hospitals
Cass Community Social Services Inc
Cass Technical High School
CATCH: Sparky Anderson's Charity for Children
Catholic Youth Organization
Center For Success
Central City Integ Health - Adult Foster Care/Employment
Centria Autism Services
Challenge Detroit
Charity Motors
Charles H. Wright Museum of African American History
Children's Hospital of Michigan Foundation
Children's Leukemia Foundation
Children's Miracle Network
Christ Child House
Christ the King Parish
City of Detroit - Water & Sewage Department Security
Clark Park Coalition
Coalition on Temporary Shelter (COTS)
COBO - Office of Public Safety
Cody Rouge Community Action Alliance
Coleman A. Young Foundation
College For Creative Studies

Commercial Real-Estate Women
Commerorative Air Force Red Tails Squadron
Communities of Hope
Community and Home Supports
Community Social Services Of Wayne County
Core Orchards Detroit
Corktown Development Corporation
Covenant House Michigan
Creative Movement Brazil
Crimestoppers of Michigan
Crossroads of Michigan
Detroit 300 Conservancy
Detroit SWIMS
Detroit Vet Center
Detroit Wayne Mental Health Authority
Detroit Yacht Club Foundation
Development Centers Detroit
Disabled American Veterans
Dixon Educational Learning Academy
DMC Care Express

Detroit City Bikes	Don Bosco Hall
Detroit Collegiate Preparatory HS at Northwestern	Dove Academy Of Detroit
Detroit Community Health Connection, Inc.	Down Syndrome Guild of SE Michigan
Detroit Crime Commission	Downtown Boxing Gym
Detroit Cristo Rey High School	Downtown Detroit Partnership
Detroit Dog Rescue	Earhart Elementary & Middle School
Detroit Drug Enforcement Agency	Eastern Market
Detroit Experience Factory	Edison Elementary
Detroit Fire Department - CR & PS Headquarters	Elizabeth Glaser Pediatric AIDS
Detroit Goodfellows	Epiphany Education Center
Detroit Hispanic Development Corporation	Escuela Avancemos Academy
Detroit Historical Society	Families on the Move
Detroit Hope Clubhouse - Development Centers	Focus: HOPE
Detroit Institute of Arts (DIA)	Forgotten Harvest
Detroit Labor Force	Franklin-Wright Settlements
Detroit Leadership Academy	Free Legal Aid Clinic, Inc.
Detroit Lions Foundation	Friends for Animal of Metro Detroit
Detroit Merit Academy	G.E.A.R. Services Detroit
Detroit Metropolitan Bar Association	Galilee Missionary Baptist Church Men's Ministry
Detroit PAL	GE Funding - Detroit Martial Arts Institute LS
Detroit Parent Network	Girl Scouts of Southeastern MI
Detroit Phoenix Center	Gleaners Community Food Bank
Detroit Police Department - 12th Precinct - Senior CG	Gompers Elementary
Detroit Police Department - 4th Precinct	Goodwill Industries of Greater Detroit
Detroit Police Department - 7th Precinct	Great Lakes Field Service Council
Detroit Police Department - Central Business District	Greater Grace Temple
Detroit Police Department - Crime Scene Services	Greenfield Elementary PTA
Detroit Police Department - Downtown Tactical Ops	Greenhouse Apartments Group
Detroit Police Department - RSA	Hartford Nursing and Rehabilitation Center
Detroit Police Department - Special Victims Unit	Health Emergency Lifeline Programs (HELP)
Detroit Police Department - Traffic Division	Henry Ford Academy School for Creative Studies
Detroit Police Department Academy	Henry Ford Health System - Detroit
Detroit Prep	Holy Redeemer Grade School
Detroit Public Safety Foundation	Holy Trinity Church
Detroit Public Schools Community District	Homes For Black Children
Detroit Recreation Center	HUDA Clinic
Detroit Rescue Mission Ministries	Humble Design
Detroit Riverfront Conservancy	Inner City Clubhouse
Detroit Sports Commission	Jalen Rose Leadership Academy
Detroit Sports Media	John D. Dingell VA Medical Center
Detroit Sports Zone, Inc.	John R. King Academic Performing Arts Center

JVS Human Services Detroit
Karmanos Cancer Institute
Keeping Kids in the Game
Kids Without Cancer
Know Thyself Foundation
Latino Family Services
Let's Go Detroit
Leukemia & Lymphoma Society
Life Challenge Ministries
Life Directions
Life Remodeled
LifeBUILDERS
Lions Hearing Center of Michigan
Loyola High School
Lupus Detroit
Majik Touch Dance Company
Mariners Inn
Mark Murray Elementary
Martin Evans Missionary Baptist Church

Martin Luther King Jr. School
Marygrove College
Matrix Human Services
MCEDSV
Mercy Education Project
Metropolitan Detroit Center for Independent Living
Metropolitan United Methodist Church
Michael Lee Searcy Community Development Center
Michelle Obama Tour
Michigan Anti-Cruelty Society
Michigan Black Chamber of Commerce
Michigan Career Days
Michigan Coalition for Human Rights
Michigan Humane Society
Michigan Medicare Medicaid Assistance/DAAoA
Michigan Opera Theatre
Michigan Psychoanalytic Foundation
Michigan Roundtable for Diversity and Inclusion
Michigan Tech: Detroit Chapter Scholarship
Michigan Thanksgiving Day Parade
Michigan Veterans Foundation

Michigan Women's Foundation
Midnight Golf Program
Minds Matter of Detroit, Inc.
Mittens for Detroit
Most Holy Trinity School
Motor City Bulldogs 8U
MotorCity Makeover
Mt. Carmel Missionary Baptist Church

National Black MBA Association
National Business League
Neighborhood Service Organization (NSO)
New Bright Star Missionary Baptist Church
New Galilee Missionary Baptist Church
New Jerusalem Missionary Baptist Church
No Child without a Christmas
Northeast Guidance Center
Old St. Mary's Catholic Church
Orchard's Childrens Services
Parade Company Thanksgiving Day
Penrickton School for the Blind
People for Palmer Park
Pepsico Foundation
Playworks
Plymouth United Church of Christ
Pope Francis Center
Project Homeless Connect
Province of St. Joseph of the Capuchin Soup Kitchen
Raices Mexicanasa De Detroit
Read to a Child, Inc.
Rebel Nell (TEA)
Restoration Fellowship Tabernacle
Revive Detroit CD Corporation- Cody Rouge
Rhonda Walker Foundation

RIM Foundation
Robert Mathog Lions Hearing Centers

Robert R. Frank Student-Run Free Clinic
Rock CF Foundation
Ronald McDonald House Detroit
Ross Initiative in Sports for Equality (RISE)
Ruth Ellis
S.A.Y. Detroit
Sacred Heart Seminary
SER Metro Detroit
SHAR Rehabilitation Center
Sheffield Manor Nursing and Rehab Center
SMASH Scholars
Society of St. Vincent de Paul
Southeast Michigan Adult Rehabilitation Center
Southern Style Care
Southwest Aztecs
Southwest Detroit Business Association
Southwest Detroit Environmental Vision
Spain Elementary School
Spectrum Human Services
Sphinx Organization
St Dominic Outreach Center

National Association of Black Journalists
St. Francis D'Assisi-St. Hedwig Parish
St. John Hospital Foundation
St. John's Episcopal Church
St. Joseph Roman Catholic Church
St. Paul of the Cross Passionist Retreat Center
St. Vincent and Sarah Fisher Center
Ste. Anne Parish de Detroit

Summer in the City
The Avalon Village

The Beaumont Foundation

The Boggs Educational Center Project Team
The Children's Center
Community Health & Social Services Center - La Vida
The Detroit Regional LGBT Chamber of Commerce
The Greening of Detroit
The Heat and Warmth Fund (THAW)
The Mattie H. Ware Community Fund
The Natural Momma Me Initiative
The Parade Company
The Salvation Army - Adult Rehabilitation Center
The Salvation Army - William Booth Legal Aid Clinic
Third New Hope Baptist Church
Thriveology
Thurgood Marshall Elementary School
Tiger Sharks Swim Team of Detroit
Tour De Troit
Toys for Tots
Triumph Church
Tux and Chucks
U.S. Citizenship and Immigration Services
UCP Detroit
United Way for Southeastern Michigan
University of Dayton - Detroit Alumni Chapter
University of Detroit Jesuit High School and Academy
University of Detroit Mercy
Urban Link Village
US Coast Guard - Sector Detroit
Vernor Elementary School
Vet Center - Detroit
Victory Fellowship Missionary Baptist Church
Volunteers of America
Voyageur Academy
Warren Plaza Apartments Senior Group
Wayne Children's Healthcare Access Program
Wayne County Airport Authority

St. Elizabeth Catholic Church
Wayne County Medical Society Foundation
Wayne County Sheriff
Wayne County Sheriff - Reserve Division
Wayne Metro Community Action Agency
Wayne State Medical Alumni Association
Wayne State University - Athletic Department
Wayne State University - Community Health Pipeline
Wayne State University - High Program
Wayne State University - Kinesiology, Health and Sports
Wayne State University - Mike Ilitch School of Business
Wayne State University - Police Department
Wayne State University - School of Medicine
Wayne State University - Sports Management

Wayne State University - Student Veterans
Wayne State University - Youth Baseball Camp
Wayne State University School of Medicine
Whitman Elementary School
William Booth Legal Aid Clinic
Woodbridge Neighborhood Development
Woodside Bible Church Detroit
YMCA of Metropolitan Detroit

\$235 MILLION
TO WORTHY CAUSES

1M DETROIT YOUTH
IMPACTED BY SPORTS

OVER 6.5 MILLION
FED DURING DISASTER RELIEF

100 DIVERSE
COMMUNITY PROGRAMS

50,000 VOLUNTEER
HOURS WITHIN THE COMMUNITY

Commitment to the Community: Education; Employment; Economic Inclusion; Environmental Justice; Engagement

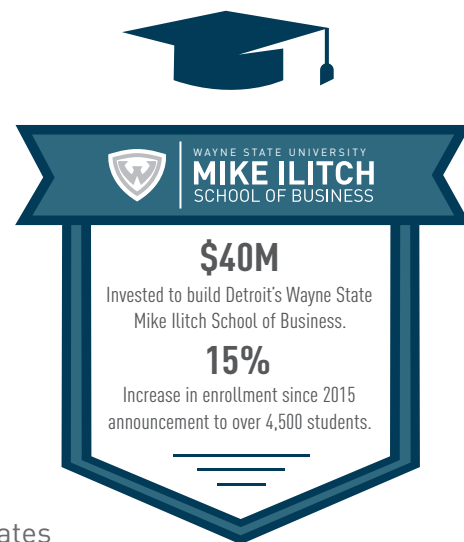
EDUCATION



DETROIT RED WINGS LEARN, PLAY, SCORE PROGRAM

\$1M

- Includes **78** Detroit Public Schools
- Engages **30,000+** children annually
- \$300,000** towards Esports + Hockey pilot
- 800** Detroit families hosted for free open skates



EMPLOYMENT



1,000
CONSTRUCTION APPRENTICESHIPS

\$6 MILLION+
INVESTED IN WORKFORCE DEVELOPMENT

20,000+ JOBS
CONSTRUCTION & CONSTRUCTION-RELATED

ECONOMIC INCLUSION

60% CONTRACTS
TO DETROIT-BASED COMPANIES AND

200,000+ SQ. FT.
DEDICATED TO INNOVATION

\$530 MILLION
REINVESTED IN THE DISTRICT DETROIT

30%
OF RESIDENTIAL IS AFFORDABLE HOUSING

22 LITTLE CAESARS STORES IN DETROIT

ENVIRONMENTAL JUSTICE



ENGAGEMENT

550 Detroit-based community organizations supported

\$32,000 Donated to 30+ local Game Changers annually by Ilitch Sports + Entertainment

100+ Christmas trees have been donated to COTS

55,000+ Sporting ticket donations to Detroiters

5,000+ Detroiters served by Little Caesars Love Kitchen this year

\$500,000 to NAACP Detroit Branch Freedom Fund

PANDEMIC RESPONSE

1 MILLION+ PIZZAS
Donated to healthcare workers both nationally and to Michigan hospitals.

\$2 MILLION IN FUNDS
To support the Ilitch companies part-time event staff across all venues.

