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TO: Katy Trudeau, President & CEO
Eastern Market Corporation

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: March 27, 2025

RE: 2025-2026 Budget Analysis

Attached is our budget analysis regarding your agency's budget for the 2025-2026 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Monday, March 31, 2025, at 11:00 a.m.** We would then appreciate a written response to the issues/questions at your earliest convenience before or after to 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:vc:sj

Attachments:
Issues and Questions
EMC FY 26 Budget Page

CC: Councilmembers
Auditor General's Office
Jay Rising, Chief Financial Officer
Tanya Stoudemire, Chief Deputy CFO-Policy & Administration Director/Interim Budget Director
Donnie Johnson, Deputy Budget Director
Andre Blair, Agency CFO
Doug Ortiz, Budget Analyst
Malik Washington, City Council Liaison, Mayor's Office

Eastern Market Corporation (Non-Departmental 35)

FY 2025-2026 Budget Analysis by the Legislative Policy Division

Eastern Market Corporation (d/b/a Eastern Market Partnership) (“Eastern Market”) is a Michigan non-profit Corporation organized to combat community deterioration and to lessen the burdens of government by performing the following functions:

- Developing, maintaining, and promoting the Eastern Market district of Detroit, Michigan (the “Market”) as a viable district for residential and commercial uses that complement the farmers’ market and food-based businesses in the district;
- Managing the market in Detroit known as “Eastern Market.”

Eastern Market is a component unit of the City of Detroit (the “City”) because the City can significantly influence Eastern Market’s programs, projects, and activities through a management and promotion agreement, and because the City’s representative on Eastern Market’s Board of Directors approves Eastern Market’s budget.

Eastern Market has a subsidiary, Eastern Market Development Corporation (“EMDC”), a tax-exempt membership organization in which Eastern Market is the sole member and whose Board of Directors is elected by Eastern Market’s Board of Directors. EMDC was established for the development of businesses and other resources within the Eastern Market district¹.

The Non-Departmental budget provides funds for activities which are not the responsibility of any one single agency. Non-Departmental is also the depository agency for General Fund contributions for enterprise activities and for a wide variety of General Fund revenues, including four of the five major revenues (casino revenues/wagering taxes; income taxes; property taxes; state revenue sharing) and revenues from reimbursements from enterprise/non-General Fund agencies of personal services costs, transfers from other City funds, and use of prior year surplus. The Non-Departmental agency also records the General Fund contributions made to enterprise agencies including the Eastern Market Corporation, cultural entities, and other external entities.

Key Role Enhancements²

- A wholesale center crucial to the regional food economy;
- A place with significant opportunities to start/sustain a food business or get a job;
- A dynamic commercial district where everyone is welcome.

Eastern Market Corporation Budget Summary

The Mayor is recommending a \$300,000 General Fund Contribution (Subsidy) to the Eastern Market Corporation for FY 2026 in the Non-Departmental Budget (**Page B35-3**), in Appropriation **26350 - Cultural Institutions Support**, Cost Center **350097 – Eastern Market Corporation (Page B35-16)**. The recommended Contribution (Subsidy) of \$300,000 to the Eastern Market Corporation is a 45.45% decrease from the \$550,000 General Fund Contribution made in FY 2025.

For FY 2026, the Mayor is not recommending the same \$1,750,000 General Fund Contribution (Subsidy)

¹ EMC Audited Financial Statements as of December 31, 2023 – Available upon request.

² [Presentation - Eastern Market - FY2025 Budget](#)

from **General Fund 4533 – City of Detroit Capital Projects, Appropriation 20507 – CoD Capital Projects, Cost Center 350097 – Eastern Market Corporation (Page B35-17)**, that was made in FY 2025.

