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TO: City Planning Commission

FROM: Timarie DeBruhl, City Planner
Kimani Jeffrey, City Planner

RE: The request of Matthew Walters on behalf of Goat Yard Marine, LLC (doing business as Detroit Boatworks) to rezone the properties at 2 St. Jean, 21 St. Jean, 95 St. Jean Street, and 140 Terminal Street, from PD (Planned Development) and M4 (Intensive Industrial) zoning classification to a B4 (General Business) zoning classification. **(RECOMMEND APPROVAL)**

DATE: October 1, 2025

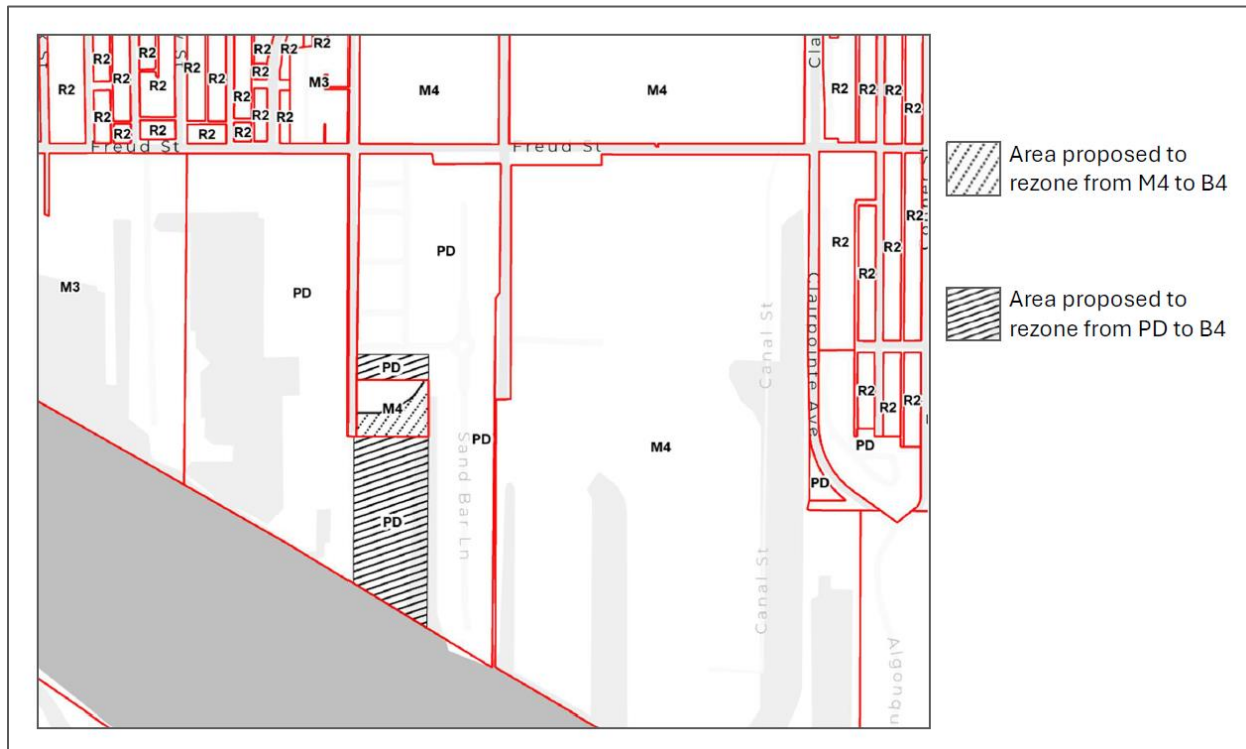
RECOMMENDATION

The City Planning Commission staff recommends **approval** of the request of Matthew Walters, on behalf of Goat Yard Marine, LLC, to rezone the property at 2 St. Jean, 21 St. Jean, 95 St. Jean, and 140 Terminal Street from the PD (Planned Development) and M4 (Intensive Industrial) zoning classification to the B4 (General Business) zoning classification.

BACKGROUND AND REQUEST

On September 4, 2025, the City Planning Commission (CPC) held a public hearing on the request of Matthew Walters to amend Chapter 50, Article XVII, Section 50-17-32, District Map No. 30 of the 2019 Detroit City Code, to show a B4 (General Business) zoning classification where a PD (Planned Development) and M4 (Intensive Industrial) zoning classification is currently shown at 2, 21, 95 St. Jean Street, and 140 Terminal Street.

