Background: The Ilitch Family and Detroit Development

The Ilitch Family has been a fixture in Downtown Detroit since they purchased the Detroit Red Wings in 1982. A few years later, they acquired the Fox Theatre, restoring it and reopening it as a successful entertainment venue, while moving their Little Caesars pizza headquarters from Farmington to the Fox’s adjoining office building. Over the next decade, the family would spend hundreds of millions more, acquiring the Detroit Tigers, securing a majority ownership in Motor City Casino, and building a real estate empire, snapping up hundreds of properties, culminating in the opening of Comerica Park, in the leadup to the 2000 Tigers season. All of these corporate interests are owned and controlled by Ilitch Holdings, valued at about $6 billion, and currently headed by Chris Ilitch, the son of Little Caesars founders Mike and Marian Ilitch.

Pre-2014: Clearing the Way for the Detroit Events Center

For many years, Detroiters speculated that owner Mike Ilitch wanted to build a new hockey arena for the Detroit Red Wings. In 2012 rumors began to swirl when Red Wings officials confirmed that architects HKS and Chan Krieger were hired to design an 18,000 seat “events center.” Initial statements placed the facility behind the Fox Theatre, on land largely made up of surface parking lots. Meanwhile, behind the scenes, Red Wings and the Ilitch’s real estate development arm, Olympia Development of Michigan (ODM), were meeting with representatives from the Detroit Economic Growth Corporation (DEGC) and Michigan State Legislature to put together a financing package to construct the facility north of I-75, in the Lower Cass Corridor. By the time state and local officials agreed to extend the boundaries of Detroit’s Downtown Development Authority so Detroit taxes could be captured in a new “Catalyst Area”, ODM was able to secure nearly $300 million in public money. Despite the objection of Detroit legislators, there was little by way of public disclosure or discussion on the matter in Lansing. Moreover, the timing of negotiations and approvals at the local level for the land and a concessionaire agreement coincided with Detroit’s bankruptcy the next year in 2013, effectively putting the State of Michigan in control of the entire process. The 50-block area is now known as “District Detroit.”
The Ilitches Own at Least 60% of the Properties in District Detroit

What was less known at the time of the public announcement of the Events Center location, was the extent of the Ilitch family land holdings. Besides investing in the Fox, Comerica Park, and the Events Center (renamed Little Caesars Arena in 2016), the Ilitches planned major investment in parking infrastructure, accounting for over half of the Ilitch-owned land. The Ilitches also own vacant land and buildings, of which over 20 are in historic districts, many languishing for decades. In May 2019, the Detroit News published an overview of Ilitch-owned land in District Detroit, noting the variety of LLCs the Ilitches use, making ownership hard to track. But what is clearer today is the Ilitch Family singularly controls the future of District Detroit.

**Q: What is the Neighborhood Advisory Committee?**

**A:** As a condition of Detroit City Council’s resolution to dispose of city-owned land for the Events Center, a Neighborhood Advisory Committee (NAC) was formed in 2014, to exist for a term of 5 years, and made up of a mix of 16 elected and council-appointed members. While the NAC was advisory, ODM had to listen to its concerns and meet with the NAC, as needed. Since its start, the NAC has met monthly, and held annual public meetings. The Arena NAC is a precursor to the current process followed by the Community Benefits Ordinance (CBO), adopted in 2016.

**Q: What were Community Concerns and Requests to ODM?**

**A:** Prior to the formation of the NAC, the grassroots-led effort, Corridors Alliance, had done some initial organizing in anticipation of the Events Center, and completed surveys of the Lower Cass Corridor community, including outreach to small businesses and residents. At the top of the list of concerns was preventing the displacement of residents and businesses, followed by traffic and parking, access to jobs and transit, preserving historic structures, and affordable housing. These issues, among others, were packaged in a formal request to Detroit City Council.

The NAC updated those requests in a “District Vision” document delivered to ODM in July 2014. It spelled out desires for a range of outcomes, from affordable housing, to construction impacts mitigation, to jobs, entrepreneurship, green space, environment, and minimizing parking lots.

The NAC has tracked its requests and outcomes to date in a separate document, which also includes some of the subsequent issues and concerns that have arisen over the course of the NACs life. Another useful document is the Lower Cass Corridor Community Needs Assessment, which was also required by the original City Council resolution. It was finally released by the DDA in 2017, and offered a range of demographic, quantitative, and survey analysis of the area, identifying, among other things, a need to develop an in-district workforce.
NAC Issues Advocacy: 2017-2019

After Little Caesars Arena (LCA) officially opened in September 2017, NAC members agreed to focus energy on three issues—Protecting Affordable Housing, Preserving Historic Structures, and Traffic/Parking Mitigation. The NACs shifted from advice to public advocacy because it believed these issues were being neglected by ODM and its recommendations had largely fallen on deaf ears.

