



DETROIT PISTONS PERFORMANCE FACILITY AND HEADQUARTERS COMMUNITY BENEFITS AGREEMENT REPORT

CITY OF DETROIT

PLANNING AND DEVELOPMENT DEPARTMENT

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A. INTRODUCTION

Palace Sports and Entertainment (PSE), developers on behalf of the Detroit Pistons, as part of their return to the City and establishment of their home court at the Little Caesars Arena, have also agreed to move the franchise's headquarters and practice facility from Auburn Hills, Michigan to the New Center area of Detroit. The project will be connected to another new facility by Henry Ford Health System that will specialize in sports medicine and compliment, programmatically, the headquarters and practice facility to take advantage of nearby medical facilities in training and rehabilitation by the Pistons players; while being in a distinct building.

The practice and headquarters facility will be located on a site at 690 Amsterdam Street between Second and Third Avenues.¹ The project will be a mixed-use facility that is expected to cost approximately \$60 million with an 18-month timetable for construction.

Per the Memorandum of Understanding between the Pistons and the City, the Pistons committed to "follow the community engagement requirements associated with the City of Detroit's community benefits ordinance, even if the construction of the Headquarters does not qualify as a 'Tier 1 Project' under the ordinance." PSE, on behalf of the Pistons, has agreed to voluntarily engage with the community by following the community engagement portions of the Tier 1 section of the Community Benefits Ordinance (CBO) process to determine the outstanding issues related to the project; and the best means of mitigating the concerns pertaining directly to the project. Because the voluntary agreement of the developer is limited to following the community engagement process (as described below), the City will include appropriate enforcement remedies in the agreement to be signed by the City and the developer.

¹ See APPENDIX 02 – PROJECT DESCRIPTION

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B. COMMUNITY BENEFITS ORDINANCE – TIER 1² **SUBMISSION OF CBO REPORT**

Community Benefits Ordinance and Neighborhood Advisory Council Process³

- 1) A project is identified as a Tier I project, having a minimum development cost of \$75,000,000 with public investment in the following forms:
 - a. Transfer of land to the developer of City-owned land parcels that have a cumulative market value of \$1,000,000 or more as determined by the city assessor or independent appraisal, without open bidding and priced below market rates (where allowed by law); or
 - b. Provision or approval by the City of tax abatements or other tax breaks that abate more than \$1,000,000 of city taxes over the term of the abatement that inure directly to the developer; but not including Neighborhood Enterprise Zone tax abatements.

- 2) The Director of Planning, or their representative, will schedule a meeting within a defined impact area adjacent to the project within 300 feet; or as defined by the Planning Department to achieve critical mass.
 - a. A representative of the Legislative Policy Division is appointed by City Council to monitor a project's CBO process.⁴
 - b. Public Notice of the of the first meeting is issued through the City Clerk's office at least ten (10) days ahead of the scheduled meeting to residents within the impact area in which the project is designated.
 - c. Notice is also given to the Legislative Policy Division, District Council Member, and the At-Large Council Members for community outreach and notification.
 - d. The Notice includes: general description of the project and its location, time, date, and location of the public meeting.

- 3) The Neighborhood Advisory Council consists of nine (9) members, elected and appointed, chosen to identify impacts of a project on a community and seek ways to address them with the developer.
 - a. Two (2) NAC members are elected at *the first public meeting*.
 - b. One (1) is nominated by the District Council Member
 - c. One (1) each is nominated by the two (2) At-Large Council Members
 - d. Four (4) are nominated by the Planning & Development Department
 - e. All members of the NAC, elected and appointed are subject to verification of address with the designated impact area.

² The Pistons Practice Facility and Headquarters is a volunteer community engagement effort as the project does not qualify as a Tier 1 project under the CBO.

³ See APPENDIX 01 - Ordinance 35-16, The Detroit Legal News, Tuesday, November 29, 2017, page 6

⁴ Kimani Jeffrey was appointed the LPD representative for the Pistons Practice Facility and Headquarters CBO process on April 4, 2017 by the city council.

- 4) The Director of Planning facilitates at least one meeting between the NAC and the developer to allow more details about the project to be presented to the NAC and to have the developer more aware of the concerns raised by the NAC.
 - a. If more meetings are required, the city council, by 2/3 vote of members present or the planning director may hold additional meetings with the NAC and the developer.
 - b. The developer shall be required to meet as directed.

- 5) The Director of Planning issues a report to City Council describing the process of the CBO and how the developer will mitigate the concerns of the NAC. The intent is to have a report completed within six (6) weeks of public notice of the initial meeting, unless circumstances warrant otherwise, to expedite the community engagement process. The report will contain the following:
 - a. Information on how notice was provided to the public
 - b. List of NAC members and their selection/ or election
 - c. Method of addressing each of the concerns by the NAC presented to the developer, or which concerns were not addressed.

C. PUBLIC NOTICE AND IMPACT AREA

The first public meeting for the Detroit Pistons Practice Facility and Headquarters was held on March 20, 2017. The meeting was sponsored by Henry Ford Health System (HFHS) and was seated in HFHS' Gilmore Center at One Ford Place, Detroit MI 48202. The notice that is attached to this report was mailed to approximately 900 residents within Census Tract 5339 – the impact area.⁵ Sixty-eight (68), assumed residents of Detroit and the impact area were recorded as attending the first meeting. Thirty-one (31) residents were recorded living in the census tract area. Four (4) were recorded as living in the impact area (the area closest to the proposed project within 300 feet or as defined by the planning department). Additionally, attendees were notified of subsequent NAC meetings on April 12th, April 17th, and April 24th (later moved to April 27th to accommodate Council member Sheffield).

Public Notice of the meeting (as required by law) was mailed out to neighbors by the City Clerk's office on March 10, 2017, via a flyer developed in the Planning & Development Department. There was also assistance in community outreach from the office of District 5 Council Member Mary Sheffield, Council President Brenda Jones, and At-Large Council Member Janee Ayres.

Sign-in information from the March 20th and April 12th meetings was distributed to the full NAC on April 13, 2017. There was a delay in obtaining the information from the March 20th meeting from the Department of Neighborhoods (DON); hence the late distribution of sign-in information from that date.

The Planning and Development Department launched a CBO website, with the Pistons Practice Facility and Headquarters as the first posting. Notice was sent to the NAC and representatives of the City Council, LPD, and the DON.⁶ The link is as follows:

<http://www.detroitmi.gov/Government/Departments-and-Agencies/Planning-and-Development-Department/Community-Benefits-Ordinance>

⁵ See Figure 2 – Impact Areas

⁶ See APPENDIX 07

Impact Areas

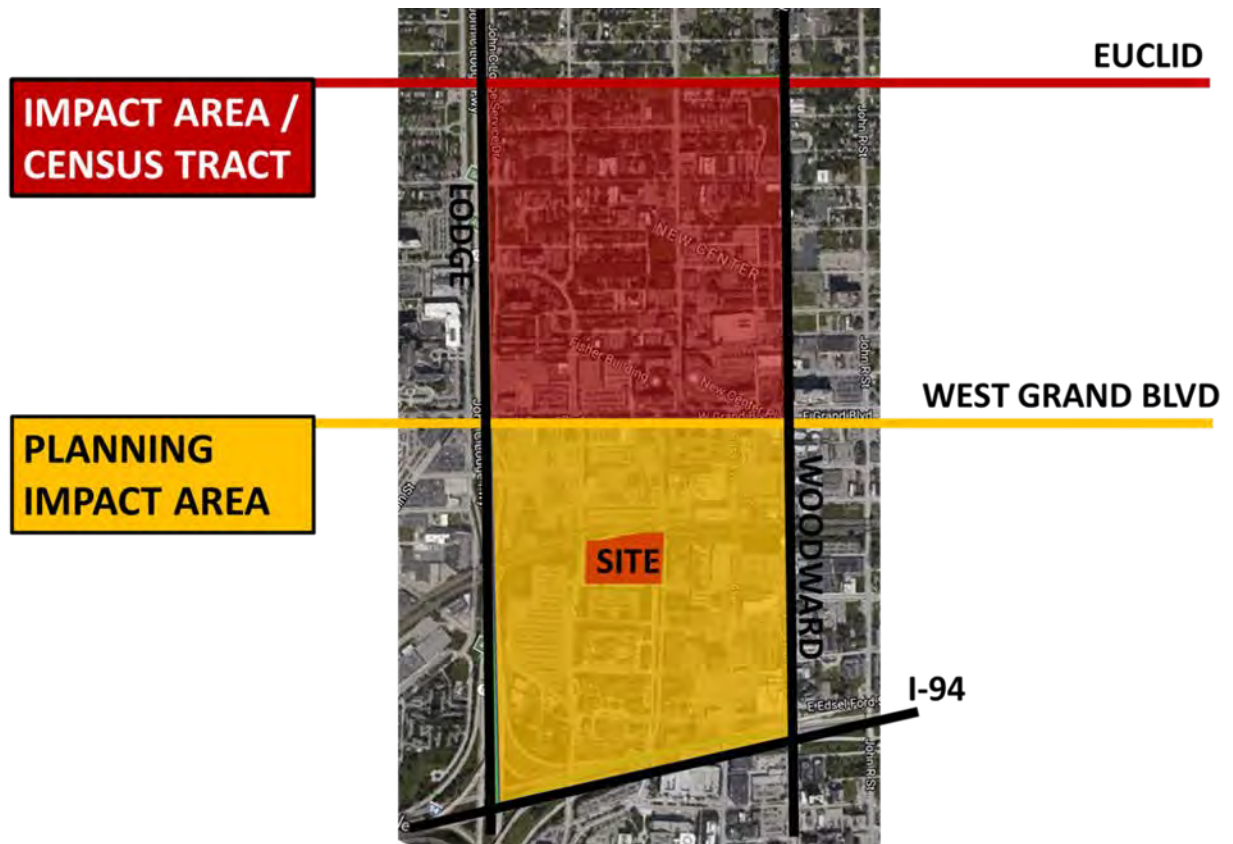


FIGURE 2 – IMPACT AREAS

D. NEIGHBORHOOD ADVISORY COUNCIL/ DEVELOPER/ CITY OFFICIALS

Neighborhood Advisory Council

NAME	ELECTED/ APPOINTED	DATE
Dr. Ken Harris	Elected By Impact Area Residents	March 20, 2017
Kathryn Robertson	Elected By Impact Area Residents	March 20, 2017
Sarah James	Appointed by Dist. 5 CM Mary Sheffield	March 21, 2017
Lynore Foster	Appointed by At-Large CM Janee Ayres	March 27, 2017
Diane McMillan	Appointed by CP Brenda Jones	March 29, 2017
Monique Dooley	Appointed by PDD Dir. Maurice Cox	March 30, 2017
Amy Rencher	Appointed by PDD Dir. Maurice Cox	March 30, 2017
Ezza Brandon	Appointed by PDD Dir. Maurice Cox	March 30, 2017
Randal Brown	Appointed by PDD Dir. Maurice Cox	March 30, 2017

Development Team

Palace Sports and Entertainment Representatives: Awenate Cobbina, Richard Haddad

City of Detroit Officials

Planning: Maurice D. Cox, R. Steven Lewis, John F. Sivills III

Jobs and Economy Team: Jed Howbert, Matthew Walters

Department of Neighborhoods: Vince Keenan, Kya Robertson

Legislative Policy Division Representative: Kimani Jeffrey

City Council: Mary Sheffield – District 5 Council Member, Janee Ayres – At-Large Council Member, Brenda Jones – Council president

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E. MEETINGS

March 20, 2017

The first meeting of the CBO process was held at Henry Ford Health System, One Ford Place, Detroit MI 48202, at the Gilmore Center (changed from room 1C100 as advertised). The purpose of this meeting was: 1) To allow the developers to present the project to the public; 2) To elect two (2) NAC members; 3) To get feedback from the general public on impacts of the facility in their neighborhood.

- 1) R. Steven Lewis from PDD opened the meeting with introductions of the development team and staff.
- 2) District 5 CM Mary Sheffield gave remarks on her overall support of the project.
- 3) DON District 5 Manager, Vince Keenan gave an overview of the election process.
- 4) Awenate Cobbina, R. Steven Lewis, Meagan Dunn, and DON District 5 Manager, Vince Keenan, opened the presentation⁷ of the proposed new facility and potential issues, Henry Ford's adjoining destination rehabilitation center, the creation of the impact area and how the election was to be conducted.

Issues Raised by the Community Present

The community raised a number of issues – some directly related to the impact of the facility; and some that were not directly related but based on precedent development. Below are the principle issues raised in the forum:

- 1) Concern expressed about access the community will have to the facility once it is open; vis-à-vis open basketball courts and access to players
- 2) Concern expressed by the community about the amount of parking lots in the proposed development (reference to the current ODM development)
- 3) Question concerning Fitness Works and if it will be included in the current program.
- 4) Concern expressed about mental health, assuming the facility becomes a draw to the general populace.
- 5) Concern expressed about the amount of tax abatements being offered in the deal to bring the practice facility and the headquarters to Detroit.

Election of NAC Members

Green, Orange (Red), and White cards were distributed amongst the gathered room. Green cards were given to all residents in attendance residing in the impact area. Orange cards were given to those living closest to the site as defined by the impact area. White Cards were given to those outside of the impact area; but, who were in attendance.

⁷ See APPENDIX 13 – March 20, 2017 Presentation

Residents living in the impact area were instructed to nominate themselves to serve on the NAC. Each candidate was required to provide proof of residence in the impact area; as well as present the case for their candidacy to serve on the council. Their names and general description of community activity are as follows:

Diane McMillan – Elected precinct delegate, educator

James O’Leary – educator (taught at Cass)

Kathryn Robertson – serves on various neighborhood boards, communications/ community organizer

Amy Rencher – Techtown, alumnus of City Year (maintains mentoring relationship)

Dr. Ken Harris – President of the Michigan Black Chamber of Commerce

Sarah James – past Palmer Park Board Member, Community Activist

Mildred Robins – Member W. Grand Blvd. Collaborative, installed reading garden at library

Votes were tallied from the residents living in the defined impact area. **Dr. Ken Harris** and **Kathryn Robertson** were elected to serve on the council.

After the election, two others from the impact area offered their services on the NAC board via appointment. They are: Cherise Knight – a retired Wayne County Sherriff’s Commander; and Karen Clairmont Johnson – a 33 year veteran of General Motors. Their names were entered in a pool of those who were considered for appointment.

April 12, 2017

The second meeting of the CBO process was held at Henry Ford Health System, One Ford Place, Detroit MI 48202 - Suite 1B. The purpose of this meeting was: 1) An introduction to, and seating of the full NAC (Dr. Ken Harris participated via phone as he was traveling); 2) To present the project to board members and the general public from the impact area who may not have been at the meeting (3) For the developer to gather feedback from the NAC and the community on project impacts. An agenda was prepared and distributed to NAC members, the public, and the respective offices of City Council members. Officially, thirty-four people signed the sign-in-sheet; however the attendance was greater.

- 1) R. Steven Lewis opened the meeting to announce the order of presentation, and acknowledge the representative City Council members.
- 2) PDD presented the newly seated NAC and information packet including the agenda, meeting notice, slide show presentation, and a copy of the Community Benefits Ordinance.
- 3) Awenate Cobbina presented the Pistons Practice and Headquarters facility, along with an overview of the community engagement the Pistons have participated in during the last two years.
- 4) John Sivills presented the Planning Department's overview of the CBO and the roles and responsibility of NAC members; as well as future meetings to come. The meeting listed for April 17th was considered optional should the NAC require another meeting.⁸
- 5) This was the first meeting in attendance by the LDP representative, Kimani Jeffrey, as the representative was chosen after the first meeting.

Issues Raised by the Community Present

The NAC, community, and the City Council members present raised a number of issues – some directly related to the impact of the facility; and some that were not directly related, but based on precedent development. Below are the principle issues raised in forum:

- 1) Accessibility - Practice Facility being available for rent, and to youth groups and organizations.
 - ***Developer Response*** – It will be evaluated. There was no commitment on behalf of the Pistons due to coordinating with basketball seasons far out as well as not having a definitive program.
- 2) Community Return on Investment - The amount budgeted for community engagement versus the amount in tax abatements is minuscule.
- 3) Employment and Contracting - The ability to match or better the required 51% Detroit resident workforce commitment based on the precedent at Little Caesars Area. Strong preference for union labor. Connecting labor training and apprenticeship organizations to opportunities generated by the project.

⁸ Refer to APPENDIX 14 – April 12, 2017 Presentation

- **Developer Response** – Pistons will work with City Council members to achieve the hiring and contracting goals. The Pistons are also open to suggestions and ideas to avoid fines as have been occurring with the construction of the Little Caesars Arena.
- 4) Fitness Works - Community/CM Sheffield desire to have Fitness Works to remain a part of the program.
- 5) Community Advocacy - Council Member Sheffield statement that the NAC needs to be true advocates for the community regarding this project; and that she will send a list of items to the NAC for consideration.
- 6) Internships - Desire expressed for year-around internships with the Pistons
 - **Developer Response** – Currently the organization does seasonal internships; but can explore year-around.
- 7) Tax Abatement Process - Concern expressed about the amount of tax abatements being offered in the deal to bring the practice facility and the headquarters to Detroit.
 - **Developer Response** – The tax abatement is subject to City Council approval. If approved, taxes are at a lower level for 10 years; after which the Pistons will pay full tax.
- 8) Parking - Concern was expressed about any parking that may be lost during and or after construction on the parking lot site.
 - **Developer Response** – A parking deck will contain 380-400 spaces for HFHS staff and visitors and Pistons staff and visitors. We expect street parking to be equal to the number of current spaces.
- 9) CBO Process - Concern expressed about the process and if it is being rushed. (Linda Campbell).
 - **Department of Neighborhoods' Response** – The ordinance contemplated the report being issued within 6 weeks, if possible.
- 10) Potential Tax Increases - There were concerns expressed about the contribution the Pistons were making to improve the basketball courts (\$2.5 million/ six-years) and whether or not if the city is getting its full investment considering the abatements asked for, regarding this facility. This may garner tax hikes.
 - **Department of Neighborhood's Response** - Tax rates in Michigan are not affected by the abatement or the donation.

The NAC chose to exercise the optional April 17th meeting to take place in two components:

1. An executive session of the full NAC lasting for an hour, immediately followed by;
2. A public session allowing for public commentary.
3. PDD informed the NAC of its intent to attend and observe the meeting.
4. The developer was asked not to attend either session.

April 17, 2017

The third meeting of the CBO process was held at Henry Ford Health System, One Ford Place, Detroit MI 48202, room 1C100, from 5-7pm. The purpose of this meeting was: 1) To convene an executive session of the NAC for one (1) hour to discuss community issues to be considered for mitigation; 2) To present a list to an open meeting for consideration; before sending the list on for consideration by PDD and the developer. An agenda was not prepared for this meeting. Officially, two people from the public were in attendance in the audience; excluding Council Member Sheffield and her staff.

PDD attended the meeting to observe since the process is new to the department and the community at large. The NAC discussed concerns that needed to be considered for mitigation; and further categorized the concerns within the impact area and concerns that could be considered by the developer that were not a direct impact of the project.

PDD answered some technical questions as it pertained to the CBO from the NAC and offered some technical advice, as warranted.

PDD informed the NAC of the update in the schedule, which included the following:

Submission of the NAC Proposed Community Benefits List to the developer by close of business on April 19, 2017; and a change in the next public meeting from April 24 to the 26th (later updated to April 27th to accommodate Council Member Mary Sheffield's April 26th event).

The resulting NAC Proposed Community Benefits list will stand as record of the work for this date; in addition to the above accounting of the meeting.⁹

⁹ See Section E. NAC PROPOSED COMMUNITY BENEFITS AND DEVELOPER RESPONSE

April 27, 2017

The fourth meeting of the CBO process was held at Henry Ford Health System, One Ford Place, Detroit MI 48202, Gilmore Center, from 5:30-7pm. The purpose of this meeting was: 1) To publicly present the NAC's Proposed Community Benefits; and 2) To present the developer's response.¹⁰ There was a posting of the event on the PDD's CBO website to note time, place, and day of this event to the public. The NAC and City Council were charged to inform their respective constituencies. An agenda was prepared for this meeting. Officially, 15 people signed the sign-in sheet, although in observance there were more people present, including City staff, City Council staff, and Council Member Sheffield. The following NAC members were present for all or part of the presentation: Dr. Ken Harris, Kathryn Robertson, Diane McMillian, Lynore Foster, Randal Brown, Monique Dooley, and Sarah James.

There was a departure from the prepared agenda to discuss the NAC's role going forward in the CBO process. Because the project does not qualify as a Tier 1 project under the CBO and the developer is instead voluntarily participating in the CBO's community engagement process, enforcement will occur through the City departments and agencies responsible for the respective issues and mitigation items.

The future role of the NAC for this project will continue with direct engagement with PSE, specifically to help determine the public interaction with the new facility and to help HFHS in discussions over Fitness Works. NAC members will also have the opportunity to participate in the public approvals process through City Council to lend support or express concern on the direction of this project and the content of the developments agreement.

Issues Raised by the Community Present

The NAC, community, and the Council Member present raised a number of issues – some directly related to the developer's response to the NAC's Proposed Community Benefits List and the timeline and transition of the NAC's work going forward.

- 1) **Employment and Diversity** – Is the one-time contribution to the Detroit Employment Solutions Corporation (DESC) specific to this project. Is there a supplier diversity program? What are the Pistons goals versus contractual obligations regarding the employment?
 - ***Developer Response*** – The contribution is not specific to the Practice Facility project and the DESC can distribute the money as they wish. There is not a supplier diversity program. The Pistons committed to comply with 51% Detroit employment and will use best efforts to use 30% Detroit contractors.

¹⁰ See section E. NAC PROPOSED COMMUNITY BENEFITS AND DEVELOPER RESPONSE

- **Questioner's Statement** – Organization can help assist the Pistons with a diversity program; and the developers need to be concerned with the long-term effect on the community and economy.
- 2) Detroit Public Community Schools District Partnership – Specifically address the items #2 and #5 from the proposed mitigation list.¹²
 - **Developer Response** – Item #2 is not feasible; #5 – City departments and agencies for the enforcement of all of the mitigation items.
- 3) NAC Engagement – Recommendation that the NAC stay engaged with the report going forward
 - **PDD Response** - The report is issued to the NAC; but not voted on by the NAC. It is also not voted on by City Council. It is presented to them for consideration in finalizing a development agreement and in conjunction with other items related to the Pistons move.
- 4) Memorandum of Understanding – There was concern expressed by an NAC member that having the MOU readily available could have altered what to offer as a community benefit, given the perception that has been presented by the developer that some of the items were covered in the MOU.
 - **Response** – The developer presented a summary of the community benefits items in the MOU at the April 27th meeting and three other NAC members stated that they had access to the MOU online, since it is a matter of public record.¹³
- 5) Grouping of Projects – There was concern with how the projects (HFHS and Pistons) were classified as separate, when marketed as a joint project.
 - **Developer Response** - The projects have complimentary programs; however, physically the buildings can be developed at different times.
 - **HFHS Response** - Should the developers decide not to relocate to Detroit, the HFHS facility will continue
- 6) Fitness Works – Still concern regarding the future of Fitness Works.
 - **HFHS Response** - HFHS is in talks about the future of Fitness Works in the future facility since HFHS is contractually tied to Fitness Works.
 - **Developer Response** - The Detroit Pistons have no control on the outcome of the Fitness Works as it is not a part of their building program.
- 7) Signage – Concern expressed about the “Ford Field Effect”, regarding signage and light pollution.
 - The LPD representative noted the new signage ordinance goes before City Council within two (2) months to accommodate changes in technology since the last update.
 - If the ordinance is not complete, the design will have to work with current law.

To conclude the CBO’s community engagement process, the developer has engaged with PDD to address and mitigate any negative impacts that the project may have on the community and

¹² See section E. NAC PROPOSED COMMUNITY BENEFITS AND DEVELOPER RESPONSE

¹³ Planning & Development Department obtained its copy online on April 17, 2017 and from the developer on April 18, 2017.

local residents. As a result of that engagement, PSE has proposed the following responses and mitigations to the NAC's requests and PDD has accepted those responses and mitigation measures.

