

City of Detroit

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REVISED

TO: City Planning Commission

FROM: Kathryn Underwood, Staff
Kimani Jeffrey, Staff

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 (**PRELIMINARILY RECOMMEND APPROVAL, SAME DAY ACTION REQUESTED**).

DATE: September 23, 2020

NATURE OF REQUEST

A public hearing will be 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). 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. The purchase price is \$9 million to acquire the land; and, an additional \$7 million is slated for the construction of a new, relocated Transit Center. 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 from the State Land Bank of two detached parcels (16 acres) fronting 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 Commercial). A warehouse facility is 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 is attached.

ANALYSIS

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. 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 has given both verbal and written responses to most questions and concerns, albeit, the community feels many responses to be insufficient. Attached are three letters, one from the State Fairgrounds Development Coalition urging denial of the proposed Master Plan amendment, one from the Detroit People’s Platform regarding concerns about the planned relocation of the transit center, and one letter in support from Rescue MI Nature NOW, Inc. who works with the neighborhood block clubs located in the immediate area.

On September 10, 2020, the Administration made a presentation to the Commission on the proposed development. 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 is 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.

The last of a series of zoom meetings 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 continues 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 staff feels that a large part of the challenge with the community being at ease with this project is based on what is continually articulated regarding the lack of written commitments, particularly with regard to environmental concerns, and that so much of the response is 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. If that is indeed the case, that being there is nothing more that will be added to the purchase agreement, then the community will have to seek certain assurances with the City.

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 to convey this property to the developer. Had this property remained under private control, this Master Plan amendment, although desirable to reflect changing circumstances, would not be needed. No zoning change is required because the currently proposed use is permitted on a conditional basis in the existing B4 (General Commercial) zoning district.

As stated in the Master Plan:

“The City’s Master Plan of Policies is intended to provide only general guidance for the city...The plan must have the flexibility to respond to unknown and unexpected future influences to remain an accepted vision for the City. Amendments to the plan should be based on generally recognized shifts in circumstances in Detroit for which the plan no longer provides appropriate direction or vision, or where an unanticipated need surfaces...” (pages 8 and 11; City of Detroit Master Plan of Policies)

“The Zoning Ordinance more specifically regulates the manner in which *individual properties* (emphasis added) are to be used.” (page 7; *ibid*)

Regional Parks “are typically major parks of regional or historical importance (e.g. Belle Isle, Rouge Park, Fort Wayne).” (page 64; *ibid*) 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, 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 preserve as it is scheduled to be moved to the Eastern Market District. The

other buildings are presently slated for demolition. That decision is being challenged by some within the community who wish to see an effort at preservation, adaptive reuse, and/or 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. Additionally, the B4 (General Commercial) zoning designation allows for warehousing as a conditional use. Again, there are two parcels, 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 Commission in the near future.

PRELIMINARY RECOMMENDATION

After review of the proposed Master Plan amendment for this redevelopment project CPC staff finds the amendment to be appropriate and recommends approval of the proposed Master Plan amendment from Regional Park (PR) to Light Industrial (IL). However, to better address the various community concerns which accrue more appropriately to the development project itself, CPC staff is working on a concurrent and complementary set of recommendations. These will be presented at or just prior to your September 24th meeting.

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