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July 21, 2020

HONORABLE CITY COUNCIL

RE: Request of Parkstone Development Partners on behalf of Develop Detroit, to amend Article XVII, Section 50-17-3, District Map No. 2 of the 2019 Detroit City Code, Chapter 50, Zoning, to re-establish the plans, terms and conditions of the PD (Planned Development) zoning classification where a PD zoning classification currently exists on land generally bounded by Gratiot Avenue, Russell Street, and Maple Street. Additionally, to show a PD zoning classification where the B4 (General Business District) and M3 (General Industrial District) zoning classifications currently exist on parcels commonly referred to as 1340 Gratiot Avenue and 1385 Maple Street. This portion of the request is being made to correct an error for two parcels that were inadvertently omitted in the legal description for the original request but were included in the plans.

This request is to re-establish a lapsed PD, established by Ordinance 2019-32, to allow for multiple mixed-use buildings that will host over 200 multiple-family dwelling units, retail, commercial and institutional space. The proposal also includes a parking structure and additional off-street parking spaces (**RECOMMEND APPROVAL**).

Before this Honorable Body is the request to re-establish a lapsed PD and rezone additional parcels.



PROPOSAL

This request is from petitioner Parkstone Development Partners on behalf of Develop Detroit to re-establish a lapsed PD, established by Ordinance 2019-32, to allow for multiple mixed-use buildings that will host 207 multiple-family dwelling units, and 41,000 square feet (sf) of retail, restaurant and office space. The proposal also includes a parking structure and additional off-street parking spaces. The subject parcel is approximately 2.8 acres and lies along the Gratiot corridor, one of the gateway radial thoroughfares into the downtown Central Business District.

The project now goes by the name, The Hive, but was originally referred to during the entitlement process as Eastern Market Gateway. There are four buildings within the scope of the project. The Russell building (57,786 sf), the Gratiot building (146,675 sf), the warehouse building (26,837 sf) and a parking structure (64,635 sf).

This request is to re-establish the PD that was already approved through the public hearing process via CPC and City Council but has since lapsed. According to Sec. 50-3-98 of the Zoning Ordinance, a PD shall lapse three (3) years from the effective date of approval where the PD has not been completed or an extension granted by the CPC. Ordinance 2019-32 was approved and became effective in October 2019, thus requiring it to be re-established.

Additionally, the request is to show a PD zoning classification where the B4 (General Business District) and M3 (General Industrial District) zoning classifications currently exist on parcels commonly referred to as 1340 Gratiot Avenue and 1385 Maple Street. This portion of the request is being made to correct an error for two parcels that were inadvertently omitted in the codified legal description for the original request. At the time of the original rezoning, there were factors such as lot combinations and other moving parts that inadvertently caused the aforementioned properties to be omitted from the legal description, even though they were represented in the plans during public hearings and all meetings on the matter. This allows a chance for this matter to be reconciled.

Lastly, staff views this proposal as being consistent with the approved plans that have come before the City Council in the original entitlement process. The components of the project remain the same.



PUBLIC HEARING RESULTS (June 2023)

In order to re-establish the PD that was approved by this Honorable Body in 2019, a public hearing was held on June 29, 2023 before the CPC. The petitioner presented the same exact plans that were codified via ordinance 2019-32 explaining that the proposed site plans and elevations have not changed.

The petitioner also explained that the reason for the delay in breaking ground is due to unforeseen obstacles related to financing and other issues that were faced during the COVID-19 pandemic, that followed their 2019 approval. They are now seeking to begin this project and are looking to finalize the financing.

During the public hearing, three people representing the ownership of Ergo Stroh Properties LLC which is an adjacent neighbor spoke in opposition to the project. Their stated reason for opposition is due the condition of the site and unaddressed blight tickets.

Staff did confirm that numerous blight tickets did exist for the site. The petitioner was in the process of rectifying them and has provided blight clearances for the properties (see attached). The petitioner stated that, the project being allowed to move forward, and complete rehabilitation of the buildings will ultimately resolve the blighting influence of the dilapidated buildings on the properties and that their goal is to revive the site with the proposed project.

BACKGROUND (Original 2018 proposal and information below)

Develop Detroit requests the CPC to consider approving its multi-structure infill project known as Eastern Market Gateway on a site that sits along the Gratiot corridor. The site is a 2.8 acre swath of land that lies between Eastern Market and Lafayette Park bounded by Gratiot Avenue, Russell Street, and Maple Street.