F. NAC PROPOSED COMMUNITY BENEFITS AND DEVELOPER RESPONSE

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/ DETAILS	PISTONS' RESPONSE
<p>FACILITY ACCESS BY THE COMMUNITY <i>(contained in the development agreement)</i></p>	<ol style="list-style-type: none"> 1. Identify the number of practices per year that City residents can attend, with a focus on the Impact Area 2. Identify the number of clinics and other programming that City residents can have at the Facility 3. Identify the number of years for this commitment 4. Provide an annual report on the Pistons' efforts to the Enforcement Committee 	<p>PS&E commits to holding at least one practice per season that is open to the public and free of admission costs in the City. Additionally, PS&E commits to host at least 2 youth basketball or related (e.g., "PistonsFit") programs, camps or clinics (including coaching clinics) per year at a basketball facility (or facilities) in Detroit for at least a period of 6 years. Lastly, PS&E intends to include public-facing retail on the ground level of the facility.</p>

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/ DETAILS	PISTONS' RESPONSE
<p>PARKING AND STREET CLOSURES <i>(contained in the development agreement)</i></p>	<ol style="list-style-type: none"> 1. Provide general public access to the parking structure at an hourly and daily rate 2. Ensure that street parking would not be impacted by the Pistons Practice Facility 3. Ensure that neighboring buildings will continue to have access to their lots, during and post-construction, including the loft building across the street from the Facility 4. Ensure that Facility activities are scheduled to limit its impact on rush hour traffic and school pick-up and drop-off times in the Impact Area 5. Notify businesses, residents and schools of temporary and permanent street closures in a timely manner 	<p>PS&E and Henry Ford Health System are designing a parking structure that will replace the surface lot that HFHS currently uses and accommodate all anticipated PSE employees and visitors. As such, the neighborhood's post-construction parking situation will not be negatively impacted by the Practice Facility. No permanent street closures are anticipated and we will work with the city to notify residents of temporary street closures in the area, and to otherwise minimize these impacts.</p> <p>PS&E realizes that the development of the Practice Facility may displace parking for residents of the Lofts at New Amsterdam. Our understanding is that HFHS has committed to finding convenient replacement parking nearby on HFHS owned land.</p>

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/ DETAILS	PISTONS' RESPONSE
LIGHTING <i>(contained in the development agreement)</i>	1. Ensure that the Facility will minimize light pollution (i.e. Ford Field blue roof) in the Impact Area	PS&E will cooperate with the City to comply with all local rules and regulations regarding exterior lighting or signage.
FITNESS WORKS¹⁴	1. Provide plan and commitment to a. address the potential closure of the facility and/or b. partner with Fitness Works	The Pistons do not have anything to do with Fitness Works. Our understanding is that HFHS is working with the owners of Fitness Works with respect to this issue.
DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT PARTNERSHIP <i>(contained in the development agreement)</i>	1. Ensure engagement with all DPSCD schools 2. Extend Pistons' buying power to purchase basketball equipment for schools (basketball whistles, etc.) 3. Provide the current state of scholarship programs going to City residents 4. Award scholarships to DPSCD high school graduates 5. Provide an annual report on the Pistons' efforts to the Enforcement Committee	As the Detroit Public Schools continues with their transition, the Detroit Pistons and the Detroit Pistons Foundation will continue to engage with Detroit Public Schools and its students through our grantees and non-profit partners, particularly City Year who the Pistons are helping to expand from 7 to 15 schools over the next two years. The Pistons also host (for the 12 th year) an annual scholarship competition for Detroit and Flint public school students featuring \$50,000 in college scholarships.

¹⁴ PS&E has no control over the fate of Fitness Works as it was never in their program. This is to be addressed with HFHS as it is in their current program.

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/ DETAILS	PISTONS' RESPONSE
OTHER REQUEST <i>(contained in the development agreement)</i>	<ol style="list-style-type: none"> 1. Provide a comparison of the total amount of tax incentives the Pistons expect to receive to the amount the Pistons expect to spend on Community Benefits 	<p>The DEGC conducted an economic impact analysis that determined that the City will receive net benefits of over \$9M in the next 10 years, even after accounting for any/all tax abatements and incentives that will benefit the Pistons.</p>
60 OUTDOOR BASKETBALL COURTS - \$2.5 million over 6 years <i>(contained in the document codifying the MOU between the City and PSE)</i>	<ol style="list-style-type: none"> 1. Remove limitation on using the funds for outdoor basketball courts 2. Increase amount 3. Allow the City's Rec Department to determine how the funds are allocated and location of the courts, with a focus on the Impact Area <ol style="list-style-type: none"> a. Joseph Walker Williams Center, Delores Bennett Playground, Burns-Lambert Park and Coleman Young Rec Center should be on the list 4. Provide plan to maintain the courts, including separate funding to maintain the Court 5. Consider indoor courts 6. Provide lighting to ensure safety of users 7. Provide a timeline for completing all 60 courts 8. Invite NAC members to the grand opening of the Courts Provide an annual report on the Pistons' efforts to the Enforcement Committee 	<p>Per our previous agreements (MOUs) with the DDA and City, PS&E committed to invest a total of \$2.5 million over 6 years to construct, renovate and refurbish 60 community recreational basketball facilities in Detroit, in partnership with the Recreation Department who will maintain the facilities. The City has agreed to promulgate the timeline for facility renovation and the process for choosing the facilities.</p> <p>PS&E is happy to invite NAC members to the grand opening of these facilities. The City has agreed to provide public reports on this investment on an annual basis.</p>

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/ DETAILS	PISTONS' RESPONSE
<p>51% DETROIT RESIDENT-WORKFORCE AND 30% OF CONTRACTS TO DETROIT BASED BUSINESSES <i>(contained in the document codifying the MOU between the City and PSE)</i></p>	<ol style="list-style-type: none"> 1. Provide plan for meeting these requirements <ol style="list-style-type: none"> a. Identify how the Pistons Practice Facility Plan will be more successful than the Little Caesars Arena Plan 2. Provide plan for outreach and workforce training (pre-, during and post-construction), with a focus on the Impact Area, which includes <ol style="list-style-type: none"> a. Partnering with workforce development entities and unions, and b. Conducting job fairs 3. Provide plan for apprenticeships, with a focus on the Impact Area 4. Provide quarterly reports on the Pistons' efforts to the Enforcement Committee 	<p>We plan to use any and all available City and community resources and workforce development entities to locate, recruit, train, hire, and retain Detroit residents and businesses to work on and at this project and to maximize local community hiring.</p> <p>We plan to host one contracting/job fair so that potential contractors and applicants will be able to get more information on the project and the structure of our organization.</p>
<p>DONATION TO CITY'S WORKFORCE DEVELOPMENT DEPARTMENT - \$100,000.00 <i>(contained in the document codifying the MOU between the City and PSE)</i></p>	<ol style="list-style-type: none"> 1. Identify number of years of the commitment 2. Identify when will the money be disbursed 3. Specify that the Detroit Employment Solutions Corporation will receive the funds 	<p>PS&E has committed to a one-time \$100,000 contribution to the Detroit Employment Solutions Corporation, which will be disbursed by the end of 2017, subject to the City Council's approval of all items related to the Pistons move to Detroit.</p>

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/ DETAILS	PISTONS' RESPONSE
<p>MENTORSHIP OPPORTUNITIES AND SUPPORT CITY'S SUMMER JOBS PROGRAM FOR THE YOUTH <i>(contained in the document codifying the MOU between the City and PSE)</i></p>	<ol style="list-style-type: none"> 1. Identify number of years of the commitment 2. Ensure that City residents secure the opportunities, with a focus on the Impact Area 3. Ensure that the front-office/corporate opportunities are provided to City residents, with a focus on the Impact Area 4. Quantify the number of City residents, with a focus on residents from the Impact Area, that receive these opportunities <ol style="list-style-type: none"> a. Identify the number of paid internships per year 5. Identify the amount of the financial commitment by the Pistons for these programs 6. Implement year-round internships for Detroit residents, with a focus on the Impact Area 7. Provide an annual report on the Pistons' efforts to the Enforcement Committee 	<p>PS&E has committed to partnering with the Mayor's Office to provide youth mentorship opportunities and participate in Grow Detroit's Young Talent, the youth summer jobs program for Detroit residents. PS&E will commit \$100,000 to GDYT annually, subject to an annual evaluation of the program to ensure that its mission and that of PS&E continue to align. In 2016, our contribution sponsored 58 participants in the program, including 4 who worked for PS&E in Sales and Community Relations. The participants are chosen by the Detroit Employment Solutions Corporation and assigned to PS&E. Separately, PS&E operates a small internship program and welcomes applications from Detroit residents.</p>

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/ DETAILS	PISTONS' RESPONSE
<p>CAMPS, CLINICS, AND OTHER EVENTS PROMOTING YOUTH BASKETBALL AND YOUTH ENRICHMENT <i>(contained in the document codifying the MOU between the City and PSE)</i></p>	<ol style="list-style-type: none"> 1. Identify number of years of the commitment 2. Ensure and quantify that the City residents secure the opportunities, with a focus on the Impact Area 3. Identify the amount of the financial commitment by the Pistons for these programs 4. Provide an annual report on the Pistons' efforts to the Enforcement Committee 5. Ensure that programming includes Coaching Clinics 	<p>PS&E commits to host at least 2 youth basketball or related (e.g., "PistonsFit") programs, camps or clinics (including coaching clinics) per year at a basketball facility (or facilities) in Detroit for at least a period of 6 years.</p>

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/ DETAILS	PISTONS' RESPONSE
<p>FREE TICKETS TO PISTONS GAMES - 20,000 TICKETS/YEAR <i>(contained in the document codifying the MOU between the City and PSE)</i></p>	<ol style="list-style-type: none"> 1. Identify number of years of the commitment 2. Ensure that City residents secure the tickets, with a focus on the Impact Area 3. Quantify the number of tickets that are donated per game 4. Ensure that donated tickets are spread across the Arena and are not limited to upper rows of the 200 and 300-levels. 5. Ensure that the free tickets include all play-off games 6. Provide a midseason and end of season report on the Pistons' efforts to the Enforcement Committee 	<p>PS&E commits to make available 20,000 free tickets to regular season Pistons games to Detroit youth and residents for at least [6] years. For each game, ticket numbers and locations will be based upon availability as determined by PS&E.</p> <p>PS&E is happy to work with the City to provide an annual report on these efforts.</p>

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/ DETAILS	PISTONS' RESPONSE ²⁶
<p>PRE- AND POST-CONSTRUCTION JOBS, CONTRACTING AND PROCUREMENT <i>(contained in the document codifying the MOU between the City and PSE)</i></p>	<ol style="list-style-type: none"> 1. Ensure contracting and vending opportunities for Detroit-based businesses, with a focus on businesses within the Impact Area 2. Set goals for using Detroit-based business after the construction 3. Allocate a specific percentage to post-construction vending and contracting that will go to Detroit Based Businesses 4. Host, annually, job and vendor/contracting fairs for post-construction Pistons positions, vending and procurement for the Pistons in partnership with the City of Detroit, business community, trade associations, chambers of commerce and other commerce-driven strategic partners <ol style="list-style-type: none"> a. Proper notice and information provided to Detroit-based businesses 5. Provide leased space for Detroit-based businesses 6. Provide an annual report on the Pistons' efforts to the Enforcement Committee 	<p>PS&E are committed to providing opportunities for Detroiters to pursue jobs and contracts relating to this project. To this end, we plan to use any and all available City and community resources and workforce development entities to locate, recruit, train, hire, and retain Detroit residents and businesses to work on and at this project and to maximize local community hiring.</p> <p>We plan to host one contracting/job fair so that potential contractors and applicants will be able to get more information on the project and the structure of our organization.</p> <p>Our business is a unique one because many of our contractual relationships are defined by the NBA (Nike for apparel and merchandise, Spalding for basketballs) and many of our employees have sports business experience from other markets. We feel that making Detroiters aware of the opportunities that are available through a contracting/job fair will give them more insight into the types of opportunities/positions that are available and allow them to compete for those positions.</p> <p>Lastly, PS&E has committed \$100,000 to the Detroit Employment Solutions Corporation.</p> <p>With respect to leased space, we intend to pursue strategic retail partners that will impact the neighborhood and community in a positive way.</p>

²⁶ Job Fairs and pursuing of strategic retail partners for street facing retail constitutes as a community benefit.

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**NOTICE OF
ENACTMENT OF ORDINANCE**

To: THE PEOPLE OF DETROIT,
MICHIGAN.

Through an initiative submitted by City Council resolution, the people of the City of Detroit adopted the following ordinance at the November 8, 2016 General Election:

**ORDINANCE NO. 35-16
CHAPTER 14.
COMMUNITY DEVELOPMENT
ARTICLE XII.
COMMUNITY BENEFITS**

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

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

**CHAPTER 14.
COMMUNITY DEVELOPMENT
ARTICLE XII.
COMMUNITY BENEFITS**

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

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

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

Sec. 14-12-2. Definitions.

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

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

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

NAC means the Neighborhood Advisory Council.

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

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

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

(2) Provision or approval by the City of tax abatements or other tax breaks that abate more than One Million Dollars (\$1,000,000) of City taxes over the term of the abatement that inure directly to the Developer, but not including Neighborhood Enterprise Zone tax abatements.

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

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

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

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

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

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

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

a. The time, date and location of the public meeting;

b. General information about the Tier 1 Project;

c. A description of the Impact Area and the location of the Tier 1 Project;

d. Information related to potential impacts of the Tier 1 Project and possible mitigation strategies; and

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

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

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

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

(b) *Neighborhood Advisory Council.*

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

(2) All residents over the age of 18 that reside in the Impact Area are eligible for nomination.

(3) The NAC shall consist of nine members, selected as follows:

a. Two Members selected by residents of the Impact Area chosen from the resident nominated candidates;

b. Four Members selected by the Planning Director from the resident nominated candidates, with preference given to individuals the Planning Director expects to be directly impacted by the Tier 1 Project;

c. One Member selected by the Council Member in whose district contains the largest portion of the Impact Area from the resident nominated candidates; and

d. One Member selected by the At-Large Council Members from the resident nominated candidates.

(4) If the Planning Director receives less than nine nominations, the Planning Director may seek out additional nominations from individuals that live outside the Impact Area but within the City Council district or districts where the Tier 1 Project is located.

(5) All actions of the NAC may be taken with the consent of a majority of NAC members serving.

(c) *Engagement with Developer.*

(1) In addition to the meeting required in Subsection (a)(1) of this section, the Planning Director shall facilitate at least one meeting between the NAC and the Developer to allow the NAC to learn more details about the project and to provide an opportunity for the NAC to make Developer aware of concerns raised by the NAC.

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

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

(d) *Community Benefits Report.*

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

(2) The Community Benefits Report shall contain:

a. A detailed account of how notice was provided to organize the public meeting.

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

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

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

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

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

(5) The Planning Director shall work with City Council to assure that, to the maximum extent possible, all of the approvals required of City Council may be considered simultaneously and subject to one approval vote.

(6) The Planning Director shall work with other City departments to facilitate that Tier 1 Projects receive expedited City-required approvals.

(e) Development Agreement.

(1) All development agreements made between the Developer and the City related to the land transfers or tax abatements associated with a Tier 1 Project shall include the Community Benefits Provision, which shall include:

a. Enforcement mechanisms for failure to adhere to Community Benefits Provision, that may include but are not limited to, clawback of City-provided benefits, revocation of land transfers or land sales, debarment provisions and proportionate penalties and fees; and

b. The procedure for community members to report violations of the Community Benefits Provision to the NAC.

c. The length of time that Annual Compliance Reports as outlined in Subsection (f)(2) of this section, are required to be submitted.

d. Continued community engagement or community meeting requirements.

(2) The Developer shall not be required to enter into a legally binding agreement with any individual or organization other than the City for the express purpose of fulfilling the requirements of this ordinance or other City-mandated community engagement processes.

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

(f) Enforcement.

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

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

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

ii. a representative from the Planning and Development Department;

iii. a representative from the Law Department;

iv. a representative from the Human Rights Department.

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

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

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

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

(5) Upon receipt of written notification of allegations of violation from the NAC, the Enforcement Committee shall investigate such allegations and shall present their written findings to the NAC based upon the following:

a. Whether the Developer is in compliance with the Community Benefits Provision; and

b. How the Community Benefits Provision will be enforced or how violations will be mitigated.

(6) The findings of the Enforcement Committee shall be presented to the NAC no later than 21 days from the date the violations were reported to the Enforcement Committee, unless the need for additional time is reported to City Council and the NAC within the original 21 day time frame.

(7) If the NAC disagrees with the findings of the Enforcement Committee or determines that the Enforcement Committee is not diligently pursuing the enforcement or mitigation steps outlined in its findings, the NAC may send notice to the Enforcement Committee, and the Enforcement Committee shall have 14 days from receipt of notice to respond to the concerns outlined.

(8) If the NAC is not satisfied with the Enforcement Committee's response, the NAC may petition the City Clerk and request that City Council schedule a hearing with opportunity for both the Enforcement Committee and the NAC to present information related to the alleged violations of the Community Benefits Provision and any enforcement or mitigation efforts that have occurred.

(9) If City Council elects to hold a hearing, or based upon the written information submitted, City Council shall determine whether the Enforcement Committee has made reasonable efforts to ensure that the Developer has complied with the Community Benefits Provision.

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

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

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

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

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

(a) Developers shall:

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

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

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

Section 14-12-5. Exemptions.

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

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

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

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

(J.C.C. page):

Passed:

Approved: November 8, 2016

Certified by the Board of

County Canvassers: November 22, 2016

Published: November 29, 2016

Effective: November 29, 2016

JANICE M. WINFREY

Detroit City Clerk

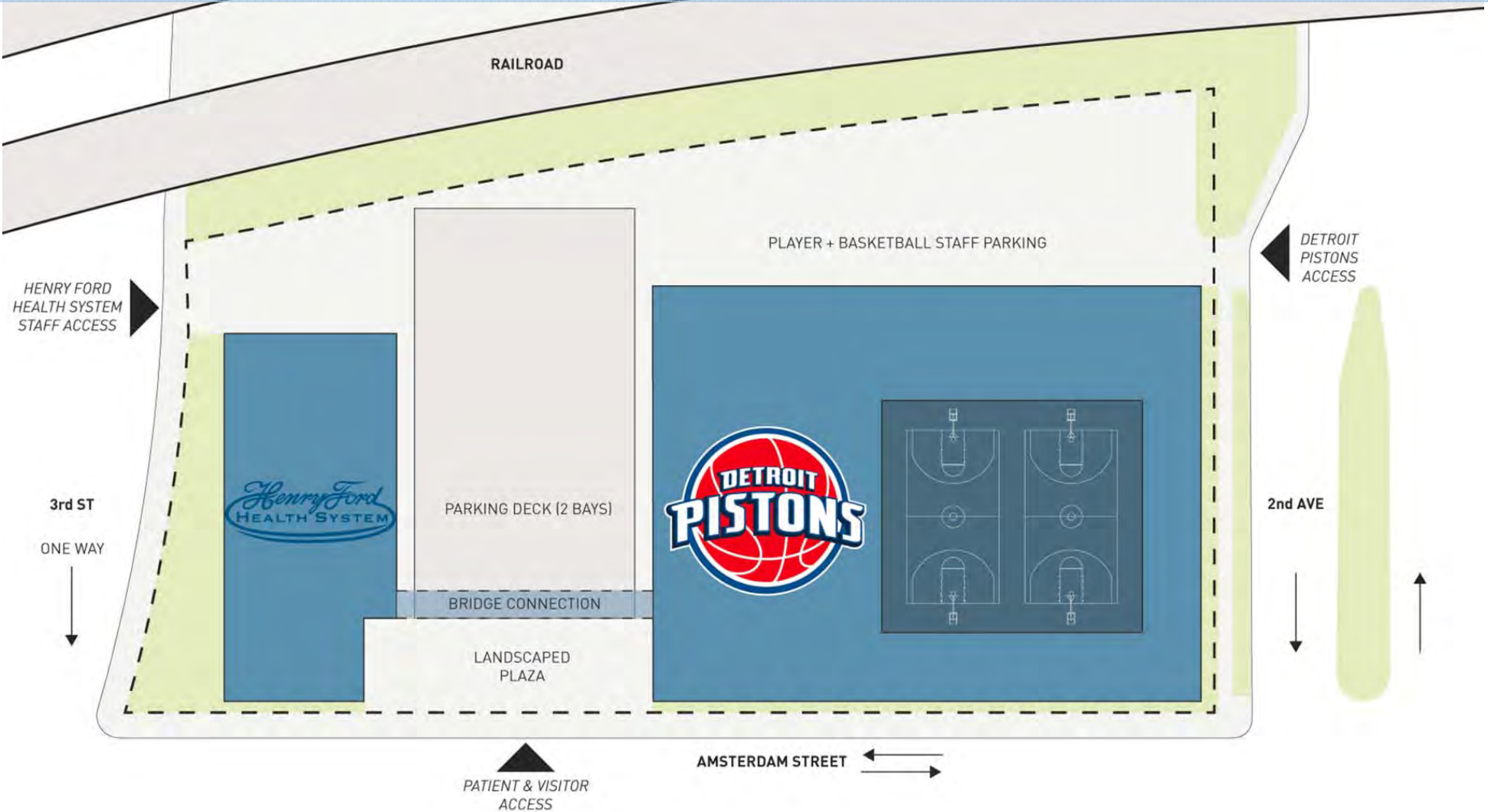
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HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

- Henry Ford Health System and the Detroit Pistons will collaborate on the design and construction of a state-of-the-art training, rehabilitation and sports medicine complex in New Center at 690 Amsterdam Avenue.
- The Detroit Pistons will operate a practice facility and training center for their players, as well as offices for their basketball and business operations staffs.
- The project's cost is estimated at \$50million.
- Henry Ford Health System will operate a comprehensive sports medicine, treatment and rehabilitation facility in an adjacent building.
- The cost is under the threshold for Tier I Community Benefits Ordinance public review; but the Pistons are interested in becoming good neighbors and a good partner in the community and seek your help and counsel.