The subject properties are generally bounded by Nautical Way to the north, Sand Bar Lane and a canal of the Detroit River to the east, the Detroit River to the south, and St. Jean Street to the west. The proposed rezoning is in Council District 5. The location is indicated on the map below.



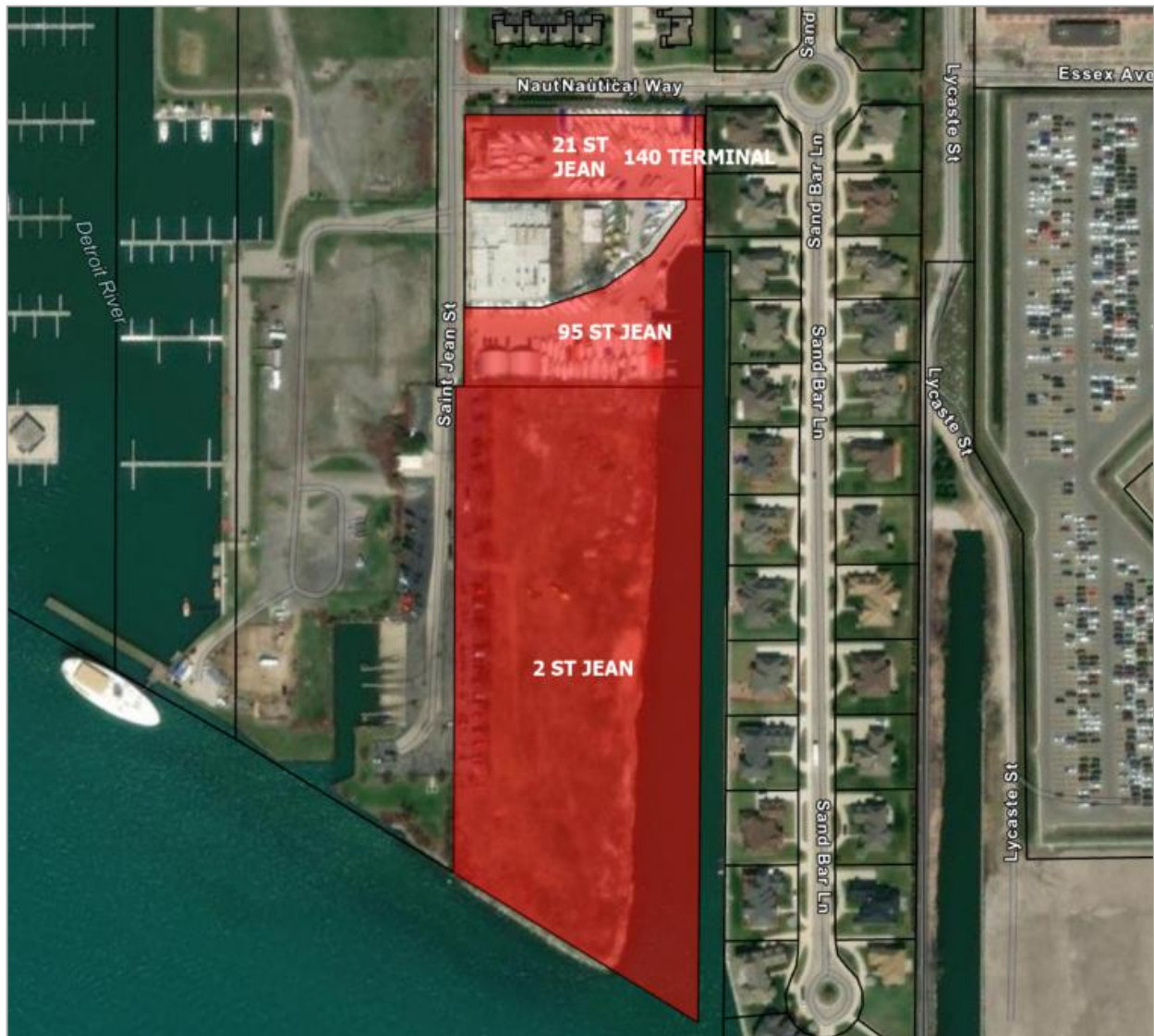
The proposed map amendment is requested in order to permit a marina expansion, including boat yard, inside storage, new boat slips, restaurant and retail. The proposal would amend/remove a portion of the original PD created by Ordinance No. 23-05 in 2005.

BACKGROUND

The subject properties are generally bounded by Nautical Way to the north, Sand Bar Lane and a canal of the Detroit River to the east, the Detroit River to the south, and St. Jean Street to the west.