To summarize the project, the total project estimated cost is \$65 million, and its plan includes 41,000 square feet (sf) of retail and commercial uses such as galleries, shops, restaurants, 207 residential units which are expected to create an anchor development on this major radial thoroughfare. The plan also includes a parking structure and additional off-street surface parking. The project includes structures currently known as the Russell Building (6 stories, 65'), the Gratiot Building (5 stories, 65') and the Warehouse (2 stories, 35').

Two of the buildings would function as multi-family apartment buildings with approximately 87 units ranging from 435-438 sq. ft. each, 124 one-bedroom units ranging from 649-739 sq. ft., 31 two-bedroom units ranging 880-1,463 sq. ft. each, five three-bedroom units at 1,257 sq. ft. each and six live/work units at 1,176 sq. ft. each.

Of these, 20% of the total number of units will be at or lower than 60% of the area median income (AMI) rent, and 23% at or below 80% AMI, leaving 57% of the units at market rate rents. This would amount to 51 units being low-income units and 58 being moderate-income units. The proposed parking plan consists of 294 parking spaces with approximately 238 of those spaces being contained within the planned parking structure and 56 of those being spread across the site as surface parking spaces.

PUBLIC HEARING & COMMUNITY INPUT

Public hearing

During the public hearing for this matter held on Aug 2, 2018, one person from the community spoke. That person was Mr. Grosinger of Kap's Wholesale Foods, who desired to have his statement placed on record regarding operating hours, traffic, noise, etc., as it relates to how the new development meshes with existing entities. His sentiment was that the new residents should recognize the existing context and know the nature of the community, so that they do not later complain about his establishment.

Commissioners had many comments and questions for the development team that covered a spectrum of issues. Many of those questions or concerns were answered during the meeting. However, there were some items that could not be addressed during the public hearing and were to be answered subsequently. Staff worked with the developer to receive answers to those questions and concerns.

Community meetings

The development team hosted a series of outreach events in order to engage the surrounding community on the proposal. The group contacted known entities in the community such as the Eastern Market Corporation, Detroit People's Platform, the 7th Precinct Police Community Relations Board, Holy Trinity Church and other businesses as well as individuals.

The following community meetings were held as follows (does not include other types of efforts):

Eastern Market - October 3, 2017
Eastern Market - February 14, 2018
1300 Lafayette Community Room - July 25, 2018

Support letters

A number of support letters for the project were submitted to CPC at the time of the public hearing.

PLANNING CONSIDERATIONS

Surrounding Zoning and Land Use

The zoning classification and land uses surrounding the subject area are as follows:

North: B4; Take Out Hookah Lounge and other retail businesses

East: B4; St. John Luke United Church

South: M3; DFL Logistics

West: B6 Behavioral Health Professionals Inc., Trinity Lutheran Church, Aetna

Master Plan Consistency

The subject site is located within the Lower East Central area of Neighborhood Cluster 4 of the Detroit Master Plan of Policies (MP). The Future Land Use map for this area shows (MRI- Mixed Residential Industrial) for the subject property. According to the MP these areas offer live-work opportunities for artists and tradespeople to create a lively mixture of new residential commercial, light industrial and/or entertainment opportunities. The Planning and Development Department (P&DD) provided a letter stating that the proposal is generally in conformance with the City's Master Plan.

CONCLUSION

On June 29, 2023 after hearing all of the information related to the project and public comment, the CPC **RECOMMENDED APPROVAL** of the proposed PD reestablishment and rezoning of two parcels that were omitted requiring resolution of the blight tickets. The approved as to form ordinance effectuating this PD reestablishment and rezoning is forthcoming from the Law Department and should be available when the Council returns from recess.

Respectfully submitted,
LAUREN HOOD, CHAIRPERSON



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

Attachment: Proposed Plans
Blight Clearances
Ordinance 2019-32
Opposition Letter

cc: Antoine Bryant, Director, PDD
Greg Moots, PDD
David Bell, Director, BSEED
Conrad Mallett, Corporation Counsel
Daniel Arking, Law

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June 29, 2023

VIA E-MAIL: cpc@detroitmi.gov
City of Detroit Planning Commission
2 Woodward Avenue, Suite 208
Detroit, MI 48226

Re: June 29, 2023 Public Hearing Regarding Eastern Market Gateway
Redevelopment Plan

Ladies & Gentlemen of the Planning Commission:

Bodman PLC represents Ergo-Stroh Properties, LLC, which owns the real property known as 1300 Maple Street, and represents Kap's Wholesale Food Services, Inc., which operates a large-scale meat wholesale business on that property. Kap's Wholesale is across the street from 1325 Maple, which, as we understand, is owned by Develop Detroit, Inc., through its affiliate Dev Detroit 1346 Gratiot LLC.

