



May 16, 2023

**Testimony Supporting House Bill 4454 of 2023
Michigan House of Representatives
Committee on Economic Development and Small Business
offered on behalf of the
Downtown Detroit Business Improvement Zone and Downtown Detroit Partnership**

Rep. Jason Hoskins, Chairman, and Honorable Committee Members:

Thank you for your consideration of House Bill 4454. On behalf of the Downtown Detroit Business Improvement Zone and Downtown Detroit Partnership, we support House Bill 4454. Thank you to Representative Tyrone Carter for your leadership as the sponsor of the bill. This amendment to Chapter 2 of the Principal Shopping District Act, the BIZ Act, is needed and needed quickly. The Act was amended in 2020 to give communities the option to include residentially assessed property, such as condos, in a BIZ. **The bill before you removes the ability to assess residential property, restoring this tool for use in business districts.**

A Business Improvement Zone is a tool to facilitate private investment by the business community. It is not a tax, it is not tax increment financing, it is not a tax abatement, and it in no way diverts taxes from local government or negatively impacts local finances. HB 4454 REMOVES the option to assess residential property and all references added related to informing residential property owners. This is a tool to facilitate private investment by commercial property owners who pay commercial property taxes.

Unlike similar tools in Chapter 1, a BIZ is initiated by property owners, not the government. Detroit leaders, led by Roger Penske, had been voluntarily keeping sidewalks clean, maintaining the landscape in street medians, installing holiday lighting, and funding similar services in Downtown Detroit's public spaces through Clean Downtown, a voluntary BIZ started when Michigan hosted the Superbowl in Detroit in 2006.

Our community worked with your predecessors and designed the BIZ tool to facilitate a sustained source of private funding to help keep downtowns like Detroit clean. These property owners who were paying to fund their shared commitment to cleaning Downtown and similar priorities needed a mechanism to bill, collect, and administer contributions from all property owners who benefitted from the services. They also wanted a longer-term commitment so they could provide full-time, permanent jobs and invest in equipment. The intent of the BIZ Act was and continues to be to enable property owners to come together to fund their priorities in their neighborhood, efficiently, effectively, and transparently. That statute is Chapter 2 of the Principal Shopping District Act which enables Business Improvement Zones.

**Downtown Detroit Partnership
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Under the original BIZ Act, only commercial properties assessed under the general property tax act were subject to a BIZ assessment. After close to three years of collaborating on enabling legislation to give communities the option to include residential property, the Act was amended in spring 2020, just a few weeks into the pandemic shutdown. To our surprise, many additional changes were inserted that left the BIZ Act practically unusable. Since then, no new Business Improvement Zones have been formed in Michigan.

With our colleagues at Ann Arbor Spark, we have convened all organizations with existing Business Improvement Zones and all that, to our knowledge, are actively pursuing new ones. We all agree that this change is needed and that the proposed language works for our neighborhoods.

The Downtown BIZ provides close to 150,000 labor hours of services keeping downtown clean, safe, and welcoming every year. That is more than 100 local jobs. The collective contribution by Downtown property owners through the BIZ is nearing \$45 million.

In 2014, 87% of property owners voted to approve the Downtown Detroit BIZ for a 10-year period. All the owners we have talked with recently support renewal. Our renewal vote is on hold until the BIZ Act is restored. So are petitions to create new BIZs being initiated by property owners in at least three other Michigan neighborhoods: Rivertown, Corktown, and Ann Arbor. Several more are being contemplated. Please approve this bill, approve it quickly, and authorize immediate effect, paving the way for the contributions of millions of dollars of private funding in Michigan's business districts by Michigan businesses.

Thank you,
















A handwritten signature in blue ink, appearing to read "Gina Cavaliere".