6,500 LBS OF FOOD
More than 3 tons donated to Forgotten Harvest across the Ilitch companies venues.

90,000+ MASKS
and Personal Protection Equipment donated to communities across Detroit.

41,000+ LUNCHES
Donated to youth across Detroit and Forgotten Harvest from the Detroit Tigers.

2,000 BREAKFAST KITS
Donated from the Detroit Red Wings to Forgotten Harvest to feed families across Detroit.



THE DISTRICT DETROIT

TBP ECONOMIC AND FISCAL IMPACT ANALYSIS

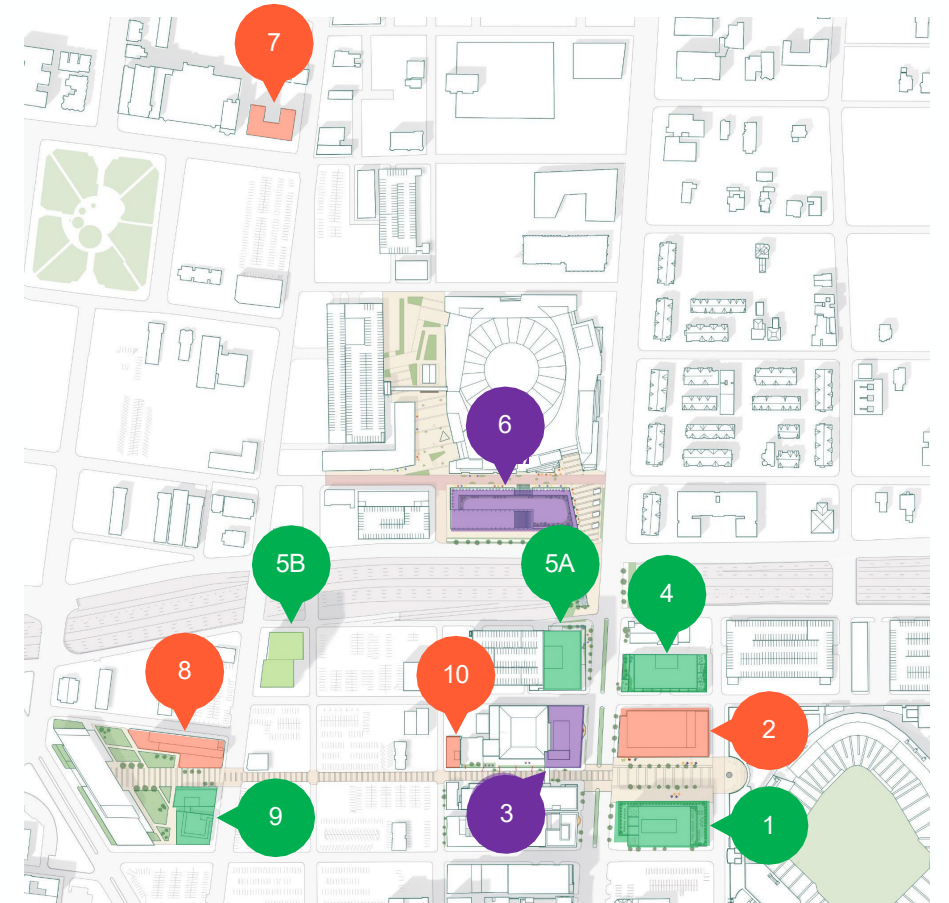
OCTOBER 2022

Executive Summary

This plan presents a vision for inclusive, purpose-driven and transformational real estate development in The District Detroit.

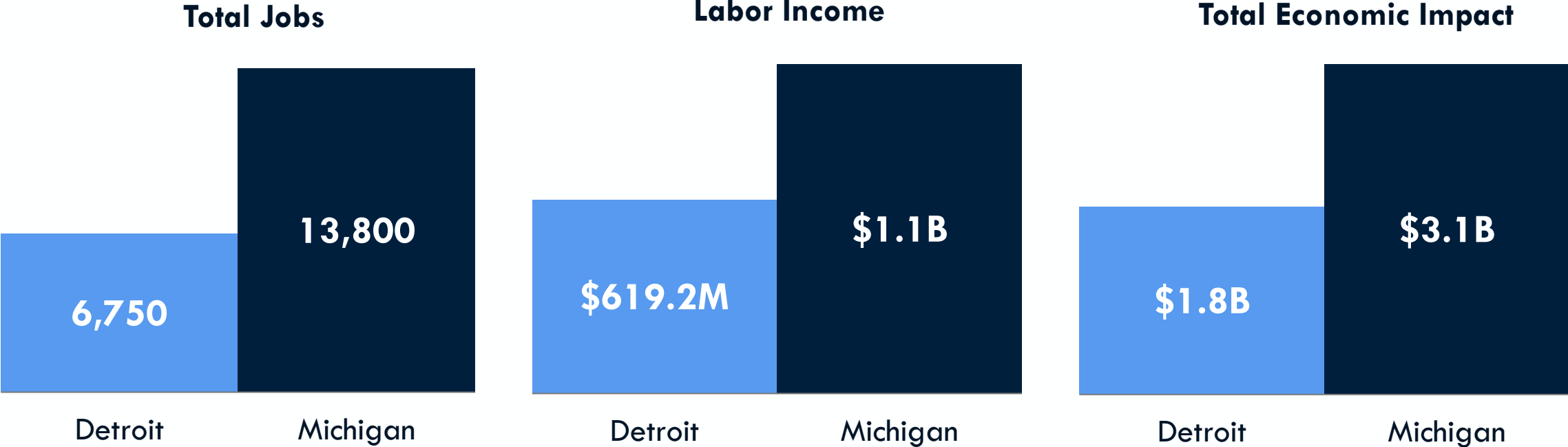
The development program of the 10 Proposed Projects in the Transformational Brownfield Plan (TBP):

Use	Development Program (GSF)	Program Portion (%)
Multifamily	735,000	26%
Retail	168,000	6%
Office	1,228,000	44%
Hotel	434,000	15%
Parking	251,000	9%
Total	2,806,000	100%



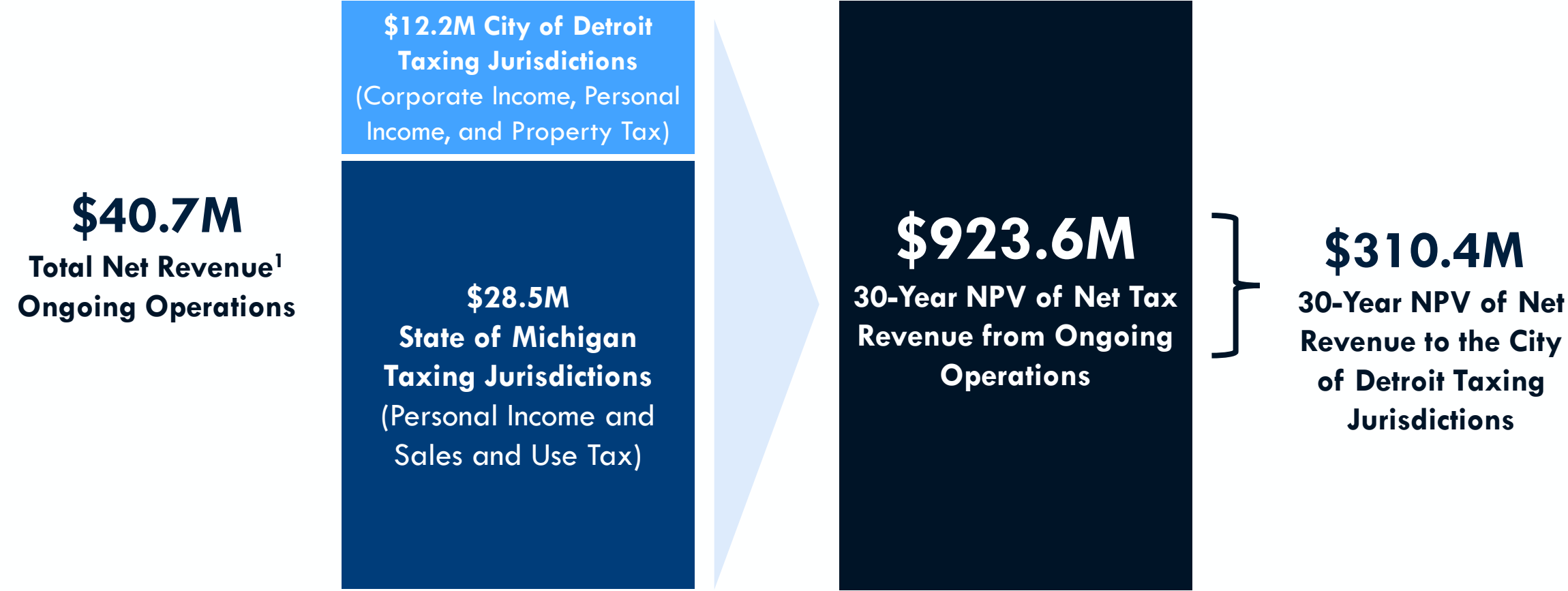
Operations at the Proposed Projects will support 6,750 jobs annually in the City, with an average income of \$95,000 per year.

Economic Impacts from Ongoing District Operations (Annual – Stabilized Year)



Source: HR&A analysis of IMPLAN data. Total economic impacts are rounded to the nearest \$100M (in 2022 dollars). Job impacts are rounded to the nearest 10. Earnings impacts are rounded to the nearest \$1,000,000 (in 2022 dollars).

Annually, this will create \$40.7 million in net fiscal revenues to the City, County, and State, generating a combined \$923.6 million over 30 years.



¹ Assumes tax incentives (including abatements and exemptions) with a 30-year net present value of \$335M. Source: HR&A Analysis. Estimates are rounded to the nearest 100,000. These revenues represent net revenues inclusive of tax incentive estimates provided by the Development Team.

Economic & Fiscal Impacts

Impact Study Methodology

Overview

HR&A Advisors, Inc. was engaged by Related Olympia Predevelopment Company LLC (the Development Team) to estimate the economic and fiscal impacts generated by the proposed development of 10 projects (the Proposed Projects) in The District Detroit. This analysis supports the Development Team's vision of an even more robust district incorporating mixed-use office, retail, residential, hotel, and a synergistic academic hub in Detroit by estimating the impacts of the Proposed Projects on the city's economy.