HENRY FORD HEALTH SYSTEM - DETROIT PISTONS PERFORMANCE CENTER



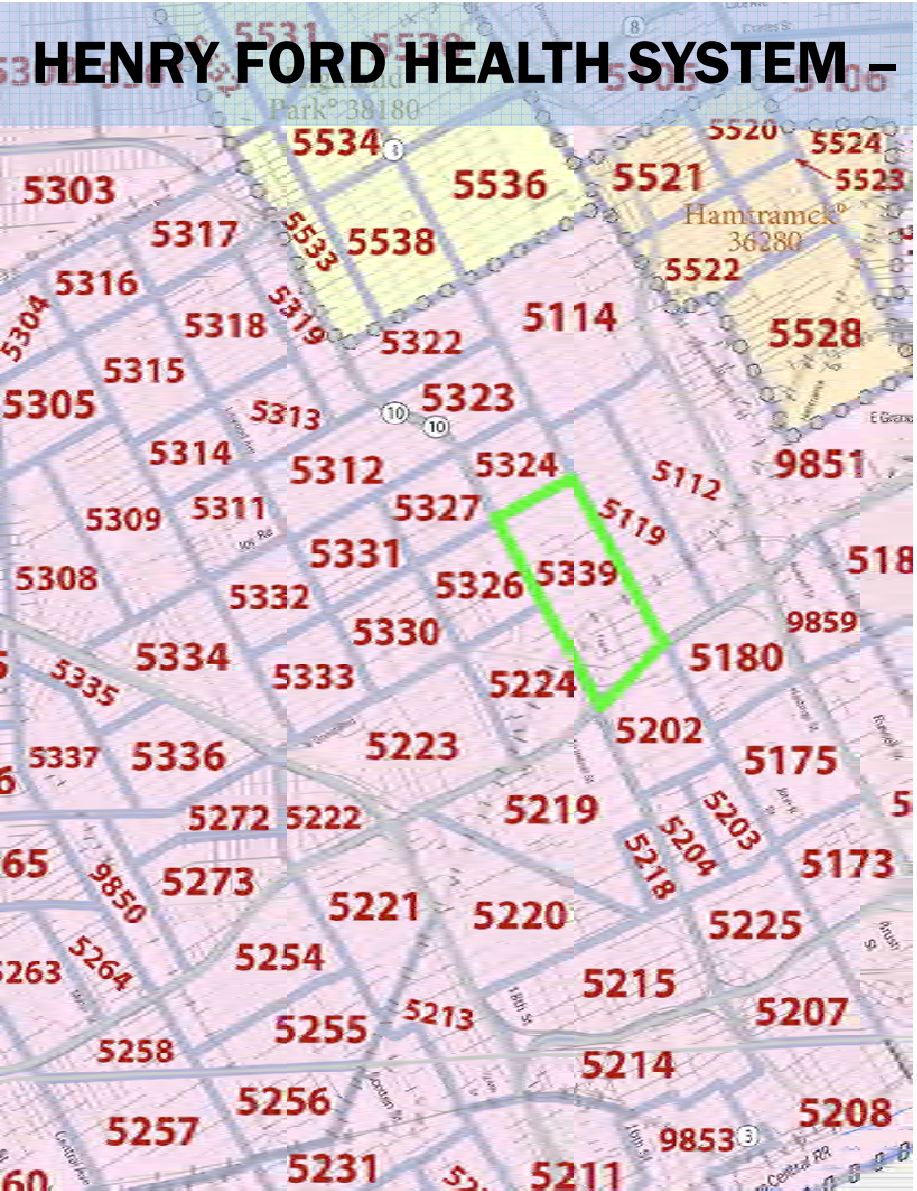
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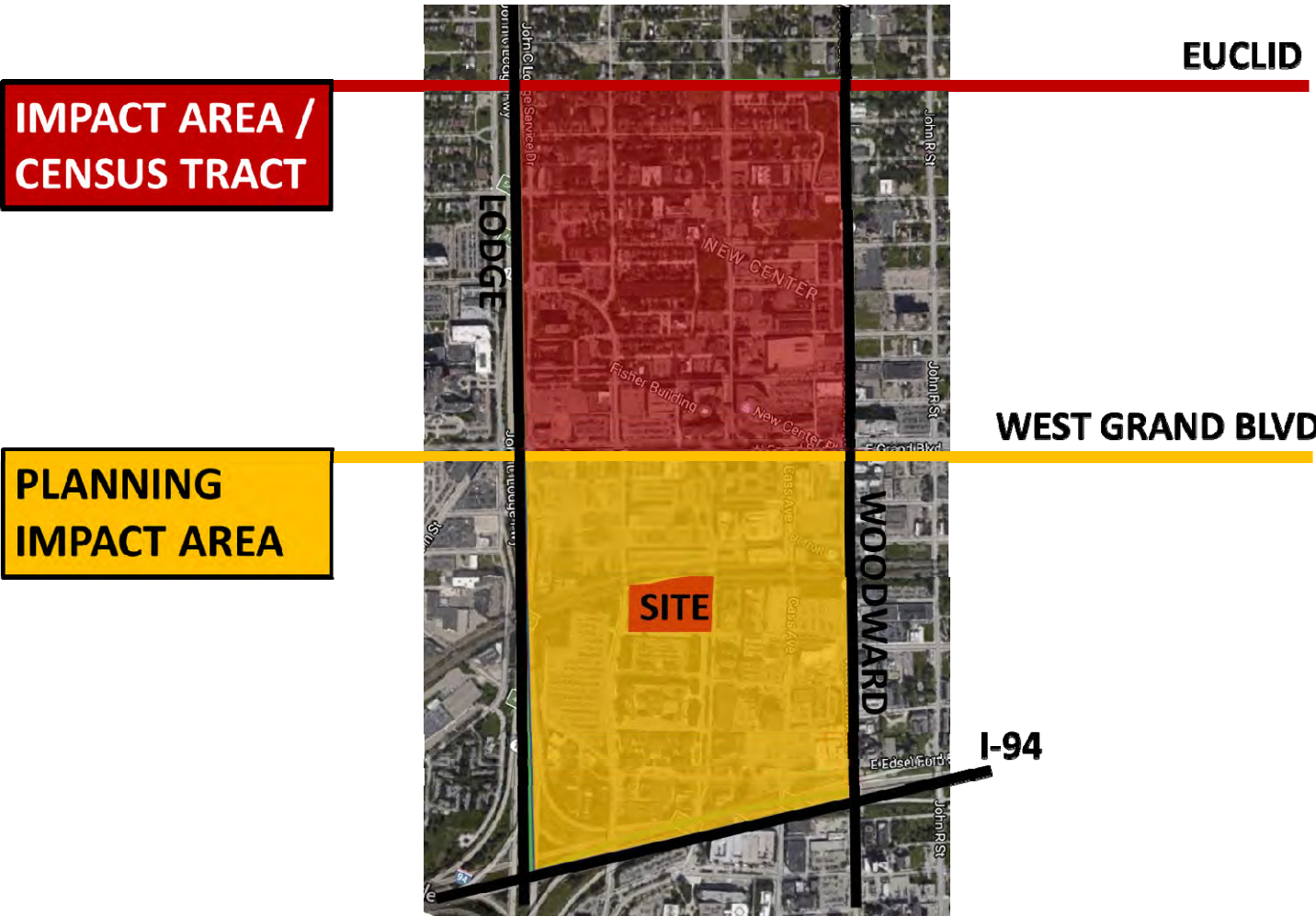
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The City of Detroit Department of Planning & Development and the office of City Council Member Mary Sheffield invites you to,

Pistons Practice Facility

Public Meeting



COME JOIN US!

As part of a community benefits agreement process the City of Detroit's Planning and Development Department invites you to attend a public meeting to review and comment on the proposed project.

The Pistons Organization and Henry Ford Hospital are reaching out to the community to receive input about their new home for a sports medicine facility, world headquarters, and practice facility. They are excited to be a new addition to the area and want to be good neighbors.

Monday March 20, 2017

Light refreshments will be provided

Henry Ford Health System

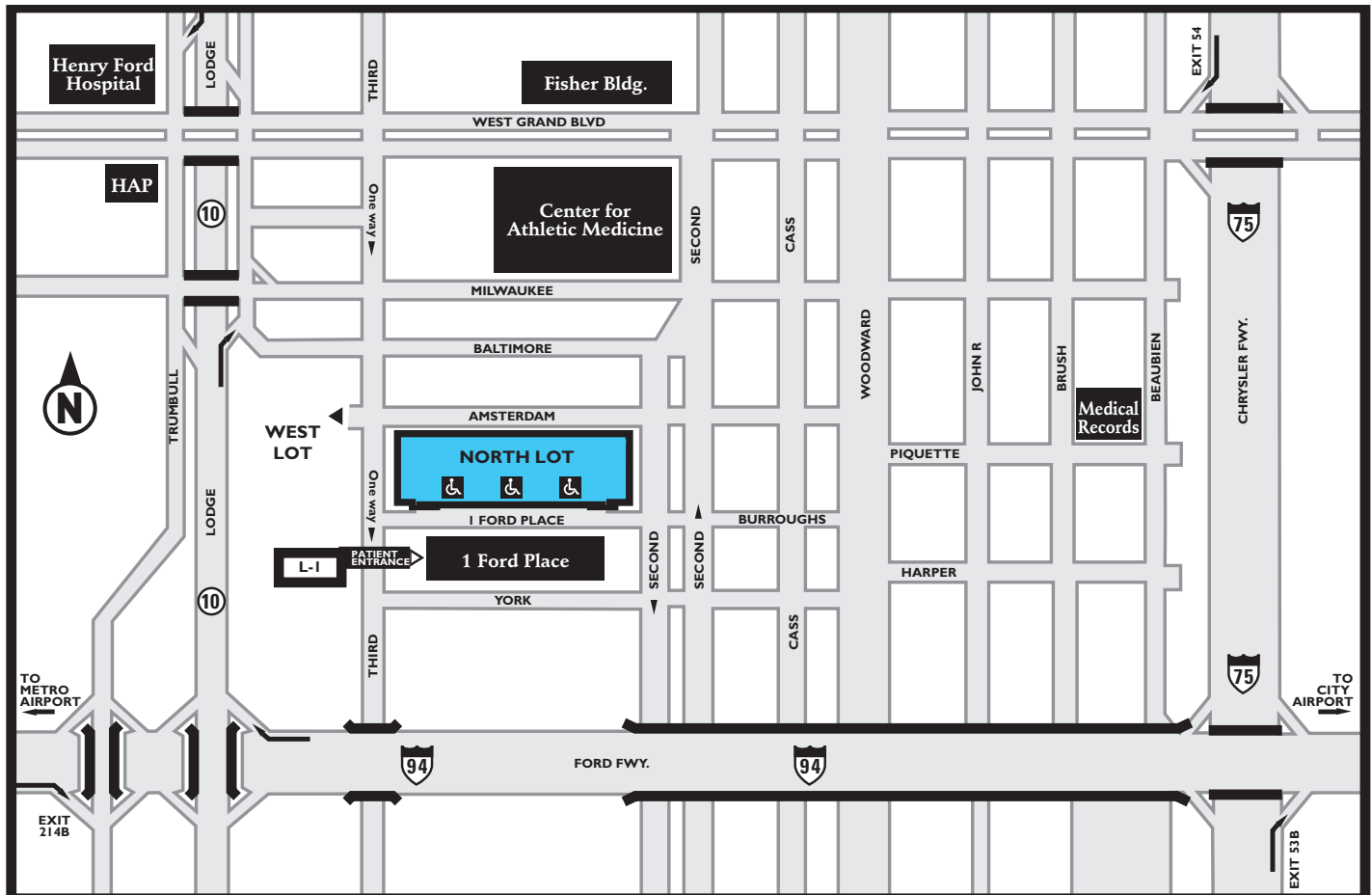
One Ford Place
Suite 1C00
Detroit, MI 48202

5pm - 7pm

See back of page for directions & parking info.

Interpretation service for the hearing impaired will be provided at both forums.

Directions to Venue & Parking Info



To Get to West Grand Blvd.

From Southbound 1-75: Take Exit 54 (Clay Ave/East Grand Blvd.), proceed past Clay Ave. to East Grand Blvd., turn west
From Northbound 1-75: Take Exit 53B west to 1-94.
From Eastbound 1-94: Take Exit 214B (Trumbull). Go north to West Grand Blvd., turn east.
From Westbound 1-94: Take Lodge Freeway north, exit at Milwaukee/West Grand Blvd.
From Southbound US-10 (Lodge Freeway): Take West Grand Blvd. exit, turn east.
From Northbound US-10 (Lodge Freeway): Take Milwaukee/West Grand Blvd. exit, turn east.

To get to 1 Ford Place from West Grand Blvd.

Take West Grand Blvd. toward the Fisher Bldg. to Third Ave, and turn south. Go south four blocks on Third Ave. to 1 Ford Place.

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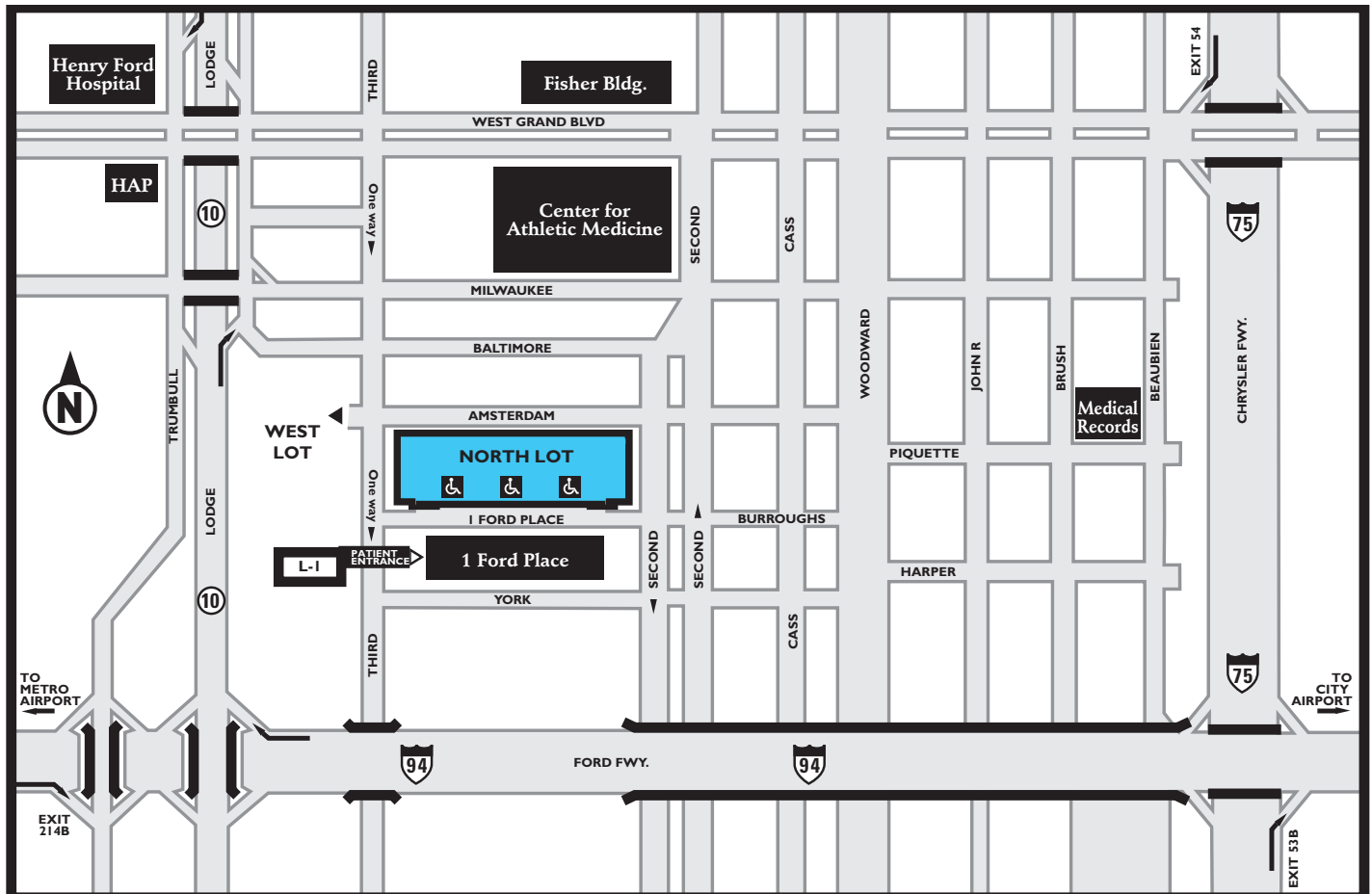
One Ford Place
Suite 1B
Detroit, MI 48202

5pm - 7pm

Please enter in the Third Street entrance.

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16. Memorandum of Understanding

John Sivills - Pistons NAC - NAC member Dr. Ken Harris

From: John Sivills
To: nacpistons@gmail.com
Date: 4/13/2017 8:24 AM
Subject: Pistons NAC - NAC member Dr. Ken Harris
Cc: R. Steven Lewis; acobbina@palacenet.com; rhaddad@palacenet.com; kharr...
Attachments: 2017-04-12 - CBO NAC 1.pdf

Greetings NAC members!

Thank you for your attendance and participation, from near and far (as was the case for Dr. Harris participating via phone while traveling).

We appreciate the initiative in setting up the common e-mail address for Pistons NAC members. Just a reminder, if there are any rights and privileges regarding this e-mail address, please extend them to Dr. Harris as well.

The NAC has opted to use April 17th for a meeting day with the schedule as follows: 5-6pm NAC members only (planning will attend this meeting as well; 6-7pm meeting is open the community). I need to know which room, if we can use HFHS facilities, this will be in.

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I will release a contact list of those in attendance later today.

Thank You,

John Sivills

John F. Sivills, Assoc. AIA

**Lead Urban Designer,
Central Planning District**

T: [313.224.4403](tel:313.224.4403)

E: sivillsj@detroitmi.gov

City of Detroit

Planning & Development Department
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 808
Detroit, MI 48226

Michael E. Duggan, Mayor

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John Sivills - Community Benefits Ordinance (CBO) Website

From: John Sivills <sivillsj@detroitmi.gov>
To: "nacpistons@gmail.com"
Date: 4/18/2017 7:18 PM
Subject: Community Benefits Ordinance (CBO) Website
Cc: Kimani Jeffrey; Vince Keenan; "R. Steven Lewis"; Matt Walters; David Wil...

Good Evening,

Here is the link to the CBO website on the planning department's website to share with the community:

<http://www.detroitmi.gov/Government/Departments-and-Agencies/Planning-and-Development-Department/Community-Benefits-Ordinance>

I will update information for the next community meeting within the next day or so.

Thanks,

John

Sent from my iPhone

On Apr 18, 2017, at 7:00 PM, John Sivills <sivillsj@detroitmi.gov> wrote:

Good Evening,

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The Pistons will present the mitigation response on April 27; not the 26th.

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Sent from my iPhone

On Apr 17, 2017, at 2:52 PM, John Sivills <sivillsj@detroitmi.gov> wrote:

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<TEXT.htm>

<2017-04-12 - CBO NAC 1.pdf>

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From: John Sivills <sivillsj@detroitmi.gov>
To: "nacpistons@gmail.com"
CC: Vince Keenan; "R. Steven Lewis"; Matt Walters; David Williams; Kya Rober...
Date: 4/18/2017 6:59 PM
Subject: Re: Pistons NAC - Change in Schedule

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>> John Sivills

>>

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>> John F. Sivills, Assoc. AIA

>> Lead Urban Designer,

>> Central Planning District

>> T: 313.224.4403

>> E: sivillsj@detroitmi.gov

>>

>> City of Detroit

>> Planning & Development Department

>> Coleman A. Young Municipal Center

>> 2 Woodward Avenue, Suite 808

>> Detroit, MI 48226

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>> Michael E. Duggan, Mayor

>>

>>

>> <TEXT.htm>

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John Sivills - Re: Pistons NAC - Change in Schedule

From: John Sivills
To: Kimani Jeffrey
Date: 4/19/2017 8:40 AM
Subject: Re: Pistons NAC - Change in Schedule
Cc: R. Steven Lewis; Marcell Todd

Hi Kimani,

Sure. It was the intent for the NAC to meet alone. Steve Lewis and I went there to primarily observe, since this is all new to us. I mentioned this in the letter sent to the NAC following the meeting on April 12th that planning will be there. For your info as well, Council Member Sheffield was there with staff.

The NAC discussed concerns that needed to be considered for mitigation; and further categorized the concerns within the impact area and concerns that could be considered by the developer that were not a direct impact of the project.

Steve and I did answer some technical questions as it pertained to the CBO that the NAC had, as well as offered some technical advise warranted.

We informed the NAC of the change in the schedule.

When I receive the list today I will forward to you as well, if it isn't directly copied to you.

Thanks,

John

John F. Sivills, Assoc. AIA

Lead Urban Designer,
Central Planning District

T: [313.224.4403](tel:313.224.4403)

E: sivillsj@detroitmi.gov

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>>> Kimani Jeffrey 4/18/2017 9:58 PM >>>

Hello John,

Would you be able to give me a brief update as to what occurred at the meeting of the 17th. I had the understanding that the NAC was going to meet alone and for the second half, possibly with the community. I guess I had a misunderstanding. I didn't know City staff would be there also.

Also, can you provide me with the list of concerns and requests from the NAC once they send it to you. That will really help in my analysis of the process. Thanks

Best,

Kimani Jeffrey, City Planner
Detroit City Council
Legislative Policy Division/
City Planning Commission
Coleman A. Young Municipal Center
2 Woodward Ave. Suite 208
Detroit, MI 48226
[\(313\) 224-6376](tel:3132246376) phone
[\(313\) 224-4336](tel:3132244336) fax
jeffreyk@detroitmi.gov

>>> John Sivills <sivillsj@detroitmi.gov> 04/18/17 7:00 PM >>>

Good Evening,

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John Sivills - Pistons NAC - Announcement on the Planning Department Website

From: John Sivills
To: nacpistons@gmail.com; acobbina@palacenet.com; rhaddad@palacenet.com
Date: 4/20/2017 10:11 AM
Subject: Pistons NAC - Announcement on the Planning Department Website
Cc: Matt Walters; R. Steven Lewis; Vince Keenan; mdunn5@hfhs.org; thabit..

Good Morning,

Here is the link to the April 27, 2017 Pistons NAC Mitigation meeting now on the website:

<http://www.detroitmi.gov/Government/Departments-and-Agencies/Planning-and-Development-Department/Alerts-and-News/ArticleID/1283/Event-Pistons-Practice-Facility-Presentation-of-Mitigation-to-NAC-April-27-2017>

Thanks,

John

John F. Sivills, Assoc. AIA

Lead Urban Designer,
Central Planning District

T: [313.224.4403](tel:313.224.4403)

E: sivillsj@detroitmi.gov

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Event: Pistons Practice Facility Presentation of Mitigation to NAC April 27 2017

posted on 4/20/2017 8:13:00 AM



Pistons Practice Facility Presentation of Mitigation to NAC

LOCATION:

Gilmore Center

Henry Ford Health Systems

One Ford Place

Detroit, MI 48202

DATE/TIME:

Thursday, April 27, 2017

5:30-7:00 pm

More Information

Categories: Event | Return

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Related

- News: PDD In The News 4/17/2017
- Event: Pistons Practice Facility Presentation of Mitigation to NAC April 27 2017 4/20/2017
- News: Detroit's City Planning Director Wins Gold Medal From Honor Society for Architecture and Arts 3/27/2017
- Event: Greater Downtown Area Bicycle Network Plan Public Meeting 4/1/2017
- News:10 U.S. Cities Pushing Biking Forward 4/25/2017
- Event: Brush Park Form-Based Code Public Meeting May 9 2017 4/19/2017

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+ **What We Do**

FAQ

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Community Relations , Community Services , Community Uses , Construction , Construction , Contractors , Employment , Housing and Revitalization , Neighborhood , Open Meeting , Planning and Development , Renewal , Urban Development , Zoning

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John Sivills - Pistons Practice Facility Community Benefits Ordinance: NAC's suggestions

From: Randal Brown <brown.randal@gmail.com>
To: John Sivills <sivillsj@detroitmi.gov>
Date: 4/19/2017 2:40 PM
Subject: Pistons Practice Facility Community Benefits Ordinance: NAC's suggestions
Cc: "BRANDONEZZA@aol.com" <brandonezza@aol.com>, <diane8904@att.net>, <moniq...>
Attachments: PistonsPracticeFacilityCommunityBenefitNACRequestsandPistonsResponses.docx

Mr. Sivills,

Please see the attached Word document.