Issues and Questions:

1. Please briefly explain the Eastern Market Corporation's new expenditure initiatives, new capital funding requests, operational reform and savings proposals, and new revenue initiative(s)/proposal(s) to be implemented in FY 2026.
2. Please provide the Eastern Market Corporation's FY 2025 budgeted and actual positions. Please explain the Museum's plans to fill any vacancies.
3. Please describe the steps taken for organizational sustainability due to the 2024-2025 transition of CEO leadership.
4. For FY 2025, the Mayor also recommended a General Fund subsidy of \$300,000 for Eastern Market, however, City Council added \$250,000 as a General Fund subsidy for FY 2025 to support Black Owned Farms. Please provide an update on the expenditure of the \$250,000 for Black Owned Farms initiative. Is there a need for additional funding for this initiative?
5. For FY 2025, City Council added a General Fund subsidy of \$1,750,000 for Eastern Market capital projects: \$250,000 was made for Capital Expenses and Maintenance and \$1,500,000 was made for Shed 4 construction. Please provide a progress status for these requests. Were the capital project initiatives completed in FY 2025? If not, when will they be completed? Additionally, will more funding be needed for these requests if they are not already completed?
6. In reviewing the Eastern Market – FY 2025 Budget Presentation provided during the 2025 Budget Hearing process, it appears the Eastern Market Corporation was awarded \$12 million in funding from the Michigan Department of Agriculture and Rural Development (MDARD) for a Regional Wholesale Distribution Center. Please provide a progress status on the Center development. Does the Eastern Market Corporation expect to request and receive additional funding from the MDARD for the Center development? Does the Eastern Market Corporation expect to request and receive funding from the MDARD for other initiatives?
7. In reviewing the Eastern Market – FY 2025 Budget Presentation provided during the 2025 Budget Hearing process, it appears the Eastern Market Corporation was awarded \$3.85 million from the U.S. Department of Housing and Urban Development (HUD) to build two additional food business acceleration spaces. Please provide a progress status on the development of the food business acceleration spaces. Does the Eastern Market Corporation expect to request and receive additional funding from HUD for the development of the food business acceleration spaces? Does the Eastern Market Corporation expect to request and receive funding from HUD for other initiatives?
8. In reviewing the Eastern Market – FY 2025 Budget Presentation provided during the 2025 Budget Hearing process, it appears there were funds from the Nature Conservancy to Grassroots Detroit for home repair programs in the neighborhood. Please describe the progress status on the home repairs programs initiative, including where any home repairs were completed. Does the Eastern Market Corporation expect to request and receive additional funding from the Nature Conservancy for the

home repairs initiative? Does the Eastern Market Corporation expect to request and receive funding from the Nature Conservancy for other initiatives?

9. Please provide the Eastern Market Corporation's FY 2025 Operating and Capital budgets, and the FY 2026 Operating and Capital budgets, if available.
10. Please provide an estimated timeframe for when the Eastern Market's Audited Financial Statements as of December 31, 2024 will be available.

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. The Non-Departmental agency also records the General Fund contributions made to enterprise agencies, cultural entities, and other external entities.

General Fund Contributions	FY 2026 Mayor Proposed
Board of Ethics	\$591,195
Coleman A. Young International Airport	\$4,041,300
Detroit Department of Transportation	\$97,906,791
Detroit Transportation Corporation (People Mover)	\$7,450,000
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	\$300,000
Detroit Land Bank Authority	\$5,000,000
Department of Public Works – Solid Waste Management	\$17,074,650



