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TO: City Planning Commission

FROM: Marcell R. Todd, Jr. Director

RE: The request of Detroit Entertainment, L.L.C. d/b/a MotorCity Casino for approval of a modification to the previously approved development proposal for a casino complex in the SD5 (Special Development District, Casinos) zoning classification in order to allow the addition of 700 new parking spaces via the construction of an eight (8) level expansion at the east end of the existing parking deck erected on the property bounded by Elm, Brooklyn, Temple and Trumbull

DATE: July 30, 2019

NATURE OF REQUEST

The request of Detroit Entertainment, L.L.C. d/b/a MotorCity Casino for approval of a modification to the previously approved development proposal for a casino complex in the SD5 (Special Development District, Casinos) zoning classification. This request will facilitate the addition of 700 new parking spaces via the construction of an eight (8) level expansion at the east end of the existing parking deck erected on the property bounded by Elm, Brooklyn, Temple and Trumbull.

PUBLIC HEARING RESULTS

On Thursday July 18, 2019 the City Planning Commission held a public hearing to consider this request. Ten persons spoke during the hearing, three in favor, six against and one neutral. Two of the speakers referenced and presented a digital petition reflecting opposition from 600 plus persons. In review of the petition staff identified 210 signers as having Detroit addresses. Leading up to the hearing the Commission also received an excess of 40 email, the majority of which were opposed to the project. Email continued to come in beyond that date. Staff tallies 98 submissions, 46 in favor and 52 against.

While some detractors were aimed at the Casino itself, a great deal of the opposition to its request appeared to be related to the activities of or issues associated with other entities owned or operated by the Ilitch family. Chief among them the surface parking lots, Little Caesars Arena (LCA) and other properties controlled by Olympia Development of Michigan (ODM) in and around the District Detroit. Some of the testimony spoke of unmet promises by ODM, an excess of parking in the area and undeveloped or poorly maintained land under their control. As the casino is a separate legal entity staff believes it best to separate the issues by accordingly and deal with them within their own context.

ISSUES

Parking

The casino representatives assert that this proposal will allow them to better utilize the parking they have and to grow the entertainment and convention aspects of their operation. The new parking deck will allow employees to park in the underutilized existing deck, leaving the on-site surface parking lots and occasional offsite parking in lots across Grand River for other users. The surface parking lots on the casino grounds would then be available to support an increase in events at the Sound Board, the casino's performance venue as well as conventions and conferences. As a result the casino should be able to support all of its parking needs via onsite facilities even during highest demand.

Real Estate

In addition to the 24 plus SD5 zoned acres upon which the casino proper is situated, the casino owns four parcels of land in the area. Two sites along Trumbull one between Temple and Perry the other between Pine and the Service Drive, were acquired as part of the casino's early land assemblage or to remove blighting influences from the community. The future of these sites awaits the outcome of the City's North Corktown study which the casino is supporting with an \$850,000.00 contribution consistent with its obligations under its development agreement with the City.

The casino also owns two sites along the opposite side of Grand River. The site of the former Carl's Chop House at Hobson St. was purchased when the casino was considering an eastward expansion. The site is presently used for storage, construction staging and overflow parking. The casino also purchased the former gas station at 5th St. thus eliminating a problematic site from the community plagued by crime. This site has been maintained as a greenspace along the approach to the Lodge Fwy. since.

Zoning Compliance

During the public hearing some speakers questioned to casino compliance with the provisions of SD5 zoning. Below you find the criteria for approving a rezoning to SD5 and the initial development proposal.

Sec. 61-1-1. Criteria for rezoning and approval of a development proposal.

ARTICLE II. The City Council, the Planning and Development Department, and the City Planning Commission shall review development proposals for compliance with the following criteria:

- (1) The proposed development shall be consistent with and promote the goals of the City's Master Plan of Policies;*
- (2) The proposed development shall promote pedestrian and transit linkages to other activity areas;*
- (3) The proposed development shall be appropriate to and compatible with surrounding development in terms of scale, form, massing, land use, general appearance, function, signage, and lighting recognizing the unique functional characteristics of a casino or casino complex;*
- (4) The proposed development shall include adequate circulation, off-street parking, and loading facilities to meet expected parking and vehicular and pedestrian traffic demands;*
- (5) The proposed development shall provide amenities and public facilities to promote safety, comfort and convenience, including barrier-free access for visitors, employees, and the general public;*

- (6) *The proposed development shall contain quality urban design elements and design features including those which promote public safety, facilitate maintenance and repair, and provide appropriate screening and buffers; and*
- (7) *The proposed development shall be sensitive to buildings in the immediate area which have architectural or historic value.*