Regards,

Randal

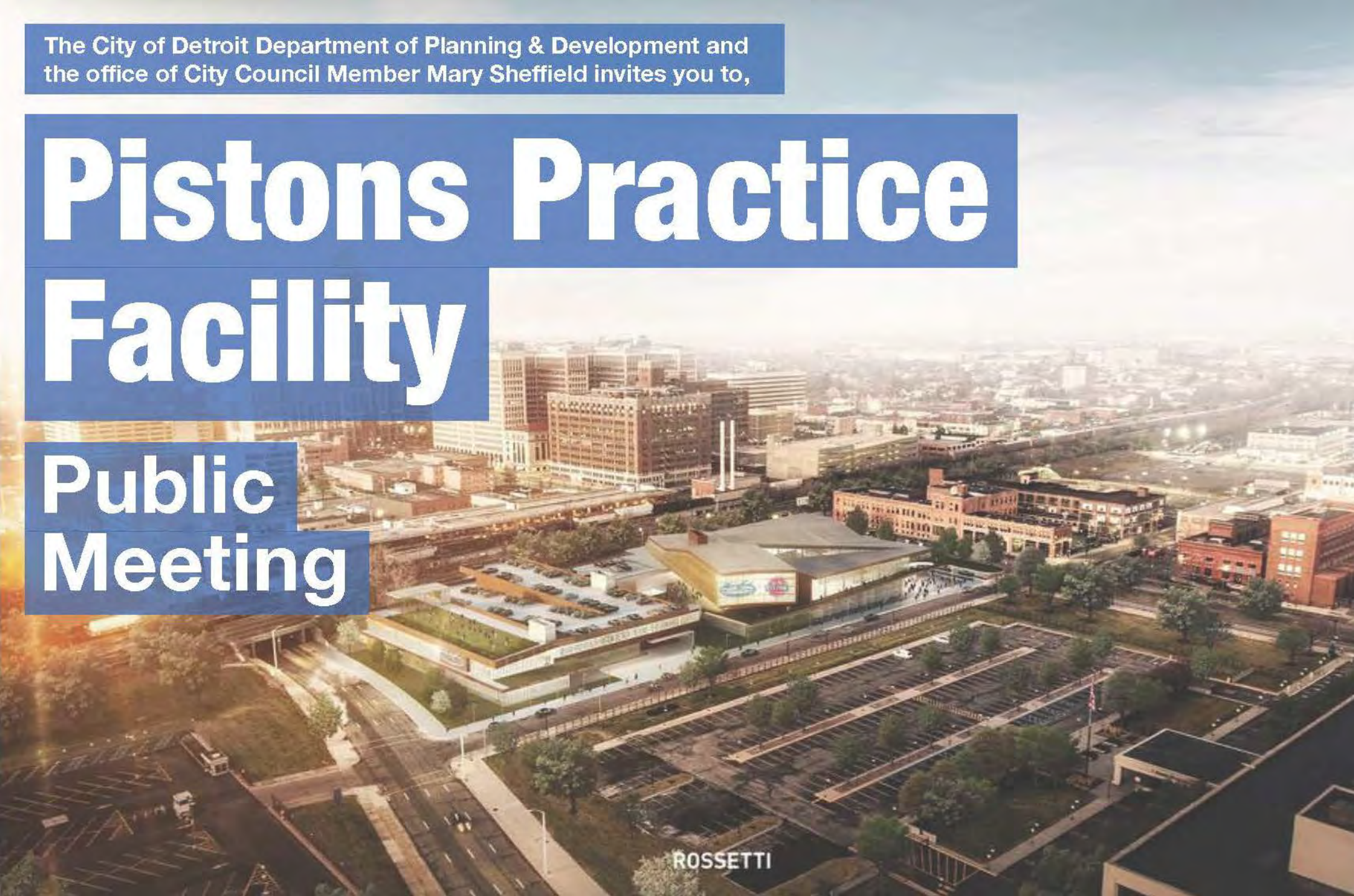
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The City of Detroit Department of Planning & Development and the office of City Council Member Mary Sheffield invites you to,

Pistons Practice Facility

Public Meeting



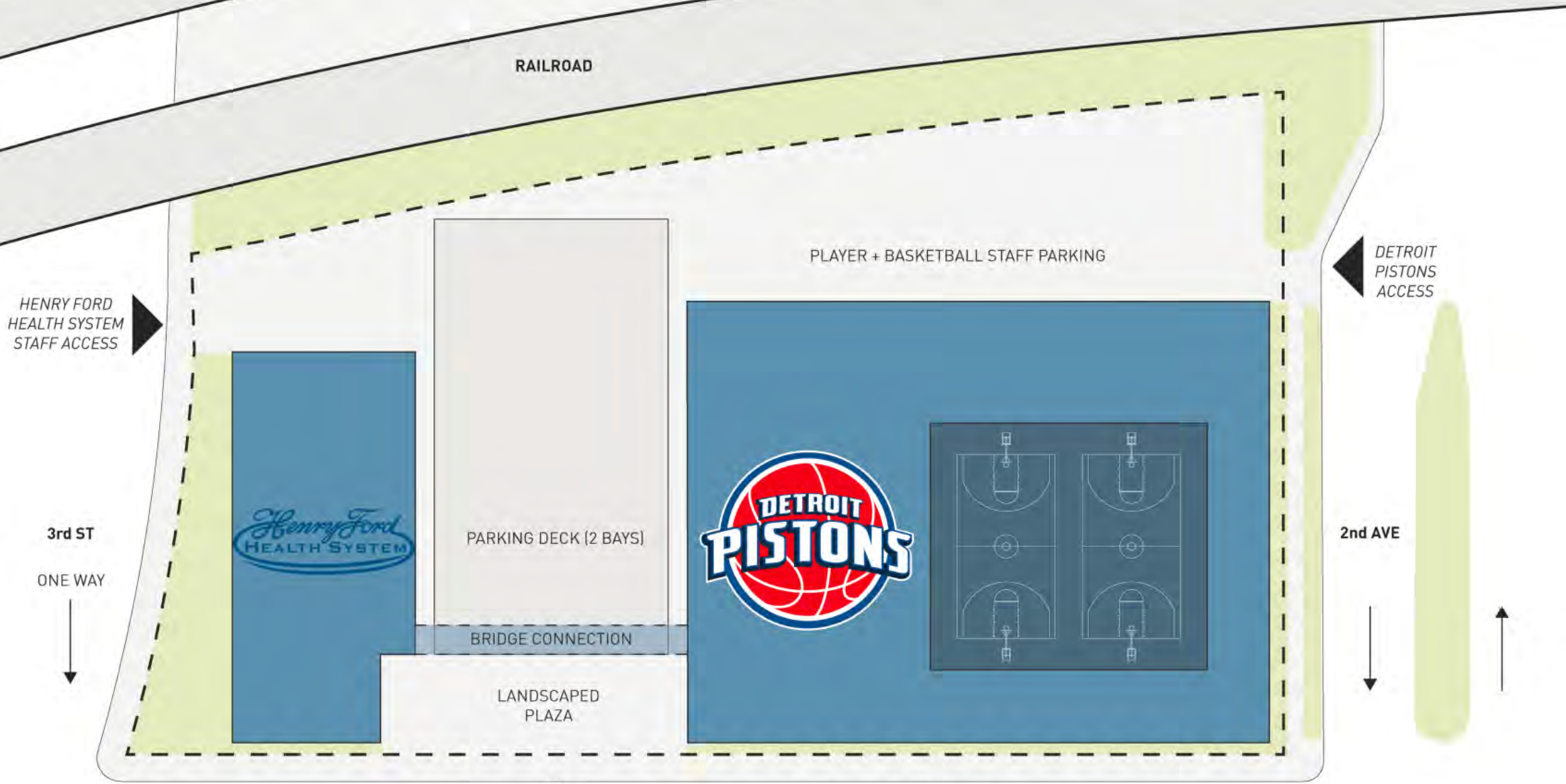
ROSSETTI

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

Opening in Fall 2018

- Henry Ford Health System and the Detroit Pistons will collaborate on the design and construction of state-of-the-art training, rehabilitation and sports medicine complex in New Center.
- The Detroit Pistons will operate a practice facility and training center for their players, as well as offices for their basketball and business operations staffs.
- Henry Ford Health System will operate a comprehensive sports medicine, treatment and rehabilitation facility.

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



RAILROAD

PLAYER + BASKETBALL STAFF PARKING

HENRY FORD HEALTH SYSTEM STAFF ACCESS

DETROIT PISTONS ACCESS

3rd ST ONE WAY



PARKING DECK (2 BAYS)



2nd AVE

BRIDGE CONNECTION

LANDSCAPED PLAZA

AMSTERDAM STREET

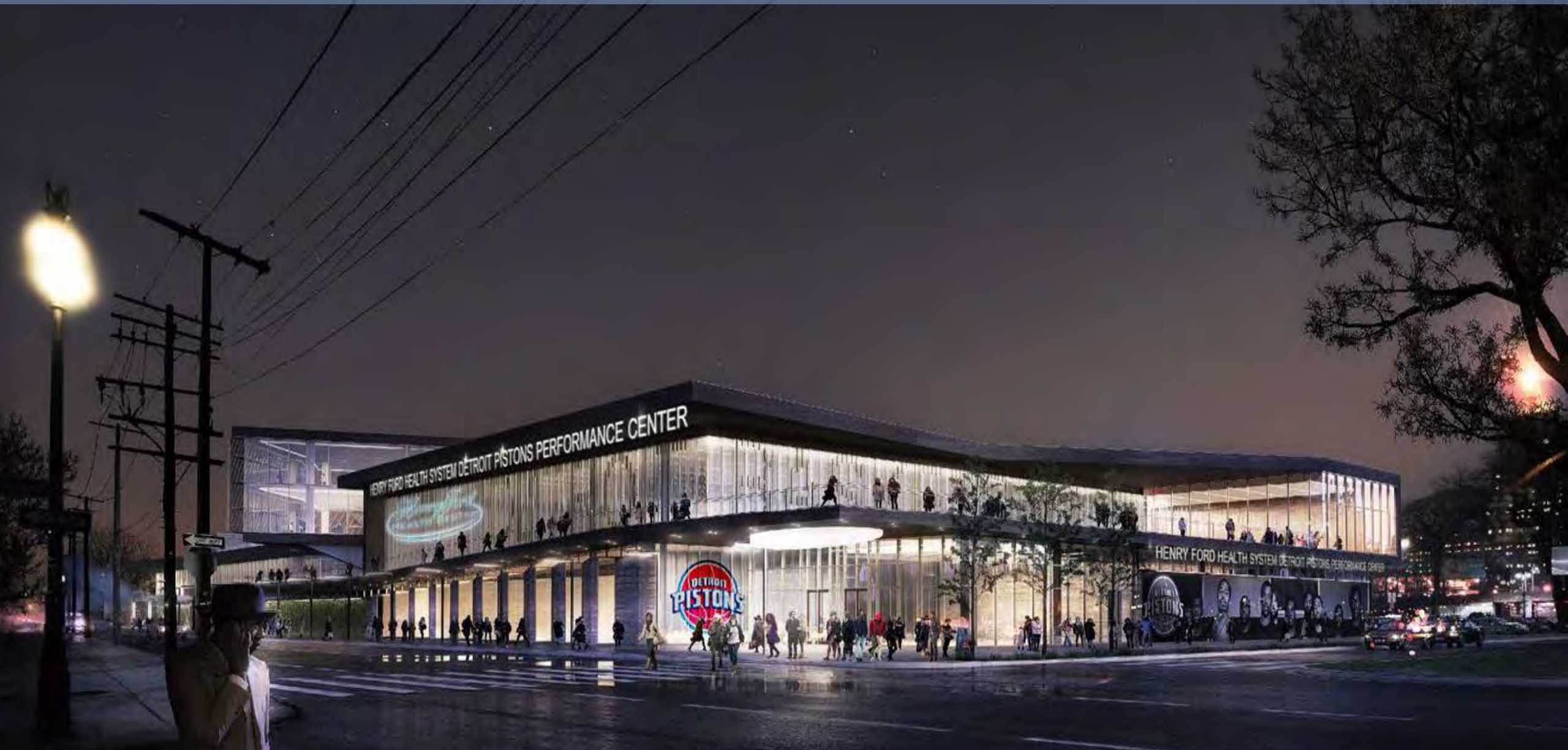
PATIENT & VISITOR ACCESS

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



ROSSETTI

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



ROSSETTI

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

ISSUE: TRAFFIC

POTENTIAL IMPACT

- Traffic congestion during peak periods (rush hour)
- Discuss potential mitigation techniques

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

ISSUE: CONSTRUCTION

POTENTIAL IMPACT

- Construction effects
 - Noise
 - Dust
- Discuss potential mitigation techniques

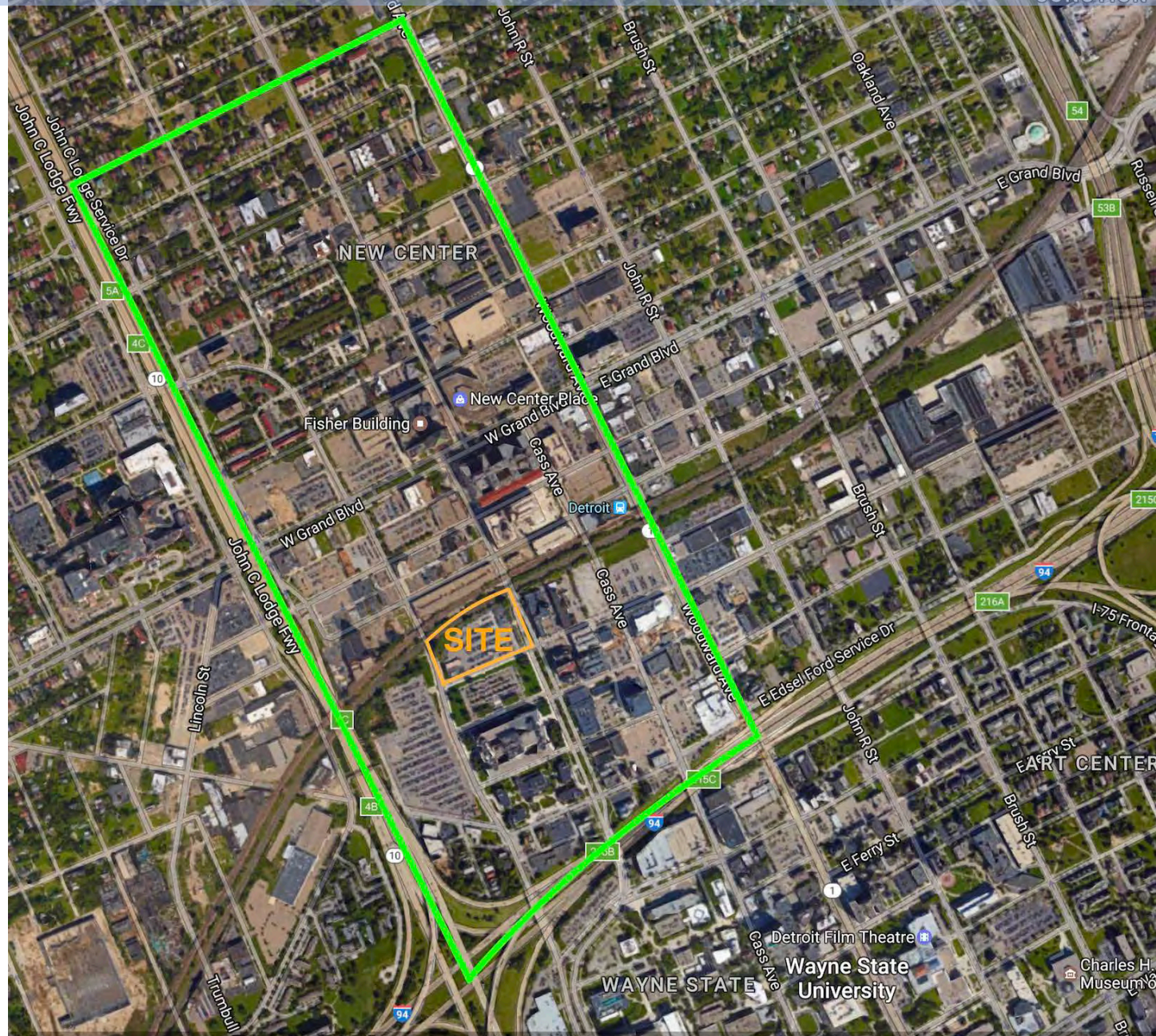
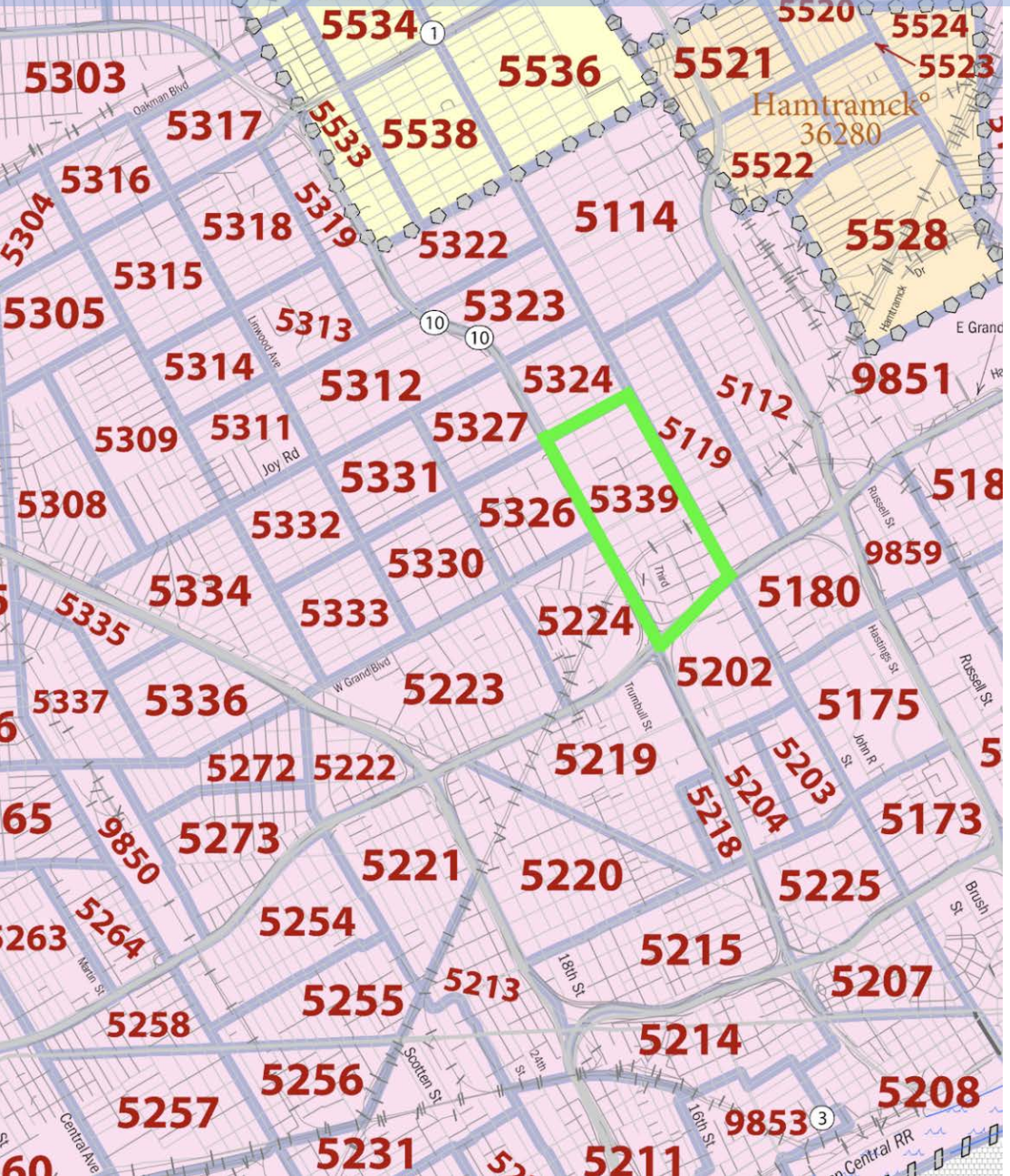
HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

ISSUE: PARKING

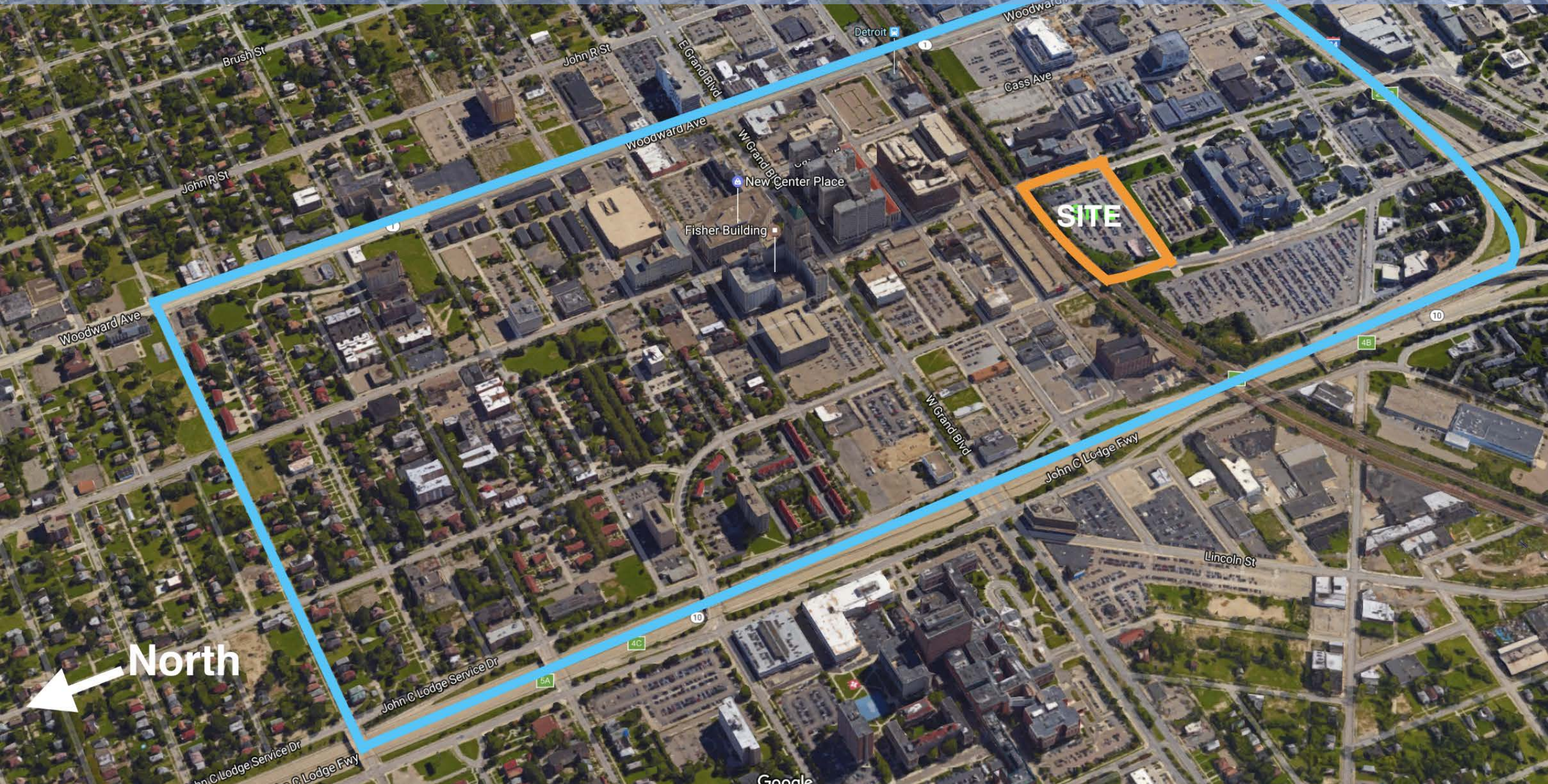
POTENTIAL IMPACT

- Parking Operations Displacement
- Discuss potential mitigation techniques

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



SITE

North

WHAT ARE THE NAC MEMBERS' ROLES AND RESPONSIBILITIES?