**District Detroit: By the Numbers**

**$860+ million**
Cost to construct Little Caesars Arena

**$285 million**
Public financing, including money from Detroit Public Schools

**$34.5 million**
Cost to taxpayers for Pistons to move to Little Caesars Arena

**7,800**
Parking spaces in District Detroit

**300+**
Number of events in LCAs first year

**30**
Ilitch-owned vacant buildings in District Detroit

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**Issue 1: Affordable Housing**

In the years since ODM became a major property owner in District Detroit, there are fewer residential units, even though ODM says housing is vital to District Detroit’s redevelopment vision. Moreover, ODM promised that the District maintain 20% affordability, but has done little to protect, invest in, or expand affordable housing that it already controls, without any accountability.

This issue is most visible on Henry Street. Here, about 65 affordable units in two apartment buildings on one of the last intact blocks of residential structures in District Detroit were threatened when ODM pulled demo permits and fought a subsequent proposed historic designation, telling officials they wanted the block cleared for development.

**Community Outcome:** Cass-Henry Historic District approved by City Council protects affordable housing.

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**Issue 2: Historic Preservation**

The Ilitch family touts investing in the Fox Theatre as its commitment to historic preservation. The truth is that historically designated properties the Ilitches own are more likely to end up vacant or demolished. Less than 5% of Ilitch owned properties have been renovated.

After a controversial decision to demolish the Hotel Park Avenue in 2015, ODM announced it would create 700+ residential units in several historic properties, including the Alhambra and American Hotel. These were to join the Eddystone, which ODM agreed to restore in a deal with the City of Detroit. None of these projects are complete.

**Community Outcome:** City Council approved Cass Park and Cass-Henry local historic districts protecting 27 structures; ODM agreed to $33 million bond with the City of Detroit to ensure completion of the Eddystone Hotel.
**Issue 3: Traffic/Parking**

In contrast to selling low price pizza, the Ilitch business model for Downtown Detroit is large scale, event-based entertainment, meaning that management of vehicle traffic and parking is paramount to its success. For LCA, the Ilitch empire relies on measures that ensure patrons can get to and from LCA easily, and maximizes its returns on parking availability in the surrounding blocks.

A Traffic Management Plan was completed in the lead up to LCAs opening. Throughout District Detroit, it focused traffic routes on tunneling ingress and egress to freeways. In practice, this has caused disruption, including blockage of bike lanes, the QLine, busses, and has prevented patrons from accessing local businesses.

LCA is also the catalyst for the creation of thousands of parking spaces, largely in unsightly surface lots. These sit unused during much of the day, but can cost over $40/space on events nights, with no fees going to the City of Detroit. When asked, the Ilitches refused to provide spaces to impacted residents.

**Community Outcome:** NAC convened ongoing local business roundtable to discuss traffic issues with ODM, Detroit Police, and Midtown Detroit Inc. (MDI); ODM agreed to support prospective residential street parking permit application with City of Detroit.

**NAC Recommendations:**

After five years, the NAC sees its work as incomplete. There are so many opportunities to improve the quality of life for Detroiters in District Detroit, and we are sad that ODM and the Ilitch Family chose not to be better community partners.

Fundamentally, the **City of Detroit and local community need continued advocacy and accountability for neighborhood issues** outlined here and in the tracking doc, located on the NAC's google site: DistrictDetroitNAC. Here are some additional recommendations we see as being relevant to success in District Detroit:

1. Accountability for existing affordable housing.
2. Enforcement of blight ordinance and post ODM ownership information on vacant Ilitch-owned properties.
3. Divest ODM’s portfolio to qualified affordable housing developer(s), such as Cass Corridor Neighborhood Development Corp.
4. Increase investment in Cass Park.
5. Provide free day parking/QLine passes.
7. Support MDI’s continuing discussion on impacts of traffic on local business.
8. Support Service Employee International Union’s (SEIU) campaign for LCA service staff.

**NAC Members (2014)**

**Elected Members:** Michael Boettcher, Richard Etue, Jason Gapa, Steve Genther, Francis Grunow, Paul Hughes, Ray Litt, Warner McBryde, Karen McLeod, Delphia Simmons, Melissa Thomas, Anthony Zander

**Appointed Members:** Karissa Holmes, Freddie Lindsey-Payne (deceased), Toney Stewart, Eric Williams

**Executive Summary of the Arena District NAC is made possible by:**

**D4 Doing Development Differently in Metro Detroit**