This presentation summarizes HR&A's estimates of economic and fiscal impacts within the City of Detroit and the State of Michigan based on information about the project's anticipated program, development costs, and timeline shared by the Development Team.

Economic Impact Analysis

HR&A's economic impact analysis estimates the multiplier effects of the proposed development on the economy in terms of jobs, earnings, and economic output. HR&A used the IMPLAN input-output model, to estimate the economic impacts of the Proposed Projects within Detroit and Michigan, using multipliers for the city and state.

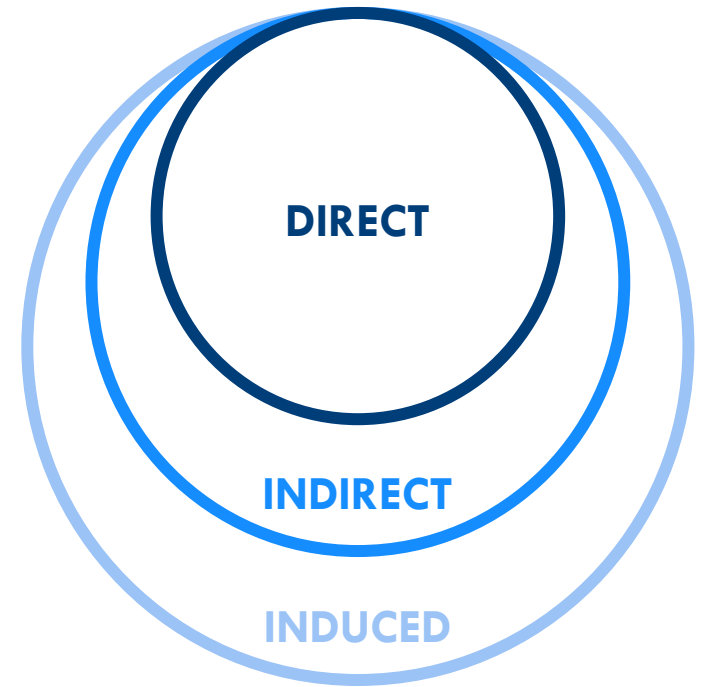
Fiscal Impact Analysis

HR&A's fiscal impact analysis estimates the personal income, city corporate income, sales and use, and property tax revenue to the City of Detroit and State of Michigan based on the direct and multiplier economic impacts. Future revenues are adjusted, if applicable, using an average inflation assumption of 3% per year based on inflation between 2018 to 2021. All results are shown in constant 2022-dollars unless otherwise specified.

Economic Impact Analysis: Impact Definitions

HR&A's analysis uses IMPLAN, an industry standard input-output model, to evaluate the economic impacts of the Proposed Projects to the city of Detroit and state of Michigan. For each dollar spent in the economy, IMPLAN traces the pattern of commodity purchases and sales between 546 industries within the specified geography.

- Direct Impacts**
 - The **direct impact** is the initial change in employment or spending attributable to the development (e.g. construction of new buildings).
- Multiplier Impacts**
 - The **indirect impact** is the change in employment or spending by businesses that supply the directly affected industry (e.g. construction material suppliers).
 - The **induced impact** is the change in household spending of employees who are compensated for working in the direct and indirectly affected industries (e.g. food and beverage spending by construction workers).



Economic and Fiscal Impact Analysis: Gross and Net Impact Definitions

Gross Impacts

Gross impacts are the impacts of a project without accounting for any leakage, negative impacts, and fiscal costs. Generally, they will be larger than net new impacts since they do not represent the increment over existing operations.

Net New Impacts

Net new impacts are the impacts that would not occur *but for* the construction and operation of a project. They account for any leakage, negative impacts, and fiscal costs.

Development of the Proposed Projects will generate new economic and fiscal impacts driven by job creation and new spending from workers, residents, and visitors.

Existing Operations

The impacts generated by existing operations on the project sites. Development of the Proposed Projects will replace existing operations at the development sites, which has been accounted for in this study.

**GROSS
IMPACTS**

**NET NEW
IMPACTS**

**EXISTING
OPERATIONS**

Economic Impact Analysis: One-Time and Operations Assumptions

HR&A Developed assumptions for the economic impact analysis using financial underwriting materials provided by the Development Team as well as third party reports and desktop research cited throughout these findings and the appendix. Unlike construction impacts, which are calculated based on spending (total development costs), ongoing impacts are based on employment or spending as described in more detail below.

Jobs:

Employment impacts from one-time construction are presented in “job-years,” or the creation of one job for one year.

Ongoing Operations:

HR&A assumed a five-year construction period.

Vacancy:

Assumptions for program vacancy are based on the midpoints between vacancy rates in both downtown Detroit and the Detroit metro area prior to the COVID-19 pandemic and after for office (Newmark quarterly reports in 2019 and 2022), retail (CoStar and Colliers quarterly reports 2019 and 2022), hotel (CoStar 2019 and 2022) and residential (American Community Survey 5-year estimates 2015 and 2020).

Economic Impact Analysis: One-Time and Operations Assumptions

Hotel Spending:

To estimate annual hotel spending at the site, HR&A used an assumption of \$400 Average Daily Rate (ADR) based on the Development Team's prospective tenants' business models.

Retail Program:

The retail program will be comprised of 137,000 net square feet. This program assumes 20% of retail (27,000 net square feet) will be used for soft goods, 40% (55,000 net square feet) will be used for limited-service food and beverage and 40% (55,000 net square feet) will be used by full-service food and beverage businesses.

Retail Spending:

To estimate annual retail spending at the site, HR&A used an assumption of \$905 per square foot at soft goods retailers, \$1,130 per square foot at limited-service food and beverage retailers, and \$880 per square foot at full-service food and beverage retailers. These assumptions are based on sales by soft goods and food and beverage retailers in the 2019 Retail MAXIM national sales report and adjusted to 2022 dollars.

Economic Impact Analysis: Development Program Assumptions

Program Use	Gross Area (GSF)	Net Area (NSF)	Stabilized Vacancy	Input	Assumption (Employee Density or Spending)
Residential	735,000	519,000	5%	Jobs	18,000 NSF/Worker
Office	1,228,000	1,143,000	15%	Jobs	250 GSF/Worker
Retail¹	158,000	137,000	10%	Spending	
20% Soft Goods	32,000	27,000	10%	Spending	\$910 PNSF
40% Full-Service F&B	63,000	55,000	10%	Spending	\$880 PNSF
40% Limited-Service F&B	63,000	55,000	10%	Spending	\$1,130 PNSF
Hotel	434,000	394,000	30%	Spending	
2455 Woodward – Little Caesars Arena Hotel	253,000	215,000 (290 Rooms)	30%	Spending	\$400 ADR ²
2211 Woodward – Fox Hotel	181,000	179,000 (177 Rooms)	30%	Spending	\$400 ADR ²
Total		2,555,000 (2,193,000)			

¹ Retail spending, including food and beverage as well as soft goods, is based on estimated on-site retail sales. The total impact from retail spending associated with the project is likely be greater due to workers employed at the project and new residents residing at the project who will generate off-site spending, which is accounted for in the fiscal impact analysis.

² In addition to the Average Daily Rates (ADR), the Development Team assumes 69% of revenue from the Little Caesars Arena Hotel and 67% of revenue from the Fox Hotel will come from rooms.

Economic Impact Analysis: Office Employment Composition Assumptions

HR&A modeled the project's office employment based on the following worker density and program assumptions.

Office Worker Density:

HR&A assumed 250 gross square feet per worker for the office program across the Proposed Projects. This assumption was developed by reviewing and benchmarking worker density assumptions from localities across the United States. The benchmarking was informed by academic literature as well as conversations with local economic development in various cities.

Office Program

HR&A made assumptions about the distribution of office workers by industry based on the Development Team's analysis of office leases in the Detroit Metropolitan Statistical Area in 2021, then adjusted for an anticipated growth in tech industries driven by the Detroit Center for Innovation and The District Detroit; outliers from industries with notable headquarters in the region; and current leasing leads.

To adjust for prospective tenanting based on the Development Team's tenanting strategy as well as the central business district's concentration of finance and business occupations;¹ HR&A reallocated 50% of the office program from insurance carriers to depository credit intermediation.

The District Detroit, particularly through the presence of the Detroit Center for Innovation, is anticipated to support Detroit's growing tech industry. For this reason, HR&A reallocated shares of industries that comprised less than 5% of the region's existing office program to three tech subsectors: computer systems design and related services; data processing, hosting, and related services; and scientific research and development services. With this adjustment, the office program assumes that 30% of the office space leased and jobs created by the project will be to companies in tech ecosystem.² As of 2020, 33% of workers in the central business district worked in one of the city's high growth industries: Professional Services, Science, Tech and Management.¹

¹ [Downtown Detroit Partnership's analysis of US Census Bureau ACS 5-year 2016-2020 data.](#) | ² See the Appendix for HR&A's definition of the tech ecosystem, including its industries and occupations.

Economic Impact Analysis: Office Employment Composition Assumptions

Industry	Share of Office Program	Area (NSF)	Employee Density (GSF/Worker)	Gross Jobs ²	Average Salary ³
Computer systems design and related services ¹	12%	132,000	250	530	\$141,000
Data processing, hosting and related services ¹	8%	91,000	250	360	\$110,000
Insurance carriers	10%	109,000	250	440	\$85,000
Activities related to credit intermediation	10%	114,000	250	450	\$132,000
Architectural and engineering services	10%	109,000	250	440	\$120,000
Advertising, PR, and related services	6%	65,000	250	260	\$91,000
Management and technical consulting services	7%	81,000	250	330	\$118,000
Other Professional, Scientific, and Technical Services	10%	109,000	250	440	\$100,000
Scientific research and development services ¹	10%	112,000	250	450	\$134,000
Depository credit intermediation	19%	221,000	250	880	\$103,000
Total	100.0%	1,143,000	250	4,580	\$114,000

¹ Tech industry.

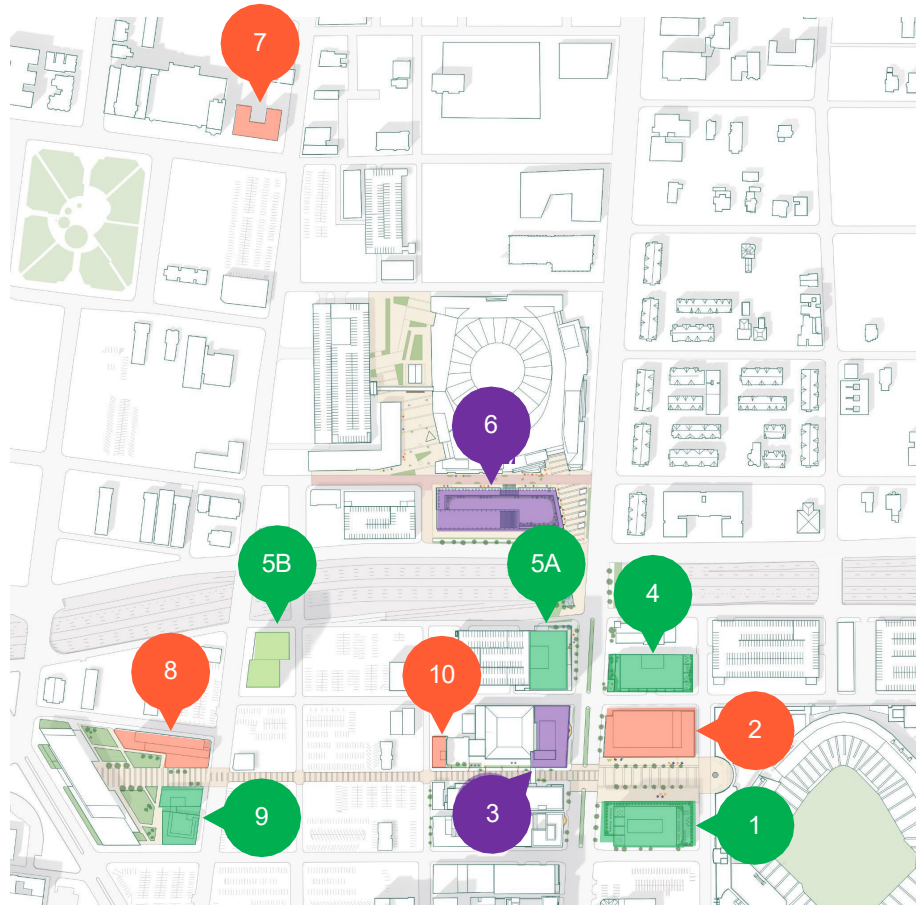
² Total gross office jobs accounts for office vacancy and includes full and part-time jobs. It does not account for existing office workers at the development site.

