

City of Detroit

Alton James
Chairperson
Lauren Hood, MCD
Vice Chair/Secretary

Marcell R. Todd, Jr.
Director

CITY PLANNING COMMISSION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-6225 Fax: (313) 224-4336
e-mail: cpc@detroitmi.gov

Brenda Goss Andrews
Damion W. Ellis
David Esparza, AIA, LEED
Gregory Pawlowski
Frederick E. Russell, Jr.
Angy Webb
Henry Williams

October 2, 2020

HONORABLE CITY COUNCIL

RE: Request of the Planning and Development Department to amend the Detroit Master Plan of Policies for a portion of the area containing the former State Fairgrounds, generally bounded by West Eight Mile Road, the Grand Trunk Railroad right-of-way, West State Fair Street, Woodward Avenue, vacated Winchester Street, and Ralston Street to accommodate the sale and reuse of the site (**RECOMMEND APPROVAL, WITH COMPLEMENTARY/CONCURRENT RECOMMENDATIONS**).

NATURE OF REQUEST

A public hearing was held on September 24, 2020 at 6:00 PM to consider the request of the Planning and Development Department (PDD) to amend the Detroit Master Plan of Policies for a portion of the area containing the former State Fairgrounds, generally bounded by West Eight Mile Road, the Grand Trunk Railroad right-of-way, West State Fair Street, Woodward Avenue, vacated Winchester Street, and Ralston Street. The Master Plan amendment is required in order to facilitate the sale of the property for the proposed reuse.

The subject site is located in the Neighborhood Cluster 1, State Fair Neighborhood Area of the Master Plan of Policies (see attached PDD report dated August 10, 2020). The future general land use designation for this area is currently **PR (Regional Park)**. The proposed future general land use designation for the site is **IL (Light Industrial)**.

PROPOSED DEVELOPMENT

The Planning and Development Department (PDD) is proposing to sell 138 acres of land at the former State Fairgrounds for light industrial redevelopment including the development of a new 3.8 million square foot Amazon logistics facility on 75 acre segment of the site. The purchase price \$16 million price with \$7 million of those proceeds already earmarked for the construction of a Transit Center adjacent to the site. The vast majority of the subject property has been vacant for ten years since the site last hosted the Michigan State Fair in 2010. After unsuccessful efforts to redevelop the site, the City purchased it from the State Land Bank Fast Track Authority on April 21, 2019, and began promoting it for industrial reuse. Prior to that, the property was the focus of Magic Plus LLC's redevelopment efforts. After much conceptualizing these efforts yielded Magic Plus's purchase of two detached parcels (16 acres) from the State Land Bank which front Woodward Avenue.

There have been proposals for commercial development, and, a proposal for a mixed-use development, METAExpo (Michigan Energy Transportation Agriculture Expo) in 2012 from the State Fairgrounds Development Coalition (SFDC). Due to its adjacency to the rail line, a portion of the site was also considered by the State for an intermodal freight terminal. According to the Administration, there has been no viable proposal for the redevelopment of this site, since it has been vacant, up until the Amazon redevelopment proposal.

ZONING

The subject site is currently zoned B4 (General Business District) under which a warehouse facility is currently allowed as a conditional use. A Buildings, Safety Engineering and Environmental Department (BSEED) Special Land Use Hearing was held on September 2, 2020, with a conditional approval effective September 18, 2020. One of the conditions of the approval is “that the applicant obtain the appropriate Master Plan amendment from Regional Park to Light Industrial before a building permit is issued”. The BSEED letter (dated September 4, 2020) is attached.

CONSISTENCY WITH THE MASTER PLAN

As stated above, this amendment is being requested by PDD because the City desires to sell the subject property, which the Master Plan of Policies’ Future Land Use Map designates as Regional Park (PR). Section 5 (1) (e) of the Michigan Home Rule City Act does not allow a city to sell land in its inventory that is required as park land by its master plan. Therefore, this amendment is necessary for the City to convey this property to the developer.

Regional Parks “are typically major parks of regional or historical importance (e.g. Belle Isle, Rouge Park, Fort Wayne).” (Detroit Master Plan of Policies, page 64) The former State Fairgrounds is not a traditional park, but it is certainly of historical importance, particularly some of the buildings which remain on site today. Other than the Joe Dumars Field House (Agriculture Building), which has a lease through 2023, the site has remained vacant and underutilized for almost a decade, despite the efforts of the State, would-be developers, and the City. The Gateway Shopping Center is the only fruit born of revitalization attempts in this area over the last 20 years. One building of historic significance, the Ulysses S. Grant house, will be preserved as it is scheduled to be moved to the Eastern Market District. The other buildings were initially slated for demolition when the requested was received. That decision is being challenged by some within the community who wish to see an effort at preservation, adaptive reuse, and if all else fails deconstruction, in part to give homage to the significance of the Fairgrounds as the first in the U.S.