The subject parcels include the following:

- 21 St. Jean – owned by the petitioner; formerly developed as Precision Marine; CPC staff is still researching if this land is zoned M4 or part of the 2005 PD amendment; research to date shows it is still zoned M4.
- 95 St. Jean – owned by the petitioner; the petitioner purchased in 2018 and has since cleaned up the property and uses for boat storage; it is zoned M4.
- 140 Terminal; a small sliver of land owned by the City; the petitioner is negotiating to purchase this parcel; CPC staff is still checking if this land is zoned or M4 or PD, but preliminary research shows it is zoned PD.
- 2 St. Jean – owned by the City; the land is vacant except for western edge used for parking for adjacent public boat launch across the street at 150 St. Jean; this land is zoned PD.



The existing PD was created in 2005 by Ordinance No. 23-05. This PD, commonly referred to as Morgan Waterfront Estates, included 3 phases:

- Phase 1 is located on the east edge of the PD (east of the canal) was to include 40 single family houses; this phase was developed with 43 single-family houses in a gated community referred to as Morgan Waterfront Estates; this includes an improved seawall along the west edge of the property for temporary boat docking.
- Phase 2 located at the northwest corner of the site was to include 60 luxury condominiums; it appears about 20 of these units were built and the remainder of the site is vacant.
- Phase 3 includes the subject 2 St. Jean which contains approximately 6 acres was to include two 18-story luxury condominium towers facing the river; this phase was never built.

The subject rezoning would remove/rezone part of the PD created in 2005 by Ordinance No. 23-05, commonly known as Morgan Waterfront Estates. The portion of the PD proposed for rezoning is that which was planned as phase 3 of the original PD, while leaving those portions planned as phases 1 and 2 of the three phase project.

45 St. Jean in the middle of the subject rezoning is developed with Hackett Brass Foundry. CPC staff understands that Hackett Brass is presently selling this building and does not want to lose its M4 designation. The petitioner so far has been unsuccessful in acquiring this property.

PUBLIC HEARING AND FOLLOW-UP

On September 4, 2025, the CPC held the statutory public hearing regarding the proposed rezoning of 2, 21, 95 St. Jean Street and 140 Terminal Way from PD and M4 to B4.

Public Comment and Communications

Prior to the public hearing CPC staff received one letter of support for the proposed rezoning from the president of the Morgan Waterfront Estates Homeowner's Association. The letter indicated that the HOA board was in support of the project and rezoning.

At the public hearing four members of the public spoke, each expressing concerns around the proposed project. These concerns included the increase in traffic coming in and out of the canal, increased vehicular traffic, possible noise during summer months, and the impact that losing the view of downtown could have on property values.

Following the public hearing, the petitioner engaged with residents of the Morgan Waterfront Estates. Through continued engagement the petitioner was able to address the residents' concerns. The petitioner has informed CPC staff that concerns have been resolved. A letter from the residents in question has been received by CPC stating that their issues have been satisfactorily addressed.

Commissioner Comments and Concerns

During the public hearing, the commission discussed the following (staff responses are included in italics):

- Commissioners encouraged the petitioner to engage further with the community, specifically the residents of the Morgan Waterfront Estates.

The petitioner engaged with the residents as suggested by Commissioners, and addressed the concerns.

- Will the rezoning create an illegal spot zoning, specifically the parcel located at 45 St. Jean Street.

45 St. Jean Street is in the middle of the proposed rezoning. The site is developed with Hackett Brass Foundry. The parcel is approximately 1.27 acres.

One indication that an illegal spot zone has been created is that it would allow the property owner benefits that other owners of similar property in the area are not afforded. It is staff's understanding that Hackett Brass is presently looking to sell the property, and does not wish to lose its M4 designation. The owner of the property were given the opportunity to join in the rezoning, and declined. No benefits will be given to the petitioners that the owner of the adjacent property was not given opportunity to partake in.

Another indication that an illegal spot zoning has been created is that the new classification would allow land uses inconsistent with those allowed in the vicinity. The

proposed rezoning is located on the Detroit River, adjacent to a public boat launch, which is a similar land use to that being proposed. Similar uses can be seen along the river, both east and west of the proposed rezoning. The proposed rezoning would create a designation that is more compatible with the residential uses found to the east of the subject site, across the canal, as B4 does not allow for as many intensive industrial uses as the current M4 designation. Uses allowed in the M4 zoning classification can have undesirable impacts on the environment and surrounding properties.

