

S U M M A R Y

AN ORDINANCE to amend Chapter 14 of the 1984 Detroit City Code, *Community Development*, by adding Article XII, titled *Community Benefits*, which consists of Sections 14-12-1 through 14-12-5, to provide for the purpose and applicability of this article; to provide for definitions of terms used in this article; to require community engagement and community benefit for certain development projects seeking public support for investment above certain threshold levels; to provide for exemptions for applicability of the article, and to provide for enforcement of the article.

1 **BY COUNCIL MEMBER** _____ :

2 **AN ORDINANCE** to amend Chapter 14 of the 1984 Detroit City Code, *Community*
3 *Development*, by adding Article XII, titled *Community Benefits*, which consists of Sections 14-12-
4 1 through 14-12-5, to provide for the purpose and applicability of this article; to provide for
5 definitions of terms used in this article; to require community engagement and community benefit
6 for certain development projects seeking public support for investment above certain threshold
7 levels; to provide for exemptions for applicability of the article, and to provide for enforcement of
8 the article.

9 **IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT**
10 **THAT:**

11 **Section 1.** Chapter 14 of the 1984 Detroit City Code, *Community Development*, is
12 amended by adding Article XII, *Community Benefits*, which consists of Sections 14-12-1 through
13 14-12-5, to read as follows:

14 **CHAPTER 14. COMMUNITY DEVELOPMENT**

15 **ARTICLE XII. COMMUNITY BENEFITS**

16 **Sec. 14-12-1. Purpose; Title**

17 (a) The City is committed to community outreach and engagement that promotes
18 transparency and accountability and ensures development projects in the City of Detroit benefit
19 and promote economic growth and prosperity for all residents.

20 (b) This article shall be known as the "Detroit Community Benefits Ordinance."

21 **Sec. 14-12-2. Definitions**

22 *Community Benefits Provision* means the agreement made by and between the Planning
23 Director and the Developer which specifically addresses the issues raised by the NAC.

1 *Enforcement Committee* means a committee led by the City's Corporation Counsel and
2 composed of representatives from the Planning and Development Department, Law Department,
3 Human Rights Department, and other relevant City departments as determined by the Planning
4 Director.

5 *Impact Area* means an area determined by the Planning Director that includes all census
6 tracts or census block groups in which the Tier 1 Project is located, and any other areas as
7 determined by the Planning Director.

8 *NAC* means the Neighborhood Advisory Council.

9 *Planning Director* means the Director of the City of Detroit's Planning and Development
10 Department, or a member of the Planning Director's staff working on behalf of the Planning
11 Director.

12 *Tier 1 Development Project* means a development project in the City that is expected to
13 incur the investment of Seventy-five Million Dollars (\$75,000,000) or more during the
14 construction of facilities, or to begin or expand operations or renovate structures, where the
15 developer of the project is negotiating public support for investment in one or both of the following
16 forms:

17 (1) Any transfer to the developer of City-owned land parcels that have a cumulative
18 market value of One Million Dollars (\$1,000,000) or more (as determined by the
19 City Assessor or independent appraisal), without open bidding and priced below
20 market rates (where allowed by law); or

21 (2) Provision or approval by the City of tax abatements or other tax breaks that abate
22 more than One Million Dollars (\$1,000,000) of City taxes over the term of the

1 abatement that inure directly to the Developer, but not including Neighborhood
2 Enterprise Zone tax abatements.

3 *Tier 2 Development Project* means a development project in the City that does not qualify
4 as a Tier 1 Project and is expected to incur the investment of Three Million Dollars (\$3,000,000)
5 or more, during the construction of facilities, or to begin or expand operations or renovate
6 structures, where the Developer is negotiating public support for investment in one or both of the
7 following forms:

8 (1) Land transfers that have a cumulative market value of Three Hundred
9 Thousand Dollars (\$300,000) or more (as determined by the City Assessor
10 or independent appraisal), without open bidding and priced below market
11 rates; or

12 (2) Tax abatements that abate more than Three Hundred Thousand Dollars
13 (\$300,000) of City taxes over the term of the abatement that inure directly
14 to the Developer, but not including Neighborhood Enterprise Zone tax
15 abatements.

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

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

18 (1) Prior to submitting to City Council a request for approval of Land transfers or Tax
19 abatements related to a Tier 1 Project, the Planning Director shall hold at least one
20 public meeting in the Impact Area as defined in this Section.

21 (2) The City Clerk shall forward notice of the public meeting via First Class Mail no
22 less than 10 days before such meeting to all City of Detroit residents within three
23 hundred radial feet of the Tier 1 Project. The notice shall include:

- 1 a. The time, date and location of the public meeting;
- 2 b. General information about the Tier 1 Project;
- 3 c. A description of the Impact Area and the location of the Tier 1 Project;
- 4 d. Information related to potential impacts of the Tier 1 Project and possible
- 5 mitigation strategies; and

6 (3) In addition to the notice requirement contained in Subsection (2) of this section, the
7 Planning Director shall work with the District Council Member or Members
8 representing the district or districts where the Tier 1 Project is located and at least
9 one At-large Council Member to ensure that local residents, businesses, and
10 organizations, especially those located in the Impact Area and those expected to be
11 directly impacted by the Tier 1 Project are informed of the public meeting.