³ This table provides average salaries for direct jobs in office sectors. The average salary for direct jobs across office sectors in the development program is \$114,000 per year compared to an average salary of \$95,000 per year for direct jobs throughout the Proposed Project's uses (office, retail, hotel, and residential).

Economic Impact Analysis: Development Costs Assumptions

The Proposed Projects would consist of 2.8 million gross square feet across a mix of uses and has an estimated development cost of \$1.5 billion.

Parcel	Building	Development Cost ¹
1	2200 Woodward – Office	\$321 M
2	2250 Woodward – Residential	\$217 M
3	2211 Woodward – Fox Hotel	\$123 M
4	2300 Woodward – Mixed-Use	\$82 M
5 A/B	2305 Woodward / 2300 Cass – A/B Flexible Site – Office	\$283 M
6	2455 Woodward – Little Caesars Arena Hotel	\$192 M
7	408 Temple – The American Residential	\$69 M
8	2505 Cass – DCI Residential	\$148 M
9	2115 Cass – DCI Business Incubator	\$55 M
10	2210 Park – Detroit Life Residential	\$24 M
TOTAL		\$1.5 B



Parcels shown in blue are included in the Transformational Brownfield Plan application.

¹ Cost estimated are provided by the Development Team.

Economic Impacts of One-Time Construction

Construction of the project will support approximately **19,780 total construction-related jobs in Michigan**, of which **12,450 will be direct jobs on-site**, 1,820 will be indirect jobs in the state, and 5,510 will be induced jobs in the state. This includes full-time and part-time jobs. We estimate that **13,060 jobs will be within the city of Detroit**. Over the course of the five-year construction period, the project will sustain an average of 3,960 jobs per year in Michigan, of which 2,610 are expected to be within the city of Detroit.

Construction is expected to generate **\$1.3 billion in labor income in Michigan**, of which **\$904.9 million will be in Detroit** itself, including **\$865.8 million in direct labor income**. Direct construction jobs generated by the project are estimated to align with an **average wage of \$70,000 per year**. Construction is also projected to yield approximately **\$2.8 billion in economic output in Michigan**. Detailed economic impacts from construction are available in the Appendix.

Impacts to Detroit

13,060

Jobs

\$904.9M

Earnings

\$1.6B

Economic Output

Impacts to Michigan

19,780

Jobs

\$1.3B

Earnings

\$2.8B

Economic Output

Source: HR&A analysis of IMPLAN data. Job impacts are rounded to the nearest 10. Earnings and economic output impacts are rounded to the nearest \$100,000 (in 2022 dollars).

Economic Impacts of Ongoing Operations

Annual operations of the project will support approximately **13,800 total jobs in Michigan**, of which **5,790 will be direct jobs on-site**. This includes full- and part-time jobs. We estimate that **6,750 jobs will be within the city of Detroit**, equal to **2% of all jobs** in the city.

Based on the project program provided by the Development Team, HR&A assumed that most of the retail jobs will be in soft goods and food and beverage. Based on market research, HR&A assumed that most office jobs will be in technology, finance, and insurance, marketing and other professional services. A breakdown of these office jobs is provided on page 14. Among these industries, 33% of jobs in do not require a four-year Bachelor's degree.

Operations are expected to generate **\$1.1 billion in labor income in Michigan**, of which **\$619.2 million will be in Detroit** itself, including **\$548.3 million in direct labor income**. We expect that upon completion, the project will attract professional office, retail, and hospitality tenants with jobs that earn **\$95,000 per year on average**. Operations are also projected to yield approximately **\$3.1 billion per year in economic output** in Michigan.

Impacts to Detroit

6,750

Jobs

\$619.2M

Earnings

\$1.8B

Economic Output

Impacts to Michigan

13,800

Jobs

\$1.1B

Earnings

\$3.1B

Economic Output

Sources: HR&A analysis of EMSI 2021 labor data. HR&A analysis of IMPLAN data. Job impacts are rounded to the nearest 10. Earnings and economic output impacts are rounded to the nearest \$100,000 (in 2022 dollars).

Types of Office Jobs Anticipated from the Project's Ongoing Operations

The table below summarizes the most common occupations among the sectors anticipated in the Proposed Projects' office program.

Industry	Largest Occupations (Position and Estimated Number of Jobs ¹)		Educational Attainment Required	Median Hourly Earnings
Banking	Loan Officers	210	Bachelor's degree	\$38.13
	Tellers	150	High school diploma or equivalent	\$17.53
	Sales Agents	110	Bachelor's degree	\$29.09
	Loan Interviewers	95	High school diploma or equivalent	\$22.94
Insurance	Customer Service Representatives	65	High school diploma or equivalent	\$17.87
	Claims Adjuster	40	High school diploma or equivalent	\$36.15
	Insurance Claims Clerks	30	High school diploma or equivalent	\$22.40
	Insurance Sales Agents	30	High school diploma or equivalent	\$22.11
Tech	Software Developer	245	Bachelor's degree	\$50.33
	Computer Systems Analyst	75	Bachelor's degree	\$50.00
	Sales Representative	40	High school diploma or equivalent	\$29.82
	Customer Service Representative	25	High school diploma or equivalent	\$17.87
Design, Marketing, and Consulting	Mechanical Engineers	70	Bachelor's degree	\$46.14
	Management Analysts	70	Bachelor's degree	\$40.09
	Inspectors and Samplers	45	High school diploma or equivalent	\$17.63
	Office Clerks	40	High school diploma or equivalent	\$18.29

¹ Estimates by industry are based on the number of occupations in each industry as of 2021.

Source: HR&A analysis of EMSI 2021 labor data, which relies of geography-specific data from the US Bureau of Labor Statistics.

Annual Impacts to the City and State: Jobs

Impact Category	Residential	Retail	Office	Hotel	Total
Direct Jobs	30	1,110	4,250	390	5,790
Indirect Jobs					
Jobs in Detroit	0	40	760	20	830
Jobs Outside of Detroit	10	170	2,970	90	3,240
Jobs in Michigan	10	210	3,730	110	4,070
Induced Jobs					
Jobs in Detroit	0	10	120	10	140
Jobs Outside of Detroit	10	210	3,430	140	3,800
Jobs in Michigan	10	220	3,550	150	3,940
Total Jobs in Detroit	30	1,160	5,130	420	6,750
Total Jobs in Michigan	50	1,540	11,530	650	13,800

Source: HR&A analysis of IMPLAN data. Job impacts are rounded to the nearest 10. Totals may not sum precisely due to independent rounding.

Annual Impacts to the City and State: Earnings

Impact Category	Residential	Retail	Office	Hotel	Total
Direct Earnings	\$1.8M	\$35.6M	\$484.8M	\$26.1M	\$548.3M
Indirect Earnings					
Earnings in Detroit	\$0.1M	\$3.9M	\$57.0M	\$1.8M	\$62.8M
Earnings Outside of Detroit	\$0.8M	\$13.7M	\$198.2M	\$6.0M	\$218.8M
Earnings in Michigan	\$0.9M	\$17.6M	\$255.2M	\$7.8M	\$281.6M
Induced Earnings					
Earnings in Detroit	-	\$0.6M	\$6.9M	\$0.6M	\$8.2M
Earnings Outside of Detroit	\$0.8M	\$14.3M	\$190.9M	\$8.1M	\$214.M
Earnings in Michigan	\$0.8M	\$14.9M	\$197.8M	\$8.7M	\$222.2M
Total Earnings in Detroit	\$2.0M	\$40.1M	\$548.7M	\$28.5M	\$619.2M
Total Earnings in Michigan	\$3.5M	\$68.1M	\$937.8M	\$42.6M	\$1.1B

Source: HR&A analysis of IMPLAN data. Earnings impacts are rounded to the nearest \$100,000 (in 2022 dollars). Totals may not sum precisely due to independent rounding.

Annual Impacts to the City and State: Output

Impact Category	Residential	Retail	Office	Hotel	Total
Direct Output	\$6.2M	\$103.0M	\$1.4B	\$70.0M	\$1.6B
Indirect Output					
Output in Detroit	\$0.4M	\$11.7M	\$162.8M	\$5.0M	\$179.8M
Output Outside of Detroit	\$2.5M	\$42.1M	\$605.8M	\$16.9M	\$667.5M
Output in Michigan	\$2.9M	\$53.8M	\$768.6M	\$21.9M	\$847.3M
Induced Output					
Output in Detroit	\$0.1M	\$1.7M	\$21.2M	\$2.0M	\$25.1M
Output Outside of Detroit	\$2.3M	\$44.3M	\$589.1M	\$24.9M	\$660.5M
Output in Michigan	\$2.4M	\$46.M	\$610.3M	\$26.9M	\$685.6M
Total Output in Detroit	\$6.7M	\$116.4M	\$1.6B	\$76.9M	\$1.8B
Total Output in Michigan	\$11.5M	\$202.8M	\$2.8B	\$118.8M	\$3.1B

Source: HR&A analysis of IMPLAN data. Economic output impacts are rounded to the nearest \$100,000 (in 2022 dollars). Totals may not sum precisely due to independent rounding.

Fiscal Impact Analysis

The project is expected to generate increased tax revenue to the City of Detroit and State of Michigan during construction and on an ongoing basis. These findings focus on gross personal income from new workers and residents, increased corporate income tax revenue to the City from new business activity, increased sales tax and use revenue that could be generated as a result of the sale of materials associated with construction and development, sales and use tax revenue that is estimated to be created as a result of future on-site spending associated with the retail program as well as off-site spending associated with new workers and residents, and estimated increased property tax revenue resulting from the property's redevelopment and future operations based on the direct and multiplier impacts in the economic impact analysis.

Sales and Use Tax: Sales tax revenue estimates are based on the current tax rate for the State of Michigan (6%), the assumed total material cost associated with the development, estimated on-site sales from the retail program, and estimated off-site sales from the new workers and residents.

Property Tax: HR&A used the property tax estimates provided by the Development Team to estimate the future property tax revenue from the redevelopment of the project.