Some of the concerns raised relate to criteria 2, 3 and 4 in particular. As it concerns pedestrian and transit linkage the casino has funded or caused pedestrian and vehicular infrastructure improvements all around the casino site. Due to its more isolated context and multi-structure campus the casino was allowed to be more inward oriented. While ground floor access to the casino/hotel itself is not the same as the other two casinos, pedestrian movement to, through and around the casino complex is easily achieved. As for transit the State's regulatory process may be in part the reason why formal partnerships have not be formed with other entities for transit or other ventures for that matter, but the casino itself provides a robust shuttle service. Casino patrons, hotel guests, Sound Board guests, conference goers and corporate partners benefitted from more than 32,000 rides to destinations around Downtown, Midtown and beyond, last year.

During the public hearing some challenge was also as made to the casinos support area business growth and development and the community. The casinos were not expected to be the developers of adjacent and nearby land, but rather to generate spinoff develop, expand the local economy and grow the tourist industry. As the most isolated of the three casinos development around MotorCity Casino is quite challenging. The City's economic woes over the last two decades are evidenced here as a case-in-point. The casino can't control market forces or dictate what others do with their property. However, the casino, which has good relations with some of its neighbors like the Teamster and Goodwill Industries, awaits new neighbors to partner with in order to realize the redevelopment potential the area clearly possesses. Again, the above referenced North Corktown Study should assist greatly in this regard going forward.

Development Agreement Provisions

Per the provisions of the casino development agreements each casino submits an annual report detailing the casinos performance and varied activities over the course the past year. The document accounts for the required and voluntary philanthropic contributions to larger community above and beyond the casino operation and revenue contributions to the City and State. This document is a primary vehicle by which the City, through the executive branch, determines each casinos continued compliance with the development agreements. If any of the casinos is not meeting expectations, it is the administrations responsibility to address it.

It is worth reminding the Commission that in addition to the in-kind and monetary contributions each casino makes annually, they jointly made significant and pivotal contributions to the redevelopment of the east riverfront. The recreational enhancements, the housing and commercial projects and the infrastructure improvements were made possible because of the \$150 million in riverfront land acquisition and another \$8.5 million in acquisition for the Dequindre Cut funded by the three casino.

ANALYSIS

Staff has determined the above captioned request to be minor in nature consistent with the provisions of Sec. 61-0-0 of the Zoning ordinance which states:

Sec. 61-11-276. Modification of approved plans.

Approved site plans and elevations, and other aspects of the development proposal, including uses, may be amended, pursuant to the same procedure and subject to the same limitations and

requirements by which said plans and proposals were initially approved. However, upon written request by the petitioner, minor changes may be permitted by the City Planning Commission (or its staff where consistent with its bylaws) subject to a finding that such change will not cause any of the following:

- (1) A change in the character of the development; or*
- (2) An increase in the ratio of gross floor area by more than five percent (5%); or*
- (3) An increase in lot coverage by structure unless justified by changes in other factors; or*
- (4) A reduction in approved open space or off-street parking unless justified by changes in other factors; or*
- (5) The creation of or increase in injurious effects to land uses in the immediate vicinity.*

The character of the proposed parking structure is consistent with that of the existing parking structures on site as well as the general design character of the complex. The proposal does not result in a 5% increase in the ratio of gross floor area. The additional lot coverage is warranted by the parking need and desired operational enhancements. Casino employees and, during some peak operating occasions, patrons, park off site. The proposal does not result in the reduction of approved open space or off-street parking. Nor does it find the creation or increase of injurious effect on adjacent properties.

The Planning and Development Department in review of the proposal felt that the project would benefit from some further embellishment on the north façade of the proposed structure. This was due to the scale of the deck and the present lack of buildout along the Grand River frontage of the adjacent property to the north. It was determined that an art installation on the northern façade would achieve the desired effect, offer a public amenity and create opportunity for local artists. At present the LED lighting features on the north and south faces of the hotel provide the casino with a now presently limited capacity to display patterns and graphic images. The program, composition and final appearance of the artwork for the proposed deck should be arrived at collaboratively involving City agencies with the Casino leading the effort.

CONCLUSIONS

In review of the request and various issues raised staff conclude the following. Those items relating to Little Caesars Arena or the District should be dealt with within that context that they are outside the control of MotorCity Casino. The arena will be returning before the Commission soon and those concerns can be addressed at that time. Issues relative to the performance of the casino under the development agreement fall primarily under the purview of the executive branch. Therefore, based upon the above review of the proposed parking structure and mitigation agreed to CPC staff is supportive of the petitioner's request.

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