Gina Cavaliere
Chief Community Impact Officer, Downtown Detroit Partnership
Director, Downtown Detroit Business Improvement Zone
Gina.Cavaliere@downtowndetroit.org

Downtown Detroit Partnership Board Of Directors



DOWNTOWN DETROIT BIZ BOARD MEMBERS

<p>Steve Ogden Senior Vice President of Government Affairs Business Development</p> 	<p>Debra Homic Hoge Global Director of Real Estate General Motors Company</p> 	<p>Mike McLaughlin Vice President of Business Development Jitich Holdings, Inc.</p> 	<p>Richard J. Hosny III Senior Vice President of Business Development Hosey Development LLC</p> 		
<p>George P. Barnes Jr. Founder Heritage Venture Partners</p> 	<p>Ken Hayward Vice President Senior Assistant to the President for Community Relations Blue Cross Blue Shield of Michigan</p> 	<p>Anthony Tomczak Vice President of Energy Sales and Marketing DTE Energy</p> 	<p>Charles Beckham Group Executive for Engineering The Bendery Group</p> 	<p>David Di Rita Vice President The Bendery Group</p> 	<p>Linda D. Forte Senior Vice President of Business Affairs and Chief Diversity Officer Hollywood Casino</p> 
<p>Regina Gaines Chairman and Founder Pure VIN</p> 	<p>Raisy Hamilton President HamiltonAnderson</p> 	<p>Christos Mossides Vice President HamiltonAnderson</p> 	<p>Athina Papas Vice President Chair and President Downtown Neighborhood Partnership</p> 	<p>Dwight W. Phillips Vice President HamiltonAnderson</p> 	



**BUSINESS
IMPROVEMENT
ZONE**


A DECADE OF BIZ IMPACT

Clean, Safe, Welcoming

2014- Present: Downtown commercial property owners contribute over \$40 million to fund enhanced services

DOWNTOWN DETROIT BIZ AMBASSADORS

LAUNCHED SAFETY OUTREACH AMBASSADOR PROJECT





 BIZ Social Worker and Safety Outreach Ambassadors engaged with more than 350 unhoused Downtown patrons in first 6 months



90%+

OF BIZ AMBASSADORS ARE DETROIT RESIDENTS

YEAR-ROUND MANUAL CLEANING OF ALL PUBLIC SIDEWALKS





-  39 miles of sidewalk and 160+ blocks
-  Increased tonnage collected efficiently and within budget
-  Empty 500+ public trash cans
-  Clean and stock 24 dog waste stations and three dog parks

STRATEGIC AND COLLABORATIVE PARTNERSHIPS

- City of Detroit and other gov't departments
- Detroit Riverfront Conservancy



BIZ AMBASSADOR IMPACT BY THE NUMBERS

-  4,500+ tons of trash collected
-  19,000+ instances of graffiti removed
-  126,000+ patrons assisted
-  678,000+ hours worked

SMALL BUSINESS ENGAGEMENT

 **ENGAGE WITH 400+
BIZ BUSINESSES ANNUALLY**



BIZ BUSINESS RESOURCES

-  **BIZ Connects**
Networking, Downtown Event Updates, Resources
-  **BIZ Job Fairs**
Connect more than 100 potential employees with BIZ businesses in need of workers
-  **Monthly BIZ Bulletin**
BIZ news, program updates, events, financial resources and more

BIZ BUSINESS ROUNDTABLES INITIATED TO INFORM PRIORITIES



THE SPIRIT CARD

Detroit-wide community e-gift card

SUPPLEMENTAL LIGHTING

**EXPANDED
SUPPLEMENTAL LIGHTING
TO PROMOTE SAFETY** 

 **CREATED ONE OF A KIND
NATIONALLY RECOGNIZED
HOLIDAY LIGHTING
FOR THE BIZ**



LANDSCAPING

 **MAINTAIN 22 ACRES
OF LANDSCAPE
TO ENSURE GATEWAYS ARE WELCOMING**



SAFETY


 **COORDINATED AND
COLLABORATIVE APPROACH**

Downtown Detroit's Project Lighthouse program, collaboration amongst Downtown Detroit's public and private safety professionals, a nationally recognized best practice, is led by the BIZ and DDP



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**SCAN TO
LEARN MORE
ABOUT THE BIZ**
DowntownDetroit.org/BIZ



**BUSINESS
IMPROVEMENT
ZONE**

A DECADE OF BIZ IMPACT

Clean, Safe, Welcoming

2014- Present: Downtown commercial property owners contribute over \$40 million to fund enhanced services

