

OFFICE OF THE MAYOR

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January 14, 2022

Ms. Sonja Buffa
City Clerk
City of Warren

**Re: Veto of Council Action at Regular Meeting on Tuesday January 11, 2022;
Agenda Item 13a: Resolution rejecting \$30 million DDA incentive for hotel,
apartments, and retail Towne Center.**

Dear Ms. Buffa:

Pursuant to Section 6.8 of the Warren City Charter, I veto the action taken by the Warren City Council at its meeting on Tuesday, January 11, 2022, under the above noted agenda item to destroy the City's hope for a Towne Center in Warren. The decision was based upon a misleading and false narrative about taxpayer cost and taxpayer preference.

A public-private partnership has been upheld by the courts as legal as long as the partnership is of benefit to the taxpayers of that entity. In this case, the benefits to this partnership include the following:

- A) \$2.5 million dollars of new tax revenue.
- B) \$250 million dollars of new investment in Warren.
- C) 1,000 construction jobs.
- D) 500+ commercial jobs.
- E) More choices for residents in shopping and entertainment.
- F) Bringing back \$7-10 million dollars lost to other downtowns.
- G) A walkable downtown with all of the amenities for residents young and old.
- H) A center place for residents as being part of a progressive city.

- I) The downtown center will encourage new investments on Van Dyke Avenue from 8 to 14 mile.
- J) The downtown will also encourage current residents to stay and new residents to move in since we will now have a place for people to shop to entertain themselves.

The bonding for the Towne Center will **NOT** cost one cent to residential taxpayers! The bond will be paid for by two factors:

- 1) Brownfield Redevelopment Authority will pay for 1/2 of the total funding or \$15 million.
- 2) Captured commercial tax revenue from the DDA will pay for the other half. On a cash basis, this could be fully recaptured within 6 years.

There is no debt for Warren residents. The DDA was created to invest in and re-invigorate the Van Dyke corridor from 8 to 14 mile. Developments of this type are necessary to spur other private development.

Furthermore, the city and developers have done extensive studies on this project to ensure that this is a viable project. Neither the developers nor the bond counsel would approve this to go forward if there was any doubt about the economic viability of this project. The experts are all in favor of this project. Unfortunately, the council has decided to listen to themselves rather than the experts.

The Warren Council has indirectly already approved the Towne Center by their approval of the Master Plan, which at its heart is about the Towne Center. The Master Plan won an award from the state for being the best Master Plan in Michigan. The key component of that plan is the proposed Towne Center.

A recent poll conducted by the city had an approval for the Towne Center at 66% with only a small disapproval at 15% with undecided at 19%. The meetings that the Planning Department conducted throughout the city a few years ago had a strong approval for this Downtown Towne Center.

At Warren Council meetings, a strong majority of those who spoke have been in favor of the Towne Center. At the meeting on January 11, 2022, a strong majority of those who spoke were well over 80-90% in favor of the Towne Center.

Council has clearly not been listening to the citizens, the experts, or city employees instead deciding to have an Ostrich attitude about approval of this project.

The council majority of four has failed to respect the rights of the other three members of the council by refusal to place the requested agenda item first and instead placing a defunding proposal before the approval and then tabling the approval.

This proposal has been before council since last summer 2021 yet by inaction the council has chosen not to listen, not to make a decision, and not recognize the needs of

the residents of this city. Not to even respect the right of the three opposing members for a full discussion on this vital issue.

Therefore, I veto the council action on agenda item 13a of the January 11, 2022 council meeting.

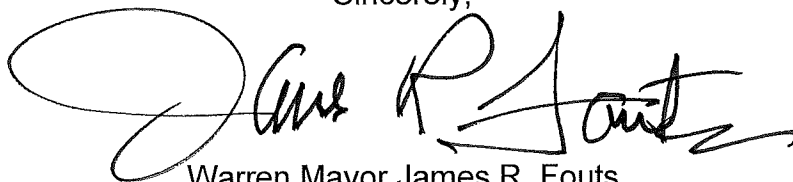
With interest rates scheduled to go up early this year and with the increasing cost of construction it is doubtful whether this project will be viable unless at least one council member decides to reconsider their negative action and vote in favor of the people of Warren.

A final concern is the inordinate influence Plunkett Cooney has upon this council's decision-making process. Currently, we have a number of disputes and conflicts all of which could have been concluded by a reasonable compromise between council and the administration but instead council chooses to take the advice of Plunkett Cooney leading to costly disputes and inaction. Taxpayers want the council to represent their interests not the interest of an outside law firm from Oakland County. The city charter does not mandate the hiring by the council of a city attorney. The City Attorney continues to be Ethan Vinson. Council should heed the advice of the City Attorney Ethan Vinson not advice of a de facto illegally hired city attorney. The Towne Center rejection has been at the urging of a misinterpretation by Plunkett Cooney.

A majority of our citizens have wanted a local downtown for several decades. It was the will of the people that gave rise to the development plans created through the Downtown Development Authority. Every previous Mayor and every previous Council majority has supported this concept except for the current council majority.

Therefore, I respectfully veto the action taken by the City Council under agenda item 13a at its regular meeting on Tuesday, January 11, 2022. The operation of the Council action is suspended in accordance with City Charter Section 6.8.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Fouts". The signature is fluid and cursive, with a large initial "J" and "F".

Warren Mayor James R. Fouts

P.S. I was offended and deeply disappointed on behalf of Warren residents of all ages and demographics for the comment by Council leadership attacking what residents can or cannot afford and the way Council leadership spoke less of our citizens.