12 (4) At the public meeting, the Planning Director will present general information about
13 the Tier 1 Project, discuss ways in which the Tier 1 Project is anticipated to impact
14 the local community, and ways in which the Developer and the Planning Director
15 plan to address or mitigate these impacts.

16 (5) City Council shall appoint a liaison from the Legislative Policy Division to monitor
17 the community engagement process and provide updates to City Council.

18 (6) The Planning Director shall provide notice to the liaison of all upcoming meetings
19 and activities associated with the community engagement process related to the
20 Tier 1 Project.

21 (b) *Neighborhood Advisory Council.*

22 (1) The Planning Director will accept nominations to the NAC from any person that
23 resides in the Impact Area.

- 1 (2) All residents over the age of 18 that reside in the Impact Area are eligible for
2 nomination.
- 3 (3) The NAC shall consist of nine members, selected as follows:
- 4 a. Two Members selected by residents of the Impact Area chosen from the
5 resident nominated candidates;
- 6 b. Four Members selected by the Planning Director from the resident nominated
7 candidates, with preference given to individuals the Planning Director expects
8 to be directly impacted by the Tier 1 Project;
- 9 c. One Member selected by the Council Member in whose district contains the
10 largest portion of the Impact Area from the resident nominated candidates;
11 and
- 12 d. One Member selected by the At-Large Council Members from the resident
13 nominated candidates.
- 14 (4) If the Planning Director receives less than nine nominations, the Planning Director
15 may seek out additional nominations from individuals that live outside the Impact
16 Area but within the City Council district or districts where the Tier 1 Project is
17 located.
- 18 (5) All actions of the NAC may be taken with the consent of a majority of NAC
19 members serving.
- 20 (c) *Engagement with Developer.*
- 21 (1) In addition to the meeting required in Subsection (a)(1) of this section, the Planning
22 Director shall facilitate at least one meeting between the NAC and the Developer

1 to allow the NAC to learn more details about the project and to provide an
2 opportunity for the NAC to make Developer aware of concerns raised by the NAC.

3 (2) City Council by a 2/3 vote of members present or the Planning Director may
4 facilitate additional meetings which the Developer, or the Developer's designee,
5 shall participate in as directed.

6 (3) As part of community engagement the developer, or their designee, shall be
7 required to meet as directed.

8 (d) *Community Benefits Report.*

9 (1) The Planning Director shall provide a Community Benefits Report to City Council
10 regarding the Tier 1 Project prior to the request for any approvals related to the Tier
11 1 Project.

12 (2) The Community Benefits Report shall contain:

13 a. A detailed account of how notice was provided to organize the pPublic
14 meeting.

15 b. A list of the NAC members, and how they were selected.

16 c. An itemized list of the concerns raised by the NAC.

17 d. A method for addressing each of the concerns raised by the NAC, or why a
18 particular concern will not be addressed.

19 (3) The Planning Director, where possible, shall provide a copy of the Community
20 Benefits Report to the NAC prior to submission to City Council.

21 (4) To ensure an expeditious community engagement process, the Planning Director,
22 where possible, shall submit the initial Community Benefits Report within six
23 weeks from the date the notice is sent of the public meeting.

- 1 (5) The Planning Director shall work with City Council to assure that, to the maximum
2 extent possible, all of the approvals required of City Council may be considered
3 simultaneously and subject to one approval vote.
- 4 (6) The Planning Director shall work with other City departments to facilitate that Tier
5 1 Projects receive expedited City-required approvals.
- 6 (e) *Development Agreement.*
- 7 (1) All development agreements made between the Developer and the City related to
8 the land transfers or tax abatements associated with a Tier 1 Project shall include
9 the Community Benefits Provision, which shall include:
- 10 a. Enforcement mechanisms for failure to adhere to Community Benefits
11 Provision, that may include but are not limited to, clawback of City-
12 provided benefits, revocation of land transfers or land sales, debarment
13 provisions and proportionate penalties and fees; and
- 14 b. The procedure for community members to report violations of the
15 Community Benefits Provision to the NAC.
- 16 c. The length of time that Annual Compliance Reports as outlined in
17 Subsection (f)(2) of this section, are required to be submitted.
- 18 d. Continued community engagement or community meeting requirements.
- 19 (2) The Developer shall not be required to enter into a legally binding agreement with
20 any individual or organization other than the City for the express purpose of
21 fulfilling the requirements of this ordinance or other City-mandated community
22 engagement processes.

1 (3) The Developer may voluntarily enter into any contract or agreement related to the
2 Tier 1 Project that does not pose a conflict of interest with the City.

3 (f) *Enforcement.*

4 (1) An Enforcement Committee shall be established to monitor Tier 1 Projects.

5 a. The Enforcement Committee shall be comprised of, at minimum, the
6 following four individuals:

7 i. Corporation Counsel for the City of Detroit; or their designee.

8 ii. a representative from the Planning and Development Department;

9 iii. a representative from the Law Department;

10 iv. a representative from the Human Rights Department.