DATA: A DECADE OF DOWNTOWN GROWTH

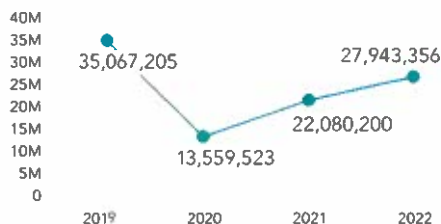
DATA-DRIVEN DECISIONS

RELATED TO STRATEGIC INITIATIVES AND PROGRAMS

- Downtown Detroit Perceptions Survey
- Downtown Detroit Engagement Surveys
- Return to Work Surveys
- Community and Development Update
- Launched the Downtown Detroit Datascape
- Launched the Downtown Recovery Dashboard

Downtown Detroit Visitors (2019-2022)

Total Annual Visits

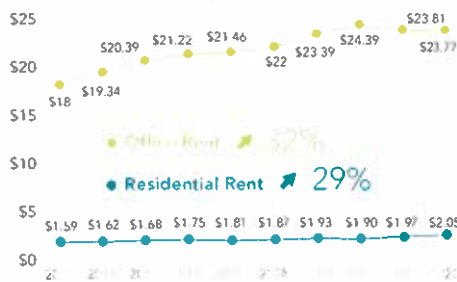


Office Inventory and Vacancy Rate (2014-2022)

Year	sq ft available	Vacancy Rate
2014 Q3	26,543,497	12.3%
2022 Q3	27,242,999	8.1%

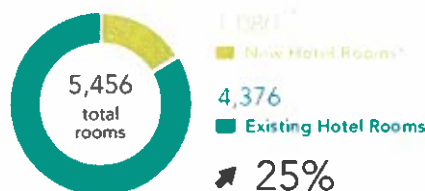
Source: Costar February 2023

Gross Downtown Office and Residential Market Rent Per Sq Ft (2014-2022)



Source: Costar February 6, 2023

Number of Hotel Rooms



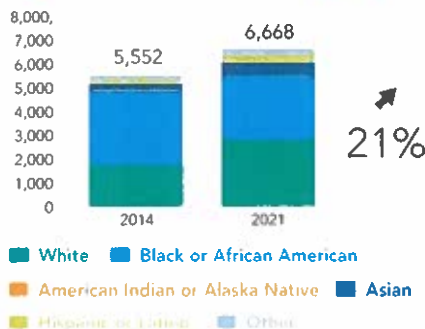
*Hotel rooms built or under construction since 2014

Downtown Detroit Workers (2014-2022)

Year	Workers	Change
2014	72,618	
2019	80,437	11%

Source: U.S. Census Bureau, Center for Economic Studies, LEHD

Downtown Population by Race/Ethnicity (2014 and 2021)



Source: U.S. Census American Community Survey: 2021 and 2014, 5-yr Avg

Perceptions Survey

The overall stakeholder perceptions of Downtown Detroit and the BIZ are positive. Scan below to read the digital 2018, 2020 and 2022 Perceptions Survey Reports.



Scan to read 2018, 2020 and 2022's Perceptions Survey Reports

BIZ BOARD MAP

BIZ priorities are established and managed by Downtown property owners and led by a volunteer board of directors of their peers. Meetings are open to the public.

The BIZ Board contracts with the Downtown Detroit Partnership to manage its day-to-day operations.



1-8 Area-wide representation

- | | |
|---|---|
| 1 Steve Ogden
Rocket Companies | 9 David Di Rita
The Roxbury Group |
| 2 Debra Homic Hoge
General Motors | 10 Regina Gaines
House of Pure Vin |
| 3 Michael McLaughlan
Ilitch Holdings, Inc. | 11 Linda D. Forte
Comerica Bank (Retired) |
| 4 Richard J. Hosey III
Hosey Development LLC, BIZ Resident | 12 Rainy Hamilton
Hamilton Anderson Associates |
| 5 George P. Barnes, Jr.
Heritage Vision Plans, Inc. | 13 Christos Moisodes
400 Monroe Associates |
| 6 Kenneth Hayward
Blue Cross Blue Shield of Michigan | 14 Athina Papas
Atheneum Suite Hotel |
| 7 Anthony Tomczak
DTE Energy | 15 Dwight W. Phillips
Phifer, Phillips & White, PC (Retired) |
| 8 Charles Beckham
City of Detroit (Retired) | * Executive Committee Member |



SCAN TO LEARN MORE ABOUT THE BIZ

DowntownDetroit.org/BIZ

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