¹ HR&A analysis of net tax revenue includes city personal and corporate income tax, state income tax, state sales and use tax, and property tax revenue. All impacts are rounded to the nearest 100,000.

Fiscal Impact Analysis

Personal Income Tax: HR&A estimated total fiscal revenues that would be generated by personal income taxes based on 2022 state and city tax rates and the estimated number of jobs and corresponding average wages of employees in the project. Salaries are estimated by dividing labor income by employment for each program and type of impact (direct, indirect, and induced). The estimates assume that on-site employees would claim the standard exemption.

- HR&A assumed an effective City Personal Income Tax rate of 1.68%, which assumes that 60% of workers will reside outside of the city.¹ We assume that at least 16% of residents at the project are new residents to Michigan and the city of Detroit.²
- HR&A assumed an effective State Personal Income Tax rate of 4.25%.

City Corporate Income Tax: HR&A assumed that ongoing operations would generate \$153 of corporate income tax per worker based on tax revenue collected (\$32.5M of City Corporate Income tax collected in Fiscal Year 2020)³ and employment in 2020 (244,000 workers in calendar year 2020).⁴ HR&A adjusted the per worker revenue collection to 2022 dollars using the rate of inflation recorded, 15%.

¹ US Census Bureau, *On the Map. Based on the Census Home Destination Report 2002-2019.*

² This assumption is based on ACS 5-year 2016-2020 data and does not reflect the potential for the Proposed Projects to increase The District Detroit's attractiveness to new residents.

³ City of Detroit, Office of the Chief Financial Officer and Office of Budget, "Revenue Estimating Conference" presentation, Sept. 15, 2021.

⁴ ACS 5-year 2016-2020.

Gross Fiscal Impacts Summary

The project is also expected to generate increased tax revenue to the City of Detroit and State of Michigan during construction and on an ongoing basis. These findings focus on gross personal income from new workers and residents, corporate income within the city from new economic activity, increased sales and use tax revenue that could be generated as a result of the sale of materials associated with construction and development, sales and use tax revenue that is estimated to be created as a result of future on-site spending associated with the retail program as well as off-site spending associated with new workers and residents, and estimated increased property tax revenue resulting from the property's redevelopment and future operations based on the direct and multiplier impacts in the economic impact analysis.

The project is expected to generate **\$89.4 million in gross tax revenue** from construction and **\$70.7 million annually in gross tax revenue from operations**.

**One Time Construction
Gross Tax Revenue¹**

\$89.4M

**Annual Gross Tax
Revenue¹**

(Stabilized Year)

\$70.7M

¹ HR&A analysis of net tax revenue includes city personal and corporate income tax, state income tax, state sales and use tax, and property tax revenue. All impacts are rounded to the nearest 100,000.

The District Detroit will generate \$89.4 million in one-time gross revenue from construction and \$70.7 million annually during operations.

ONE-TIME GROSS TAX REVENUE¹

\$12.9M

City of Detroit Income Tax

\$41.9M

State of Michigan Income Tax

\$34.6M

State of Michigan Sales and Use Tax

ANNUAL GROSS TAX REVENUE¹

\$10.1M

City of Detroit Income Tax

\$35.0M

State of Michigan Income Tax

\$6.5M

State of Michigan Sales and Use Tax

\$19.1M

Property Tax (Multiple Jurisdictions)

¹ HR&A analysis of net tax revenue includes city personal and corporate income tax, state income tax, state sales and use tax, and property tax revenue. All impacts are rounded to the nearest 100,000.

Fiscal Impacts: One-Time (Construction) Impacts

Category	Tax Revenue
Gross Tax Revenue	
City Income Tax	\$12.9M
State Income Tax	\$41.9M
Sales and Use Tax	\$34.6M
Total Gross Tax Revenue	\$89.4M
Tax Incentives (Exemptions, Abatements, and Captures) ¹	(\$44.7M)
Net Fiscal Revenue	
Net Fiscal Revenue to State of Michigan Taxing Jurisdictions	\$31.8M
Net Fiscal Revenue to the City of Detroit Taxing Jurisdictions	\$12.9M
Total Net Fiscal Revenue	\$44.7M

Source: HR&A analysis of net tax revenue includes city personal and corporate income tax, state income tax, state sales and use tax, and property tax revenue. All impacts are rounded to the nearest 100,000. The NPV calculation uses a 30-year period beginning at the start of construction and assumes a discount rate of 5.0% based on 30-year government bond issue yields.

¹ Estimated tax incentives were provided by the Development Team and include associated fees.

Fiscal Impacts: Ongoing Impacts

Category	Stabilized Year	30-Year NPV
Gross Tax Revenue		
City Income Tax	\$10.1M	\$190.5M
State Income Tax	\$35.0M	\$656.3M
Sales and Use Tax	\$6.5M	\$123.8M
Property Tax	\$19.1M	\$301.2M
Total Gross Tax Revenue	\$70.7M	\$1.3B
Tax Incentives (Exemptions, Abatements, and Captures) ¹	(\$30.0M)	(\$348.2M)
Net Fiscal Revenue		
Net Fiscal Revenue to State of Michigan Taxing Jurisdictions	\$28.5M	\$612.3M
Net Fiscal Revenue to Wayne County Taxing Jurisdictions	-	\$1.0M
Net Fiscal Revenue to the City of Detroit Taxing Jurisdictions	\$12.2M	\$310.4M
Total Net Fiscal Revenue	\$40.7M	\$923.6M

Source: HR&A analysis of net tax revenue includes city personal and corporate income tax, state income tax, state sales and use tax, and property tax revenue. All impacts are rounded to the nearest 100,000. The NPV calculation uses a 30-year period beginning at the start of construction and assumes a discount rate of 5.0% based on 30-year government bond issue yields.

¹ Estimated tax incentives were provided by the Development Team and include associated fees.

Net Fiscal Impacts Summary

The project is expected to generate **\$44.7 million in net tax revenue** from construction and **\$40.7 million annually in net tax revenue from operations**. These findings focus on net new personal income tax revenue to the City and State, corporate income tax revenue to the City, sales and use tax revenue to the State, and property tax revenue resulting from the property's redevelopment.

Net Fiscal Impacts: A share of gross personal income tax, sales and use tax, and property tax revenue are expected to be exempt, abated, and captured as part of the incentives that support the development of the project. Estimates of these exemptions, captures, and abatements were provided by the Development Team and used to estimate the net fiscal impacts.

**One Time Construction
Net Tax Revenue¹**

\$44.7M

**Annual Net Tax
Revenue¹**
(Stabilized Year)

\$40.7M

¹ HR&A analysis of net tax revenue includes city personal and corporate income tax, state income tax, state sales and use tax, and property tax revenue. All impacts are rounded to the nearest 100,000.

Appendix

General and Limiting Conditions

Any person who relies on or otherwise uses this Economic and Fiscal Impact Study (“the Study”) is required to have first read, understood and accepted the following disclosures, limitations and disclaimers, and will, by reason of such reliance or other use, be deemed to have read, understood and accepted the same.

1. HR&A Advisors, Inc. (“HR&A”) has been engaged and compensated by Related Olympia Predevelopment Company LLC to prepare this Study. In preparing this Study, HR&A has used its independent professional judgment and skills in good faith, subject to the limitations, disclosures and disclaimers herein.
2. This Study is based on estimates, assumptions and other information developed by HR&A and Related Olympia Predevelopment Company LLC . Every reasonable effort has been made to ensure that the data contained in this Study are accurate as of the date of this Study; however, factors exist that are outside the control of HR&A and that may affect the estimates and/or projections noted herein. HR&A neither guarantees any results nor takes responsibility for their actual achievement or continuing applicability, as actual outcomes will depend on future events and circumstances beyond HR&A’s control.
3. HR&A relied on information, data, and forecasts provided by Related Olympia Predevelopment Company LLC, IMPLAN, EMSI, U.S. Bureau of Labor Statistics, U.S. Census Bureau, the City of Detroit, Wayne County, the State of Michigan, and CoStar. HR&A reviewed the information and projections provided using its independent professional judgment and skills in good faith. HR&A assumes no liability resulting from errors, omissions or any other inaccuracies with respect to the information provided by Related and Related Olympia Predevelopment Company LLC referenced in this Study.
4. In addition to relying on data, information, projections and forecasts as referred to above, HR&A has included in this Study estimates and assumptions made by HR&A that HR&A believes are appropriate, but HR&A makes no representation that there will be no variances between actual outcomes and such estimates and assumptions.
5. No summary or abstract of this Study, and no excerpts from this Study, may be made for any purpose without HR&A’s prior written consent.

General and Limiting Conditions (Continued)

6. No opinion is intended to be expressed and no responsibility is assumed for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of an economic and fiscal impact consultant.
7. HR&A is not acting as a Registered Investment Advisor or an advisor to potential investors in Related Olympia Predevelopment Company LLC . Prior to taking any action related to the information in this Study, any investor should consult with its own financial, legal, tax, accounting, and other advisors to the extent it deems appropriate.
8. Many of the figures presented in this Study have been rounded. HR&A disclaims any and all liability relating to rounding errors.
9. This Study may be relied on and otherwise used only by persons who receive this Study from HR&A or with HR&A's prior written consent and only for the purpose stated in writing in conjunction with such receipt or consent. No reliance on or other use of this Study by any person or for any purpose other than as stated in the previous sentence is permitted. HR&A disclaims all responsibility in the case of any reliance on or other use of this Study in conflict with the above portions of this paragraph.
10. If the Study is referred to or included in any offering material or prospectus, the Study shall be deemed to have been included for informational purposes only and its use shall be subject to these General and Limiting Conditions. HR&A, its directors, officers and employees have no liability to recipients of any such offering material or prospectus. HR&A disclaims any and all liability to any party.
11. This Study is qualified in its entirety by, and should be considered in light of these General and Limiting Conditions. By use of this Study each party that uses this Study agrees to be bound by all of the General and Limiting Conditions stated herein.

Economic Impact Analysis

HR&A used IMPLAN to estimate the economic impacts of the development and operation of the proposed Project on the local economy. IMPLAN is an industry standard input-output model used to conduct economic impact analyses by leading public and private sector organizations across the United States. It also has been used to monitor job creation for a range of Federal government initiatives.

HR&A conducted its analysis using the IMPLAN input-output model for the zip codes that make up the city of Detroit in Wayne County and the state of Michigan. IMPLAN analysis traces the pattern of commodity purchases and sales between industries that are associated with each dollar's worth of a product or service sold to a customer, analyzing interactions among 546 industrial sectors. The model is adjusted to exclude spending that takes place outside of the study area. Estimates are derived from the Bureau of Economic Analysis (Annual Industry Accounts and Annual Survey of Manufacturers and the Census Bureau's Annual Census of Retail Trade).

In addition to overall economic output, the IMPLAN input-output model also produces estimates of the number of jobs supported and compensation. It includes wage and salary income plus benefits and employer paid taxes, in addition to income earned by independent proprietors. The estimates of jobs and labor income are based on the Bureau of Labor Statistics' Quarterly Census of Employment and Wages, data from the Census Bureau's County Business Patterns data, and data from the BEA's Regional Economic Accounts. Wage and salary impacts are adjusted by the number of workers that work and live in Detroit based on information provided by LEHD On the Map Inflow-Outflow Analysis.