Light Industrial (IL) is the designation being sought by PDD for the greater portion of the subject site. Light Industrial areas “should generally consist of industrial uses of low intensity that have minimum undesirable effects on adjacent residential or commercial land uses. Small-scale industrial uses may include machine shops, small scale assembly or packaging, warehousing or technology parks”. (page 62; *ibid*)

The proposed Light Industrial designation is appropriate for the proposed Amazon logistics facility because of both the proposed use (warehousing) and proximity to the Grand Trunk Railroad right-of-way and other nearby areas designated as Light Industrial. Additionally, the B4 (General Business District) zoning classification allows for warehousing as a conditional use. Again, there are two development parcels, not included in this land sale, referred to as the

“Magic Plus” parcels, under the control of the reconfigured development team that previously sought to purchase and develop the entire site. Development plans for these parcels are still in process at this time. While it would have been desirable to advance the appropriate Master Plan designation for these parcels concurrently, the plans being uncertain, the Administration elected not to do so at this time. Staff believes it to be appropriate to remove the Regional Park designation from the entire site since a park of that type has not been the focus of redevelopment. A subsequent Master Plan amendment to Mixed Residential Commercial (MRC), Mixed Residential Industrial (MRI) or whatever the City deems appropriate, should be prepared and presented to the CPC in the near future.

REVIEW AND PROCESSING

In early August 2020, as required by the Michigan Planning Enabling Act, CPC staff sent letters to adjacent communities informing them of the proposed Master Plan change and requesting comments. To date, CPC staff have not received any comments from adjacent communities.

The Administration has held a number of zoom and in-person meetings with the community regarding this proposal. CPC staff has attended five of those meetings, as well as the BSEED Special Land Use Hearing. On September 10, 2020 when the Commission received an informational presentation of the project CPC staff submitted the attached memo to the Commission summarizing community concerns regarding the proposal. Those concerns were generally about jobs for Detroiters, community desires reflected in writing as part of an agreement, development of parks and open space, possible environmental impacts, workers’ rights to organize, preservation of historic buildings on site, and relationship with community both in planning phases and beyond. The Administration had given both verbal and written responses to most questions and concerns, but many from the community felt the responses to be insufficient. Attached are two letters, one from the State Fairgrounds Development Coalition (dated September 10, 2020) urging denial of the proposed Master Plan amendment, and the second from the Detroit People’s Platform (dated September 14, 2020) regarding concerns about what some were characterizing as the planned relocation of the transit center.

At the September 10, 2020, presentation to the Commission a number of items were discussed and initial requests were made. Attached is the response from the Administration to Commissioners’ requests for the number of construction jobs to be created; and, the breakdown of the inputs for the net benefit figure to be received by the City.

On September 15, 2020, CPC and Historic Designation Advisory Board staff participated in a walk-through of the Hertel Coliseum, which in part, is located where the proposed transit center is to be constructed. The Coliseum was initially slated for demolition, but appears structurally sound. The northern-most portion of the building, where part of the transit center would be situated, has a very high ceiling and a wide floor area. This raises the question as to whether or not some portion of this building could be incorporated into the new transit center, both giving an opportunity to pay homage to the historical significance of this site, and demonstrate an innovative reuse that could serve the purpose of the transit center, as well as be a unique point of interest for the City. There is incredible opportunity here for the City that does not appear to have been fully explored. The CPC has heard from a few experts as to the possibilities.

The last of a series of zoom meetings with the community on specific topics was held by the Administration on September 17, 2020. The first of the three meetings dealt with DDOT, transit, traffic, public access; the second meeting covered jobs and opportunities, and neighborhood inclusion; and, the third meeting covered environmental issues (air, sound, light), stormwater,

and sustainability. Preservation and reuse of historic buildings on the site was also discussed and was a topic of great concern, especially following the tour of the Coliseum.