- **Attend at least 1 initial meeting** between the NAC the Developer.
- Continue to attend follow-up meetings with the Developer to **monitor progress and status of project.**
- **Review Community Benefits Reports** written by the Planning and Development Department Compliance Reports
- **SHARE INFORMATION**

NAC MEMBERS

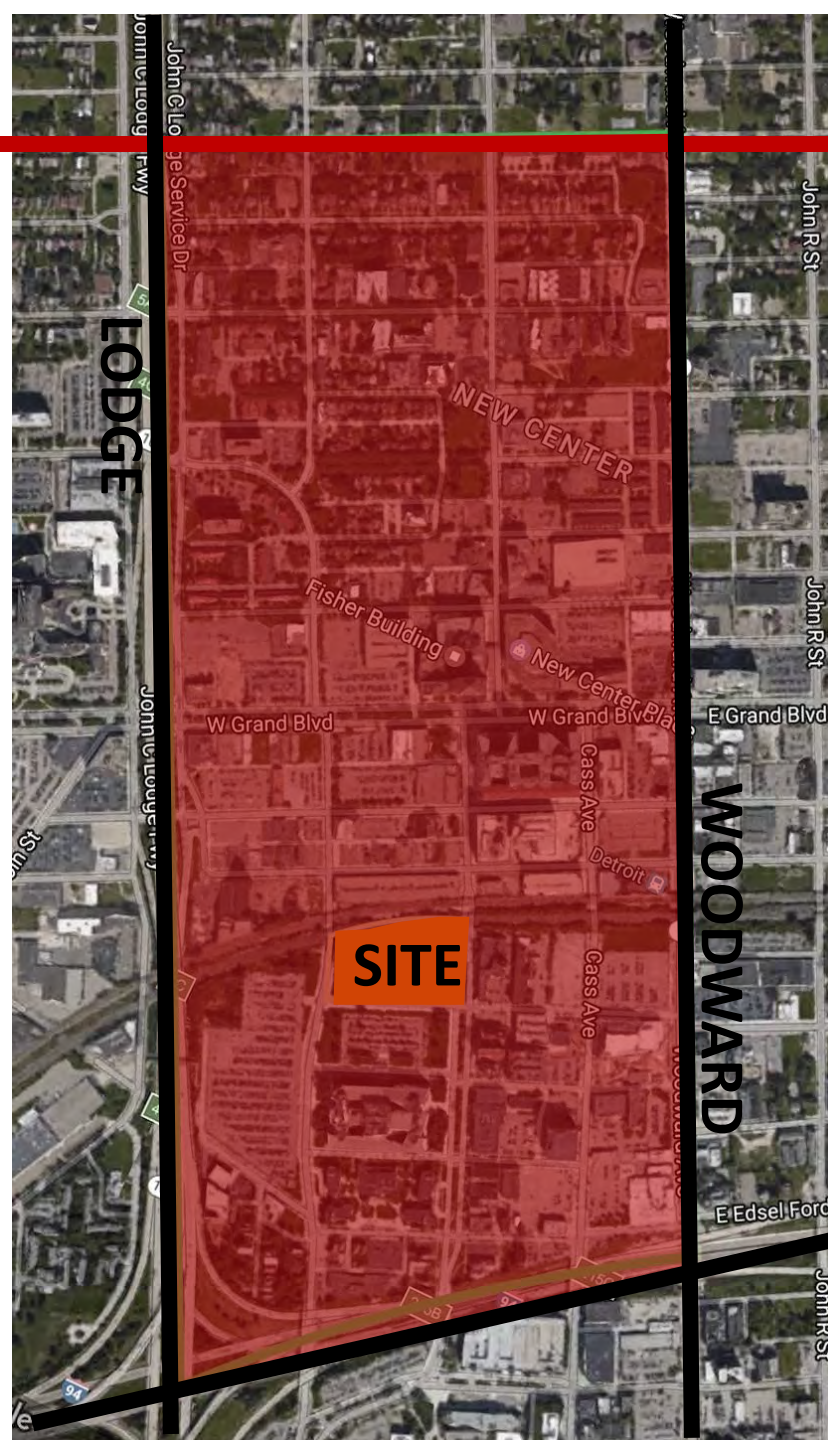
Eligible members must be:

- Residents of the impacted area
- Nominated by residents of the impacted area, and
- At least 18 years of age

The NAC consists of 9 members, who are selected as follows:

- 2 selected by residents of the impacted area
- 4 selected by the City of Detroit Planning and Development Department (with preference given to residents expected to be directly impacted by project)
- 2 selected by the At-Large Council Members (Council Members Ayers and Jones)
- 1 selected by the local District Council Member (Council Member Sheffield) whose district contains the largest portion of the Impact Area

IMPACT AREA /
CENSUS TRACT

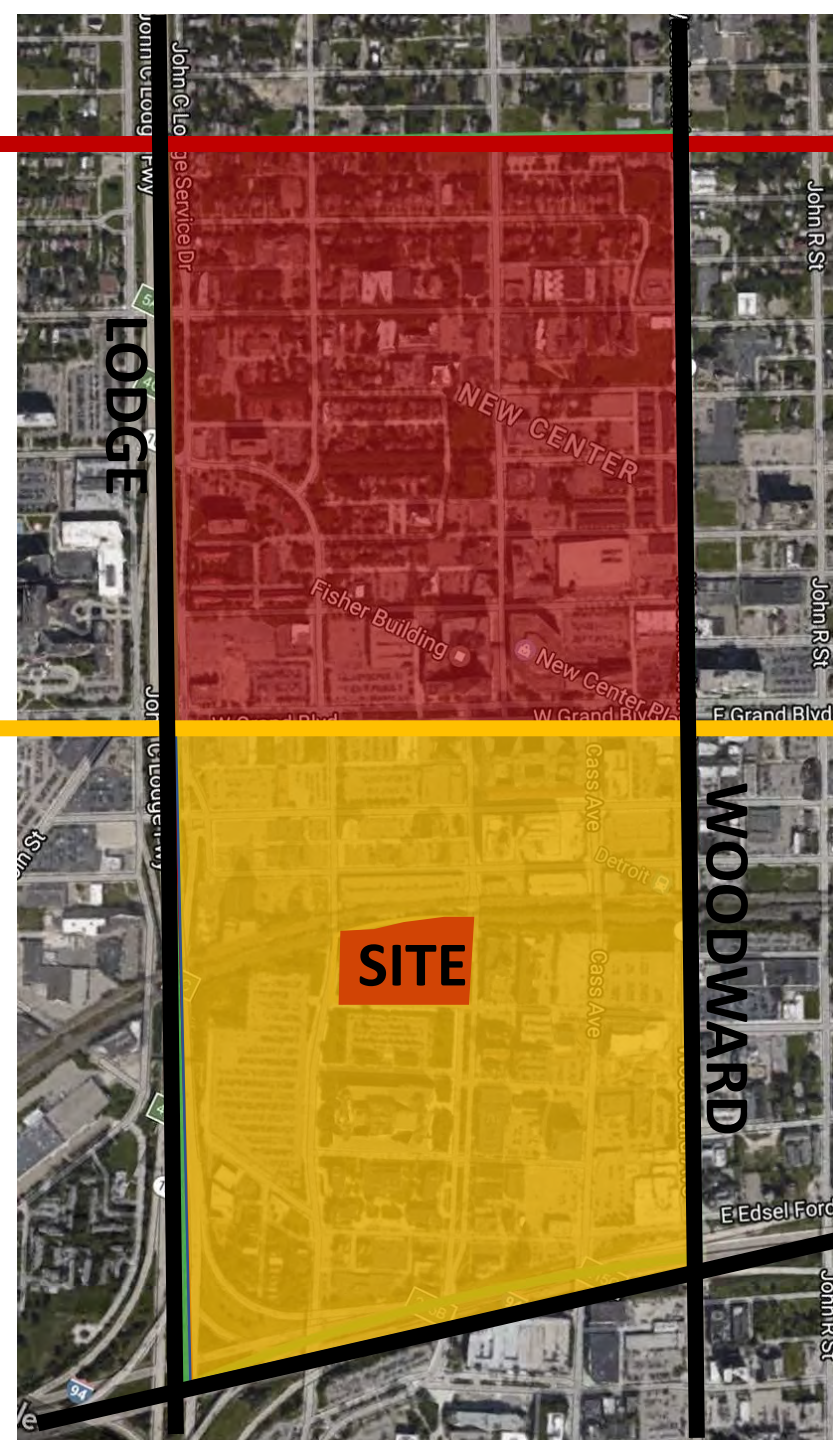


WOODWARD

I-94

EUCLID

**IMPACT AREA /
CENSUS TRACT**



WEST GRAND BLVD

**PLANNING
IMPACT AREA**

SITE

WOODWARD

I-94

EUCLID

**IMPACT AREA /
CENSUS TRACT**

LODGE

NEW CENTER

Fisher Building

New Center Pl

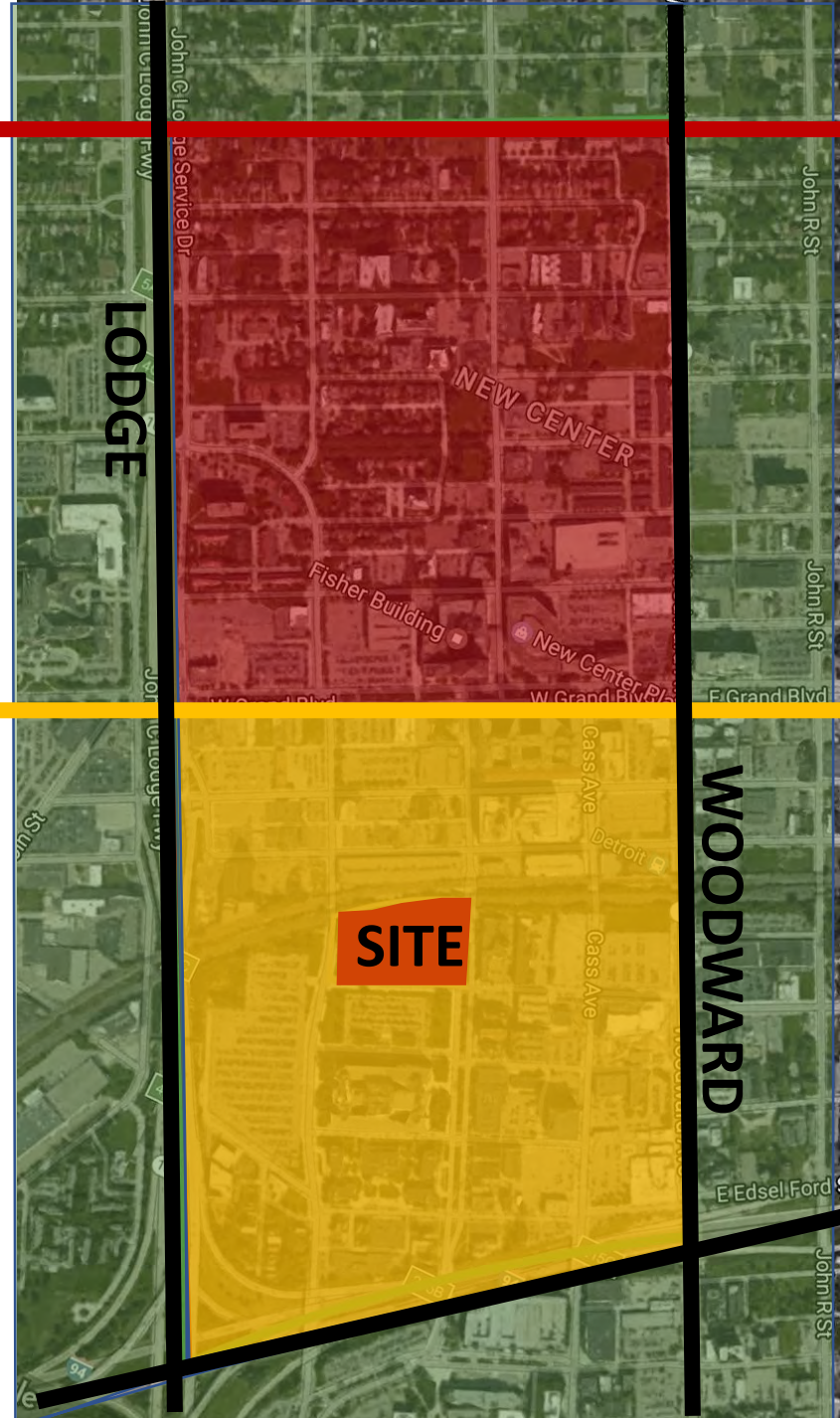
WEST GRAND BLVD

**PLANNING
IMPACT AREA**

SITE

WOODWARD

I-94



APPENDIX

1. Community Benefits Ordinance, Detroit Legal News, November 29, 2016
2. Project Description
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6. E-mail – Pistons NAC – NAC Dr. Ken Harris
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15. April 27, 2017 – CBO NAC Response
16. Memorandum of Understanding

The City of Detroit welcomes you to the....

Pistons Practice Facility



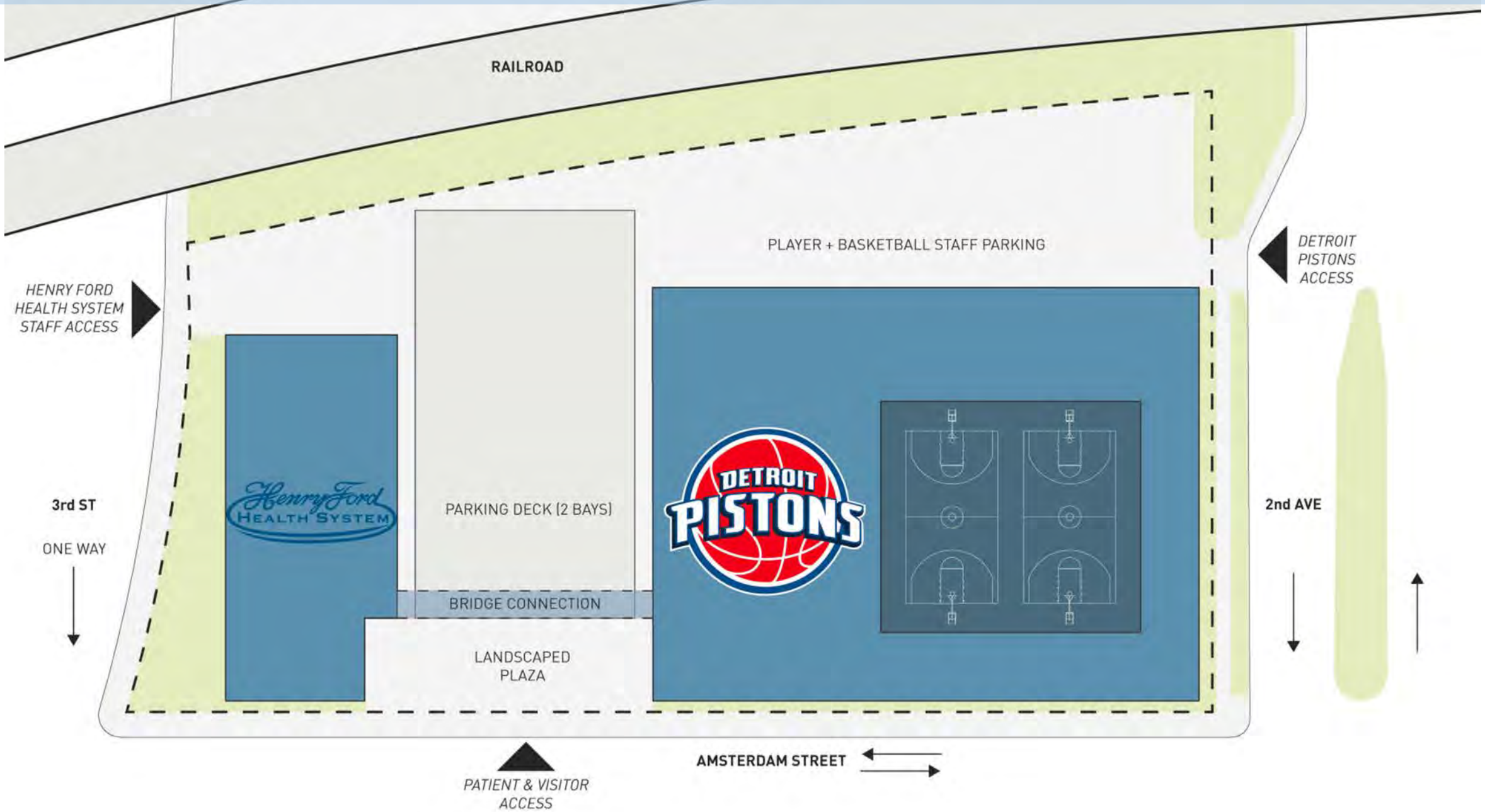
NEIGHBORHOOD ADVISORY COUNCIL PUBLIC MEETING 4.12.2017

ROSSETTI

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

- Henry Ford Health System and the Detroit Pistons will collaborate on the design and construction of state-of-the-art training, rehabilitation and sports medicine complex in New Center at 690 Amsterdam Avenue
- The Detroit Pistons will operate a practice facility and training center for their players, as well as offices for their basketball and business operations staffs.
- The project's cost is estimated at \$50million
- Henry Ford Health System will operate a comprehensive sports medicine, treatment and rehabilitation facility in an adjacent building.
- The cost is under the threshold for Tier I Community Benefits Ordinance public review; but the Pistons are interested in becoming good neighbors and a good partner in the community and seek your help and counsel.

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

- INVESTMENT OF \$2,500,000 OVER SIX YEARS IN THE CONSTRUCTION, RENOVATION AND REFURBISHMENT OF MORE THAN 60 BASKETBALL COURTS IN PARKS THROUGHOUT THE CITY OF DETROIT IN PARTNERSHIP WITH THE CITY OF DETROIT'S RECREATION DEPARTMENT.
- EMPLOY AT LEAST 51% DETROIT RESIDENTS AND AWARD AT LEAST 30% OF CONTRACTS TO DETROIT-BASED COMPANIES DURING THE CONSTRUCTION OF THE PRACTICE FACILITY.
- SUPPORT WORKFORCE DEVELOPMENT INITIATIVES FOR CITY RESIDENTS INCLUDING A COMMITMENT OF \$100,000 TO THE CITY'S WORKFORCE DEVELOPMENT DEPARTMENT.
- CONTINUE TO PARTNER WITH THE MAYOR'S OFFICE TO PROVIDE MENTORSHIP OPPURTUNITIES FOR YOUNG CITY RESIDENTS AND SUPPORT THE CITY'S SUMMER JOBS PROGRAM.
- HOST FREE YOUTH BASKETBALL CAMPS, CLINICS, AND OTHER EVENTS FOR CITY RESIDENTS TO PROMOTE YOUTH BASKETBALL AND YOUTH ENRICHMENT PROGRAMS IN THE CITY.
- CONTINUE TO PROVIDE TICKETS TO DETROIT YOUTH AND RESIDENTS TO ATTEND NBA BASKETBALL GAMES, IN SUPPORT OF AND IN CONNECTION WITH COMMUNITY EDUCATIONAL PROGRAMS AND INITIATIVES.

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

GRANTEES 2017



ORGANIZATION NAME	ORGANIZATION MISSION	IMPACT
S.A.Y. Detroit Play Center	To be the premier training center for young people to improve their community, starting with themselves.	<p>A basketball gym was refurbished and rebranded to show the Pistons/Foundation brand and provide Gores Family recognition</p> <p>High schools from around the area use the gym for practice</p> <p>Our gift also went towards making sure that the gym was properly staffed to encourage academic growth</p>
Forgotten Harvest	To relieve hunger in the Detroit Metropolitan community by rescuing surplus, prepared and perishable food and donating it to emergency food providers.	<p>Our grant purchased a single-axel truck, with Pistons and Foundation branding</p> <p>These trucks drive more than 80,000 miles, make 930 stops and serve over 41 million people annually</p> <p>Our commitment covers the costs, maintenance and one driver's salary for a year</p>
City Year Detroit	Using the power of education to help every child reach his or her potential.	<p>City Year works with more than 5,000 students daily in seven different Detroit schools</p> <p>Our annual investments support 8-10 City Year employees and will allow City Year to double the number of schools served</p>
Detroit PAL	The Police Athletic League, together with DPD and the law enforcement community, supports and inspires Detroit Youth to realize their full potential as productive members of society.	<p>Detroit PAL is positively impacting the lives of 13,000 children annually through character building, sports and leadership programs</p> <p>A recreational basketball league was created in Wayne County</p> <p>2,100 children were taught basketball skills, and have access to mentoring and leadership from trained volunteers and Detroit Police Officers</p> <p>Police Officers</p>

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

GRANTEES 2017



ORGANIZATION NAME	ORGANIZATION MISSION	IMPACT
Grow Detroit Young Talent	Providing Detroit Youth to the world of work, we will enhance educational work readiness and leadership skills for thousands of youth in Detroit.	<p>GDYT is a 6-week summer employment program that combines work-readiness training with on-the-job experience to prepare youths, aged 14-24</p> <p>Our contribution helped 65 Detroit youth receive work skills, as well as access to mentoring and leadership through alliances with the Pistons and select partners</p>
Black History Month Event & Scholarship	Detroit Pistons sponsored event focused on educating local youth on the importance of Black History and to incorporate higher education scholarships.	<p>High school seniors from southeastern Michigan, including Genesee County, compete for scholarships to higher education</p> <p>Students perform through their chosen artistic medium (song, dance, speech, poetry) in response to an original theme that celebrates African American History</p> <p>Each student performs in front of their classmates and a panel of judges made up of community leaders, corporate partners and Pistons Legends</p>
B.I.N.G.O.	B.I.N.G.O. offers programs and activities designed to improve the academic, behavioral and social wellness of young men of color.	<p>Funding assists the Bing Youth Institute in programming costs, including providing experiences/opportunities to both the mentees and mentors</p> <p>BINGO serves as the Detroit Pistons primary mentoring platform</p>

NEIGHBORHOOD ADVISORY COUNCIL (NAC)

Eligible members must be:

- Residents of the impacted area
- Nominated by residents of the impacted area, and
- At least 18 years of age

The NAC consists of 9 members, who are selected as follows:

- 2 selected by residents of the impacted area
- 4 selected by the City of Detroit Planning and Development Department (with preference given to residents expected to be directly impacted by project)
- 2 selected by the At-Large Council Members (Council Member Ayers and Council Presidents Jones)
- 1 selected by the local District Council Member (Council Member Sheffield) whose district contains the largest portion of the Impact Area

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

NEIGHBORHOOD ADVISORY COUNCIL FOR THE PISTONS PRACTICE FACILITY

DR. KEN HARRIS – community elected

KATHRYN ROBERTSON – community elected

SARAH JAMES – CM Mary Sheffield appointee

LYNORE V. FOSTER – CM Janee Ayres appointee

AMY RENCHER – PDD Director Cox appointee

MONIQUE DOOLEY – PDD Director Cox appointee

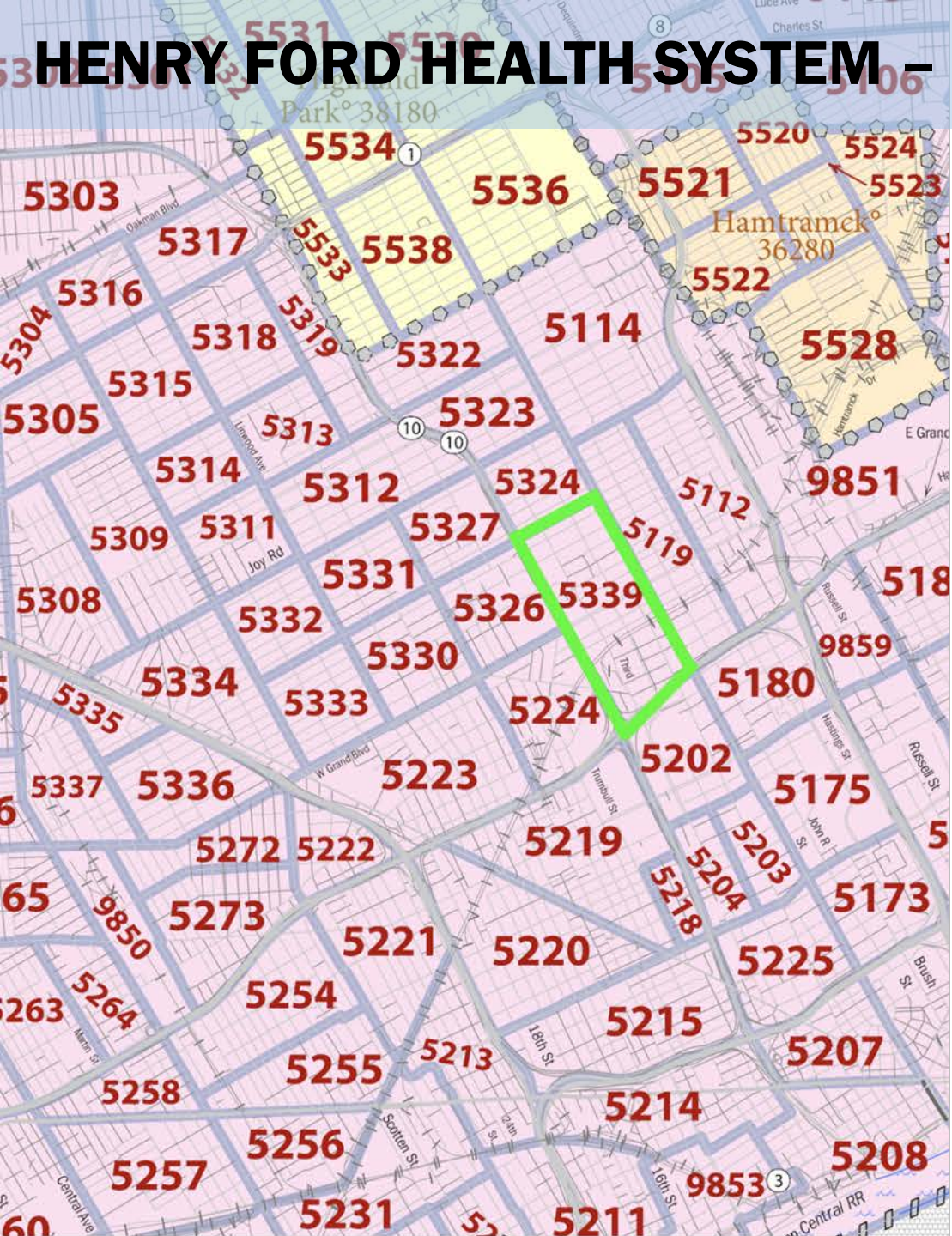
RANDAL BROWN – PDD Director Cox appointee

EZZA BRANDON – PDD Director Cox appointee

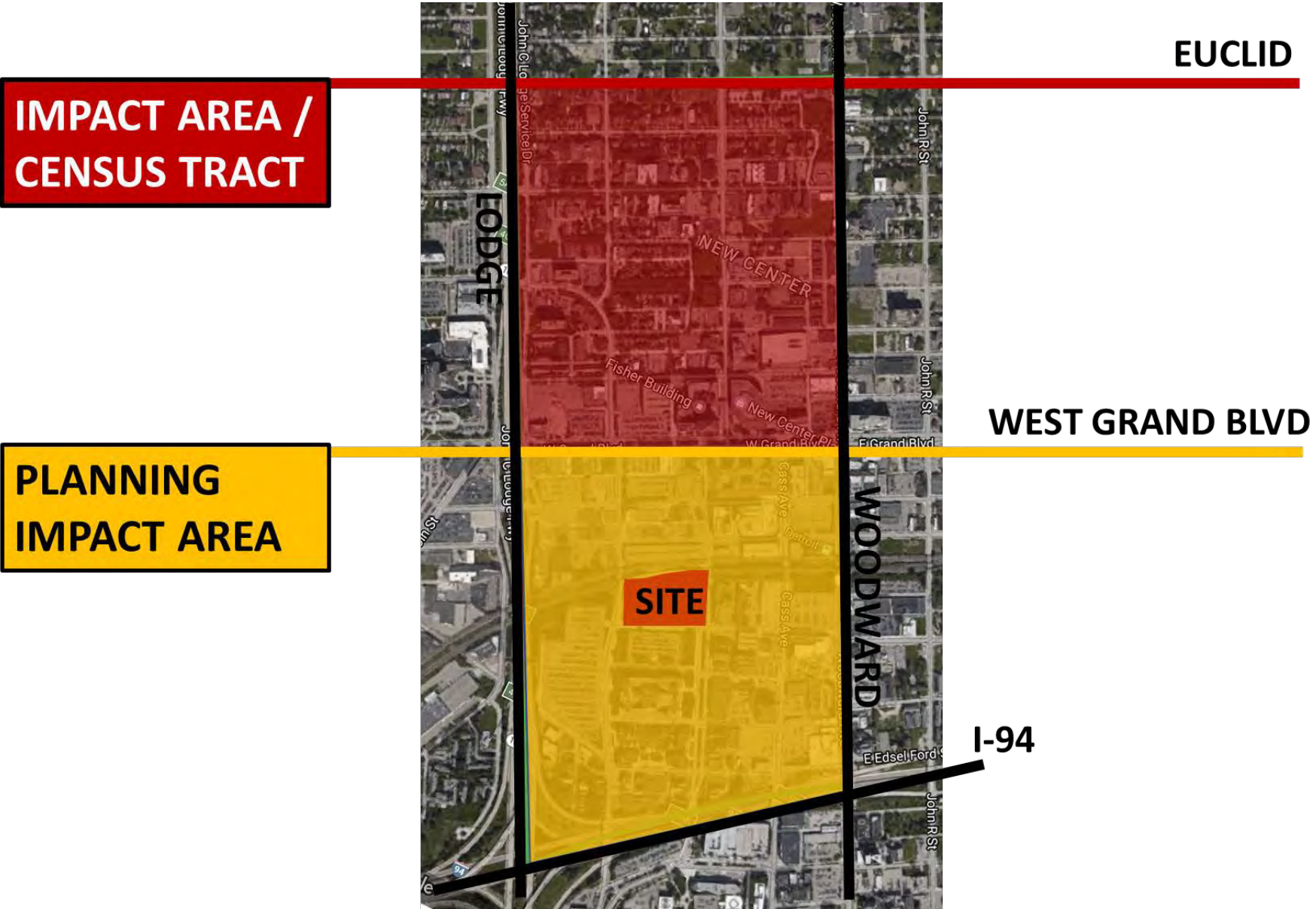
DIANE MCMILLAN – CP Brenda Jones Appointee

LEGISLATIVE POLICY LIASION – KIMANI JEFFREY

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

Page 6, The Detroit Legal News

TUESDAY, NOVEMBER 29, 2016

NOTICE OF

ENACTMENT OF ORDINANCE TO THE PEOPLE OF DETROIT, MICHIGAN.