To avoid inconsistencies from the COVID-19 pandemic, the model relies on data about the Wayne County and Michigan state economies as of 2019.

A full description of IMPLAN and its data methods and sources can be found at www.implan.com.

Economic Impact Analysis

Economic impacts are measured in terms of employment, labor income, and economic output (spending) generated.

- **Employment:** The number of jobs (both full- and part-time) in the area of analysis. Employment impacts from one-time construction are recorded in “job-years,” or the creation of one job for one year.
- **Labor income:** Includes wages and benefits received by workers and income received by independent proprietors and contractors in the area of analysis.
- **Economic output:** The total value of production across all industries. It is equivalent to the aggregate spending in the area of analysis.
- **Average wage:** The average annual wage is calculated by dividing the total labor income by the total employment.

Economic impacts include one-time, upfront impacts from the construction work required to complete the project as well as ongoing impacts from project operations and maintenance.

- The **direct impact** is the initial change in spending or employment directly attributable to new investment (e.g., construction of a new office building).
- The **indirect impact** is the change in spending or employment by businesses that supply the directly affected industry (e.g., construction material suppliers).
- The **induced impact** is the change in household spending of employees who are compensated for working in the directly and indirectly affected industries. (e.g., food and beverage spending by construction workers).

Economic Impact Analysis: City Multipliers

The IMPLAN multipliers for local economic impacts are summarized below. All output numbers are in 2022 dollars.

Impact per \$1M in Direct Output (One-Time Construction Impacts)

Code	Impact Category	Employment			Output		
		Direct	Indirect	Induced	Direct	Indirect	Induced
55	Construction of new commercial structures, including farm structures	8.78	0.19	0.27	\$1,000,000	\$47,125	\$41,403
58	Construction of new commercial structures, including farm structures	10.96	0.11	0.35	\$1,000,000	\$21,992	\$54,270

Impact per \$1M in Direct Output (Annual Ongoing Impacts)

Code	Impact Category	Employment			Output		
		Direct	Indirect	Induced	Direct	Indirect	Induced
61	Maintenance and repair construction of residential structures	4.88	0.30	0.14	\$1,000,000	\$61,593	\$21,894
411	Retail - General merchandise stores	13.40	0.56	0.08	\$1,000,000	\$100,825	\$13,032
509	Full-service restaurants	16.95	0.48	0.13	\$1,000,000	\$101,415	\$19,726
510	Limited-service restaurants	13.52	0.60	0.10	\$1,000,000	\$124,226	\$14,853
507	Hotels and motels, including casino hotels	6.75	0.40	0.19	\$1,000,000	\$70,938	\$28,441

Source: IMPLAN. HR&A selected 2019 per million effects multipliers for analysis due to abnormalities in 2020 multipliers resulting from the pandemic.

Economic Impact Analysis: City Multipliers (Continued)

The IMPLAN multipliers for local economic impacts are summarized below. All output numbers are in 2022 dollars.

Impact per \$1M in Direct Output (Annual Ongoing Impacts)

Code	Impact Category	Employment			Output		
		Direct	Indirect	Induced	Direct	Indirect	Induced
	Office						
460	Computer systems design services	7.21	0.26	0.28	\$1,000,000	\$35,872	\$43,419
436	Data processing, hosting, and related services	2.02	0.88	0.06	\$1,000,000	\$126,111	\$9,246
444	Insurance carriers, except direct life	1.78	0.65	0.03	\$1,000,000	\$192,508	\$4,312
439	Nondepository credit intermediation and related activities	4.66	0.58	0.11	\$1,000,000	\$98,997	\$16,781
457	Architectural, engineering, and related services	5.58	0.52	0.20	\$1,000,000	\$71,837	\$30,808
465	Advertising, public relations, and related services	5.58	0.54	0.14	\$1,000,000	\$82,984	\$22,054
462	Management consulting services	6.29	0.54	0.20	\$1,000,000	\$72,671	\$31,481
468	Marketing research and all other miscellaneous professional, scientific, and technical services	3.98	0.57	0.11	\$1,000,000	\$84,287	\$17,417
464	Scientific research and development services	3.98	0.49	0.15	\$1,000,000	\$90,653	\$23,531
441	Monetary authorities and depository credit intermediation	3.31	0.74	0.07	\$1,000,000	\$128,176	\$10,427
421	Couriers and messengers	11.12	0.31	0.10	\$1,000,000	\$79,997	\$14,807
481	Junior colleges, colleges, universities, and professional schools	14.20	0.33	0.13	\$1,000,000	\$58,575	\$19,537
470	Office administrative services	17.08	1.06	0.40	\$1,000,000	\$153,240	\$61,440

Source: IMPLAN. HR&A selected 2019 per million effects multipliers for analysis due to abnormalities in 2020 multipliers resulting from the pandemic.

Economic Impact Analysis: State Multipliers

The IMPLAN multipliers for state economic impacts are summarized below. All output numbers are in 2022 dollars.

Impact per \$1M in Direct Output (One-Time Construction Impacts)

Code	Impact Category	Employment			Output		
		Direct	Indirect	Induced	Direct	Indirect	Induced
55	Construction of new commercial structures, including farm structures	9.03	1.50	3.94	\$1,000,000	\$314,908	\$588,088
58	Construction of new commercial structures, including farm structures	11.54	1.05	4.72	\$1,000,000	\$180,463	\$704,975

Impact per \$1M in Direct Output (Annual Ongoing Impacts)

Code	Impact Category	Employment			Output		
		Direct	Indirect	Induced	Direct	Indirect	Induced
61	Maintenance and repair construction of residential structures	5.02	2.73	2.68	\$1,000,000	\$469,028	\$399,843
411	Retail - General merchandise stores	13.15	2.59	3.43	\$1,000,000	\$439,034	\$513,019
509	Full-service restaurants	17.17	2.47	3.25	\$1,000,000	\$458,361	\$484,952
510	Limited-service restaurants	14.02	3.01	2.74	\$1,000,000	\$557,543	\$409,738
507	Hotels and motels, including casino hotels	7.92	1.99	2.57	\$1,000,000	\$302,896	\$384,324

Source: IMPLAN. HR&A selected 2019 per million effects multipliers for analysis due to abnormalities in 2020 multipliers resulting from the pandemic.

Economic Impact Analysis: State Multipliers (Continued)

The IMPLAN multipliers for state economic impacts are summarized below. All output numbers are in 2022 dollars.

Impact per \$1M in Direct Output (Annual Ongoing Impacts)

Code	Impact Category	Employment			Output		
		Direct	Indirect	Induced	Direct	Indirect	Induced
	Office						
460	Computer systems design services	8.73	1.49	5.55	\$1,000,000	\$216,311	\$828,746
436	Data processing, hosting, and related services	2.04	4.11	2.46	\$1,000,000	\$603,369	\$366,904
444	Insurance carriers, except direct life	1.75	3.16	2.13	\$1,000,000	\$830,237	\$318,366
439	Nondepository credit intermediation and related activities	4.79	2.64	4.09	\$1,000,000	\$423,916	\$610,907
457	Architectural, engineering, and related services	5.80	2.80	4.38	\$1,000,000	\$406,875	\$653,965
465	Advertising, public relations, and related services	6.19	2.82	3.34	\$1,000,000	\$451,262	\$499,298
462	Management consulting services	7.10	2.75	4.53	\$1,000,000	\$399,392	\$676,186
468	Marketing research and all other miscellaneous professional, scientific, and technical services	4.62	3.27	2.92	\$1,000,000	\$493,611	\$435,994
464	Scientific research and development services	4.50	3.55	3.83	\$1,000,000	\$612,047	\$571,551
441	Monetary authorities and depository credit intermediation	3.46	3.76	2.98	\$1,000,000	\$601,907	\$445,720
421	Couriers and messengers	12.35	2.43	3.20	\$1,000,000	\$392,850	\$478,454
481	Junior colleges, colleges, universities, and professional schools	14.60	1.80	3.36	\$1,000,000	\$322,765	\$501,993
470	Office administrative services	17.59	4.93	8.66	\$1,000,000	\$738,206	\$1,293,294

Source: IMPLAN. HR&A selected 2019 per million effects multipliers for analysis due to abnormalities in 2020 multipliers resulting from the pandemic.

Worker Density Assumptions

HR&A assumed 250 gross square feet per worker for the office program across the Proposed Projects. HR&A developed this assumption by reviewing and benchmarking worker density assumptions used in economic and fiscal impact modeling by the following Cities, States, and regional organizations, which reflect national office leasing trends.

- Empire State Development Corporation
- Port Authority of New York & New Jersey
- New York Metropolitan Transportation Commission
- City of Atlanta
- City of Austin
- Boston Planning and Development Agency
- City of Chicago
- City of Philadelphia
- Prosper Portland

Defining Detroit's Tech Ecosystem

The District Detroit, particularly through the Detroit Center for Innovation, is anticipated to support Detroit's growing tech ecosystem. An economic "ecosystem" is a network of organizations that enables the provision of goods or services. Detroit's tech ecosystem jobs are distributed throughout tech and non-tech industries and occupations, incorporating a broad range of jobs that rely on tech and require tech talent. Tech ecosystem jobs fall into three broad categories:

1. **Tech Occupations in Tech Industries** – for example, a software engineer at Braintree.
2. **Non-Tech Occupations in Tech Industries** – for example, a human resources manager at Meta.
3. **Tech Occupations in Non-Tech Industries** – for example, an engineering manager at United Airlines.

This page lists **tech industries** selected by HR&A from the 2017 North American Industrial Classification System (NAICS) codes as defined by the U.S. Census Bureau. Selected industries are 1) enabled by tech, or 2) primarily produce tech.

Tech industries span Information, Professional Services, Manufacturing, and Retail Trade.

NAICS	Description
3364	Aerospace Products and Parts Manufacturing
3342	Communications Equipment Manufacturing
3341	Computer and Peripheral Equipment Manufacturing
5415	Computer Systems Design and Related Services
5182	Data Processing, Hosting, and Related Services
4541	Electronic Shopping and Mail-Order Houses
3345	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing
5191	Other Information Services
5179	Other Telecommunications
5174	Satellite Telecommunications
5417	Scientific Research and Development Services
3344	Semiconductor and Other Electronic Component Manufacturing
5112	Software Publishers
5173	Wired and Wireless Telecommunications

One Time Construction Impacts: Jobs, Earnings, and Output

Impact Category	Jobs	Earnings	Output
Direct	12,450	\$865.8M	\$1.4B
Indirect			
In Detroit	220	\$18.0M	\$57.9M
Outside of Detroit	1,600	\$114.5M	\$351.5M
In Michigan	1,820	\$132.5M	\$409.4M
Induced Jobs			
In Detroit	390	\$21.2M	\$64.9M
Outside of Detroit	5,120	\$270.1M	\$833.1M
In Michigan	5,510	\$291.3M	\$898.M
Total in Detroit	13,060	\$904.9M	\$1.6B
Total in Michigan	19,780	\$1.3B	\$2.8B

Source: HR&A analysis of IMPLAN data. Job impacts are rounded to the nearest 10. Earnings and output impacts are rounded to the nearest \$100,000 (in 2022 dollars). Totals may not sum precisely due to independent rounding.

