

City of Detroit

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TO: City Planning Commission

FROM: George Etheridge, Staff

RE: PCA (Public Center Adjacent) Special District Review of exterior changes and demolition of 561 E. Jefferson Avenue, the former Department of Administrative Hearings Building

DATE: January 8, 2020

REQUEST

The City Planning Commission (CPC) has received the request of Mary C. McCormick of CM Partners Architects for special district review for the proposed demolition of the existing building located at 561 E. Jefferson Avenue and the establishment of a surface parking lot at the same location.

The subject property is zoned PCA (Public Center District Adjacent), a classification which calls for City Council approval of any exterior changes following the review and recommendation of the City Planning Commission and the Planning and Development Department (PDD) (Sections 50-3-226 and 50-11-97 of the Zoning Ordinance).

BACKGROUND

The building located at 561 E. Jefferson Avenue is owned by William & Associates Title Agency, Inc. The property is generally identified as a vacant two-story commercial building. The property has been vacant for approximately six years, after the City of Detroit's Department of Administrative Hearings opted not to renew their lease on the property. Since that time, the property has been vacant and has fallen into disrepair as the result of transient populations utilizing the property without authorization.

In 2016, the property owner initially submitted an application to Buildings, Safety Engineering and Environmental Department (BSEED) for the demolition of the subject property. The demolition permit was ultimately forwarded to City Planning Commission (CPC) staff for review and sign off, however, given that the subject property is zoned PCA, as indicated above, review and recommendation of both CPC and PDD is required.

Subsequently, three additional demolition permits were applied for over the course of the past three years, yielding the same results, that being, staff's inability to act on the demolition result

due to the property being located in the PCA and needing both CPC and City Council review and authorization. In July of 2019, conversations commenced with a consultant of the owner, with the intent to either repurpose to building, maintain the façade of the building, or the create some type of scaled down development with the aim of maintaining the E. Jefferson street wall. The renderings submitted were not satisfactory, nor were they in compliance with the review and approval criteria for PCA or Special District Review.

In October of 2019, the owner contracted with CM McCormick Architects to once again pursue the requested demolition of the property. Unlike in past incidences, the consultant appropriately applied for PCA review, prior to pursuing the issuance of demolition permits from BSEED.

The proposed work described below has been jointly reviewed by Planning and Development Department and City Planning Commission staff.

PROPOSED WORK

The developer proposes to demolish the property in its entirety and establish a 36-space surface parking lot with the required buffering and landscaping, per the off-street parking requirement of Division 2, Subdivision C of Chapter 50 as presented in the site plans submitted at the time of application.

PUBLIC DISCUSSION

A public discussion in this regard was held at the Commission meeting of Thursday, November 21, 2019. At that time there were two members of the public present who spoke in opposition to the proposed demolition of the subject property to accommodate the establishment of a surface parking lot.

The Commission raised a number of concerns regarding the need to demolish what appears to be a salvageable asset in the heart of downtown Detroit. The Commission also raised a number of questions regarding the manner in which the property has been historically marketed and what efforts the current owner has used to attract a viable tenant.

CPC Director Marcell Todd, indicated that a more in-depth analysis of the Master Plan of Policies would be provided in regards to this specific request.

REVIEW

Per the Commission's request, the property owner has provided a number of proformas indicating the cost for build-out and rehabilitation of the subject property based on past efforts to market the property for reuse,

Based on the information provided, it would appear that the proposed build-out of the property would be cost prohibitive to the owner.

On Thursday, December 19, 2019, staff along with representatives of the property owner gained entry via the front of the property, however, staff was impeded from gaining further entry due to the property being occupied by trespassers. The rear of the property was barricaded from within. Upon entering the foyer of the property, it was evident that the occupants of the property were utilizing fire to keep warm. The Detroit Police Department and the Detroit Fire Department were promptly notified. No further attempts to enter the property for an evaluation of the

conditions has been made by Commission staff. The representative for the property owner indicated that they would provide photos of the buildings current condition.