Whether the spot zone conflicts with the Master Plan of Policies and Future General Land Use Map is an important indicator as to whether an illegal spot zoning has been created. In this case, the rezoning has been deemed inconsistent by the Planning & Development Department (P&DD). P&DD has stated that they will consider updating the Future General Land Use Map in the subject area as part of the ongoing Master Plan update process.

- Will the proposed rezoning impact the St. Jean public boat launch? Are there improvements planned for the existing boat launch?

The petitioner offered clarification that the proposed development would not impact the public boat launch. There are currently no improvements planned for the public boat launch that the petitioner or CPC staff are aware of.

- Will there be programming geared toward educating youth on sailing as a part of the proposed development.

The petitioner expressed that they plan to engage with youth from the City of Detroit and surrounding areas to increase interest and understanding of sailing. Additionally, they explained that some of the employment opportunities available upon completion of the development would be suitable for young people, especially those interested in sailing.

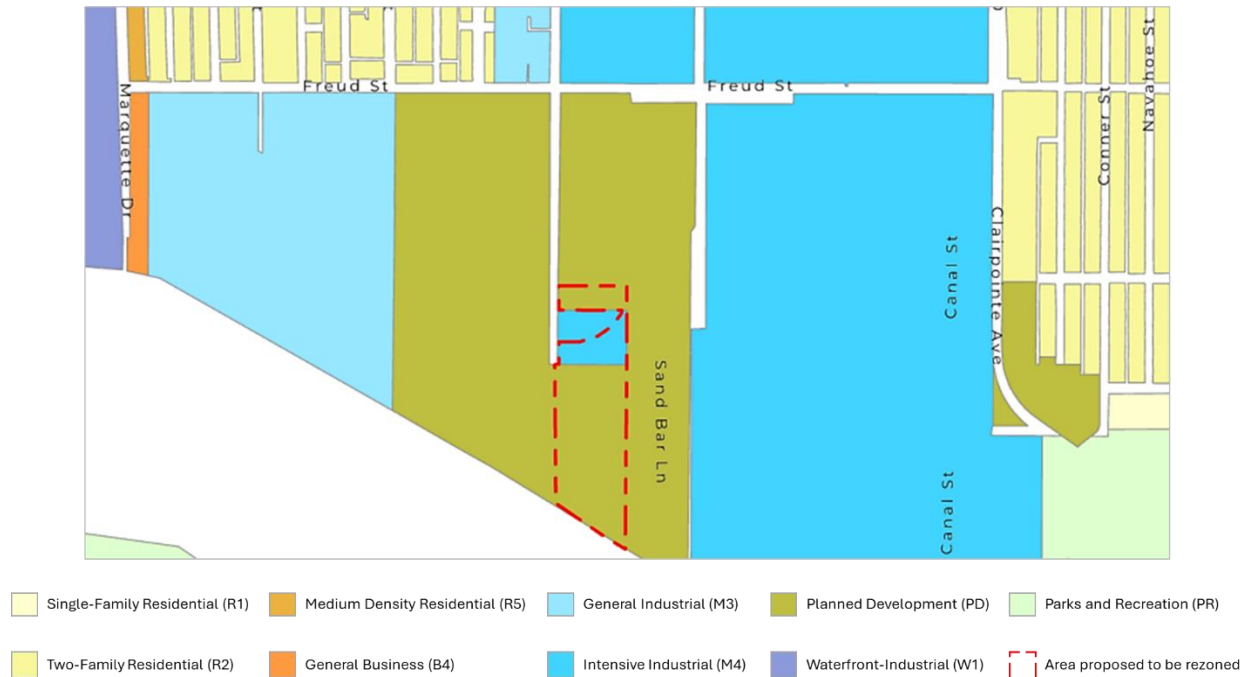
PLANNING CONSIDERATIONS

Surrounding Zoning and Land Use

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

North:	PD – Developed with residential
East:	PD – Developed with residential
South:	Detroit River
West:	PD – vacant owned by the City of Detroit Parks and Recreation

CURRENT ZONING



Master Plan Consistency

A detailed Master Plan Interpretation from P&DD is forthcoming. P&DD staff has informed CPC staff that the proposed rezoning is **not consistent** with the Master Plan. To address this inconsistency, P&DD staff will consider changing the Future General Land Use Map as a part of the Master Plan update.

FUTURE LAND USE MAP



STAFF ANALYSIS

The Zoning Ordinance provides eight criteria to be considered in determining the appropriateness of a zoning map amendment, as specified in Section 50-3-70. The applicable criteria with staff analysis in italics are found below.

