# Detroiters for Tax Justice

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## Resolution to retract provisions of "Hudson's Detroit" tax incentives

Whereas, Dan Gilbert's Bedrock has received a total of approximately $260M in tax incentives from the City of Detroit since 2017 to build a new tower on the former Hudson's site, and

Whereas, those tax incentives were predicated upon a promise of creating 1,976 new jobs, to in turn generate $71M in new city tax revenue, and

Whereas, moving 850 existing General Motors employees in from the RenCen does not qualify as new job creation, and

Whereas, minus 850 spaces the agreed upon job creation and tax revenue increase totals cannot be met with the remaining space in the Hudson's tower, and

**Whereas**, both the Mayor and the DEGC were on record in 2022 saying the $71M figure for new revenue was based on the assumption that all jobs would be new, and

Whereas, Council's own resolution on the issuance of the commercial rehabilitation exemption certificate for this project stated that such issuance was predicated upon having "the reasonable likelihood of increasing and/or retaining employment," and

Whereas, since the tax incentive requests were made, the Hudson's project has been scaled back in scope and scaled up in cost, and

Whereas, the Skillman Branch Library remains closed to the public due to the Hudson's construction site, and

Whereas, General Motors will occupy the Hudson's building tax-free for 10 years, a vicarious benefit that stems from the federal opportunity zone designation meant for poor areas that Dan Gilbert got in 2018 after donating to Trump, and

Whereas, the basis for both of Bedrock's tax incentive requests to the City were already highly contentious when made in 2017 and 2022, and

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Whereas, General Motors and its employees paid property and income taxes to the City of Detroit while at the RenCen, but under the current Transformational Brownfield laws lobbied for at the Legislature by Dan Gilbert in 2015, all tenants of the new Hudson's tower will instead pay those taxes to the developer (Bedrock) for 35 years, and

Whereas, In 2018 Bedrock negotiated another massive $618M incentive package from the Michigan Strategic Fund, and

Whereas, Detroit taxpayers are also State of Michigan taxpayers, and

Whereas, Michigan's brownfield laws were updated again in 2023 so that developers can also capture sales and use taxes related to their properties, and

Whereas, even with 2,000 new jobs it is impossible to generate $71M in new tax revenue if Bedrock is capturing all the property, income, sales, and use taxes of all activities on its premises as per the Transformational Brownfield Plan, and

Whereas, rather than a net tax revenue gain, all of the foregoing represents a massive tax revenue LOSS to the City, and a clear violation of the agreement that the incentives were based upon, and

Whereas, this same issue has already seen at least three highly critical articles written about it in the news since April, and

Whereas, the Michigan Economic Development Corp. recently clawing back tax incentives from the scaled back Marshall EV battery plant project sets a precedent for similar situations, therefore:

**We, the members of Detroiters For Tax Justice do resolve** that City Council use its authority to revoke the commercial rehabilitation exemption certificate for this project, an option falling within their power under the Commercial Rehabilitation Act (PA 210 of 2005, Section 207.852) when the developer "has not proceeded in good faith." We further resolve that in accordance with the Detroit Civil Rights, Inclusion & Opportunity Department requirements under the Community Benefits Ordinance for monitoring such agreements, that City Council must by resolution revoke the Tax Abatement Exemption certificate or initiate a claw back against this non-compliant developer.