



CITY OF DETROIT
MAYOR'S OFFICE

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MEMORANDUM

TO: Council Member Raquel Castañeda-López

CC: Honorable Council

Detroit International Bridge Company
Alicia Bradford, Director, Department of Recreation
Bruce Goldman, Attorney, Law Department
Raymond Scott, Deputy Director, BSEED
David Bell, BSEED

FROM: Alexis Wiley, Chief of Staff, Mayor's Office

DATE: July 10, 2015

RE: Riverside Park: Land Exchange Agreement

Please see below answers to your questions relating to the proposed land exchange agreement between the City of Detroit ("City") and the Detroit International Bridge Company ("DIBC").

1. How many times has the City Council opposed the sale/transfer of Riverside Park? What was the reasoning?

This question is best answered by the Honorable Detroit City Council and its staff.

2. How many times has the Law Department opined in opposition of the sale/transfer of Riverside Park? Please provide copies of these opinions.

The Law Department has never opined in opposition of the sale/transfer of Riverside Park.

3. Please explain how the Law departments' opinion has changed since 2011 in regards to the State and Federal Legal restrictions regarding the sale of Riverside Park to the DIBC?

The Law Department has indicated the agreement before Council is legally sound.

4. To the City's knowledge, has the DIBC ever misrepresented or lied about their ownership of, or right to use Riverside Park to city officials at any time?

The current administration has no knowledge of such actions.

5. Please provide a chronological list of the times the City has entered into litigation with the DIBC and a brief overview of each case.



The 2001 and 2008 litigation between the City and DIBC regarding the use of a portion of Riverside Park and 23rd street is well documented and is in the public domain. The cases have long since been resolved.

6. Has the DIBC ever illegally occupied public property in the City?
a) If so, did the DIBC comply with the City's request to vacate such property?

Please see the answer to Question 5, above. DIBC is not illegally occupying public property in Detroit.

7. What legal guarantees do we have that the DIBC will comply with the deal considering the handling of their legal obligations with the Gateway project?

This agreement is a legally binding document with provisions that protect the City and DIBC if either party violates the agreement.

8. In the letter Council received from Alicia Bradford, Director of Recreation, clearly states that the "DIBC will use the property and air rights in support of its efforts to obtain necessary approvals to build the New Span." yet the administration continues to emphasize that this transaction is purely about recreation. Can you please explain why language related to the DIBC's intention to build a second span is in the letter and agreement?

The contract expresses both the city's interest in improving Riverside Park and the DIBC's effort to acquire the land in hopes of building a new span. The contract also states that all necessary governmental approvals must be obtained prior to any construction.

9. The administration has stated that the Canadians will not approve a second span. Please provide any documentation or support for this statement.

N/A

10. Please provide a list of the future phases of this transaction which will require Council's action.
11. What urgent deadlines exist related to this transaction, if any? (i.e. deadlines for tax abatements, securing funding, etc)

The General Services Department would like to begin construction on park improvements this September. Prior to construction, the City must begin a competitive bidding process, offering preference to Detroit Based contractors, before choosing a contractor.



12. Has the DIBC agreed to drop all litigation and opposition to the NITC as a condition of this transaction?

N/A

13. Did the DIBC at any point illegally occupy Riverside Park and restrict public access?

a) If yes: When? How was the park re-opened? Did the City have to sue the DIBC to re-open the Park?

b) Did baseball diamonds exist in the park prior to DIBC's occupation of the park?

The current administration cannot definitively speak to this issue.

14. Were they maintained by the DIBC? If not was the DIBC required to compensate the City?

N/A

15. How will the proposed land exchange, if approved, impact any lawsuits currently pending between the City of Detroit and the DIBC?

There is no existing litigation between the City of Detroit and the DIBC.

16. Is the DIBC willing to drop all litigation against the City?

17. There is no existing litigation between the City of Detroit and the DIBC.

18. How much money has the City spent in litigation with the DIBC?

Answer unavailable

19. Is the DIBC willing to financially compensate the City for the monies such actions cost the city?

Please refer to answer 21.

20. Will the City's Mater Plan be updated to reflect the change of the future site and current Riverside Park changes?

Yes

21. If the proposed usage of the parcels to be sold is to build a second span will the City need to modify its zoning ordinances as there is no current allowance for international bridges only for bridge plazas?

All questions related to construction of a second span should be referred to the work group proposed by the Honorable Members of the Planning and Economic Development Committee.



22. Will the community be responsible for fund-raising to pay for the park utilities as is the case at Clark Park?

N/A

23. What are the property taxes currently being assessed on the existing News Warehouse Building?

a) Are the taxes up to date?

The property taxes paid annually on the News Warehouse Building are \$54,000.

24. How much tax revenue will be lost if and when it is converted into a park land?

25. Has the blight ordinance been enforced on the News Warehouse Property and all other DIBC owned properties?

The News Warehouse Property has not faced any violations. A history of code violations for other DIBC properties has been submitted in prior reports.

26. What is the current condition of DIBC owned property located on or near West Grand Boulevard and Fort Street where the access to Riverside Park is located?

The property referenced in the above question is unspecified, rendering a definitive answer difficult.

27. Will there be any commitments regarding the current and future maintenance of adjacent and nearby DIBC owned property?

DIBC is expected to comply with city code. DIBC and BSEED are working together to ensure regular and timely compliance.

