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**May 9, 2017**

**HONORABLE PLANNING AND ECONOMIC DEVELOPMENT STANDING  
COMMITTEE**

**RE:** The requests of (3) three separate petitioners (the Detroit Catholic Pastoral Alliance, Giffels Webster, on behalf of Baltimore Station, LLC, and the Town Partners) for the rezoning of separate properties for which each has legal interests and also to consider the request of the City Planning Commission staff as co-petitioner for a broader area inclusive of the three petitioners properties to amend Map. No. 8 of Chapter 61, Article XVII of the 1984 Detroit City Code, Zoning, to approve a rezoning from the B4 (General Business District), P1, M3 and M4 zoning classifications to an SD2 (Special Development District, Mixed Use) zoning classification for land generally bounded by East Grand Boulevard on the north, Hastings Street on east, the Michigan Consolidated railroad tracks on the south and the north/south alley first east of Woodward (excluding the B4 property at the southwest corner of East Grand Boulevard and John R (**SUPPLEMENTAL REPORT**))

On March 30, 2017, the Honorable Planning and Economic Development Standing Committee (P&ED Committee), while reviewing the issues related to this proposed rezoning, requested a further study and supplemental report in regard to this proposal. The P&ED Committee requested that CPC staff conduct an additional study of the area proposed for a rezoning, in order to ascertain further the impact that the rezoning would have on existing land uses. This report serves to provide this information and complement the original report submitted to the City Council and dated March 24, 2017.

**BACKGROUND**

The City Planning Commission has recommended **approval** for three (3) separate petitions in regard to a proposed rezoning to SD2 (Special District, Mixed-Use) for their respective properties. CPC staff also <sup>1</sup>co-petitioned, to rezone a much larger area inclusive of the properties that the three (3) petitioners are proposing. This is due to an increase in inquiries and interest for the same SD2 zoning classification and the foreseeable continuance of the trend in the area. Staff is co-petitioning for the larger area known in general as Milwaukee Junction.

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<sup>1</sup> The City Planning Commission has elected to serve as co-petitioner in accordance with Section 61-3-73 of the Zoning Ordinance.

The three (3) specific requests and proposed developments along with the City Planning Commissions request are as follows:

1. The Detroit Catholic Pastoral Alliance is requesting a rezoning from an M3 (General Industrial District) to an SD2 zoning classification for the property commonly known as 249 E. Baltimore and 232 E. Milwaukee. The petitioner is proposing to rezone the aforementioned property in order to develop a four (4) story mixed-use residential/commercial building to allow for multiple-family dwelling units with ground floor commercial space.
2. Giffels Webster, on behalf of Baltimore Station, LLC is requesting a rezoning from a P1 (Open Parking District) and M4 (Intensive Industrial District) to an SD2 zoning classification for the property commonly known as 66 E. Baltimore Avenue and the easternmost (135 feet, approximately) of 6370 Woodward Avenue. The petitioner is proposing to develop a five (5) story, mixed-use residential/commercial building to allow for multiple-family dwelling units with ground floor commercial space.
3. Town Partners is requesting a rezoning from an M3 to a B4 or SD2 zoning classification for the properties commonly known as 2871 and 2881 East Grand Boulevard. The petitioner is proposing to rezone the subject properties in order to develop mixed-use residential lofts with ground floor commercial space.
4. Lastly, the City Planning Commission has voted to recommend a rezoning from the B4 (General Business District), M3 and M4 zoning classifications to an SD2 zoning classification for the other properties generally bounded by East Grand Boulevard on the north, Hastings Street on east, the Michigan Consolidated railroad tracks on the south and the north/south alley first east of Woodward, but excluding the B4 property at the southwest corner of East Grand Boulevard and John R.

This rezoning is being requested in order to fulfill the City's Master Plan of Policies as it concerns the given area.

## **AREA DESCRIPTION**

The subject rezoning area consists of 13 city blocks covering approximately 1.2 square miles. The area is in general historically known as the Milwaukee Junction area which has a strong tie to the automobile industry. Strategically located along the railroad junction of the Grand Trunk Western Railroad. The area is just east of New Center and was once a thriving core for auto manufacturing industry. Many auto manufacturer's made this area their central operation at one point, including Ford Motor Company, Cadillac, Dodge, Studebaker and others. The subject rezoning boundaries do not encompass the full area of what is historically referred to as Milwaukee Junction but instead sets boundaries as W. Grand Boulevard to the north, Hastings Street to the east, the Michigan Consolidated railroad tracks on the south and the north/south alley first east of Woodward (excluding the B4 property at the southwest corner of East Grand Boulevard and John R.).