Through an initiative submitted by City Council resolution, the people of the City of Detroit adopted the following ordinance at the November 9, 2016 General Election.

ORDINANCE NO. 35-16

CHAPTER 14.

COMMUNITY DEVELOPMENT

ARTICLE XII.

COMMUNITY BENEFITS

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

Section 1. Chapter 14 of the 1964 Detroit City Code, *Community Development*, is amended by adding Article XII, *Community Benefits*, which consists of Sections 14-12-1 through 14-12-5, to read as follows:

CHAPTER 14.

COMMUNITY DEVELOPMENT

ARTICLE XII.

COMMUNITY BENEFITS

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

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

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

Sec. 14-12-2. Definitions.

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

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

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

NAC means the Neighborhood Advisory Council.

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

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

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

(2) Provision or approval by the City of tax abatements or other tax breaks that abate more than One Million Dollars (\$1,000,000) of City taxes over the term of the abatement that inure directly to the Developer, but not including Neighborhood Enterprise Zone tax abatements.

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

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

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

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

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

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

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

The notice shall include:

a. The time, date and location of the public meeting;

b. General information about the Tier 1 Project;

c. A description of the Impact Area and the location of the Tier 1 Project;

d. Information related to potential impacts of the Tier 1 Project and possible mitigation strategies; and

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

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

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

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

(b) Neighborhood Advisory Council.

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

(2) All residents over the age of 18 that reside in the Impact Area are eligible for nomination.

(3) The NAC shall consist of nine members, selected as follows:

a. Two Members selected by residents of the Impact Area chosen from the resident nominated candidates;

b. Four Members selected by the Planning Director from the resident nominated candidates, with preference given to individuals the Planning Director expects to be directly impacted by the Tier 1 Project;

c. One Member selected by the Council Member in whose district contains the largest portion of the Impact Area from the resident nominated candidates; and

d. One Member selected by the At-Large Council Members from the resident nominated candidates.

(4) If the Planning Director receives less than nine nominations, the Planning Director may seek out additional nominations from individuals that live outside the Impact Area but within the City Council district or districts where the Tier 1 Project is located.

(5) All actions of the NAC may be taken with the consent of a majority of NAC members serving.

(c) Engagement with Developer.

(1) In addition to the meeting required in Subsection (a)(1) of this section, the Planning Director shall facilitate at least one meeting between the NAC and the Developer to allow the NAC to learn more details about the project and to provide an opportunity for the NAC to make Developer aware of concerns raised by the NAC.

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

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

(i) Community Benefits Report.

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

(2) The Community Benefits Report shall contain:

a. A detailed account of how notice was provided to organize the public meeting;

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

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

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

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

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

(5) The Planning Director shall work with City Council to assure that, to the maximum extent possible, all of the approvals required of City Council may be considered simultaneously and subject to one approval vote.

(6) The Planning Director shall work with other City departments to facilitate that Tier 1 Projects receive expedited City-required approvals.

(e) Development Agreement.

(1) All development agreements made between the Developer and the City related to the land transfers or tax abatements associated with a Tier 1 Project shall include the Community Benefits Provision, which shall include:

a. Enforcement mechanisms for failure to adhere to Community Benefits Provision, that may include but are not limited to, clawback of City-provided benefits, revocation of land transfers or land sales, debarment provisions and proportionate penalties and fees; and

b. The procedure for community members to report violations of the Community Benefits Provision to the NAC.

c. The length of time that Annual Compliance Reports as outlined in Subsection (f)(2) of this section, are required to be submitted;

d. Continued community engagement or community meeting requirements.

(2) The Developer shall not be required to enter into a legally binding agreement with any individual or organization other than the City for the express purpose of fulfilling the requirements of this ordinance or other City-mandated community engagement processes.

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

(f) Enforcement.

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

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

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

ii. a representative from the Planning and Development Department;

iii. a representative from the Law Department;

iv. a representative from the Human Rights Department.

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

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

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

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

(6) Upon receipt of written notification of allegations of violation from the NAC, the Enforcement Committee shall investigate such allegations and shall present their written findings to the NAC based upon the following:

a. Whether the Developer is in compliance with the Community Benefits Provision; and

b. How the Community Benefits Provision will be enforced or how violations will be mitigated.

(7) The findings of the Enforcement Committee shall be presented to the NAC no later than 21 days from the date the violations were reported to the Enforcement Committee, unless the need for additional time is reported to City Council and the NAC within the original 21 day time frame.

(8) If the NAC disagrees with the findings of the Enforcement Committee or determines that the Enforcement Committee is not diligently pursuing the enforcement or mitigation steps outlined in its findings, the NAC may send notice to the Enforcement Committee, and the Enforcement Committee shall have 14 days from receipt of notice to respond to the concerns outlined.

(9) If the NAC is not satisfied with the Enforcement Committee's response, the NAC may petition the City Clerk and request that City Council schedule a hearing with opportunity for both the Enforcement Committee and the NAC to present information related to the alleged violations of the Community Benefits Provision and any enforcement or mitigation efforts that have occurred.

(10) If City Council elects to hold a hearing, or based upon the written information submitted, City Council shall determine whether the Enforcement Committee has made reasonable efforts to ensure that the Developer has complied with the Community Benefits Provision.

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

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

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

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

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

(a) *Developer shall:*

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

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

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

Section 14-12-5. Exemptions.

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

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

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

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

(U.C.C. page)

Passed:
Approved: November 8, 2016
Certified by the Board of
County Canvassers: November 22, 2016

Published: November 25, 2016
Effective: November 29, 2016
JANICE M. WINFREY
Detroit City Clerk

(c) Engagement with Developer.

(1) In addition to the meeting required in Subsection (a)(1) of this section, the Planning Director shall facilitate at least one meeting between the NAC and the Developer to allow the NAC to learn more details about the project and to provide an opportunity for the NAC to make Developer aware of concerns raised by the NAC.

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



MARCH 20, 2017* – FIRST PUBLIC MEETING – ELECTED (2) NAC MEMBERS



APRIL 12, 2017 – MEETING WITH DEVELOPERS AND FULL NAC COUNCIL



APRIL 17, 2017 – OPTIONAL MEETING IF DEEMED NECESSARY



APRIL 24, 2017 – DEVELOPERS PRESENT PROPOSED MITIGATION

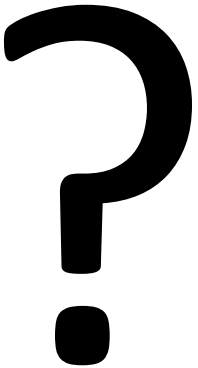


MAY 08, 2017 – PLANNING AND DEVELOPMENT PRESENTS REPORT TO NAC



NAC WILL WORK WITH ENFORCEMENT COMMITTEE ON A BIENNIAL COMPLIANCE REPORT TO ENSURE DEVELOPER PROVIDES AGREED UPON COMMUNITY BENEFITS – DATES TO BE DETERMINED

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



APPENDIX

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The City of Detroit welcomes you to the....

Pistons Practice Facility

**NEIGHBORHOOD ADVISORY COUNCIL
PROPOSED COMMUNITY BENEFITS
DEVELOPER MITIGATION RESPONSE
PUBLIC MEETING 4.27.2017**

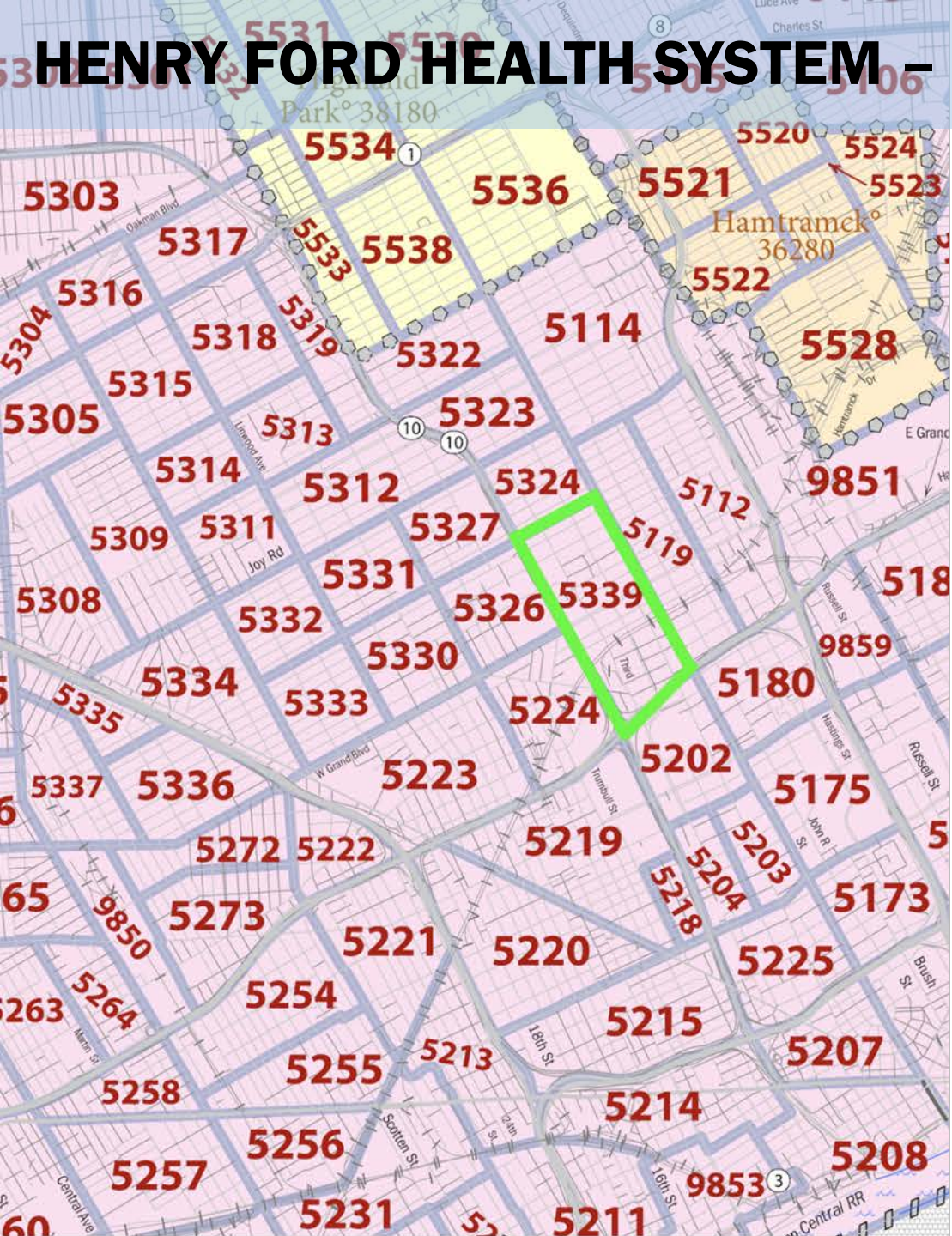
ROSSETTI



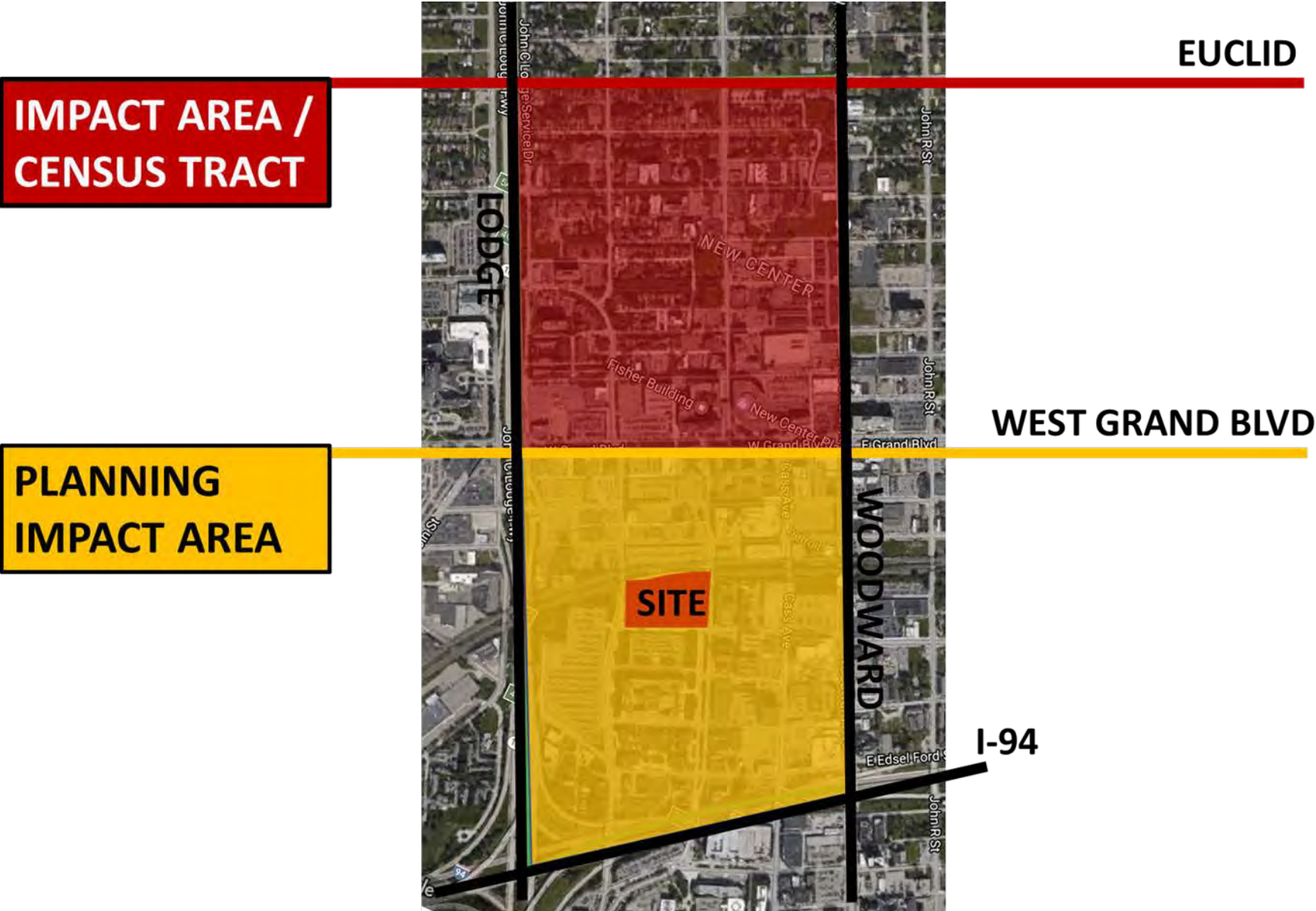
HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

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- The project's cost is estimated at \$50million.
- Henry Ford Health System will operate a comprehensive sports medicine, treatment and rehabilitation facility in an adjacent building.
- The cost is under the threshold for Tier I Community Benefits Ordinance public review; but the Pistons are interested in becoming good neighbors and a good partner in the community and seek your help and counsel.

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/DETAILS	PISTONS' RESPONSE
<p>60 OUTDOOR BASKETBALL COURTS (\$2.5 million over 6 years)</p> <p>Note: this request and response will not be addressed in any “Community Benefits Provision” agreement – it will be addressed in a separate agreement between the City and PS&E.</p>	<ol style="list-style-type: none"> 1. Remove limitation on using the funds for outdoor basketball courts 2. Increase amount 3. Allow the City’s Rec Department to determine how the funds are allocated and location of the courts, with a focus on the Impact Area <ol style="list-style-type: none"> a. Joseph Walker Williams Center, Delores Bennett Playground, Burns-Lambert Park and Coleman Young Rec Center should be on the list 4. Provide plan to maintain the courts, including separate funding to maintain the Court 5. Consider indoor courts 6. Provide lighting to ensure safety of users 7. Provide a timeline for completing all 60 courts 8. Invite NAC members to the grand opening of the Courts 9. Provide an annual report on the Pistons’ efforts to the Enforcement Committee 	<p>Per our previous agreements (MOUs) with the DDA and City, PS&E committed to invest a total of \$2.5 million over 6 years to construct, renovate and refurbish 60 community recreational basketball facilities in Detroit, in partnership with the Recreation Department who will maintain the facilities. The City has agreed to promulgate the timeline for facility renovation and the process for choosing the facilities.</p> <p>PS&E is happy to invite NAC members to the grand opening of these facilities. The City has agreed to provide public reports on this investment on an annual basis.</p>

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

COMMUNITY BENEFIT	NAC’S ADDITIONAL REQUESTS/DETAILS	PISTONS’ RESPONSE
<p>51% DETROIT RESIDENT-WORKFORCE AND 30% OF CONTRACTS TO DETROIT BASED BUSINESSES</p> <p>Note: this request and response will not be addressed in any “Community Benefits Provision” agreement – it will be addressed in a separate agreement between the City and PS&E.</p>	<ol style="list-style-type: none"> 1. Provide plan for meeting these requirements <ol style="list-style-type: none"> a. Identify how the Pistons Practice Facility Plan will be more successful than the Little Caesars Arena Plan 2. Provide plan for outreach and workforce training (pre-, during and post-construction), with a focus on the Impact Area, which includes <ol style="list-style-type: none"> a. Partnering with workforce development entities and unions, and b. Conducting job fairs 3. Provide plan for apprenticeships, with a focus on the Impact Area 4. Provide quarterly reports on the Pistons’ efforts to the Enforcement Committee 	<p>We plan to use any and all available City and community resources and workforce development entities to locate, recruit, train, hire, and retain Detroit residents and businesses to work on and at this project and to maximize local community hiring.</p> <p>We plan to host one contracting/job fair so that potential contractors and applicants will be able to get more information on the project and the structure of our organization.</p>

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/DETAILS	PISTONS' RESPONSE
<p>DONATION TO CITY'S WORKFORCE DEVELOPMENT DEPARTMENT (\$100,000.00)</p> <p>Note: this request and response will not be addressed in any "Community Benefits Provision" agreement – it will be addressed in a separate agreement between the City and PS&E.</p>	<ol style="list-style-type: none">1. Identify number of years of the commitment2. Identify when will the money be disbursed3. Specify that the Detroit Employment Solutions Corporation will receive the funds	<p>PS&E has committed to a one-time \$100,000 contribution to the Detroit Employment Solutions Corporation, which will be disbursed by the end of 2017, subject to the City Council's approval of all items related to the Pistons move to Detroit.</p>

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

COMMUNITY BENEFIT	NAC’S ADDITIONAL REQUESTS/DETAILS	PISTONS’ RESPONSE
<p>MENTORSHIP OPPORTUNITIES AND SUPPORT CITY’S SUMMER JOBS PROGRAM FOR THE YOUTH</p> <p>Note: this request and response will not be addressed in any “Community Benefits Provision” agreement – it will be addressed in a separate agreement between the City and PS&E.</p>	<ol style="list-style-type: none"> 1. Identify number of years of the commitment 2. Ensure that City residents secure the opportunities, with a focus on the Impact Area 3. Ensure that the front-office/corporate opportunities are provided to City residents, with a focus on the Impact Area 4. Quantify the number of City residents, with a focus on residents from the Impact Area, that receive these opportunities <ol style="list-style-type: none"> a. Identify the number of paid internships per year 5. Identify the amount of the financial commitment by the Pistons for these programs 6. Implement year-round internships for Detroit residents, with a focus on the Impact Area 7. Provide an annual report on the Pistons’ efforts to the Enforcement Committee 	<p>PS&E has committed to partnering with the Mayor’s Office to provide youth mentorship opportunities and participate in Grow Detroit’s Young Talent, the youth summer jobs program for Detroit residents. PS&E will commit \$100,000 to GDYT annually, subject to an annual evaluation of the program to ensure that its mission and that of PS&E continue to align. In 2016, our contribution sponsored 58 participants in the program, including 4 who worked for PS&E in Sales and Community Relations. The participants are chosen by the Detroit Employment Solutions Corporation and assigned to PS&E. Separately, PS&E operates a small internship program and welcomes applications from Detroit residents.</p>

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

COMMUNITY BENEFIT	NAC’S ADDITIONAL REQUESTS/DETAILS	PISTONS’ RESPONSE
<p>CAMPS, CLINICS, AND OTHER EVENTS PROMOTING YOUTH BASKETBALL AND YOUTH ENRICHMENT</p> <p>Note: this request and response will not be addressed in any “Community Benefits Provision” agreement – it will be addressed in a separate agreement between the City and PS&E.</p>	<ol style="list-style-type: none"> 1. Identify number of years of the commitment 2. Ensure and quantify that the City residents secure the opportunities, with a focus on the Impact Area 3. Identify the amount of the financial commitment by the Pistons for these programs 4. Provide an annual report on the Pistons’ efforts to the Enforcement Committee 5. Ensure that programming includes Coaching Clinics 	<p>PS&E commits to host at least 2 youth basketball or related (e.g., “PistonsFit”) programs, camps or clinics (including coaching clinics) per year at a basketball facility (or facilities) in Detroit for at least a period of 6 years.</p>

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/DETAILS	PISTONS' RESPONSE
<p>FREE TICKETS TO PISTONS GAMES (20,000 tickets/year)</p> <p>Note: this request and response will not be addressed in any “Community Benefits Provision” agreement – it will be addressed in a separate agreement between the City and PS&E.</p>	<ol style="list-style-type: none">1. Identify number of years of the commitment2. Ensure that City residents secure the tickets, with a focus on the Impact Area3. Quantify the number of tickets that are donated per game4. Ensure that donated tickets are spread across the Arena and are not limited to upper rows of the 200 and 300-levels.5. Ensure that the free tickets include all play-off games6. Provide a midseason and end of season report on the Pistons' efforts to the Enforcement Committee	<p>PS&E commits to make available 20,000 free tickets to regular season Pistons games to Detroit youth and residents for at least six 6 years. For each game, ticket numbers and locations will be based upon availability as determined by PS&E.</p> <p>PS&E is happy to work with the City to provide an annual report on these efforts.</p>

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/DETAILS	PISTONS' RESPONSE
FACILITY ACCESS BY THE COMMUNITY	<ol style="list-style-type: none">1. Identify the number of practices per year that City residents can attend, with a focus on the Impact Area2. Identify the number of clinics and other programming that City residents can have at the Facility3. Identify the number of years for this commitment4. Provide an annual report on the Pistons' efforts to the Enforcement Committee	PS&E commits to holding at least one practice per season that is open to the public and free of admission costs in the City. Additionally, PS&E commits to host at least 2 youth basketball or related (e.g., "PistonsFit") programs, camps or clinics (including coaching clinics) per year at a basketball facility (or facilities) in Detroit for at least a period of 6 years. Lastly, PS&E intends to include public-facing retail on the ground level of the facility.