The community continued to express concern about environmental and health impacts, even in light of the presentation covering how air, noise, and light impacts would be mitigated. CPC concluded that a large part of the challenge with the community being at ease with this project is based on what was continually articulated regarding the lack of written commitments, particularly with regard to environmental concerns, and that so much of the response was from the City instead of the development team, as well as no response directly from Amazon. The City has made it clear that the deal (i.e. purchase agreement) is not being re-negotiated, emphasizing that there are no incentives being offered to Amazon and extolling the job and other economic benefits. CPC staff felt that if that is indeed the case, that being there is nothing more that would be added to the purchase agreement, then the community would have to seek certain assurances with the City.

As a result of the feedback from the community and other meetings attended by CPC staff, we came to certain conclusions and drafted the following complementary preliminary recommendations to the approval of the proposed Master Plan amendment that would be the responsibility of the Administration:

1. Establish a body and/or mechanism to continue to share, engage with and respond to the community throughout the development of this project, construction phases and beyond.
2. Perform a health impact analysis addressing concerns regarding environmental impacts during construction and on-going with regard to any possible noise, light and/or air quality impacts. Measure the claimed efficacy of the mitigation actions, and as has been suggested, demonstrate this project as a model for this type of redevelopment in an urbanized setting.
3. Consider the feasibility of utilizing some portion of the Hertel Coliseum in the design of the new transit center. Add architects with expertise in preservation to the team doing the assessment and design.
4. Consider memorializing additional commitments for the project in an MOU, memo or other means.

CPC staff met with the Administration and shared these preliminary recommendations. The Administration responded by agreeing to commit via resolution(s) to be reviewed and voted on by City Council as to what is included in the September 30, 2020 memo, "Commitments with respect to State Fairgrounds Redevelopment and Master Plan of Policies Change #27 October 1st, 2020".

ISSUES

Community Concerns Regarding Conformance with the Master Plan of Policies and Zoning

The State Fairgrounds Development Coalition submitted the attached letter (dated September 23, 2020) with regard to their assessment that the proposed Master Plan amendment (and specifically the proposed development) is not consistent with the Master Plan of Policies. They further contend that the amendment fails to satisfy the approval criteria under the provisions of the Zoning Ordinance, as set forth in Section 50-3-70.

There is no zoning change needed or being proposed.

As stated above, the subject property is currently zoned B4 (General Commercial). A warehouse facility is allowed as a conditional use. There has been a considerable amount of confusion with regard to the need for an amendment to the Master Plan versus what is required by the Zoning

Ordinance. The Master Plan gives *guidance* for development, whereas the Zoning Ordinance sets forth *specific codified regulations* for adherence that are applied to all parcels of land. There is no zoning change being requested, nor is a rezoning required for the subject site. Therefore, the approval criteria under Section 50-3-70 of the Zoning Ordinance does not apply nor is appropriate for this request to amend the Master Plan.

Master Plan Issues Raised by SFDC

The SFDC, as noted above, produced a plan, METAExpo (Michigan Energy Transportation Agriculture Expo), for a proposed mixed use development in 2012; and has been shown much interest and concern about the redevelopment of the Fairgrounds for as many years. They contend that the requested amendment is inconsistent with the Master Plan, specifically policy recommendations in the citywide elements of City Design; Environment and Energy; History, Legacies and Preservation; Industrial Centers; Parks, Recreation and Open Space; and the recommendations for the State Fair Neighborhood Area.

Specific policies highlighted include, but are not limited to:

- Walk-ability
- Incorporate analysis of socio-economic characteristics regarding policy or projects with significant environmental impact
- Increase the accessibility of open space and natural habitat
- Maintain integrity of historic areas
- Minimize conflicts between industrial centers and residential areas
- Protect City parks from being acquired for private development
- Reduce conflicts between industrial and residential areas
- Establish and enforce designated truck routes to and from the Chrysler Freeway and Eight Mile
- Increase open space and recreational opportunities
- Support diverse, year-round recreational activities at the State Fairgrounds

Master Plan designations and amendments do not prescribe specific conditions and provisions with regard to a proposed development and do not call for nor require review of site plans and elevations. However, CPC staff acknowledges the concerns raised by SFDC and other concerned citizens that have given comment at the community meetings and public hearings; and to that end put forth the abovementioned specific recommendations to hold the City responsible for certain community protections and benefits.

PUBLIC HEARING RESULTS

A public hearing on this matter was held on September 24, 2020. Sixty-five persons commented. Thirty-one (48%) spoke in favor; and, nineteen (29%) spoke in opposition. Fifteen persons expressed specific concerns and/or suggestions, but with no definitive position. The CPC received 58 letters: 47 (81%) were in support; and, four (7%) were in opposition. Seven of the letters expressed specific concerns and/or suggestions, but took no definitive position in favor or against.

