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TO: City Planning Commission

FROM: Kimani Jeffrey, City Planner

RE: Request of Henry Ford Health Systems and its affiliated companies as well as the City of Detroit Planning and Development Department as co-petitioner to amend Chapter 50 of the 2019 Detroit City Code, Zoning, by amending Article XVII, Zoning District Maps, Section 50-17-8, District Map 7 of the Detroit Zoning Ordinance to show a B5 (Major Business District) zoning classification where the R1 (Single-Family Residential District), R2 (Two-Family Residential District), R5 (Medium Density Residential), SD2 (Special Development District, Mixed-Use), B4 (General Business District), M4 (Intensive Industrial, District), and PD (Planned Development District) zoning classifications are currently shown on the area generally bounded by West Grand Boulevard, Milwaukee Avenue (newly constructed), Sterling Avenue, Holden Street, and the John C. Lodge Freeway.

The proposed map amendment is being requested by the Henry Ford Health Systems to allow for the expansion of the hospital campus and the construction of new facilities. The request of the City of Detroit Planning and Development Department is specific to the parcels commonly known as 1115 West Milwaukee Avenue, 6310 Lincoln and 6480 Sterling Street, in order to bring them into conformance with the Master Plan of Policies and to unify the zoning classification of all properties within the rezoning footprint.

DATE: October 31, 2023

Before the City Planning Commission is the request of Henry Ford Health Systems (HFHS) and affiliated companies to show a B5 zoning classification where R1, R2, R5, SD2, B4, M4, and PD zoning classifications exist on the area generally bounded by West Grand Boulevard, Milwaukee Avenue (newly constructed), Sterling Avenue, Holden Street, and the John C. Lodge Freeway (see map below).



THE FUTURE OF HEALTH IN A THRIVING NEW CENTER

**Full project rendering: west and east campus
(east campus is not included in rezoning area)**

The petitioner, HFHS and associated companies is requesting this map amendment to allow for the expansion of the hospital campus and the construction of new supportive facilities. The Planning and Development Department is co-petitioning for parcels in the described rezoning that are not under the ownership of HFHS. This is being requested in order to bring those parcels into conformance with the Master Plan of Policies and to unify the zoning classification of all properties in the subject request.



Proposed rezoning footprint

PROPOSAL

The project is led by Henry Ford Health Systems, Michigan State University and the Detroit Pistons. The proposal plans to expand the current HFHS campus by building a new 995,000 square foot hospital tower with approximately 16 floors to accommodate 360 patient beds. The plan would include inpatient and outpatient services, an emergency department, diagnostic and treatment, and a sterile processing department.

The Shared Service Building (SSB) will host logistical operations such as mechanical, electrical, plumbing and infrastructure, dining offices and bio-waste facilities for the new hospital tower.

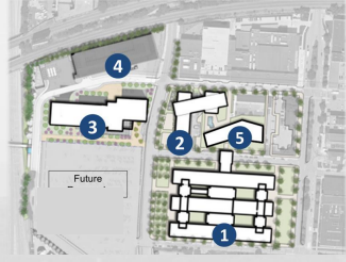
The Parking Garage is planned to host approximately 1,200 spaces and a 2nd skywalk to connect the old and new buildings across West Grand Boulevard.

The Central Utility Plant will also hold mechanical and electrical operations for the tower in addition to community space and other amenities.

The project is undergoing a Community Benefits Ordinance (CBO) process and began meeting on October 3rd. The HFHS project currently has a final meeting projected for December 5, 2023. The CBO requirements are triggered by projects with a cost of \$75 million or more in construction costs and that also request \$1 million or more in city tax abatements or land sold or transferred to a developer at a cost that is below the true market rate value.

There are two components to this overall project. Those include the east campus (east of John C. Lodge Freeway where the HFHS headquarters building is located) and the west campus (west of John C. Lodge and south of the historic Henry Ford Hospital).

In total, the project is worth approximately \$3.2 billion. According to the Detroit Economic Growth Corporation, the development group is seeking the ¹PA 210, ²PA 225, ³ PA 147 NEZ and ⁴Transformational Brownfield Plan incentives. The portion of the development that is under consideration for rezoning is the west campus of the project which is not using any tax incentives.