One Time Construction Impacts: Jobs by Parcel

Category	2200 Woodward – Office	2250 Woodward – Residential	2300 Woodward – Mixed-Use	2305 Woodward / 2300 Cass – A/B Flexible Site – Office	2505 Cass – DCI Residential	2115 Cass – DCI Business Incubator
Direct Jobs	2,470	2,040	630	2,180	1,410	420
Multiplier Jobs (Indirect and Induced)	1,530	1,090	390	1,350	750	260
Total Jobs in Michigan	4,000	3,130	1,020	3,530	2,160	680

One Time Construction Impacts: Jobs by Parcel (Continued)

Category	2455 Woodward – Little Caesars Arena Hotel	408 Temple – The American Residential	2211 Woodward – Fox Hotel	2210 Park – Detroit Life Residential	Total
Direct Jobs	1,480	660	940	220	12,450
Multiplier Jobs (Indirect and Induced)	910	350	580	120	7,330
Total Jobs in Michigan	2,390	1,010	1,520	340	19,780

Annual Impacts: Jobs by Parcel

Category	2200 Woodward – Office	2250 Woodward – Residential	2300 Woodward – Mixed-Use	2305 Woodward / 2300 Cass – A/B Flexible Site – Office	2505 Cass – DCI Residential	2115 Cass – DCI Business Incubator
Direct Jobs	2,000	240	610	1,790	80	350
Multiplier Jobs (Indirect and Induced)	3,020	100	830	3,050	40	580
Total Jobs in Michigan	5,020	340	1,440	4,840	120	930

Annual Impacts: Jobs by Parcel (Continued)

Category	2455 Woodward – Little Caesars Arena Hotel	408 Temple – The American Residential	2211 Woodward – Fox Hotel	2210 Park – Detroit Life Residential	Total
Direct Jobs	420	50	220	30	5,790
Multiplier Jobs (Indirect and Induced)	230	20	130	10	8,010
Total Jobs in Michigan	650	70	350	40	13,800



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Wealth Management.

Assumptions Report

FOR RELATED OLYMPIA
PREDEVELOPMENT COMPANY, LLC

CONFIDENTIAL



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Section 1

SUMMARY OF ASSUMPTIONS & INPUT VALUES



Summary of Assumptions & Input Values

The assumption and input values used to derive the tax capture revenue estimates are included in the TIF Tables for the Transformational Brownfield Plan and summarized below. This report details how these assumptions and input values were derived and identifies source materials used.

CONSTRUCTION PERIOD TAX CAPTURE REVENUE

Hard Costs & Tenant Improvements	\$1,058,747,193
Wages as % of Hard Costs	27.84%
Effective Tax Rate (% of 4.25% Income Tax Withheld After Exemptions)	91.18%

CONSTRUCTION SALES/USE TAX EXEMPTION

Hard Costs	\$1,058,747,193
Materials	60% of Hard Costs
Sales/Use Tax	6%



Summary of Assumptions & Input Values

The assumption and input values used to derive the tax capture revenue estimates are included in the TIF Tables for the Transformational Brownfield Plan and summarized below. This report details how these assumptions and input values were derived and identifies source materials used.

WITHHOLDING TAX CAPTURE REVENUE					
	Rentable Square Footage	Square Foot Per Employee	Employees/Jobs	Avg. Salary for Withholding	Effective Tax Rate ^[1]
Office	1,143,628	228	5,014	\$114,000	80.10%
Soft Retail	28,319	289	98	\$31,938	84.31%
Hotel	403,651	700	576	\$28,510	82.77%
Food & Beverage	113,277	183	620	\$28,965	83.01%

[1] Percent of 4.25% Income Tax Withheld After Exemptions & Reduction for K-1 Earnings



Summary of Assumptions & Input Values

The assumption and input values used to derive the tax capture revenue estimates are included in the TIF Tables for the Transformational Brownfield Plan and summarized below. This report details how these assumptions and input values were derived and identifies source materials used.

WITHHOLDING TAX CAPTURE REVENUE

Absorption/Vacancy

Pre-Lease for All Elements

50%

Lease-Up for All Elements

12 Months

Stabilized Occupancy

Office

90%

Soft Retail

90%

Hotel

N/A

Food & Beverage

90%



Summary of Assumptions & Input Values

The assumption and input values used to derive the tax capture revenue estimates are included in the TIF Tables for the Transformational Brownfield Plan and summarized below. This report details how these assumptions and input values were derived and identifies source materials used.

INCOME TAX CAPTURE REVENUES	
Number of Residential Units	695
Rentable Square Footage	519,073
Total Projected Annual Residential Rent (1 st Year)	\$17,916,057
Rent-to-Household Income Factor	20% Market - 30% Affordable
Exclusion Factor (For Residents Working Within Developments)	2%
Total Projected Annual Income of Residents	\$85,554,186
Income Increase Per Year	3.00%
Effective Tax Rate (% of 4.25% Income Tax Withheld After Exemptions & K-1 Earnings Reduction)	80.10%
Absorption/Vacancy	
Pre-Lease	25%
Lease-Up	12-18 Months (Varies by Project)
Stabilized Occupancy	90%



Section 2

CONSTRUCTION CAPTURE



Construction | Calculation of Income Tax

Description of Calculation: Determine a factor to estimate construction workers' total state income tax liability by multiplying the total construction wages by the effective tax rate.

	Assumption	Calculation Methodology	Source
1	Total Construction Wages	Determine what percentage of construction hard costs make up construction wages	
1a	Total Hard Costs	<ul style="list-style-type: none">Determine total construction hard costs	Client
1b	Percentage of Hard Costs (Labor)	<ul style="list-style-type: none">Based on industry standards, determine a percentage of total labor costs that are allocated as hard costs of labor (40%), then reduced for on-site labor (69.6%)	Plante Moran Assumption (Based on Industry Standard)
1c	Percentage of Labor Costs as Michigan PIT Taxable Wages	<ul style="list-style-type: none">For labor costs, determine a percentage of total labor costs that are subject to personal income tax wages. Methodology calculates taxable wages by backing out fringe and statutory burden costs from labor costs (employee benefits, workers comp, etc.)	Bureau of Labor Statistics
1d	Project Delivery Schedule	<ul style="list-style-type: none">Recognize appropriate timing for construction period and final place in service date to help determine incremental tax capture	Client
2	Effective Tax Rate	Based on assumed blended wage rates, account for one (1) personal exemption	State of Michigan Personal Income Tax Withholding Tables



Construction | Calculation of Sales / Use Exemption

Description of Calculation: Determine calculation for potential sales/use tax exemption on construction materials.

	Assumption	Calculation Methodology	Source
1	Total Construction Materials Cost	Based on industry standards, determine a percentage of total labor costs that are allocated as hard materials costs (60%)	Plante Moran Assumption (Based on Industry Standard)
2	Sales / Use Tax Rate	<ul style="list-style-type: none">• Use Michigan state sales / use tax rate of 6% to apply to materials cost in step #1• Assumes all materials will be subject to either sales or use tax	Michigan.gov
3	Project Delivery Schedule	Recognize appropriate timing for construction period and final place in service date to help determine incremental tax capture	Client



Section 3

REAL PROPERTY TAX



Property Tax | Calculation of Real Property Tax

Description of Calculation: Determine total real property taxes on the land, building, and personal property by created TIF Tables that account for various abatements / DDA considerations

	Assumption	Calculation Methodology	Source
1	Assessed Value	Use estimate of assessed property value after property is placed in service to help determine incremental tax capture. Also, determine allocation between land and buildings for property tax assessments.	Client & Client Legal Counsel
2	Impact from Tax Abatements	Determine timing and impact of PA210 and OPRA on respective properties and its relevant effects on available tax capture	Client / Relevant Tax Statutes
2a	Tax Abatement Incentives	Determine which property tax abatements and abatement duration periods shall be considered in determining each projects property tax liability	Client
2b	Project Delivery Schedule	Recognize appropriate timing for construction period and final place in service date	Client
3	Pre-Existing Property Tax Capture Obligations	Determine property tax capture amount currently remitted by the DDA, DIA, Zoo and other tax levies that take priority over Brownfield Tax Capture and shall be excluded from tax capture. Include 50% of SET that is captured by the State Brownfield Redevelopment Fund.	Plante Moran, DBRA, Mayor's OCFO
4	Brownfield Capture	Based on above factors, determine capture amount to Brownfield Authority after payment of annual DBRA fees and remittance of taxes to the DDA, DIA and Zoo	Plante Moran, DBRA, Mayor's OCFO
5	Property Tax Inflation Rate	Utilize an annual percentage increase to reflect impact of inflation on property values	Plante Moran



Section 4

EMPLOYEE WITHHOLDING



Office | Calculation of Withholding

Description of Calculation: Determine a factor to calculate employee withholding amounts by multiplying the total number of anticipated employees subject to withholding by the effective tax rate.

	Assumption	Calculation Methodology	Source
1	Number of Employees	<ul style="list-style-type: none"> Determine how many employees will occupy a set square footage of office space 	
1a	Determine Square Footage	<ul style="list-style-type: none"> Determine occupied square footage including vacancy and program square footage 	<ul style="list-style-type: none"> Client
1b	Determine Tenant Mix	<ul style="list-style-type: none"> Evaluate and determine expected sub-industry sectors to occupy building office space and respective percentage of each type of expected tenant Method includes studying the Detroit market current sub-industry workforce population. Based on current sub-industry statistics, made appropriate adjustments to recognize size and identity of sub-industries to occupy Class A office space in the Detroit CBD. 	<ul style="list-style-type: none"> Source 3
1c	Determine Square Foot Per Employee by Potential Tenant Type	<p>Determine weighted average rentable square footage by:</p> <ol style="list-style-type: none"> Using the weighted average tenant mix within the Detroit market and anticipated Olympia Development affiliated companies Industry sector by using the four county and national average density per relevant types of tenants and apply determined tenant mix percentages from 1b Make relevant market adjustments related to workspace trends including more dense office population, technology impacts and high-class nature of prospective developments, given subject properties versus the four county and national averages 	<ul style="list-style-type: none"> Source 3



Office | Calculation of Withholding (Continued)

	Assumption	Calculation Methodology	Source
2	Average Annual Wages	Determine weighted average annual wage rates for expected tenant mix by: <ol style="list-style-type: none">1. Relevant industry sectors by using the four county and national average annual wages per relevant types of workers2. Make relevant market adjustments related to workspace trends including more dense office population, technology impacts and high-class nature of prospective developments given subject properties versus the four county and national averages	<ul style="list-style-type: none">• Source 4
3	Effective Tax Rate	Based on assumed blended income tax rates, account for one (1) personal exemption	<ul style="list-style-type: none">• State of Michigan Personal Income Tax Withholding Tables



Soft Retail | Calculation of Withholding

Description of Calculation: Determine a factor to calculate employee withholding amounts by multiplying the total number of anticipated employees subject to withholding by the effective tax rate.