11 b. In addition to the members of the Enforcement Committee as identified in
12 Subsection (1)a of this section, the Planning Director may require that other
13 departments participate in the Enforcement Committee as needed.

14 (2) The Enforcement Committee shall provide a biannual compliance report to the City
15 Council and the NAC for the time period identified in the Community Benefits
16 Provision.

17 (3) The Planning Director shall facilitate at least one meeting per calendar year
18 between the NAC and the Developer to discuss the status of the Tier 1 Project for
19 the time period identified in the Community Benefits Provision.

20 (4) The NAC shall review any allegations of violations of the Community Benefits
21 Provision provided to it by the community, and may report violations to the
22 Enforcement Committee in writing.

- 1 (5) Upon receipt of written notification of allegations of violation from the NAC, the
2 Enforcement Committee shall investigate such allegations and shall present their
3 written findings to the NAC based upon the following:
- 4 a. Whether the Developer is in compliance with the Community Benefits
5 Provision; and
 - 6 b. How the Community Benefits Provision will be enforced or how violations
7 will be mitigated.
- 8 (6) The findings of the Enforcement Committee shall be presented to the NAC no later
9 than 21 days from the date the violations were reported to the Enforcement
10 Committee, unless the need for additional time is reported to City Council and the
11 NAC within the original 21 day time frame.
- 12 (7) If the NAC disagrees with the findings of the Enforcement Committee or
13 determines that the Enforcement Committee is not diligently pursuing the
14 enforcement or mitigation steps outlined in its findings, the NAC may send notice
15 to the Enforcement Committee, and the Enforcement Committee shall have 14 days
16 from receipt of notice to respond to the concerns outlined.
- 17 (8) If the NAC is not satisfied with the Enforcement Committee's response, the NAC
18 may petition the City Clerk and request that City Council schedule a hearing with
19 opportunity for both the Enforcement Committee and the NAC to present
20 information related to the alleged violations of the Community Benefits Provision
21 and any enforcement or mitigation efforts that have occurred.
- 22 (9) If City Council elects to hold a hearing, or based upon the written information
23 submitted, City Council shall determine whether the Enforcement Committee has

1 made reasonable efforts to ensure that the Developer has complied with the
2 Community Benefits Provision.

3 a. If City Council determines that the Enforcement Committee has made
4 reasonable efforts, City Council shall notify the NAC and the Enforcement
5 Committee of their findings.

6 b. If City Council finds that the Enforcement Committee has not made
7 reasonable efforts, City Council shall make specific finding to the
8 Enforcement Committee on the steps that need to be taken to comply with
9 the Community Benefits Provision.

10 i. The Enforcement Committee shall provide City Council and the
11 NAC monthly updates on compliance actions until City Council
12 adopts a resolution declaring that the Developer is in compliance
13 with the Community Benefits Provision or has taken adequate steps
14 to mitigate violations.

15 ii. City Council may hold additional hearings related to enforcement of
16 the Community Benefits Provision as needed.

17 (g) Development projects that are allowed as by-right or conditional land uses under
18 the Detroit Zoning Ordinance and located downtown, the area bounded by the Detroit River and
19 the center lines of Brooklyn Avenue (extended), West Jefferson Avenue, Eighth Street, West Fort
20 Street, Brooklyn Avenue, Porter Street, John C. Lodge Freeway (M-10), Fisher Freeway (I-75),
21 Chrysler Freeway (I-375), East Jefferson, Rivard Street, Atwater Street, and Riopelle Street
22 extended to the Detroit River do not qualify as Tier 1 Projects.

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

2 (a) Developers shall:

3 (1) Partner with the City, and when appropriate, a workforce development agency to
4 promote the hiring, training and employability of Detroit residents consistent with
5 State and Federal Law.

6 (2) Partner with the Planning Director to address and mitigate negative impact that the
7 Tier 2 Project may have on the community and local residents.

8 (b) The Developer's commitment as identified in Subsection (a) of this section shall be
9 included in the development agreements related to any land transfers or tax abatements associated
10 with the Tier 2 Project for which the Developer seeks approval.

11 **Sec. 14-12-5. Exemptions.**

12 The requirements of this ordinance may be waived by resolution of the City Council upon
13 submission by either the Planning Director or the Developer identifying reasons that the
14 requirements of this ordinance are impractical or infeasible and identifying how the Developer will
15 otherwise provide community benefits.

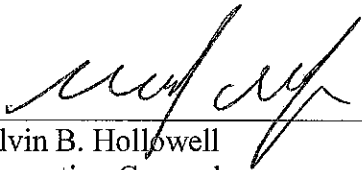
1 **Section 2.** All ordinances, or parts of ordinances, that conflict with this ordinance are
2 repealed.

3 **Section 3.** This ordinance is declared necessary for the preservation of the public peace,
4 health, safety, and welfare of the People of the City of Detroit.

5 **Section 4.** The article added by this ordinance has been enacted as comprehensive local
6 legislation. It is intended to be the sole and exclusive law regarding its subject matter, subject to
7 provisions of state law.

8 Approved as to form:

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Melvin B. Hollowell
Corporation Counsel