THE FUTURE OF HEALTH IN A THRIVING NEW CENTER					
Residential + Research Campus					
	Project	Gross Square Ft.	Units	Parking Spaces	Cost
	1 One Ford Place (Adaptive Reuse)	625,000	403		\$188,800,000
	2 New Residential 2	160,000	154		\$79,200,000
	3 Research	335,000	-		\$392,600,000
	4 Parking Garage	320,000		800	\$57,700,000
	5 New Residential 3	112,000	105		\$54,200,000
Total	1,552,000	662	800	\$772,500,000	
Hospital Campus					
	Project	Gross Square Ft.	Units	Parking Spaces	Cost
	1 Hospital Expansion	1,100,000			\$1,740,000,000
	2 Shared Services Building (SSB)	150,000			\$203,300,000
	3 Central Energy Hub	25,000			\$234,630,000
	4 Parking Garage	560,000		1,500	\$69,600,000
Total	1,835,000		1,500	\$2,247,530,000	
Grand Total		3,387,000	662	2,300	\$3.02 Billion

The west campus portion of the development consists of the proposed new patient tower, a new pedestrian bridge, central energy hub, shared service building, and parking garage.

The east campus plans for residential/mixed-use, a Henry Ford-MSU Research Center, parking garage, the legacy campus greenspace and connectors. In total, the project is requesting a total of \$273.2 million in incentives to fund the \$3.2 billion project.

Again, the request is to specifically go towards the east campus activities. Of the incentive package, approximately 57.8 million is requested of the City of Detroit in abatements and

¹ Commercial Rehabilitation Act Exemption; provides a discount on the value of the improvements for new construction for up to ten years after construction is completed.
² Commercial Redevelopment Act Exemption; provides an exemption on the value of commercial improvements to incentivize redevelopment of aging facilities and lasts for up to 12 years after construction is completed.
³ Neighborhood Enterprise Zone; Provides an exemption on the value of residential improvements to promote aging facilities and lasts for up to 17 years.
⁴ Transformational Brownfield, Act 381 of 2017, enables a TIF structure to help fund construction costs of transformational projects. The TIFs may capture certain state income and sales tax revenue from employees of development. Requires a minimum investment of \$500 million and allows capture for 20-30 years.

Brownfield Tax Increment Financing (TIF). The other \$215,400,000 will come from other taxing jurisdictions such as the State of Michigan, etc.

PLANNING CONSIDERATIONS

Surrounding Zoning and Land Use

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

North: R6; HFHS Hospital
East: John C. Lodge Freeway
South: B4 and M4; Manufacturing buildings, recently purchased by HFHS
West: PD; local businesses, residential homes, and vacant lots

Master Plan Consistency

The subject rezoning site is located within the Rosa Parks area of Neighborhood Cluster 6 of the Detroit Master Plan of Policies (MP). The Future Land Use map for this area shows Mixed Residential-Commercial (MRC) and Light Industrial (IL) designations.

MRC areas consist predominantly of medium-to-high density housing developed compatibly with commercial and/or institutional uses. This classification is well suited to areas proximal to existing centers of major commercial activity, major thoroughfares, transportation nodes, or gateways into the city.

Areas designated IL 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.

The Planning and Development Department (P&DD) has been requested to provide a letter regarding the proposal's conformance with the City's Master Plan. Staff will provide further details before this matter returns to the Commission for status report or action.

Proposed Zoning

The **B5 MAJOR BUSINESS DISTRICT** is designed to provide adequate regulations within the Central Business District, the New Center Area, and may be successfully utilized in other regionally oriented shopping and office areas.

The zoning classification generally allows commercial uses conducive to a high density area. Permitted dimensional standards also accommodate higher scale buildings such as the tower that HFHS is proposing in this development. The helipad use permitted in B5 is another use that would allow the new hospital tower to facilitate its emergency services.