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/DETAILS	PISTONS' RESPONSE
PARKING AND STREET CLOSURES	<ol style="list-style-type: none">1. Provide general public access to the parking structure at an hourly and daily rate2. Ensure that street parking would not be impacted by the Pistons Practice Facility3. Ensure that neighboring buildings will continue to have access to their lots, during and post-construction, including the loft building across the street from the Facility4. Ensure that Facility activities are scheduled to limit its impact on rush hour traffic and school pick-up and drop-off times in the Impact Area5. Notify businesses, residents and schools of temporary and permanent street closures in a timely manner	<p>PS&E and Henry Ford Health System are designing a parking structure that will replace the surface lot that HFHS currently uses and accommodate all anticipated PSE employees and visitors. As such, the neighborhood's post-construction parking situation will not be negatively impacted by the Practice Facility. No permanent street closures are anticipated and we will work with the city to notify residents of temporary street closures in the area, and to otherwise minimize these impacts.</p> <p>PS&E realizes that the development of the Practice Facility may displace parking for residents of the Lofts at New Amsterdam. Our understanding is that HFHS has committed to finding convenient replacement parking nearby on HFHS owned land.</p>

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/DETAILS	PISTONS' RESPONSE
LIGHTING	1. Ensure that the Facility will minimize light pollution (i.e. Ford Field blue roof) in the Impact Area	PS&E will cooperate with the City to comply with all local rules and regulations regarding exterior lighting or signage.
FITNESS WORKS	1. Provide plan and commitment to <ol style="list-style-type: none">address the potential closure of the facility and/orpartner with Fitness Works	The Pistons do not have anything to do with Fitness Works. Our understanding is that HFHS is working with the owners of Fitness Works with respect to this issue.

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/DETAILS	PISTONS' RESPONSE
DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT PARTNERSHIP	<ol style="list-style-type: none">1. Ensure engagement with all DPSCD schools2. Extend Pistons' buying power to purchase basketball equipment for schools (basketball whistles, etc.)3. Provide the current state of scholarship programs going to City residents4. Award scholarships to DPSCD high school graduates5. Provide an annual report on the Pistons' efforts to the Enforcement Committee	<p>As the Detroit Public Schools continues with their transition, the Detroit Pistons and the Detroit Pistons Foundation will continue to engage with Detroit Public Schools and its students through our grantees and non-profit partners, particularly City Year who the Pistons are helping to expand from 7 to 15 schools over the next two years. The Pistons also host (for the 12th year) an annual scholarship competition for Detroit and Flint public school students featuring \$50,000 in college scholarships.</p>

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/DETAILS	PISTONS' RESPONSE
PRE- AND POST- CONSTRUCTION JOBS, CONTRACTING AND PROCUREMENT (PART 1 RESPONSE)	<ol style="list-style-type: none">1. Ensure contracting and vending opportunities for Detroit-based businesses, with a focus on businesses within the Impact Area2. Set goals for using Detroit-based business after the construction3. Allocate a specific percentage to post-construction vending and contracting that will go to Detroit Based Businesses	<p>PS&E are committed to providing opportunities for Detroiters to pursue jobs and contracts relating to this project. To this end, we plan to use any and all available City and community resources and workforce development entities to locate, recruit, train, hire, and retain Detroit residents and businesses to work on and at this project and to maximize local community hiring.</p> <p>We plan to host one contracting/job fair so that potential contractors and applicants will be able to get more information on the project and the structure of our organization.</p>

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/DETAILS	PISTONS' RESPONSE
PRE- AND POST- CONSTRUCTION JOBS, CONTRACTING AND PROCUREMENT (PART 2 RESPONSE)	<ol style="list-style-type: none">1. Host, annually, job and vendor/contracting fairs for post-construction Pistons positions, vending and procurement for the Pistons in partnership with the City of Detroit, business community, trade associations, chambers of commerce and other commerce-driven strategic partners<ol style="list-style-type: none">a. Proper notice and information provided to Detroit-based businesses2. Provide leased space for Detroit-based businesses3. Provide an annual report on the Pistons' efforts to the Enforcement Committee	<p>Our business is a unique one because many of our contractual relationships are defined by the NBA (Nike for apparel and merchandise, Spalding for basketballs) and many of our employees have sports business experience from other markets. We feel that making Detroiters aware of the opportunities that are available through a contracting/job fair will give them more insight into the types of opportunities/positions that are available and allow them to compete for those positions.</p> <p>Lastly, PS&E has committed \$100,000 to the Detroit Employment Solutions Corporation.</p> <p>With respect to leased space, we intend to pursue strategic retail partners that will impact the neighborhood and community in a positive way.</p>

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER

COMMUNITY BENEFIT	NAC'S ADDITIONAL REQUESTS/DETAILS	PISTONS' RESPONSE
OTHER REQUEST	<ol style="list-style-type: none">1. Provide a comparison of the total amount of tax incentives the Pistons expect to receive to the amount the Pistons expect to spend on Community Benefits	The DEGC conducted an economic impact analysis that determined that the City will receive net benefits of over \$9M in the next 10 years, even after accounting for any/all tax abatements and incentives that will benefit the Pistons.

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



MARCH 20, 2017* – FIRST PUBLIC MEETING – ELECTED (2) NAC MEMBERS



APRIL 12, 2017 – MEETING WITH DEVELOPERS AND FULL NAC COUNCIL



APRIL 17, 2017 – NAC EXECUTIVE SESSION/ PUBLIC MEETING



APRIL 27, 2017 – DEVELOPERS PRESENT PROPOSED MITIGATION

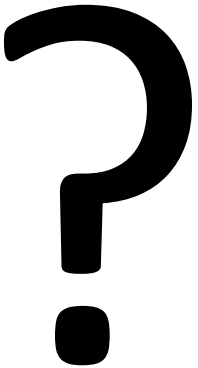


MAY 01, 2017 – PDD COMPLETES CBA REPORT



THE CITY OF DETROIT WILL HAVE THE AUTHORITY TO ENFORCE ANY AND ALL PISTONS COMMITMENTS AND OBLIGATIONS. THE NAC WILL HAVE THE OPPORTUNITY TO CONTINUE TO WORK WITH THE CITY AND PDD TO PARTICIPATE IN THAT ENFORCEMENT PROCESS.

HENRY FORD HEALTH SYSTEM – DETROIT PISTONS PERFORMANCE CENTER



APPENDIX

1. Community Benefits Ordinance, Detroit Legal News, November 29, 2016
2. Project Description
3. Census Tract and Impact Zone
4. March 20, 2017 Flier
5. April 12 2017 Flier
6. E-mail – Pistons NAC – NAC Dr. Ken Harris
7. E-mail – Announcement of CBO Website
8. E-mail – Recap to NAC
9. E-mail – Recap to LPD
10. E-mail – April 27 Notice to NAC – Announcement on Website
11. April 27, 2017 Posting – Print Version
12. E-mail – NAC Proposed Community Benefits List
13. March 20, 2017 Presentation
14. April 12, 2017 Presentation
15. April 27, 2017 – CBO NAC Response
16. **Memorandum of Understanding**

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MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is executed on this ___ day of November, 2016 by and between the City of Detroit Downtown Development Authority (“DDA”), Palace Sports & Entertainment, LLC, a Delaware limited liability company (“PS&E”, and together with DDA, the “Parties”).

Recitals

A. Act 197, Michigan Public Acts, 1975, as amended (the “DDA Act”) was amended in 2012 (the “2012 DDA Act Amendments”) to allow downtown development authorities to capture tax increment revenues derived from state and local school taxes levied on or after July 1, 2010, for the purpose of financing a “catalyst development project” approved by the Michigan Strategic Fund and a downtown development authority. A catalyst development project is defined in the DDA Act as a project located in a municipality with a population greater than 600,000 and expected to result in at least \$300,000,000 in capital investment. Only one project may be so designated by each downtown development authority under the DDA Act. The 2012 DDA Act Amendments provided that costs associated with the land acquisition, preliminary site work, and construction of a catalyst development project may be paid for or reimbursed out of captured tax increment revenues derived from state and local school taxes levied on or after July 1, 2010. In addition, the 2012 DDA Act Amendments authorized the issuance of bonds after July 31, 2012, to pay for costs associated with a catalyst development project, and provided that a tax increment financing plan for such a project could pledge available tax increment revenues of the DDA as security for any bonds issued to develop and construct the project.

B. By resolution adopted on June 26, 2013, the DDA Board approved the expansion of Development Area No. 1 and certain amendments to the Restated City of Detroit Downtown Development Authority Tax Increment Financing Plan and Development Plan For Development Area No. 1 (as amended, the “Plan” or the “Development Plan”) necessary to proceed with a “catalyst development project” under the DDA Act for the development and construction of a new multi-purpose events center and related facilities (the “Arena”) and the development or redevelopment of vacant and/or underutilized properties in the area adjacent to or near the Arena (together with the Arena, the “Catalyst Development Project”). By resolution adopted on July 24, 2013, the Michigan Strategic Fund approved those amendments to the Plan which related to the Catalyst Development Project as required by the DDA Act. By resolution adopted on December 20, 2013, the Detroit City Council approved amendments to the Plan, including the Catalyst Development Project.

C. The DDA, Olympia Entertainment Events Center, LLC, as successor in interest to Olympia Development of Michigan Events Center, LLC (“OEEC”), and the Detroit Red Wings (the “Red Wings”) are parties to that certain Amended and

1 Restated Concession and Management Agreement dated as of December 11, 2014 (as
2 amended, the “Arena Concession Agreement”) for the purpose of establishing a
3 public-private partnership for development, construction and operation of the Arena.
4 Under the terms of the Arena Concession Agreement, the land and building
5 improvements comprising the Arena are a public facility owned by the DDA and
6 managed and operated by OEEC as concessionaire, subject to the terms and
7 conditions and for the time periods set forth thereunder. The Arena has subsequently
8 been named the Little Caesars Arena and is expected to be fully operational by
9 September 2017.

10 **D.** In order to provide financing for a portion of the costs of the construction
11 of the Arena, the Michigan Strategic Fund (“MSF”) issued its \$250,000,000 Limited
12 Obligation Revenue Bonds, Series 2014A (Events Center Project) (the “Series 2014A
13 Bonds”) and \$200,000,000 Limited Obligation Revenue Bonds, Series 2014B (Events
14 Center Project) (Federally Taxable) (the “Series 2014B Bonds”) and loaned the
15 proceeds of the Series 2014A and Series 2014B Bonds to the DDA. As security for the
16 Series 2014A Bonds, the DDA issued its Tax Increment Revenue Bond (Development
17 Area No. 1 Projects), Series 2014A (the “Series 2014A DDA Obligation”) and pledged
18 its Net General Tax Increment Revenues and Catalyst Project Revenues (each as
19 defined in the Series 2014A DDA Obligation) for payment of the Series 2014A DDA
20 Obligation. As security for the Series 2014B Bonds, the DDA issued its Concession
21 Revenue Bond (Development Area No. 1 Projects), Series 2014B (the “Series 2014B
22 DDA Obligation”) and pledged certain concession fee revenues to be received by the
23 DDA under the Arena Concession Agreement to the MSF for payment of the Series
24 2014B DDA Obligation.

25 **E.** PS&E and the Detroit Pistons Basketball Company (“Pistons
26 Basketball;” and together with PS&E and any affiliate thereof, the “Pistons”) have
27 agreed to the principal terms and conditions pursuant to which the Pistons will
28 relocate the venue for Pistons Basketball home games and related Pistons operations
29 from the Palace of Auburn Hills to the Arena commencing with the fall 2017 NBA
30 season.

31 **F.** In order to further develop, expand and enhance the Catalyst
32 Development Project and to induce the Pistons to relocate from the Palace of Auburn
33 Hills to the Arena, it is necessary and desirable to construct a new Pistons practice
34 facility and corporate offices and headquarters and to make certain additional
35 improvements to the Arena to accommodate the Pistons’ basketball, operational and
36 facility requirements.

37 **G.** The DDA has determined that the relocation of the Pistons to the Arena
38 will act as a major economic development catalyst for the City of Detroit (the “City”),
39 will have a beneficial effect on the property values of property within the DDA’s
40 downtown district and will create new business and employment opportunities.

1 **H.** DDA has determined that there is a public purpose to modify the
2 existing public-private partnership for the Arena to incorporate the construction of:
3 (1) additional improvements to the Arena to accommodate the Pistons' basketball,
4 operational and facility requirements; (2) a practice facility and corporate offices and
5 headquarters for the Pistons; and (3) other public facilities, public infrastructure and
6 public spaces in the DDA's Development Area No. 1 relating to the foregoing
7 (collectively the "Pistons Development Project").

8 **I.** In consideration of the DDA modifying the existing public-private
9 partnership for the Arena to incorporate the Pistons Development Project and
10 undertaking the transactions described herein, the Pistons will agree to (i) relocate
11 their basketball and related operations to the City of Detroit and (ii) develop and
12 administer programs and facilities intended to benefit the youth, residents, and
13 businesses of the City, as further described herein.

14 **J.** The Parties estimate and anticipate that the total cost of the Pistons
15 Development Project will be in the range of \$67 - \$95 million, that the private
16 investment in the Pistons Development Project will be approximately \$32 - \$55
17 million, and that the public investment will be no more than \$34.5 million, in 2016
18 dollars, such investments to be allocated as set forth herein.

19 **K.** The Parties desire to memorialize their mutual understandings and
20 intentions relative to the terms of the Pistons Development Project and the intended
21 roles of each party in assuring the successful completion of the Pistons Development
22 Project, and the respective contributions toward the costs of the Pistons Development
23 Project.

24 **I. General Description of the Pistons Development Project**

25 **A. Arena Basketball Related Improvements**

26 Certain enhancements and modifications will be made to the design and
27 development of the Arena to accommodate the Pistons basketball operations and
28 facility requirements (hereinafter referred to as the "Arena Improvements").

29 **B. Pistons Practice Facility and Corporate Offices**

30 The Pistons practice facility will be a first-class professional basketball
31 practice facility and training center with multiple basketball courts, training,
32 performance and rehabilitation facilities for Pistons players, and will serve as the
33 corporate offices and headquarters of PS&E and Pistons Basketball (hereinafter, the
34 "Practice Facility"). The Practice Facility will be located adjacent to the Arena on
35 the property depicted on **Exhibit B** hereto ("Site A") or such alternative site within
36 the City of Detroit selected by PS&E (an "Alternate Site"). If the location of the
37 Practice Facility at such Alternate Site would be permitted by law to be a public

1 facility owned by the DDA, as determined in DDA’s reasonable discretion, and is
2 otherwise acceptable to the DDA and PS&E to be operated by Pistons under a
3 concession agreement at such site, then such site is referred to herein as an
4 “Alternate Public Facility Site.” In the event that the Practice Facility is on Site A,
5 Site A will be incorporated into the Arena Concession Agreement and the Practice
6 Facility will be connected by a walkway to the Arena and may be constructed above
7 an estimated 600-unit parking facility to be developed and financed by OEEC on the
8 site in accordance with the Arena Concession Agreement. All references to the
9 “Practice Facility” herein shall not include any parking facility which OEEC may
10 construct on the same site.

11 **II. Costs of the Pistons Development Project**

12 It is understood that costs will include all costs (“Costs”) of the Pistons
13 Development Project, including the following: (i) all land acquisition costs; (ii) site
14 development costs, including demolition, environmental remediation, public
15 infrastructure and utilities; (iii) the specifications and designs for the Practice
16 Facility and the Arena Improvements; (iv) costs of construction, equipment,
17 furniture, and furnishings; (v) financing costs, including underwriting costs, fees, and
18 expenses, and the fees and expenses of attorneys, market analysts, consultants, and
19 the costs of credit enhancements, if any; (vi) capitalized interest during construction,
20 debt service reserve funds and other reserve fund requirements (capital repairs,
21 replacements and improvements, and deferred maintenance) attendant to financing;
22 (vii) DDA administrative costs associated with monitoring the development and
23 construction of the Practice Facility and the Arena Improvements, including internal
24 personnel and third party consultants; (viii) out-of-pocket costs of the State, City,
25 DDA and PS&E and its affiliates for attorneys, appraisers, environmental and other
26 consultants, inspecting architects, and a disbursing agent, paid out or incurred in
27 connection with the creation, negotiation, documentation, and delivery of all
28 agreements and memoranda and other documents related to the design and
29 construction of the Pistons Development Project; (ix) all costs associated with the
30 issuance of bonds; and (x) such other costs and expenses as the Parties shall mutually
31 approve, which approval shall not be unreasonably withheld. Costs shall include any
32 costs described above whether incurred prior to or after the date hereof.

33 **III. Ownership Structure**

34 **A. Little Caesars Arena Improvements**

35 The DDA will own all Arena Improvements pursuant to the Arena Concession
36 Agreement, as same may need to be amended to incorporate the Arena Improvements
37 in all necessary respects. Pistons will enter into a sub-concession agreement with
38 OEEC to provide PS&E and Pistons Basketball with use rights for Detroit Pistons
39 NBA basketball games and related activities and events in accordance with such
40 terms as may be agreed upon by OEEC and Pistons. In addition, Pistons shall enter

1 into a joinder of the Arena Concession Agreement in a form reasonably satisfactory
2 to the DDA and Pistons to commit to certain undertakings by Pistons for the benefit
3 of the DDA consistent with the undertakings made by OEEC and/or the Red Wings
4 with respect to insurance, indemnification, and related matters to protect the DDA
5 from any liability resulting from the Pistons use of the Arena.

6 **B. Practice Facility**

7 If the Practice Facility is located on Site A or other Alternate Public Facility
8 Site, the Practice Facility and the associated infrastructure and site improvements
9 shall be a public facility owned by the DDA. If located on Site A, it is anticipated that
10 DDA, OEEC, and Pistons will execute a supplement to the Arena Concession
11 Agreement (the "CMA Supplement") to incorporate the Practice Facility as part of
12 the Little Caesars Arena development and to provide that Pistons will be a co-
13 concessionaire solely with respect to the Practice Facility. Pursuant to the CMA
14 Supplement, Pistons shall have exclusive right to develop, use, manage and operate
15 the Practice Facility, subject to the terms of the CMA Supplement, and the Pistons
16 shall be solely responsible for paying the concession fees set forth in the CMA
17 Supplement. The activities taking place at the Practice Facility shall be directly
18 related and ancillary to the Pistons operations, management and team activities and
19 other entertainment events that occur at the Arena or any other purpose consented
20 to by the DDA. The DDA shall work with the City of Detroit to amend the planned
21 development for the Arena complex to annex the Practice Facility parcel into the
22 parcel(s) comprising the current Arena complex owned by the DDA to create a single
23 parcel owned by the DDA. In addition, the Pistons will commit to the DDA that during
24 the term of the CMA Supplement, the Pistons (i) will play all of its regular season
25 home games and post-season home games for each NBA season at the Arena, except
26 in connection with any event where the NBA designates the Pistons as the home team
27 at a NBA game played at a location outside of the Arena, (ii) will not enter into any
28 contract or agreement of any kind to transfer the Pistons' franchise if such transfer
29 would result in the Pistons relocating to a location other than the Arena, and (iii) will
30 not make a formal application to the NBA for approval to transfer the Pistons'
31 franchise to a location other than the Arena.

32 If the Practice Facility is located at an Alternate Site that is not an Alternate
33 Public Facility Site, the Practice Facility shall not be a public facility. In such event,
34 the DDA shall request that the Detroit Economic Growth Corporation work with the
35 City of Detroit and PS&E to identify and apply for appropriate and applicable tax
36 abatements and/or credits.

37 **IV. Land Acquisition and Related Development**

38 **A. Little Caesars Arena Improvements**

1 The DDA owns the land necessary for the Arena and no additional land
2 acquisition is required for the Arena Improvements.

3 **B. Practice Facility**

4 In the event that PS&E elects to locate the Practice Facility at Site A, OEEC
5 will cause its affiliate which currently owns the land necessary for the Practice
6 Facility to transfer Site A to the DDA pursuant to the Arena Concession Agreement.
7 In the event that PS&E elects to locate the Practice Facility at an Alternate Public
8 Facility Site, PS&E will cause such Alternative Public Facility Site to be transferred
9 to the DDA at no cost to the DDA. Any land acquisition costs will be financed solely
10 with the proceeds of the Concession Revenue Bonds (as defined below) and not from
11 the Tax Increment Revenue Bonds (as described below). The DDA and the Pistons
12 will work cooperatively in submitting a request to the City to vacate all streets, alleys
13 and utilities that are required for the Practice Facility development.

14 **V. Financing and Contributions**

15 The Parties estimate that the total cost of the Pistons Development Project will
16 be in the range of \$67 to \$95 million, including financing costs, but excluding debt
17 service and coverage reserves, allocated among the two component projects as follows:

18	Arena Improvements	\$35 to 40 million
19	Practice Facility	\$32 to 55million
20	Total:	<u>\$67 to 95 million</u>

21 **A. Project Financing--Public Funds**

22 *Tax Increment Revenue Bonds.* The Parties anticipate that the DDA will
23 refinance the outstanding Series 2014A Bonds and Series 2014A DDA Obligation
24 with the issuance by the DDA of a new series of tax-exempt tax increment revenue
25 bonds by the DDA (“Tax Increment Revenue Bonds”) secured by a pledge made by the
26 DDA of its Net General Tax Increment Revenues and Catalyst Project Revenues. In
27 addition to refinancing the outstanding balance of the Series 2014A Bonds, the DDA
28 expects to leverage the tax increment revenues to borrow additional funds to enable
29 the DDA to finance \$34,500,000 of additional costs related to the construction of the
30 Arena and any other Pistons Development Project costs eligible to be paid under the
31 DDA Act and the Development Plan. The \$34,500,000 additional proceeds of the Tax
32 Increment Revenue Bonds shall be disbursed by the DDA to pay eligible costs related
33 to the construction of the Arena and any other eligible Pistons Development Project
34 costs when incurred as construction progresses in accordance with the Arena
35 Concession Agreement to the extent such costs are for Arena Improvements or
36 otherwise pursuant to the CMA Supplement and the construction disbursement
37 terms required by the DDA.

38 *Concession Revenue Bonds.* In the event that the Practice Facility is located
39 on Site A or any Alternate Public Facility Site, the Parties anticipate that the DDA

1 will issue taxable bonds in an amount not to exceed \$55,000,000 payable solely from
2 and secured by a pledge made by the DDA of the concession fees paid by PS&E (or its
3 affiliate) under the CMA Supplement (the “Concession Revenue Bonds”). The
4 proceeds of the Concession Revenue Bonds shall be disbursed to or for the account of
5 PS&E (or its affiliate) as construction progresses in accordance with the CMA
6 Supplement and the construction disbursement terms required by the DDA. The
7 initial principal amount of the Concession Revenue Bonds will not exceed the funds
8 required to finance the acquisition of land and construction, development and
9 furnishing of the Practice Facility and costs of issuing the Concession Revenue Bonds,
10 plus such reserves as may be required by the purchaser(s) of the Concession Revenue
11 Bonds.

