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July 15, 2021

HONORABLE PLANNING AND ECONOMIC DEVELOPMENT STANDING COMMITTEE

RE: Response to the memo of Council President Pro Tempore Mary Sheffield requesting changes to forthcoming proposed Eastern Market area text and map amendments to the Zoning Ordinance, Chapter 50 of the Detroit City Code

On Thursday July 8, 2021 Your Honorable Committee referred the above captioned memo to the Planning and Development Department (P&DD) and to the City Planning Commission for report. The memo references concerns expressed by Eastern Market business owners, and requests the following two changes be made to the forthcoming proposed zoning ordinance for the Eastern Market area:

- Allow a maximum height of 80 feet in the proposed MKT district on a by-right basis
- Add provisions to allow cannabis cultivation facilities in MKT district on a conditional basis.

RESPONSE

On May 6, 2021, following two public hearings, extensive community engagement and a deliberative process that began last November, the City Planning Commission recommended approval of this matter. The resulting ordinance includes proposed height limitations and retains the current zoning scheme for adult use marijuana. The Commission having concluded its process, the ordinance is now at the Law Department for review and approval as to form.

This being the case, the recommendation belongs to the Commission and not CPC staff. Therefore, in order to change the recommendation the Commission would have to repeat its deliberative process and hold another statutory public hearing. For this reason, the simplest course for considering changes to the ordinance is for City Council to consider the request of the President Pro Tem, and any other changes, when Your Honorable Body formally receives the Commission's Report, recommendation and the proposed ordinance. At that time Council may make changes to the ordinance appropriate to the legal constraints of the situation and direct the CPC to take up additional changes that would require prior action by the CPC.

Below you will find a preliminary response to the specifically requested changes. More detailed information will be provided in the forthcoming CPC report and recommendation as well as an report authored by our colleagues at the Planning and Development Department, which is the co-

petitioner for this zoning amendment. The language in the currently proposed ordinance reflects modifications and compromise as a result of feedback from property owners and other stakeholders.

Request to Remove Proposed Height Limitation and Allow the 80 Feet in Height By-Right The proposed ordinance introduces a new zoning category, MKT (Market and Distribution District). The provisions of the new zoning category include height limitations near the Market Sheds for new structures and additions to existing structures to better align with the character of current buildings within the district. As proposed, in the height restricted area, the height limit is 55 feet. However, this limitation may be increased to an 80 ft maximum if a food products manufacturing, processing, or distribution use comprises a minimum of 60% of the ground floor area of the given structure. The remaining 40% of ground floor area may be used for other commercial and retail uses permitted in the MKT district. Under this proposed zoning, developers continue to be able to seek relief on height limits through the Board of Zoning Appeals.

The proposed height limit is an outcome of the multi-year Eastern Market Framework Study led by (P&DD), the Detroit Economic Growth Corporation, in concert with other stakeholders. The purpose is to maintain the integrity of the Eastern Market built environment and historic character, but to also permit flexibility to build higher, if at least the ground floor activity retains food-related uses at the pedestrian level. The height restriction is proposed mainly to prevent the gentrification of the longtime food industry businesses in Eastern Market, as commercial office, retail and even residential uses can demand much higher prices for space.

It is highly predictable, given current trajectory, that if there are no tools in place to incentivize food-related production and distribution uses in Eastern Market, that many food related uses that are historic to the market will inevitably be displaced as they have in other food markets nationwide. This zoning proposal is one tool aimed at preserving the historic atmosphere, character and appeal of the market.

This proposed height limit was also taken into account by the Historic Designation Advisory Board in their deliberations and approval of the smaller local historic district.

Lastly, we would like to highlight that, restaurants and many other commercial retail and service uses are permitted in 100% of the ground floor by-right in the height capped area of the proposed MKT district, leaving many possibilities even if a building has a 55' maximum.

Request to Allow Cannabis Cultivation Facilities in the Proposed MKT District on a Conditional Basis

As a matter of procedure, CPC is of the opinion that the requested change to allow for adult use recreational marijuana (cannabis) is not legally permitted at this point in the process since the proposed amendment is beyond the scope of the original legal public hearing notice language that was published for the CPC public hearing. Generally, any proposed amendment to the zoning ordinance must be included in the public hearing notice along with reference the affected sections of the Code.

Marijuana uses were not under consideration when the public hearing notice for the Commission was prepared. Therefore, it was not legally permitted to enter those uses into the ordinance unless the entire process was restarted. Additionally, throughout the 2-3 years that the Eastern Market Framework study and additional zoning meetings have taken place, City staff have not

proposed adult use recreational marijuana as a possible use in the ordinance. Staff believes that such an amendment will require additional engagement with all stakeholders as it would represent a departure from the zoning scheme that has been implemented for marijuana uses City-wide. This is especially necessary since the MKT district as proposed, is not only in the core of Eastern Market, but also adjacent to existing homes.

Furthermore, in June of this year, the U.S. District Judge Bernard Friedman issued a preliminary injunction on the adult use recreational marijuana licensing ordinance, bringing any licensing for marijuana to a halt. CPC's understanding is that Standing Committee Chair, James Tate, is currently evaluating various options as to how to proceed with amending the ordinance. When provision for adult use marijuana was raised during the CPC public hearings, both support and opposition were voiced.

CPC is following these developments to understand the implications on the MKT district based on possible forthcoming amendments. At the time of adopting the current recommendation for the MKT district, the Commission also voted to direct CPC staff to study the feasibility of adding marijuana uses to the district, not to be tie-barred to the forthcoming MKT proposal. Given the directive of the Commission and request of Pro Tem Sheffield, CPC staff expects to work closely with Chairman Tate as the sponsor of the marijuana ordinance, and the Administration in order to determine what may be feasible under the forthcoming structure for the ordinance. CPC staff would also do further community engagement regarding this issue in the Eastern Market area.

Respectfully submitted,

Marvel R. P.M. J.

Marcell R. Todd, Jr., Director Kimani Jeffrey, City Planner

Attachment:

cc: Katie Trudeau, Acting Director, P&DD
Karen Gage, P&DD
Greg Moots,P&DD
Donald Rencher, Group Executive of Housing, Planning and Development