The CPC was given clarity by staff regarding the scope of the Master Plan and the proposed amendment, as well as the differentiation with zoning. Commissioners posed a number of questions and raised concerns regarding the proposed Amazon development. Those included, but are not limited to: location of the Transit Center and associated walking distances; pedestrian access to the site, sidewalks and connections; possible air quality issues as a result of the increased truck traffic; workers being able to unionize; how the developer team was selected; the

properness of the land appraisal; whether or not the Community Benefits Ordinance (CBO) process gets triggered; plans for local contractors and construction jobs; performance of a health assessment; park and recreational space for residents; environmental concerns and improvements; concerns regarding preservation and/or adaptive reuse of the historic structures; and, training of Detroiters for specific skilled trades, the ability to have a prepared Detroit workforce, and possible partnerships with the Wayne County Community College District (WCCCD).

There was also considerable concern raised about being rushed to make a decision, the lack of time to review documents and reports, and, the absence of Amazon as being a participant in the discussion and hearing.

The Administration had a full complement of representatives to respond to questions and concerns from the Commission, including from the Mayor's Office, the Planning and Development Department, Detroit Department of Transportation, Department of Public Works, Detroit at Work, The Building Safety Engineering and Environmental Department, Department of Neighborhoods, etc. As well, the Administration provided a number of documents (attached) to answer questions and respond to requests, including, but not limited to: an explanation of the Fairgrounds appraisals; a legal opinion regarding the appraisal, establishment of purchase price, and the applicability of the Detroit Community Benefits Ordinance; the anticipated impacts on Woodward and 8 Mile road conditions; a MOU between WCCCD, Detroit at Work, and State Fair Partners, LLC, for Construction Trades Training Internship Program; and, a MOU between WCCCD and Detroit at Work for the Detroit at Work Entrepreneurship Training Academy.

Also in attendance were representatives from the Sterling Group and Hillwood Development Company to answer questions and address concerns regarding the proposed Amazon development.

RECOMMENDATION

At its regular meeting of October 1, 2020, after thorough review and discussion of the proposed Master Plan amendment and related redevelopment proposal, the City Planning Commission finding the proposed amendment to be appropriate, voted 7 to 1 in favor. The Commission recommends approval of the proposed Master Plan amendment from Regional Park (PR) to Light Industrial (IL).

Further, the City Planning Commission puts forth the following concurrent and complementary recommendations:

1. That a subsequent Master Plan amendment to Mixed Residential Commercial (MRC) or Mixed Residential Industrial (MRI), after further analysis of future development, be considered for the remaining property not included within the boundaries of the current proposed amendment.

And, that the Administration, through a resolution(s) that would be presented to and approved by City Council, set out the actions and intentions articulated in the September 30, 2020 memo from the Arthur Jemison, Group Executive-Planning, Housing and Development to the chairperson of the City Planning Commission to address the following CPC recommendations.

2. Establish a body and/or mechanism to continue to share, engage with and respond to the community throughout the development of this project, construction phases and beyond.
3. Perform a health impact analysis addressing concerns regarding environmental impacts during construction and on-going with regard to any possible noise, light and/or air quality impacts. Measure the claimed efficacy of the mitigation actions, and as has been suggested, demonstrate this project as a model for this type of redevelopment in an urbanized setting.

4. Consider the feasibility of utilizing some portion of the Hertel Coliseum in the design of the new transit center. Add architects with expertise in preservation to the team doing the assessment and design. Consider also the feasibility of adaptive reuse of Dairy Cattle Building and Agricultural Building (Joe Dumars Fieldhouse).
5. Consider memorializing additional commitments for the project in an MOU, memo or other means.
And, lastly,
6. Encourage exploration and implementation of suggestions from the Detroit Greenways Coalition letter, as well as implementation of a meandering greenway through the site and find the funds to maintain that infrastructure.

Respectfully submitted,

ALTON JAMES, CHAIRPERSON



Marcell R. Todd, Jr., Director
Kathryn Underwood, Staff
Kimani Jeffrey, Staff

Attachments

cc: Esther Yang, P&DD
Greg Moots, P&DD
Karen Gage, P&DD
Katy Trudeau, Deputy Director, P&DD
Raymond Diggs, Jobs and Economy Team
Luke Polcyn, Group Executive, Jobs and Economy Team
Nick Khouri, Group Executive, Jobs and Economy Team
Arthur Jemison, Group Executive for Housing Planning and Development
Lawrence Garcia, Corp. Counsel