12 The Tax Increment Revenue Bonds and the Concession Revenue Bonds
13 (collectively, the “DDA Bonds”) shall be payable solely from the pledged revenues
14 described herein. PS&E, or its affiliates, shall be solely responsible for all Costs not
15 funded by proceeds of the DDA Bonds, including any construction cost overruns
16 relating to the construction of the Pistons Development Project.

17 It is anticipated that the Tax Increment Revenue Bonds will be repaid from
18 the following sources:

- 19 1. As security for the Tax Increment Revenue Bonds, an irrevocable pledge of
20 annual property tax capture by the DDA pursuant to MCL 125.1664(6) (the
21 “Catalyst Project Revenues”), subject to certain exceptions for future
22 brownfield development projects in the same manner as structured for the
23 Series 2014A Bonds to be applied to debt service on the Tax Increment
24 Revenue Bonds in the same manner as structured for the Series 2014A
25 Bonds.
- 26 2. As additional security for the Tax Increment Revenue Bonds, an
27 irrevocable pledge of the local incremental tax revenues captured by the
28 DDA and available after payment of debt service on outstanding senior lien
29 DDA bonds issued in 1996 and 1998 (the “Net General Tax Increment
30 Revenues”), subject to reimbursement to the DDA of payments of such
31 revenues exceeding scheduled amounts to be paid by the DDA during the
32 term of the Tax Increment Revenue Bonds, such reimbursement to be
33 made from subsequently available Net General Tax Increment Revenues
34 consistent with the pledge made by the DDA to secure the
35 Series 2014A Bonds.

36 It is anticipated that the Concession Revenue Bonds will be repaid from the
37 following sources:

- 38 1. As security for the Concession Revenue Bonds, annual concession fee
39 payments payable by PS&E (or its affiliate) pursuant to the CMA

1 Supplement (the “Concession Fee”); such payment shall terminate when
2 the Concession Revenue Bonds have been paid in full. The amount of the
3 annual concession fee payments shall be determined based on the
4 requirements of the purchaser(s) of the Concession Revenue Bonds.

5 In addition to repayment of the DDA Bonds, any of the foregoing funds may be
6 used for all costs permitted by the DDA Act, including but not limited to: costs
7 associated with development of the Pistons Development Project and the
8 establishment of appropriate reserves (including bond reserves, maintenance
9 reserves, and capital reserves).

10 Recourse to the parties herein in connection with the obligations under the
11 DDA Bonds shall be limited to the payment obligations described above in this
12 Section V.A. for which they are responsible pursuant to this MOU, the CMA
13 Supplement, or any other agreement related to the contribution of public and private
14 funds for the Pistons Development Project.

15 **VI. CMA Supplement for Practice Facility**

16 In the event that the Practice Facility is located on Site A or an Alternate
17 Public Facility Site, the DDA, OEEC and PS&E (or its affiliate) will enter into the
18 CMA Supplement relating to the construction, operation and management of the
19 Practice Facility. Pursuant to the CMA Supplement, and in consideration for the
20 annual payment set forth in Section V, the DDA will grant to PS&E (or its affiliate)
21 the exclusive right:

- 22 A. To use, manage and operate the Practice Facility during the term of the CMA
23 Supplement.
- 24 B. To all revenues derived from the Practice Facility including but not limited to
25 revenues and concessions from all events, activities and operations in or on the
26 Practice Facility, including naming rights and other sponsorship and
27 advertising, and to all intellectual property, including the right to sell, market,
28 copyright, secure a trademark for or otherwise exploit the same, all of which
29 will be more specifically set forth in the CMA Supplement.

30 The initial Term of the CMA Supplement shall be for 30 years, or for so long
31 as the Concession Revenue Bonds remain outstanding and as may be permitted by
32 law, followed by twelve (12) additional five-year renewal options, in each case in favor
33 of PS&E (or its affiliate) and upon the same terms and conditions as the initial Term.
34 The annual payment set forth above shall commence upon occupancy and shall be
35 paid until the MSF Bonds are paid in full. PS&E shall be entitled to assign its rights
36 and obligations under the CMA Supplement to an affiliate. PS&E shall have the
37 right to terminate the CMA Supplement prior to the end of its term upon prepayment
38 of the outstanding principal, premium (if any) and interest on the Concession

1 Revenue Bonds, or if such Concession Revenue Bonds are not callable, then upon the
2 funding of a defeasance escrow sufficient to pay the outstanding principal, premium
3 (if any) and interest on the Concession Revenue Bonds on their first call date so they
4 are no longer deemed outstanding under the terms of the bond resolution pursuant
5 to which they are issued.

6 **VII. Design and Construction Management**

7 In the event that the Practice Facility is located on Site A or an Alternate Public
8 Facility Site, PS&E (or its affiliate) in consultation with the DDA, will develop
9 minimum program requirements, designs, plans and specifications and construction
10 delivery systems for the Practice Facility and in cooperation with OEEC will develop
11 program requirements, designs, plans and specifications for the Arena
12 Improvements, and will further define and finalize costs of constructing and
13 developing the Pistons Development Project. The construction process shall comply
14 with all laws, including applicable bidding and bonding requirements. In the event
15 that the Practice Facility is located on Site A or an Alternate Public Facility Site,
16 PS&E (or its affiliate) and the DDA shall agree to minimum requirements as part of
17 the design of the Practice Facility. PS&E (or its affiliate) shall have control over the
18 design and construction of the Practice Facility. In the event that the Practice
19 Facility is located on Site A or an Alternate Public Facility Site, some of the material
20 terms and conditions to be incorporated into an agreement related to the construction
21 of the Practice Facility are attached to this MOU as **Exhibit C**.

22 **VIII. Community Benefits** To ensure that the Pistons Development Project
23 provides community benefits to the entire City, creates workforce development and
24 training opportunities for City Residents, and provides recreational opportunities in
25 the City's neighborhoods, PS&E agrees that it will make the following commitments
26 to the DDA and the City in the CMA Supplement or such other agreement as required
27 by the DDA and City:

28 **A.** PS&E will ensure that at least fifty-one percent (51%) of the workforce
29 related to the construction of the Practice Facility are City Residents, that City
30 Residents perform at least fifty one percent (51%) of the hours worked on the
31 construction of the Practice Facility, in accordance with the requirements of
32 Executive Order No. 2014-4 or any subsequent executive orders related to local hiring
33 requirements. The requirements of Executive Order 2014-4 or a subsequent executive
34 order shall apply to the construction of the Practice Facility regardless of whether or
35 not such construction is considered to be a publicly-funded construction project.

36 **B.** PS&E will use best efforts to ensure that at least thirty percent (30%) of the
37 total dollar value of City contracts related to the construction of the Practice Facility
38 are awarded to City based or headquartered businesses, in accordance with the
39 requirements of Executive Order No. 2014-5 or any subsequent executive orders

1 related to local contracting requirements. The requirements of Executive Order 2014-
2 5 or a subsequent executive order shall apply to the construction of the Practice
3 Facility regardless of whether or not such construction is considered to be a publicly-
4 funded construction project.

5 **C.** PS&E will use commercially reasonable efforts to maximize post-
6 construction employment opportunities with PS&E for City Residents.

7 **D.** PS&E will support workforce development initiatives for City Residents by
8 donating \$100,000 to Detroit Employment Solutions Corporation.

9 **E.** PS&E will partner with the Mayor’s Office to provide mentorship
10 opportunities for young City Residents.

11 **F.** PS&E will participate in the Grow Detroit’s Young Talent summer jobs
12 program.

13 **G.** PS&E will invest a total of \$2,500,000 over six years in the construction,
14 renovation and refurbishment of over 60 community recreational basketball facilities
15 in the City of Detroit in partnership with the City of Detroit’s Recreation department,
16 provided that before such investment by PS&E, the City must agree to a reasonable
17 and mutually agreeable maintenance plan for such facilities.

18 **H.** PS&E will host free youth basketball camps, clinics, and other events for
19 City Residents to promote youth basketball and youth enrichment programs in the
20 City.

21 **I.** PS&E will develop a program to enable City Residents and youth to attend
22 NBA basketball games in support of and in connection with community educational
23 programs and initiatives, including by making available 20,000 tickets per regular
24 season free of charge to City Residents and youth.

25 **J.** PS&E will appoint and maintain a liaison to meet, communicate, and
26 engage regularly with the existing Little Caesars Arena Neighborhood Advisory
27 Committee or, with respect to the Practice Facility if located on an Alternate Site that
28 receives a tax abatement from the City, any other committee created by the City for
29 purposes of engaging local residents with respect to the construction of the Practice
30 Facility, consistent with the City of Detroit’s community benefits ordinance,
31 commonly known as Proposal B, regardless of whether the Practice Facility is
32 considered to be a “Tier 1 Development Project” under such ordinance.

33 DDA and City shall be entitled to appropriate remedies if the above obligations are
34 not fulfilled.

VIII. Approvals of MSF

The DDA will work with the MSF to obtain any required review or approvals needed for the DDA Plan Amendment and financing as outlined in this MOU, including approval of extension of the capture period of the Catalyst Project Revenues as required to refinance and increase the DDA Tax Increment Bonds to an amount sufficient to enable the DDA to finance \$34,500,000 of the eligible costs related to the construction of the Arena and any other eligible Pistons Development Project costs as described herein.

IX. Agreements and Responsibilities of DDA

A. The DDA will prepare and submit to the City for approval an amendment to the DDA Plan (“DDA Plan Amendment”) to extend the term of the DDA Plan beyond its current expiration date of June 30, 2045 to support the issuance of the Tax Increment Revenue Bonds as described herein. Upon approval by the City of the DDA Plan Amendment, the DDA will submit the DDA Plan Amendment to the Michigan Strategic Fund for approval as required by Section 19(3) of the DDA Act for a Catalyst Development Project.

B. The DDA Plan Amendment will expand the projects which may be supported thereunder to include the components of the Pistons Development Project as set forth in this MOU.

C. The DDA agrees to continue to pledge the Net General Tax Increment Revenues toward repayment of the Tax Increment Revenue Bonds, subject to reimbursement to the DDA of payments of such revenues exceeding scheduled amounts to be paid by the DDA during the term of the Tax Increment Revenue Bonds, such reimbursement to be made from subsequently available Net General Tax Increment Revenues consistent with the pledge made by the DDA to secure the Series 2014A Bonds, and will cooperate in connection with the structure outlined in this MOU.

X. Agreements and Responsibilities of PS&E (or its affiliates)

Pursuant to the CMA Supplement, PS&E (or one or more of its affiliates) will commit to: (1) pay all Costs not funded by proceeds of the DDA Bonds, including construction costs overruns for the Pistons Development Project; (2) pay the maintenance costs and the costs of necessary capital improvements of the Pistons Development Project and (3) if applicable, pay an annual Concession Management Fee throughout the term of the Concession Revenue Bonds in an amount sufficient to pay the annual debt service requirements for the Concession Revenue Bonds.

Pistons represent that Pistons (and its affiliates, as applicable) and OEEC have reached agreement on all material terms with respect to the Pistons relocating the venue for Pistons Basketball home games and related Pistons operations from

1 the Palace of Auburn Hills to the Arena commencing with the fall 2017 NBA season,
2 as well as with respect to the transfer of Site A, as may be applicable, to the DDA
3 necessary for the development of the Practice Facility. Pistons acknowledge and
4 agree that the above representation and warranty is a material inducement to the
5 DDA to enter into this MOU, that the DDA is relying on such representation and
6 warranty, has changed and will continue to change its position in reliance thereon,
7 and that the DDA would not have entered into this MOU but for such representation
8 and warranty by Pistons.

9 **XI. Conditions Precedent**

10 The consummation of the transactions contemplated in this MOU are subject to
11 the following conditions precedent, which conditions may be waived by subsequent
12 agreement of the Parties hereto.

13 A. Approvals by the DDA. The approval by the Board of the DDA of the DDA
14 Plan Amendment, this MOU, the Arena CMA Amendment, the CMA
15 Supplement, and the other agreements and documents described herein.

16 B. Approvals by the City. The approval by the City of:

17 a. The DDA Plan Amendment;

18 b. Street vacations and zoning changes and such other governmental
19 approvals as may be needed.

20 C. Approvals by the MSF. The approval by the Board of the MSF of that part of
21 the DDA Plan Amendment constituting the Catalyst Development Project and
22 approval of the projects included in the Catalyst Development Project.

23 D. Approvals by OEEC. Such approvals as may be required from OEEC under
24 the Arena Concession Agreement or otherwise (i) to permit the refinancing of
25 the Series 2014A Bonds by the issuance of the DDA's Tax Increment Revenue
26 Bonds to raise contribution of \$34,500,000 of public funds to payment of costs
27 related to the construction of the Arena and other costs of the Pistons
28 Development Project as set forth herein and (ii) to amend or supplement the
29 Arena Concession Agreement to permit the CMA Supplement and the other
30 transactions contemplated by this MOU.

31 E. Regulatory Approvals. The issuance of any and all federal, state and local
32 orders, licenses and permits needed to complete the acquisition and
33 construction of the Practice Facility.

34 F. Issuance of Bonds. The issuance and sale of the DDA Bonds by the DDA to
35 fund certain undertakings under this MOU.

1 G. Pistons Approval. The approval by the members and/or managers of Pistons
2 (and/or any necessary affiliates) of the CMA Supplement and any other
3 agreement that may be required by DDA or the purchasers of the DDA Bonds
4 to complete the transactions contemplated by this MOU.

5 H. NBA Approval. The approval of the National Basketball Association (“NBA”)
6 of the Pistons’ relocation to the Arena.

7 I. Satisfaction of all Conditions Precedent in MOU between OEEC and PS&E.
8 All conditions precedent to the effectiveness of the Memorandum of
9 Understanding between OEEC and PS&E have been satisfied and the
10 documents completing the transactions outlined therein have been executed
11 and delivered.

12 J. Execution of Agreements. The execution by all relevant parties on or before
13 September 30, 2017 of the CMA Supplement, appropriate amendments and/or
14 supplements to the Arena Concession Agreement and all other agreements as
15 may be necessary or desirable in connection with the consummation of the
16 transactions contemplated in this MOU.

17 This Memorandum of Understanding expresses the present understanding and
18 intentions of the Parties and their respective willingness, upon the approval of the
19 proposed financing structure and agreement, subject to compliance with applicable
20 statutes, codes, ordinances and regulations and to necessary approvals by the Board
21 of the DDA, City, PS&E, the MSF, and any other governing authority, to take all
22 actions necessary to implement the proposed responsibilities. In addition, in the
23 event that this Memorandum of Understanding is not executed by all of the named
24 Parties, it shall nevertheless be deemed to express the present understanding of those
25 Parties which have executed it.
26

Signatories:

CITY OF DETROIT DOWNTOWN DEVELOPMENT AUTHORITY

By: _____

Its: _____

By: _____

Its: _____

PALACE SPORTS & ENTERTAINMENT, LLC

By: _____

Its: _____

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EXHIBIT A

The Pistons Development Project

- A. Practice Facility
- B. Arena Improvements.

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EXHIBIT B

Sketch of Location of Site A

[See attached]

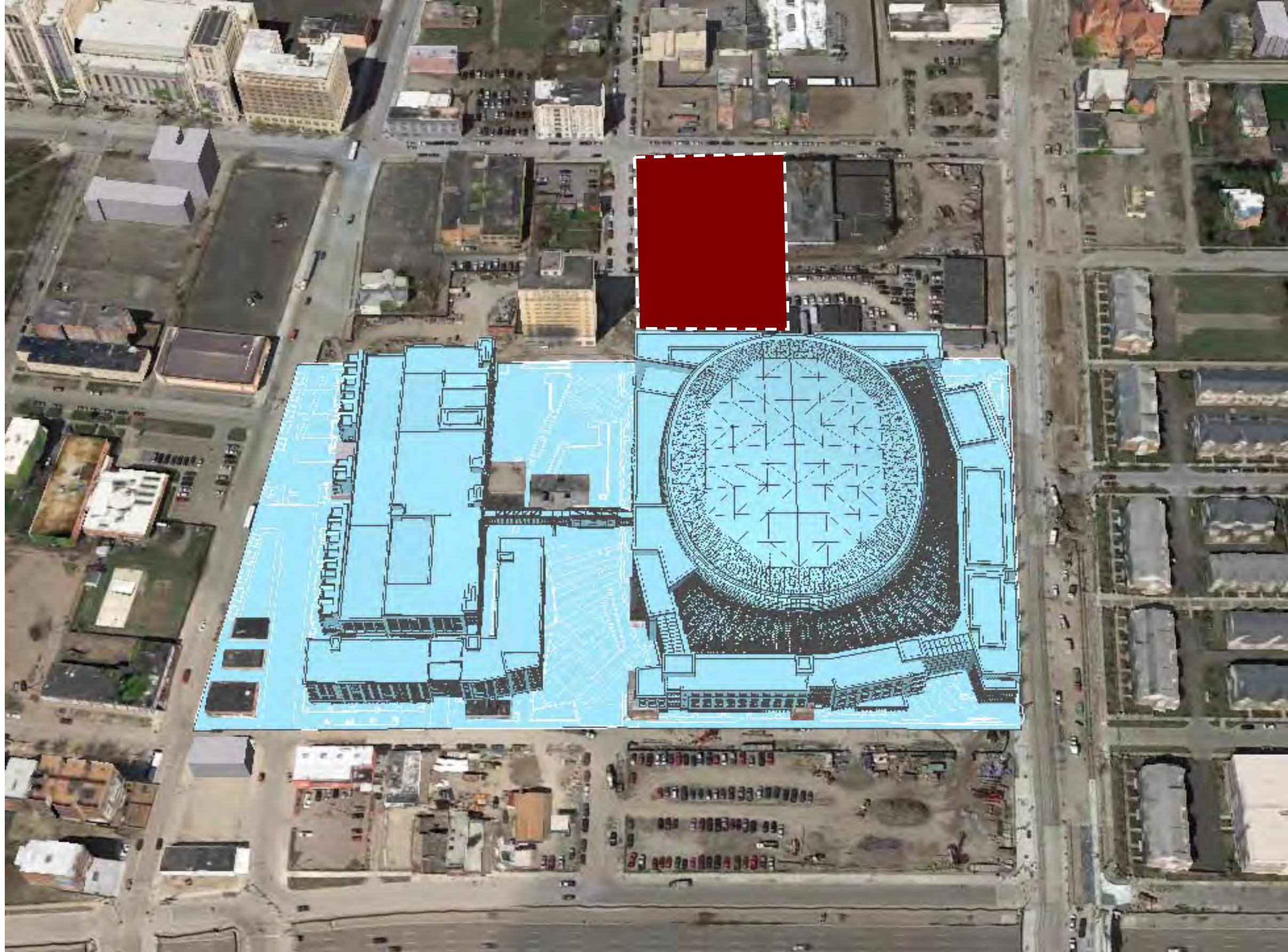


EXHIBIT C

Material Terms and Conditions for Construction Administration

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2
3
4 1. General Concept. PS&E and the DDA agree that:5 (a) The development and construction of the Practice Facility should be
6 coordinated and centrally managed as outlined in this Exhibit C; and7 (b) PS&E (or its affiliate) shall enter into a guaranteed maximum price
8 contract for the construction of the Practice Facility, subject to the approval of the
9 DDA, which approval shall not be unreasonably withheld.10 2. Practice Facility Design and Construction Process.11 (a) The DDA will grant PS&E (or its affiliate) full rights to construct and,
12 in conjunction with the DDA, to supervise the construction of the Practice Facility.
13 Except for funds to be provided by the DDA as specified in the MOU for this purpose,
14 the DDA shall have no responsibility to pay for any part of such construction.15 (b) PS&E (or its affiliate) and the DDA shall agree upon the minimum
16 requirements to be incorporated in the final design plans and specifications for the
17 Practice Facility (the "Minimum Requirements") on or before a date to be specified in
18 the Concession Management Agreement ("CMA"). Changes or deviations from the
19 Minimum Requirements approved by the DDA shall not be made by PS&E (or its
20 affiliate) without the prior written consent of the DDA, which consent shall not be
21 unreasonably withheld. The Parties' firm intention is that the design and
22 construction process shall be a cooperative, mutual endeavor in which the DDA and
23 PS&E (or its affiliate) will work together and each will participate actively. The DDA
24 shall also have the right to participate actively in all phases of the design and
25 construction processes, including without limitation, the right to prior concurrence in
26 all decisions with respect to all architectural programs, schematic designs, plans and
27 specifications, interior design programs, and construction stages, which concurrence
28 shall not be unreasonably withheld. The DDA recognizes that the concessionaire
29 selected by PS&E (or its affiliate) also has the right to participate actively in the
30 design and construction of the concessions facilities at the new Practice Facility,
31 including the right to prior concurrence in all decisions with respect to architectural
32 programs, schematic designs, interior design programs, and construction stages of
33 the new Practice Facility to the extent that these would affect the concession facilities
34 to be constructed by the concessionaire, which concurrence will not be unreasonably
35 withheld. With respect to all instances where participation and decisions of the DDA
36 and/or PS&E's (or its affiliate's) concessionaire are required hereunder, the DDA and
37 PS&E's (or its affiliate's) concessionaire shall provide such participation and
38 decisions promptly so as not to cause any delay in the design and construction of the
39 new Practice Facility, but in any event, at least 48 hours before the expiration of any

1 deadline imposed upon PS&E (or its affiliate) by the architect for the Practice Facility
2 or any contractor for the Practice Facility provided PS&E (or its affiliate) has
3 delivered, within 36 hours of receipt by PS&E (or its affiliate) of any notice to PS&E
4 (or its affiliate) from such architect or contractor, a written notice to the DDA
5 specifying the nature of the participation or decision required and the requisite
6 deadline.

7 3. Approval of Contracts. The DDA shall be entitled to approve any subcontract
8 for the construction of the Practice Facility in excess of the amount to be specified in
9 the CMA, which approval shall not be unreasonably withheld. The DDA shall grant
10 PS&E (or its affiliate) the right to approve any contract, which approval shall not be
11 unreasonably withheld, proposed to be entered into by the DDA which is payable from
12 funds provided by the DDA or PS&E (or its affiliate), as applicable).

13 4. Change Orders.

14 (a) The DDA shall not be entitled to initiate or require, without the approval
15 of PS&E (or its affiliate), any change order to the construction contract for the
16 Practice Facility.

17 (b) All costs of change orders to the construction contract for the Practice
18 Facility that are requested by PS&E (or its affiliate) or required by law shall be paid
19 by PS&E (or its affiliate). Any change order authorizing work in excess of the amount
20 to be specified in the CMA or which results in an increase or decrease in the Project
21 Budget in excess of the amount to be specified in the CMA shall be approved by the
22 DDA, which approval shall not be unreasonably withheld.

23 5. DDA's Failure to Consent. The DDA shall agree to reimburse PS&E (or its
24 affiliate) for any increase in the Costs of the Practice Facility or any reduction in
25 revenues available from the Practice Facility associated with the failure of the DDA
26 to exercise any right of consent or approval granted to the DDA by this MOU,
27 including any increased costs associated with the failure of the DDA to consent to
28 proposed modifications of the final design of the Practice Facility, provided, however,
29 such obligation to reimburse shall arise only if a court of competent jurisdiction
30 determines in a final non-appealable order that the failure of the DDA to give its
31 consent or approval, as the case may be, was not reasonable.

32 6. Construction Disbursement Procedures. The Practice Facility Fund shall be
33 held by a financial institution selected by the DDA and approved by PS&E, or its
34 affiliate (the "Disbursing Agent"). Moneys shall be disbursed from the Practice
35 Facility Fund by the Disbursing Agent to pay Costs of the Practice Facility upon
36 satisfaction of the following conditions:

37 (a) PS&E (or its affiliate) is not in default under the
38 Concession/Management Agreement.

1 (b) Presentation by PS&E (or its affiliate) of a requisition certificate that (i)
2 specifies the Costs of the Practice Facility for which payment is being requested, (ii)
3 affirms that the work for which payment is being requested is in place and that such
4 work has been completed in accordance with the approved plans and specifications
5 for the Practice Facility, and (iii) certifies that the moneys remaining on deposit in
6 the Practice Facility Fund or irrevocably committed to be available for deposit in the
7 Practice Facility Fund will be sufficient to pay the remaining costs of the Practice
8 Facility.

9 (c) Approval of the above requisition certificate as correct by the architect
10 for the Practice Facility and by an inspecting architect hired by the DDA.