- Whether the proposed amendment corrects an error or meets the challenge of some changing condition, trend or fact.

The proposed rezoning would remove an existing PD designation that has not, and likely will not, come to fruition. The existing PD would only allow for two 18-story condo buildings to be developed on the site, limiting the marketability of the currently vacant land.

- Whether the proposed amendment is consistent with the Master Plan and the stated purposes of this chapter.

*P&DD staff has indicated that the proposed amendment is **inconsistent** with the Master Plan, and that P&DD staff will consider amending the Future General Land Use Map as part of the Master Plan update.*

- Whether the proposed rezoning will have significant adverse impacts on the natural environment, including air, water, soil, wildlife, and vegetation and with respect to anticipated changes in noise and regarding stormwater management.

Staff anticipate no adverse impact on the natural environment. The clearing of the adjacent canal and remediation of the once industrial land will have positive implications for the surrounding environment. Currently, the canal has multiple sunken boats that need cleared, which will improve the quality of the water in the area.

- Whether the proposed amendment will have significant adverse impacts on other property that is in the vicinity of the subject tract.

Staff does not anticipate any significant adverse impacts on other properties in the vicinity of the subject tract.

- The suitability of the subject property for the existing zoning classification and proposed zoning classification.

As the property has not been developed as indicated in the existing PD for the site, the proposed zoning would be more suitable for the subject property, as it would allow for a variety of uses and development types, where it is currently quite restricted.

- Whether the proposed rezoning will create an illegal “spot zone.”
While the issue of whether this constitutes a spot zone is not as clear cut as staff would prefer, CPC has left the property commonly known as 45 St Jean out of the scope of this rezoning, leaving an irregularly shaped land mass to be rezoned. This was not to omit the owner but instead because of the preference of the owner to retain their current zoning

classification. If the owner were to desire to rezone to the same classification as proposed, CPC staff would process their petition.

Spot zoning case law has in the past indicated that some of the primary criteria in determining whether a rezoning results in an illegal spot zone is not so much the size of the area in consideration as much as it is related to the purpose and intent. Please see below:

According to the Michigan state University Extension Public Policy Brief entitled "Removing Spot Zoning From the Fabric of Zoning Practice" dated January 2004, "The vast majority of spot zoning cases involve a single parcel or landowner. Essexville confirmed that rezoning a single parcel owned by a single landowner to an inconsistent use, standing alone, is an insufficient legal basis upon which to conclude that illegal spot zoning has taken place. This conclusion makes perfect sense in the big-picture of zoning practice, for the vast majority of rezoning requests are made by a single landowner for a single parcel. This is not a unique identifier of spot zoning. However, it is a factor that will raise a red flag for the courts if it is accompanied by the other listed considerations."

As stated above, the vast majority of spot zoning cases involve a single parcel or landowner. This would seem to imply that one of the concerns surrounding spot zoning is favorable treatment of a single individual. The cases, however, never articulate this concern. The courts tend to focus instead on the inconsistency of land uses resulting from spot zoning. Several cases have used language similar to that found in Anderson, that "The legislative intention in authorizing comprehensive zoning is reasonable uniformity within districts having the same general characteristics and not the marking off, for peculiar uses or restrictions of small districts essentially similar to the general area in which they are situated."

"Essexville, however, raises the possibility that unfavorable treatment of a single individual by the city could be illegal if the city's motives are improper. In Essexville the landowner asserted that his land was placed in a zone permitting parks and recreational uses, when the vast majority of the surrounding land was industrial, in order to depress the property value for later acquisition by the city for public parkland. The Court of Appeals remanded Essexville to the trial court to take further evidence on this issue. Likewise, the court in Michaels considered the possibility (without deciding the specific question) that the village was refusing plaintiff's rezoning request in order to depress the market value for eventual purchase. In many of the cases when the public derides a particular decision as spot zoning, the public is really voicing a belief that "something fishy is going on here." The courts, however, seem more concerned with consistency in land uses. Absent a showing of actual fraud, a legal challenge solely on the basis of improper motive is not likely to succeed if the decision is supported by the master plan."

CONCLUSION

Based on the public hearing results, contents of this report, and the approval criteria for map amendments, City Planning Commission staff respectfully recommends approval of the requested rezoning of 2, 21, 95 St. Jean Street and 140 Terminal Way from PD and M4 to B4.

Attachments: MSU Extension document on Spot Zoning
Letter of Support