Pending before the Planning Commission is Develop Detroit's application for PD rezoning for 1325 Maple and approximately twenty other parcels. This letter outlines our clients' opposition to the rezoning request as (1) a poor fit for the neighborhood, which is primarily industrial and commercial in nature and (2) inappropriate for the Planning Commission to consider until numerous blight violations at Develop Detroit's properties are resolved.

The PD rezoning request proposes multiple mixed-use buildings, to consist of over 200 multiple family residences, retail, commercial, and institutional space, known as the "Eastern Market Gateway Redevelopment Plan." We have significant concerns about this development, which is unsuitable in the context of adjacent industrial and commercial uses. The development would add over 200 residences, which would significantly increase traffic in the area. This will conflict with the already-existing heavy industrial truck traffic servicing Kap's Wholesale and other nearby businesses, crowding roads and posing a safety hazard.

Further, the Planning Commission cannot consider this rezoning request at this time. Develop Detroit has numerous unresolved blight violations, which include rodent harborage in violation of Section 8-15-105; failure to maintain accessory structures in violation of Section 8-15-107; failure to obtain a certificate of compliance in violation of Section 8-15-25; and failure to restore exterior of a building or structure damaged by graffiti, in violation of Section 8-15-111(b). Under the City Code, "each day that a blight violation continues shall constitute a separate violation and, upon a blight violation determination, the violator shall be subject to a civil fine for each violation." Many of these have been unaddressed for over a year, which means that there are literally thousands of unresolved violations.

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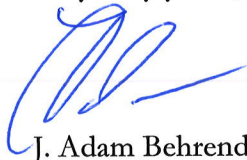
June 29, 2023

Page 2

Section 50-3-94 provides that a person is not eligible to apply for a rezoning to a Planned Development District if that person is “delinquent in paying a civil fine, costs, or a justice system assessment imposed by the Blight Administrative Hearings Bureau.” Given that Develop Detroit has multiple outstanding blight violations, this language on its face clearly prohibits its PD rezoning request.

Additionally, Develop Detroit’s request is for the Planning Commission to re-grant a PD rezoning that had been approved in 2019, but has since expired with no work performed on the site. The Planning Commission should be highly skeptical of Develop Detroit’s request, given its refusal to respond to these outstanding blight tickets and failure to perform in the past. Finally, rezoning to PD will not correct or ameliorate the blight violations: rather, it may just allow additional time for Develop Detroit to let these properties deteriorate, as they have over the past three years.

Very truly yours,



J. Adam Behrendt

JAB:sgt

EASTERN MARKET MIXED-USE DEVELOPMENT



PROJECT NARRATIVE

Eastern Market Gateway Development will create an intense concentration of urban vitality in one of Detroit's most dynamic emerging districts, Eastern Market. The location at the corner of Gratiot Avenue and Russell Street will make this development a pedestrian crossroads, connecting Eastern Market and Lafayette Park, the Dequindre Cut, and Downtown Detroit. Relecting Detroit's rebirth as an urban destination that is increasingly desirable for businesses, residents, and visitors, the project will provide housing, working and shopping choices for the new generation of urban entrepreneurs. A mix of apartments, live/work units, workshops, galleries, shops and food venues will be woven into the fabric of existing warehouses and light industrial buildings around the existing alley network. Courtyards, corner plaza and pedestrian alleys will create a distinctive urban vibe and will create the social space that will make this a welcome new addition to the Eastern Market community. The project will capture the unique creative spirit of Detroit and will preserve and highlight existing murals by local artists. Ground floor shopping along Gratiot Avenue will extend existing active uses toward downtown and will extend Service Street through the site creating the unique two-sided shopping venues that are unique to this part of Detroit.

LOCATION MAP



PROJECT ADDRESS:

Area bounded by Gratiot Avenue, Russell Street and Maple Street
 1314-1388 Gratiot Avenue
 2011-2105 Russell Street
 1301-1399 Maple Street
 1350-1366 Service Street
 Detroit, MI 48201

PROJECT TEAM:

Owner / Developer:
 Develop Detroit
 535 Griswold St., Suite 1600
 Detroit, MI 48226

Architect of Record:
 McIntosh Poris Associates
 36801 Woodward Avenue, Suite 200
 Birmingham, MI 48009

Civil Engineer:
 Stonefield Engineering and Design
 28454 Woodward Avenue
 Royal Oak, MI 48067

Design Architect & Landscape Architect:
 Perkins + Will
 411 Chapel Hill St., Suite 200
 Durham, NC 27701

Parking Consultant:
 Rich & Associates
 26877 Northwestern Hwy, Suite 208
 Southfield, MI 48033

