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TO: Dan Carmody, President
Eastern Market

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: March 27, 2024

RE: 2024-2025 Budget Analysis

Attached is our budget analysis regarding your agency's budget for the 2024-2025 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Monday, April 1, 2024, at 10:00 a.m.** We would then appreciate a written response to the issues/questions at your earliest convenience before and after your budget hearing. Please forward a copy of your responses to the Council members, the City Clerk's Office, and the Legislative Policy Division.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

DW:dh:ss

Attachments:
Issues and Questions
Eastern Market Budget Pages

cc: Councilmembers
Auditor General's Office
Jay Rising, Chief Financial Officer
Tanya Stoudemire, Chief Deputy CFO
Steve Watson, Budget Director
James Williams, Agency CFO
Doug Ortiz, Budget Analyst
Malik Washington, Mayor's Office

Eastern Market

FY 2024-2025 Budget Analysis by the Legislative Policy Division

Since it began in the 1800s, Eastern Market has gradually become a cornerstone, nourishing its residents by providing fresh and nutritious food throughout Southeastern Michigan. In recent years, the Eastern Market Partnership has built an infrastructure around the market to support its mission to enrich Detroit—nutritionally, culturally, and economically.

The Mayor is recommending a \$300,000 subsidy for the Eastern Market for FY 2025, in appropriation **26350 - Cultural Institutions Support**, in cost center **350097 - Eastern Market Corporation**, located in the Non-Departmental budget (**Pg. B35 - 16**). This subsidy is unchanged from the current FY 2024 subsidy.

The Non-Departmental budget provides funds for activities which are not the responsibility of any other single agency. Non-Departmental is also the depository agency for General Fund subsidy appropriations, enterprise activities and for a wide variety of General Fund revenues that cannot be credited to any specific department.

A 2019 Eastern Market Framework Study was conducted through a partnership of the Planning and Development Department, Detroit Economic Growth Corporation, Nature Conservancy, and Eastern Market Partnership and eventually, the City Planning Commission. The framework plan resulted in recommendations regarding land use, storm water management, design guidelines, and historic preservation for the study area. This effort resulted in a strategic planning process to help guide economic development in the Market district through 2025, referenced as the **Eastern Market 2025 Strategy**.¹ Design principles for Phase 1A of the strategy include plans to:

1. Accommodate four prototypical facilities in Food Innovation Zone.
2. Organize facility types within the Food Innovation Zone to match business needs and scale, and District urban design goals.
3. Design flexibility for phasing, expansions, and additional future demand.
4. Create truck access from Mack Avenue onto Chene Street.
5. Protect St. Aubin Street from truck traffic and negative impacts. Create a parking and landscaping strategy that will increase employment density and mitigate neighborhood impacts.
6. Establish visual and physical pedestrian/bike connections to Gratiot Avenue.
7. Establish Wilkins Street as a critical pedestrian/bike/ bus connection to Eastern Market.
8. Support walk-to-work connection with future residential development via greenways and/or stormwater management retention areas.
9. Design for safety and security.

Issues and Questions:

1. According to news reports, the week of March 5, 2024, there was a groundbreaking for a multi-story 14,000-square-foot meat production and packing facility at 2442 Riopelle St. for Marrow Detroit Provisions, in the Eastern Market district. Meat production will take place on the ground floor of the building, which will also house a butcher shop that will allow customers the opportunity to see the production process and purchase specialty sausages and more. A patio area will open to the south of the building. The second floor will feature a 3,000-square-foot restaurant called Marrow in the Market, which will have seating for more than 100 patrons, a bar and event space.²

How will this new meat production/restaurant & bar impact the Eastern Market area?

2. (**Page B-35-10**) The Non-Departmental Budget includes a listing of “**Eastern Market Additional Funding for Operations**” at \$75,000. What does this item entail and where is this cost reflected in the FY 25 budget?

¹ [Building the Market | Eastern Market](#)

² [Marrow owner Ping Ho eager to dig into Eastern Market project | Crain's Detroit Business \(crainsdetroit.com\)](#)

3. Please provide Eastern Market’s 2023 annual financial statements, if available.
4. Please provide the FY 2024 operating budget for the Eastern Market, and a FY 2025 operating budget, if available.
5. Are there any major capital needs for the Eastern Market? If so, how will they be funded?
6. Are there any plans for the Eastern Market to modify its staff or visiting hours in the upcoming FY 2024?
7. Please briefly detail the department's new expense initiatives, new capital funding requests, operational reform and savings proposals, and new revenue initiatives/proposals to be implemented in FY 2025.