The subject property is located in Cluster 4 in the Central Business District subsector of the Master Plan of Policies. Goal 6 for the Central Business District subsector of the Master Plan of Policies aims to improve the districts position as a center for corporate headquarters. Policy 6.1 is intended to provide incentives to attract businesses to participate in the rehabilitation and occupancy of the Central Business District's major office buildings.

Policy 6.2 is intended to encourage cooperation with business organizations and other City agencies to attract corporate headquarters to the Central Business District. Staff is of the opinion that these goals and polices cannot be achieved if Central Business assets such as 550 W. Fort Street, 561 E. Jefferson and the like are continually lost for the sake of surface parking.

The property owner has indicated that the building has sat vacant for the past 15 years. As stated previously in staff's report, several proformas have been prepared with the hopes of building-out the property for new uses, unfortunately to no avail. The property owner has indicated that there has been both national and international interest in property over the past 15 years given its proximity to the GM Global Headquarters, however, they have cited the existence of a transient population which frequently gains entry to the property as one of the deterrents for potential investors.

The property has sustain a significant amount of damage. While the structure appears to be sound, an expert analysis will be needed to determine the structural integrity of the building. Given the substantial damage to the interior of the structure from exposure to the elements and the unlawful inhabitation of the building, staff is of the opinion that the interior would need to be completely gutted and renovated. There is clear evidence of fire damage and mold throughout the structure. Given these reasons and the cost associated with a substantial rehabilitation, the property owner contends that it is not economically viable for them to retain this asset.

In regards to City Design, the Master Plan of Policies states:

“The building and spaces of the City have evolved over the decades, merging local historical and cultural traditions with evolving economic needs and modern tastes. The City’s vitality is a product of the continued evolution of these buildings and spaces. As development contributes to the evolution of the cityscape, it must be guided in a way that doesn’t disrupt the unique attractiveness of the City.”

The Master Plan clearly speaks to an urban fabric that is built on an historic foundation through an evolutionary process. While there is a clear desire to retain the structures that contribute to that fabric, compromise, while not easy, is sometimes unavoidable even with historically designated properties. This appears to be a circumstance wherein market forces, financial infeasibility and social ills may be leading to the decline of the subject properties as well as neighboring structures. Located along the eastern periphery of downtown with existing surface parking to the north, it may be that this area is in transition and notwithstanding the Master Plan and other policies, removal of the structure may be appropriate to this areas evolution at this time.

Section 50-11-97 of the Detroit Zoning Ordinance, “PCA District Review Criteria” lists 18 provisions which must be taken into consideration when a proposal is being reviewed for consistency with the spirit, purpose and intent of the PCA district. With the exception of criteria 1 (Master Plan) and 14 (Historic Preservation) addressed above the criteria appear to be satisfied. The site plans as presented meet the criteria as it relates to exterior design, appearance and exterior alternations, etc..

The major alteration to the site is of course the razing of the existing structure and the affect the loss of such an asset would have on the Jefferson Avenue street wall. In response the developer has presented plans that seek to carry over the continuity of screening from the Larned Street frontage with the incorporation of precast concrete and mortar pillars with a brick face veneer in addition to wrought iron fencing. This proposed approach would honor the façade of the current structure.

The Planning and Development Department in concert with the City Planning Commission staff, having reviewed the proposed plans and finds that it meets the requirements, as addressed in this report, for PCA approval as outlined in the zoning ordinance.

RECOMMENDATION

While not fully compliant with City policies or desired practices, CPC staff finds the proposed project to be acceptable in light of the circumstances. We would prefer the structure remain and the property owner seek to weather the storm until a tenant is found. However, we recommend approval of the proposed alteration to the site. We also find that the proposal would not adversely affect the value of adjacent properties. Staff also recommends that the City revisit and revise as appropriate policies and regulations corresponding to the retention and preservation of such structures as well as the priority, siting and design of parking facilities in order to affirm the City’s position and expectations.

Attachment

cc: Katy Trudeau, Deputy Director P&DD
Karen Gage, P&DD
Russell Baltimore, P&DD
David Bell, Director, BSEED