CPC PRESENTATION 5.17.2018
 CPC PRESENTATION 9.6.2018
 CPC AMENDMENT 1 7.19.2019

CITY COUNCIL PRESENTATION – 8.26.19



8.26.2019

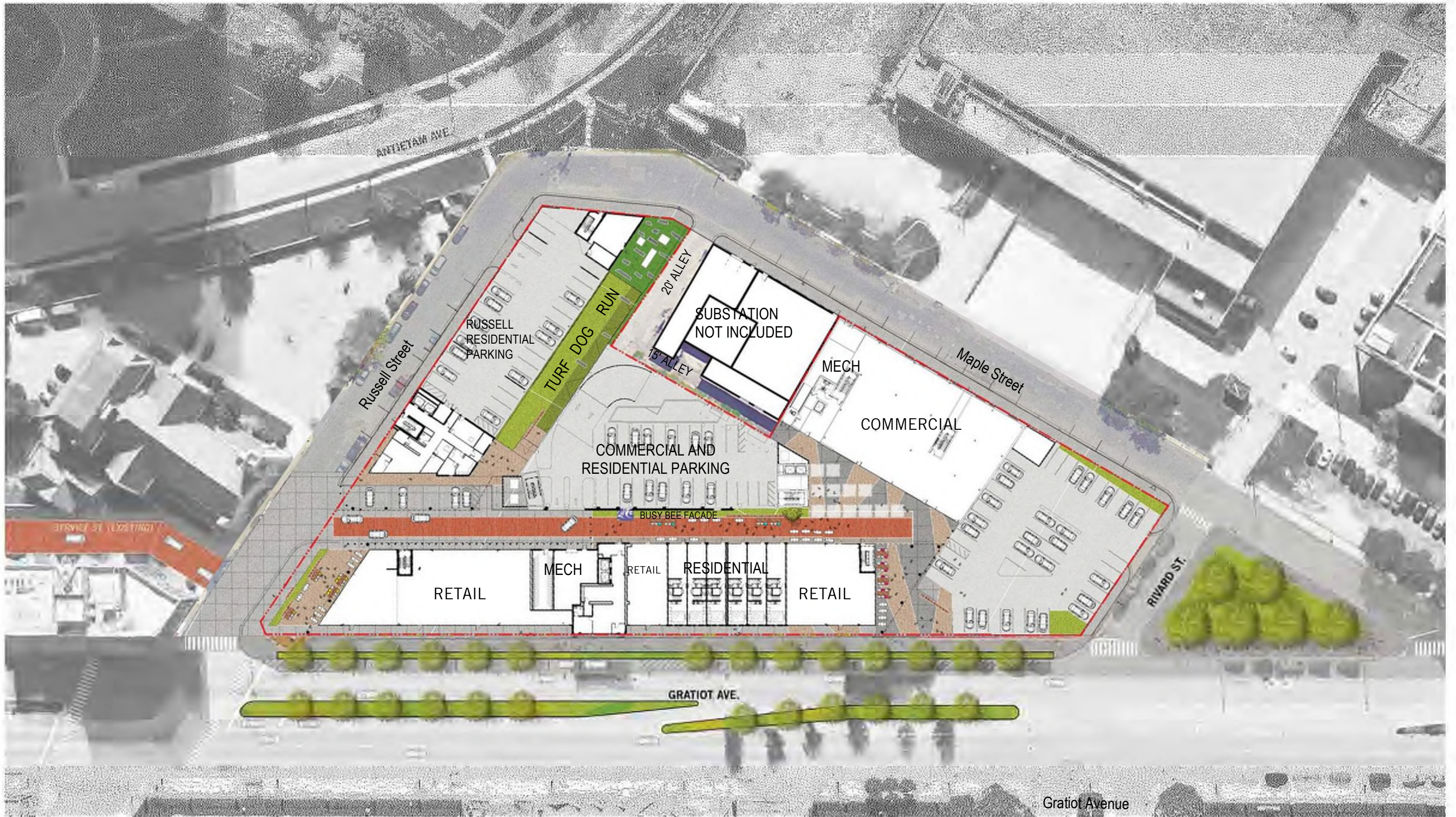


EXISTING CONDITIONS



EASTERN MARKET CHARACTER







THIRD & FOURTH FLOOR



VIEW 1 : RUSSELL - GRATIOT INTERSECTION



VIEW 2 : PIAZZA VIEW



VIEW 4 : RUSSELL BUILDING VIEW FROM RUSSELL STREET



VIEW 5 : VIEW FROM GRATIOT LOOKING EAST



VIEW 6 : SERVICE STREET LOOKING WEST



VIEW 7 : PLAZA AT GRATIOT AVE CORNER AND RUSSELL STREET