

TO: The Honorable Detroit City Council

**FROM: West Grand Boulevard Collaborative (WGBC)
Mildred Hunt Robbins President**

DATE: January 30, 2018



SUBJECT: Henry Ford Health System Cancer Center LOU Negotiations with WGBC/WGBC3

On May 16, 2014, the West Grand Boulevard Collaborative (WGBC), signed a Letter of Understanding (LOU) on behalf of ourselves and the WGBC Community Coalition (WGBC3), with Henry Ford Health System, Kirco Manix and Cardinal Health (HFHS/Developers) regarding the Cardinal Warehouse in the Northwestern Goldberg neighborhood of our West End Detroit (WEDetroit) community, Northwestern Goldberg, LaSalle Gardens, and Virginia Park neighborhoods.

Council members in office at that time know the processes that brought about the signed LOU was arduous and protracted because of HFHS delaying tactics and periodic refusals to negotiate, and but for interventions by elected officials – a unanimous Resolution of Detroit City Council in support of a Community Benefit Agreement (CBA) between HFHS/Developers and WGBC/WGBC Community Coalition (WGBC/WGBC3), the exertion of prerogatives of the City Council Economic Development Committee, and the intercession of two (2) Michigan State Representatives over a two (2) year time frame, it is doubtful that HFHS would have honored their commitment made to Detroit City Council in the person of then President and CEO Nancy Schlicting, when HFHS/Developers pledged to engage in good-faith negotiations with WGBC/WGBC3 – but with the adamant provision that they would never sign any document with the title, Community Benefit Agreement. Hence, the LOU between the parties was finally executed in May, 2014. That LOU agreement provides that HFHS and future development partners who embark upon development projects in WEDetroit neighborhoods will negotiate an LOU with the WGBC/WGBC3.. In keeping with that agreement, the Cancer Center Developers, HFHS and Turner Construction, and WGBC/WGBC3 embarked on negotiations for the HFHS Cancer Center in February, 2016, pursuant to the 2014 signed LOU agreement. We are just two (2) days from February 2018, and it appears that HFHS and their development partner Turner Construction are seeking to thwart the progress of negotiations and/or to renege on their verbal and executed commitment: The timeline for Cancer Center negotiations is as follows:

- **February, 2016:** LOU negotiations for HFHS Cancer Center began.
- **September, 2016:** Negotiations paused by mutual agreement to explore architectural design alternatives for a Cancer Center skywalk that would not involve demolition of the two (2) Sweet Home Churches on the National Register of Historic Places – one of which was the product of the *Godfather of Architecture in Detroit*, George D. Mason. Although alternatives to demolishing of the George D. Mason building were presented by Lord, Aeck, Sargent, a architecture firm specializing in historic preservation architecture, all design alternatives were rejected by HFHS, and the WGBC application for Local Historic Designation of the churches was denied by City Council, and both buildings are now sadly demolished.
- **November 10, 2016:** HFHS, on behalf of themselves and their development partner, Turner Construction, submitted to Detroit City Council a memorandum of commitment pledging actions with which WGBC/WGBC3 are in agreement and were included in a draft proposed LOU submitted to the Cancer Center Developers in May of 2017.
- **February, 2017:** Cancer Center Negotiations resume, and HFHS/Developers propose and WGBC/WGBC3 agree that the Cancer Center LOU will be executed on or before June 30, 2017.

- **May 12, 2017:** WGBC submits proposed draft Cancer Center LOU for their consideration.
- **August 18, 2017:** HFHS/Developers' counter proposal unilaterally remove development partner, Turner Construction from the LOU agreement, and includes entities not parties to Cancer Center negotiations.
- **October 23, 2017:** WGBC/WGBC3 responded to the HFHS/Developers counterproposal, and have heard nothing from HFHS/Developers since, except to offer their assurances that they will respond to us as soon as possible. Their most recent promise was to respond in January 2018. WGBC asked that the January response be provided by January 15, 2018, to which there has not been a HFHS response, to date.
- **Since April 12, 2017,** HFHS has refused to meet to continue Cancer Center negotiations.

HFHS is subsidized by tax payers as a non-profit corporation that pays no income tax, no property tax, and no sales tax. In addition, it holds out both hands for government grants, land transfers and other accommodations, including tax abatements for their friends like the \$8 Million tax abatement received by their Cardinal Warehouse development partners Kirco Manix and Cardinal Health – but now that Kirco Manix and Cardinal have the money benefits, they have reneged on their commitment to hire their neighbors in WEdetroit neighborhoods as they promised to do at the City Council table when their hands were out for public funds. Likewise, HFHS also committed to hiring WEdetroit residents through the WGBC Pipeline for Job Seekers, but to date, only five (5) have been hired by HFHS, none by Kirco Manix, and none by Cardinal Health. No HFHS recruitment has taken place in WEdetroit neighborhoods – but HFHS has been busy recruiting employees in Windsor, Canada – a recruitment campaign that included radio appeals for Canadians to workers.

Fair play and integrity is what our WEdetroit community expects and deserves of HFHS and their development partners in our neighborhoods, but the actions of HFHS/Developers demonstrate that they do not intend to honor commitments they made both verbally and in signed documents. Therefore, help is again needed from our elected officials who generously support developers in Detroit – although what HFHS Developers promised to justify such generosity has turned out to be only words.

Based on past experiences and our current situation, there is no indication that HFHS and their current development Partner, Turner Construction, intend to honor their stated and written and signed commitments either to Detroit City Council or the WGBC/WGBC3. We therefore appeal to this honorable body to exercise your oversight and influence to bring equity to this situation.