Non-Departmental (35)

The Non-Departmental agency records the salaries and benefits for the 11 elected officials of the City of Detroit: Mayor, City Clerk, and City Council members, in the **Elected Officials Compensation** cost center. General Fund contributions are made to enterprise agencies, cultural agencies, and other external agencies.

General Fund Contributions	FY 2025 Mayor Proposed
Coleman A. Young International Airport	\$4,039,608
Detroit Department of Transportation	\$78,168,185
Detroit Transportation Corporation (People Mover)	\$6,500,000
Charles H. Wright Museum of African American History	\$2,600,000
Detroit Historical Society	\$1,000,000
Detroit Zoological Society	\$1,200,000
Eastern Market	\$300,000
Detroit Wayne Port Authority	\$400,000
Detroit Land Bank Authority	\$11,000,000
Department of Public Works – Solid Waste Management	\$3,388,315

Non-Departmental (35)

Operating Budget Highlights – Other

Initiative	FY 2025 Mayor Proposed	FY 2025 Mayor Proposed FTE
Eastern Market Additional Funding for Operations	\$75,000	-
Goal Line Expansion	\$500,000	-
Opioid Crisis Response Initiatives	\$1,240,541	-
Detroit Zoo Additional Funding for Operations	\$630,000	-
Solid Waste Fund Contribution for Operations	\$3,388,315	-
Increase to DDOT Contribution for Operations	\$3,800,000	-
Workforce Investments in competitive active employee retirement benefits	\$10,000,000	-
Workforce Investments in competitive wage rates	\$7,578,827	-
Establishing a general fund contribution to Solid Waste operations	\$3,388,315	-

**CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES
DEPARTMENT 35 - NON-DEPARTMENTAL**

Department # - Department Name					
Fund # - Fund Name	FY2024	FY2025	FY2026	FY2027	FY2028
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
35 - Non-Departmental	173,178,252	205,279,062	189,989,576	196,704,033	200,921,442
1000 - General Fund	166,663,889	181,957,521	186,626,415	193,107,992	197,282,100
25350 - Board of Police Commissioners	3,779,322	4,558,541	3,739,176	3,804,187	3,870,446
350002 - Board of Police Commissioners	3,779,322	4,558,541	3,739,176	3,804,187	3,870,446
26350 - Cultural Institutions Support	4,470,000	5,100,000	5,100,000	5,100,000	5,100,000
350093 - Detroit Historical Museum	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
350095 - Zoo Operations	570,000	1,200,000	1,200,000	1,200,000	1,200,000
350097 - Eastern Market Corporation*	300,000	300,000	300,000	300,000	300,000
350290 - Charles H. Wright Museum of African American History*	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
26351 - Blight Remediation Projects	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
350014 - Land Bank Operations	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
26352 - Solid Waste Services Support	-	3,388,315	5,261,072	10,018,839	11,094,514
350079 - Solid Waste Contribution for Operations	-	3,388,315	5,261,072	10,018,839	11,094,514
27350 - Special Services	1,905,713	1,567,775	1,585,354	1,603,258	1,621,492
350370 - Project Clean Slate Operations	1,552,713	1,567,775	1,585,354	1,603,258	1,621,492
350371 - Immigration Task Force*	3,000	-	-	-	-
350372 - Reparations Task Force*	350,000	-	-	-	-
27351 - Transportation Services Support	87,678,005	90,471,203	92,153,949	93,085,082	94,026,430
350040 - DTC Contribution for Operations	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
350080 - DDoT Contribution for Operations	74,368,185	78,168,185	79,856,469	80,764,337	81,682,996
350081 - DDoT Contribution for Legacy Debt	2,456,348	1,363,410	1,346,117	1,330,994	1,314,736
350090 - Airport Contribution for Operations	3,953,472	4,039,608	4,051,363	4,089,751	4,128,698
350140 - Detroit Port Authority*	400,000	400,000	400,000	400,000	400,000

*FY 2024 included one-time funding for these programs