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

Department # - Department Name	FY2025	FY2026	FY2027	FY2028	FY2029
Fund # - Fund Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
35 - Non-Departmental	198,484,062	248,249,628	209,566,662	218,915,212	229,392,010
1000 - General Fund	183,962,521	242,983,628	204,184,662	214,337,212	223,675,010
25350 - Board of Police Commissioners	4,581,541	4,046,753	4,117,038	4,188,675	4,261,690
350002 - Board of Police Commissioners	4,581,541	4,046,753	4,117,038	4,188,675	4,261,690
26350 - Cultural Institutions Support	6,586,000	5,100,000	5,151,000	5,202,510	5,254,535
350093 - Detroit Historical Museum	1,000,000	1,000,000	1,010,000	1,020,100	1,030,301
350095 - Zoo Operations	2,436,000	1,200,000	1,212,000	1,224,120	1,236,361
350097 - Eastern Market Corporation	550,000	300,000	303,000	306,030	309,090
350290 - Charles H. Wright Museum of African American History	2,600,000	2,600,000	2,626,000	2,652,260	2,678,783
26351 - Blight Remediation Projects.	10,500,000	5,000,000	5,000,000	7,000,000	9,000,000
350014 - Land Bank Operations	10,500,000	5,000,000	5,000,000	7,000,000	9,000,000
26352 - Solid Waste Services Support	3,388,315	17,074,650	19,274,014	20,137,415	21,011,862
350079 - Solid Waste Contribution for Operations	3,388,315	17,074,650	19,274,014	20,137,415	21,011,862
27350 - Special Services	1,633,775	1,564,640	1,583,469	1,602,652	1,622,196
350370 - Project Clean Slate Operations	1,567,775	1,564,640	1,583,469	1,602,652	1,622,196
350372 - Reparations Task Force	66,000	-	-	-	-
27351 - Transportation Services Support	90,726,203	111,044,567	108,600,642	110,184,735	111,797,854
350040 - DTC Contribution for Operations	6,500,000	7,450,000	6,565,000	6,630,650	6,696,957
350080 - DDOT Contribution for Operations	78,523,185	97,906,791	96,290,988	97,751,985	99,240,777
350081 - DDOT Contribution for Legacy Debt	1,363,410	1,346,476	1,359,941	1,373,540	1,387,275
350090 - Airport Contribution for Operations	4,039,608	4,041,300	4,081,713	4,122,530	4,163,755
350140 - Detroit Port Authority	300,000	300,000	303,000	306,030	309,090
27352 - Community Programs Support	1,000,000	500,000	505,000	510,050	515,151
350230 - Childhood Education & Enrichment Support	1,000,000	500,000	505,000	510,050	515,151
28351 - Board of Ethics	682,960	591,195	601,233	611,458	621,874
350165 - Board of Ethics	682,960	591,195	601,233	611,458	621,874

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

Department # - Department Name	FY2025	FY2026	FY2027	FY2028	FY2029
Fund # - Fund Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
28352 - Media Services & Communications	1,559,418	1,572,674	1,601,784	1,631,470	1,661,742
350325 - Communications Services	736,132	-	-	-	-
350326 - Media Services	823,286	1,572,674	1,601,784	1,631,470	1,661,742
28354 - Elected Officials Compensation	1,645,427	1,708,315	1,740,617	1,773,566	1,807,174
350007 - Elected Officials' Compensation	1,645,427	1,708,315	1,740,617	1,773,566	1,807,174
29350 - Citywide Overhead	61,658,882	94,780,834	56,009,865	61,494,681	66,120,932
350020 - Dues & Memberships	400,660	400,660	404,667	408,714	412,801
350220 - Claims Fund (Insurance Premiums)	12,100,000	42,100,000	12,100,000	12,100,000	12,100,000
350310 - Detroit Building Authority	1,284,075	1,530,563	1,558,516	1,587,016	1,616,074
350800 - Centralized Payments	30,411,327	35,749,611	31,560,297	31,874,054	32,190,910
350980 - Workforce Investments	17,462,820	15,000,000	10,386,385	15,524,897	19,801,147
29351 - Pension-Related Payments	-	-	-	-	-
350015 - Pension Benefits Administration	-	-	-	-	-
3921 - Other Special Revenue Fund	3,321,541	5,266,000	5,382,000	4,578,000	5,717,000
21243 - Opioid Settlement Proceeds	1,240,541	3,143,000	3,217,000	2,370,000	3,509,000
350030 - Other Operations Services	1,240,541	3,143,000	3,217,000	2,370,000	3,509,000
28353 - Cable TV	2,081,000	2,123,000	2,165,000	2,208,000	2,208,000
350324 - P.E.G. Fees	2,081,000	2,123,000	2,165,000	2,208,000	2,208,000
4533 - City of Detroit Capital Projects	11,200,000	-	-	-	-
20507 - CoD Capital Projects	11,200,000	-	-	-	-
350093 - Detroit Historical Museum	1,000,000	-	-	-	-
350095 - Zoo Operations	2,000,000	-	-	-	-
350097 - Eastern Market Corporation	1,750,000	-	-	-	-
350290 - Charles H. Wright Museum of African American Histor	3,400,000	-	-	-	-
358047 - Capital Restructuring Initiative - GSD	3,050,000	-	-	-	-
Grand Total	198,484,062	248,249,628	209,566,662	218,915,212	229,392,010