	Assumption	Calculation Methodology	Source
1	Number of Employees	<ul style="list-style-type: none"> Determine how many employees will occupy a set square footage of soft retail space 	
1a	Determine Square Footage	<ul style="list-style-type: none"> Determine occupied square footage including vacancy and program square footage 	<ul style="list-style-type: none"> Client
1b	Determine Tenant Mix	<ul style="list-style-type: none"> Evaluate and determine expected sub-industry sectors to occupy building retail space and respective percentage of each type of expected tenant Method includes studying the Detroit market current sub-industry workforce population. Based on current sub-industry statistics, made appropriate adjustments to recognize size and identity of sub-industries to occupy soft retail space in the Detroit CBD. 	<ul style="list-style-type: none"> Source 1
1c	Determine Square Foot Per Employee by Potential Tenant Type	<p>Determine weighted average rentable square footage by:</p> <ol style="list-style-type: none"> Using the weighted average tenant mix within the Detroit market and anticipated Olympia Development affiliated companies Industry sector by using the four county and national average density per relevant types of tenants and apply determined tenant mix percentages from 1b Make relevant market adjustments related to workspace trends including less dense soft retail population, technology impacts and high-class nature of prospective developments, given subject properties versus the four county and national averages 	<ul style="list-style-type: none"> Source 1



Soft Retail

Calculation of Withholding (Continued)

	Assumption	Calculation Methodology	Source
2	Average Annual Wages	Determine weighted average annual wage rates for expected tenant mix by: <ol style="list-style-type: none">1. Determine scale of Detroit retail trade average wage vs National retail trade wage.2. Determine relevant industry sectors by using the national average annual wages per relevant types of workers and scale to Detroit using the State vs National factor.3. Make relevant market adjustments related to workspace trends including more less dense soft retail population, technology impacts and high-class nature of prospective developments given subject properties versus the four county and national averages	<ul style="list-style-type: none">• Source 2
3	Effective Tax Rate	Based on assumed blended income tax rates, account for one (1) personal exemption	<ul style="list-style-type: none">• State of Michigan Personal Income Tax Withholding Tables



Food & Beverage | Calculation of Withholding

Description of Calculation: Determine a factor to calculate employee withholding amounts by multiplying the total number of anticipated employees subject to withholding by the effective tax rate.

	Assumption	Calculation Methodology	Source
1	Number of Employees	<ul style="list-style-type: none"> Determine how many employees will occupy a set square footage of Food and Beverage space 	
1a	Determine Square Footage	<ul style="list-style-type: none"> Determine occupied square footage including vacancy and program square footage 	<ul style="list-style-type: none"> Client
1b	Determine Tenant Mix	<ul style="list-style-type: none"> Evaluate and determine expected sub-industry sectors to occupy building retail space and respective percentage of each type of expected tenant Method includes studying the Detroit market current sub-industry workforce population. Based on current sub-industry statistics, made appropriate adjustments to recognize size and identity of sub-industries to occupy food and beverage space in the Detroit CBD. 	<ul style="list-style-type: none"> Source 1
1c	Determine Square Foot Per Employee by Potential Tenant Type	<p>Determine weighted average rentable square footage by:</p> <ol style="list-style-type: none"> Using the weighted average tenant mix within the Detroit market and anticipated Olympia Development affiliated companies Industry sector by using the four county and national average density per relevant types of tenants and apply determined tenant mix percentages from 1b Make relevant market adjustments related to workspace trends including more dense food and beverage population, technology impacts and high-class nature of prospective developments, given subject properties versus the four county and national averages 	<ul style="list-style-type: none"> Source 1



Food & Beverage

Calculation of Withholding (Continued)

	Assumption	Calculation Methodology	Source
2	Average Annual Wages	Determine weighted average annual wage rates for expected tenant mix by: <ol style="list-style-type: none">1. Relevant industry sectors by using the four county and national average annual wages per relevant types of workers2. Make relevant market adjustments related to workspace trends including more food and beverage population, technology impacts and high-class nature of prospective developments given subject properties versus the four county and national averages	<ul style="list-style-type: none">• Source 2
3	Effective Tax Rate	Based on assumed blended income tax rates, account for one (1) personal exemption	<ul style="list-style-type: none">• State of Michigan Personal Income Tax Withholding Tables



Hotel | Calculation of Withholding

Description of Calculation: Determine a factor to calculate employee withholding amounts by multiplying the anticipated employees subject to withholding by the effective tax rate.

	Assumption	Calculation Methodology	Source
1	Number of Employees	Determine amount of hotel square footage in project programs including vacancy allowance and adjust to industry standard	<ul style="list-style-type: none">• Client• Industry Standard
2	Average Annual Wages	Determine relevant annual wage rates by: <ul style="list-style-type: none">• Weighted annual wage average of luxury, upper upscale and upscale hotel classifications per occupied room night• Weighted annual wage average by geographic region	<ul style="list-style-type: none">• Source 2
3	Effective Tax Rate	Based on assumed blended income tax rates, account for one (1) personal exemption	<ul style="list-style-type: none">• State of Michigan Personal Income Tax Withholding Tables



Other Factors | Calculation of Withholding

Description of Calculation: Determine a factor to calculate employee withholding amounts by multiplying the total number of anticipated employees subject to withholding by the effective tax rate.

	Assumption	Calculation Methodology	Source
1	Wage Inflation Rate	Utilize an annual percentage increase to reflect impact of inflation	<ul style="list-style-type: none">Plante Moran
2	Wage Withholding Percentage	Determine the percentage of wages that will be subject to withholding. A meaningful amount of residential and office tenants will generate earnings as partners at professional service firms and/or self employed business owners that make earnings based upon company profits (non-W2 wages).	<ul style="list-style-type: none">Plante Moran
3	Labor Cost	Assumed direct costs for on-site property management staff, janitorial and security	<ul style="list-style-type: none">Client



Section 5

INCOME TAX



Residential | Calculation of Income Tax

Description of Calculation: Determine a factor to calculate residential income withholding by multiplying the projected annual residential income subject to state income tax by the effective tax rate.

	Assumption	Calculation Methodology	Source
1	Annual Rent Per Square Foot (PSF)	Use expected monthly rent PSF to project annual rent for all residential within subject projects	<ul style="list-style-type: none">Client
2	Rent-to-Income Factor	<p>Market-Rate: Determined estimated rent-to-income factor based on competitor properties in the local market as well as Client-owned properties in the local market as well as Client-owned comparable product type properties in other markets.</p> <p>Affordable: Utilized MSHDA gross income assumption per area median income standards</p>	<ul style="list-style-type: none">Client
3	Effective Tax Rate	Based on assumed blended income tax rates, account for one (1) personal exemption	<ul style="list-style-type: none">State of Michigan Personal Income Tax Withholding Tables
4	Exclusion Factor	<ul style="list-style-type: none">Determined the percentage of residents that will also work in subject projects (i.e., double dip) in order to avoid double-counting the relative residential income tax wages.Methodology compares the number of employees in subject properties, divided by the total Downtown Detroit workforce population, to determine the percentage of workers in subject residential projects that may also work in a subject building. This percentage is then applied against an assumption of the percentage of all Downtown Detroit residents that will work in Detroit to calculate the “exclusion factor”.	<ul style="list-style-type: none">Plante Moran



Appendix

Source Catalogs



Assumptions | Source Catalog

SOURCE #1 | Dunn & Bradstreet, Inc.

SUMMARY

SOURCE	DNB Analytical File
SOURCE ORGANIZATION	Dunn & Bradstreet, Inc.
DATE	2021, Quarter 2
LOCATION	Selected Detroit Census Tracts

SOURCE DESCRIPTION

The DNB analytical file contains records for every location of business in the US. In addition to the business' NAICs code, these records include the square footage each business location occupies as well as the number of employees at that location. By first summarizing the data by NAICs code and then dividing the square footage by number of employees for each NAICs code an assumed average usable square footage is arrived at for each NAICs code in the Downtown Detroit geography.

SOURCE #2 | U.S. Bureau of Labor Statistics

SUMMARY

SOURCE	Quarterly Census of Employment and Wages
SOURCE ORGANIZATION	U.S. Bureau of Labor and Statistics
DATE	2021, Quarter 2
LOCATION	Detroit-Warren-Dearborn MI MSA

SOURCE DESCRIPTION

QCEW Employment covered by these UI programs represents about 97% of all wage and salary civilian employment in the country. The QCEW employment count is a total derived from quarterly contribution reports filed by almost every employer in the U.S., Puerto Rico and the U.S. Virgin Islands. It counts only filled jobs, whether full or part-time, temporary or permanent, by place of work. The quarterly reports include the establishment's monthly employment levels for the pay periods that include the twelfth of the month. This data was pulled for the Detroit-Warren-Dearborn MI MSA and for the NAICs codes below the December Employment was aggregated and designated to be the office workforce. Then each individual NAICs codes' December Employment was divided by the office workforce total to arrive at that industries share of the total office workforce as a percent.



Assumptions | Source Catalog

SOURCE #3 | HR&A Advisors, Inc.

SUMMARY

SOURCE	HR&A TBP Economic & Fiscal Impact Analysis
SOURCE ORGANIZATION	HR&A Advisors, Inc.
DATE	October, 2022
LOCATION	U.S.

SOURCE DESCRIPTION

HR&A Advisors Inc. is a national real estate and economic development advisory firm that was engaged by the Client to produce an economic and fiscal benefit study in support of the Client's transformational brownfield application.

HR&A made assumptions about the distribution of office workers by industry based on the Development Team's analysis of office leases in the Detroit Metropolitan Statistical Area in 2021, then adjusted for an anticipated growth in tech industries driven by the Detroit Center for Innovation and The District Detroit; outliers from industries with notable headquarters in the region; and current leasing leads.

SOURCE #4 | IMPLAN

SUMMARY

SOURCE	IMPLAN Model
SOURCE ORGANIZATION	IMPLAN
DATE	2019
LOCATION	International / U.S.

SOURCE DESCRIPTION

IMPLAN, an industry standard input-output model, can be used to evaluate the economic impacts of The District Detroit to the city of Detroit and state of Michigan. For each dollar spent in the economy, IMPLAN traces the pattern of commodity purchases and sales between 546 industries within the specified geography. Fully disclosed annual employment and income data is available at the U.S., state, and county level based on the Bureau of Labor Statistics Census of Employment and Wages (CEW) series (formerly known as ES202). State employment services departments, as part of the Unemployment Insurance Program, collect the base data and pass it to the U.S. Department of Labor.



SOURCE APPENDIX | Industry NAIC Codes

CLASS A OFFICE CODES

- 5415 Computer systems design and related services
- 5182 Data processing, hosting and related services
- 5241 Insurance carriers
- 5223 Activities related to credit intermediation
- 5413 Architectural and engineering services
- 5418 Advertising, PR, and related services
- 5416 Management and technical consulting services
- 5419 Other Professional, Scientific, and Technical Services
- 5417 Scientific research and development services
- 5221 Depository credit intermediation



Soft Retail | Source Catalog

SOURCE APPENDIX | Industry NAIC Codes

SOFT RETAIL CODES

- NAICS 44-45 Retail Trade
- NAICS 4481 Clothing Stores
- NAICS 4441 Building Material and Supplies Dealers
- NAICS 4511 Sports, Hobby, Music Instrument, Bookstores
- NAICS 4482 Shoe Stores
- NAICS 4483 Jewelry, Luggage and Leather Goods
- NAICS 4512 Book Stores and News



Hotel | Source Catalog

SOURCE APPENDIX | Industry NAIC Codes

HOTEL CODES

NAICS 7211 Hotels (Except Casino Hotels) and Motels



SOURCE APPENDIX | Industry NAIC Codes

FOOD & BEVERAGE CODES

NAICS 7225 Restaurants and Other Eating Places

NAICS 7223 Special Food Services

NAICS 7224 Drinking Places (Alcoholic Beverages)