Questions about Michigan Central Station & Other DIBC Property:

28. How many properties does the DIBC and all of its subsidiaries own in the City?

Please refer to previously submitted memos.

29. What is the current maintenance status of those properties?

30. If any are blighted, to how many has the City applied the nuisance abatement law? If the law has not been applied, what is the reasoning for not applying the law?

While blight violations are routinely enforced, the Nuisance Abatement program is primarily focused on residential properties not commercial.

31. What is the history of blight violations and any other citations for the Michigan Central Station property?

Records not readily available.



32. Does the current condition of the train station constitute blighted property?

- a) If not, what exempts it?
- b) If it is considered blighted, can the city use the nuisance abatement law to require the owners to secure and repair the property?

Michigan Central Station has been a symbol of Detroit's decay for many years. As part of this agreement, Michigan Central Station must be secured with windows by the end of 2015. Installation has already begun. This is an important step in our efforts to help show developers the building's potential and hopefully create future opportunities.

33. What are the future plans for the Michigan Central Station property after the elevators and windows are installed?

DIBC hopes the installation will spur the opportunity for development.

34. Will the condition of the current building protect the new functioning freight elevator? Or do other improvements, other than the windows, need to be made to protect the elevator?

N/A

35. Due to the history of decay under the current ownership, will there be a maintenance provision tied to the Michigan Central Station property?

DIBC will continue to work with the City to ensure this property is properly maintained.

36. What is the DIBC's estimation of the cost of a complete renovation for the Michigan Central Station property?

- a) What is the renovation plan?
- b) What is the estimated date of completion?

Unknown.

Is the Michigan Central Station property currently a revenue generating property for the DIBC as a result of rental for filming and other uses? If so, how much income has been generated from that property (i.e. does DIBC profit from its current blighted condition)?

No current income is generated from this building.

Questions about the Ambassador Bridge and the Second Span:

37. What are the current plans for the construction of a second span of the Ambassador Bridge?

All questions related to construction of a second span should be referred to the work group proposed by the Honorable Members of the Planning and Economic Development Committee.



38. Does the complete plan for a second span of the Ambassador Bridge exist and when will the DIBC share that plan?
All questions related to construction of a second span should be referred to the work group proposed by the Honorable Members of the Planning and Economic Development Committee.
39. What land would be needed to construct a plaza if a second span of the Ambassador Bridge is built?
All questions related to construction of a second span should be referred to the work group proposed by the Honorable Members of the Planning and Economic Development Committee.
40. Will the DIBC be paying property taxes on the former Riverside Park parcels if the land is transferred?
Yes.
41. What is the condition and estimated life span of the existing Ambassador Bridge?
Under the proper care and circumstances, the life span of the existing bridge is indefinite.
42. Why does the DIBC need to own the Riverside Park land rather than lease the land or air-rights to the land?
The land transfer agreement enables the City to own the nearly 5 acres transferred from DIBC and allows DIBC to own the approx.. 3 acres transferred by the City while granting the City a 100 foot easement along the Riverfront.
43. Will there be an additional deed restrictions placed on the Riverside Park land if it is transferred?
N/A
44. If the DIBC moves forward with their plans to construct a second span of the Ambassador Bridge, will there be a full Environmental Impact Study completed?
All questions related to construction of a second span should be referred to the work group proposed by the Honorable Members of the Planning and Economic Development Committee.
45. Does the transfer of this property conclude the City of Detroit's ability to negotiate a community benefits agreement for the proposed Second Span development?
All questions related to construction of a second span should be referred to the work group proposed by the Honorable Members of the Planning and Economic Development Committee.
46. If the Second Span proceeds, will the DIBC commit to engaging in negotiations for a community benefits agreement?



All questions related to construction of a second span should be referred to the work group proposed by the Honorable Members of the Planning and Economic Development Committee.

47. What happens to the land if the permits for second span of the Ambassador Bridge are never issued?

The land can be used in a manner consistent with zoning, city codes and laws.

48. What happens to the land if the permits for second span of the Ambassador Bridge are issued?

All questions related to construction of a second span should be referred to the work group proposed by the Honorable Members of the Planning and Economic Development Committee.

49. Currently, how much hazardous waste is transported on the Ambassador Bridge annually? Does the DIBC monitor and comply with all local, state, and federal laws hazardous waste laws?

Not aware of any hazardous waste being transported across the Ambassador Bridge. From time to time as a result of our maintenance efforts some hazardous waste gets generated. When that is the case it is properly disposed of. One example of this is removal of lead based paint from the bridge.

50. If the second span is constructed then what is the estimated hazardous waste to be transported across both spans annually?

All questions related to a second span or operations of the DIBC should be referred to the work group proposed by the Honorable Members of the Planning and Economic Development Committee.

51. Will the transfer of land further DIBC's claims to being (or not being) a Federal Instrumentality?

N/A

52. Will the DIBC be providing a letter stating this land transfer will not impact past, pending, and/or future litigation between the two parties?

N/A

53. Will there be other air easements given to the DIBC over adjoining streets? If yes, which streets

All questions related to construction of a second span should be referred to the work group proposed by the Honorable Members of the Planning and Economic Development Committee.

54. Were other properties considered as an alternative location for the second span?

All questions related to construction of a second span should be referred to the work group proposed by the Honorable Members of the Planning and Economic Development Committee.

55. What is the ownership status of adjacent property to the east of the existing Ambassador Bridge property?



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N/A

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