COMMUNITY INPUT

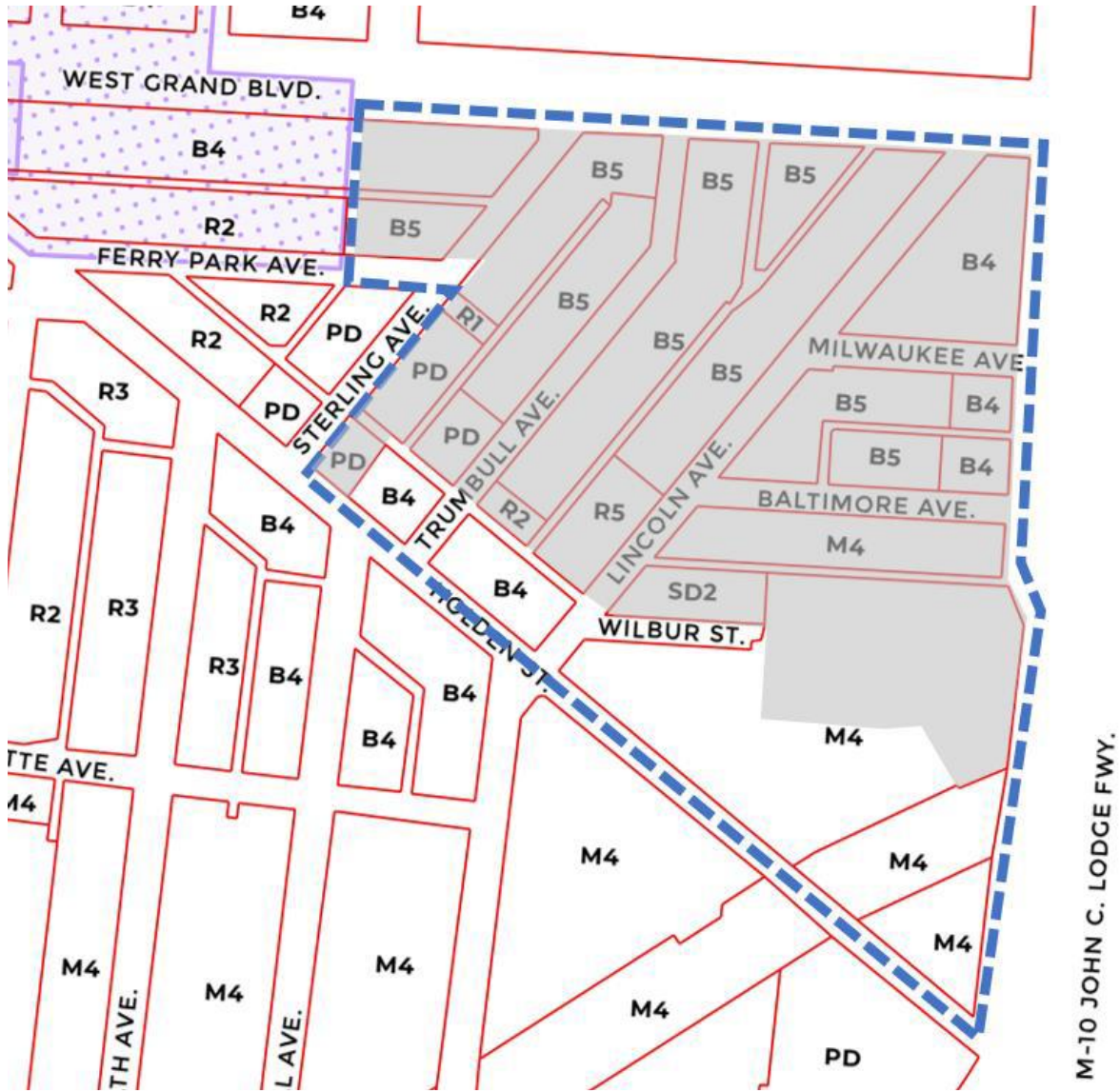
Outreach summary from petitioner:

- Reached over 1,000 residents
- Hosted meetings with over 80 community leaders citywide
- Hosted 5 community group/block clubs in the impact area
- Hosted 3 business roundtables
- Hosted clergy roundtable discussion
- Hosted panel discussion with local High School
- Patient Experience Listening Session

COMMUNITY GROUP MEETINGS

Vanguard Community Development Corp.
360 Detroit
Motown Museum
West Grand Blvd Collective
North End Neighborhood Alliance
North End Cabinet
Historic Boston Edison Association
East Village Association
5 Alive
CANCAN
LaSalle Gardens Block Club
Central Detroit Christian CDC
Northwestern High School
U Prep Art and Design HS and MS
Green Living Science Student Ambassadors
Warrior on Wheels
Detroit Clergy Roundtable
District 5 Business Roundtable
Department of Neighborhoods
Det Black Business Alliance
Midtown Inc.
Urban Neighborhood Initiatives (UNI)
Franklin Wright Settlements
Wayne County Community College

One letter of support for the project has been submitted by Midtown Detroit Inc.



Proposed parcels to be rezoned are within the boundary on the map

Attachment: Proposed Plans
CBO documents
Support Letter

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