It is important to understand the existing uses would be grandfathered in and allowed to continue operating for as many years as they see fit.

## **ANALYSIS**

Since the last PED Committee meeting that this item was considered, for the setting of a public hearing, staff has researched and analyzed the existing land uses in the area in order to find out what the impact would be to those entities that are currently within the rezoning footprint.

In general, and as staff outlined in our previous report on the topic; outside of the dimensional impacts of this proposal, the other primary affect that the proposal would have is in the changes of by-right, conditional, and prohibited uses (See attached comparative use list). There are certain ramifications that come as a result anytime that you rezone an area. Essentially, a rezoning trades one set of land use rights that a property owner has, for a new set of property rights.

Based on this change of land use rights, some uses that were not allowable may become permitted and vice versa, others will change from being permitted to being prohibited. In the middle area, some uses may change from, or become conditional<sup>2</sup> as a result of a rezoning.

Those land uses that currently exist, but transition to the prohibited category as a result of this proposed rezoning have been researched and identified. In general it can be said that one effect this rezoning will have is that it will largely transition the current land use rights of the area from an industrial charater to a residential and commercially vibrant character over a period of time. As stated in the previous report, there are currently 54 industrial land uses allowed by-right or conditionally at the moment. This rezoning would essentially change 40 of those allowable land uses to a legal, non-confirming status; meaning that they may still continue to operate in perpetuity as long as the land use rights continue unextinguished. It would however, prohibit or increase the level of effort necessary to expand an existing use that falls within this category. In general, the industrial uses that would be allowed to continue would be those classified as Low-Impact Manufacturing or Low-Medium Impact Manufacturing.

It should also be taken into account that although 54 uses are allowed either by-right or conditionally under their current industrial zoning classifications, it does not necessarily mean that those industrial uses currently or ever existed in the subject area. It simply means that those uses have been permissible in this area to-date.

### **Additional Research**

After additional research that has been conducted, we identified the existing land uses of the area and quantified them categorically. Staff found that there are approximately 77 existing land uses within the 1.2 square mile rezoning footprint. The detailed breakdown of those results and subsequent impacts of the proposed rezoning may be found in the chart below:

<b>#</b>	<b>Land Use</b>	<b>Impact as a result of rezoning</b>
2	Auto Repair	Changes to Conditional and/or Legal, Non-conforming <sup>3</sup> depending on intensity

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<sup>2</sup> A conditional land use will not allow for the immediate pulling of a permit, but requires a conditional land use hearing where the public is notified and allowed to speak concerning a proposed land use. Certain conditions may be placed on the use in question based on the needs to maintain the public health, welfare and safety.

<sup>3</sup> According to staff's research, one existing auto repair shop would be classified as minor, which would be conditional under SD2, while the other is classified as major repair, which would become legal, nonconforming. Staff did speak to the owner of Milwaukee-John R auto repair and although he understands that his use would be rendered legal, non-conforming, he is in favor of the proposed rezoning.

1	Bar <sup>4</sup>	Changes from Conditional to By-Right
2	Cabaret <sup>5</sup> (night club)	Remains conditional
1	Church	Changes from conditional to by-right
5	Factory <sup>6</sup>	Higher intensity uses will become conditional or legal, non conforming, while low/medium impact manufacturing and processing uses will become or remain by-right
5	Lofts	Change from conditional to by-right
14	Multiple family, single and two-family	Multiple family dwellings become conditional or by-right based upon intensity. Single and Two-family dwellings either will transition from conditional to prohibited (business zoned block) or remain prohibited (industrially zoned blocks)
12	Office	Remains by-right
1	Private club	Changes from by-right to conditional
1	Retail Store	Remains by-right
14	Wholesaling, warehousing, storage buildings or public storage houses	Changes from by-right to prohibited
1	US Post Office	Remains by-right

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<sup>4</sup> 61-16-91 of the Zoning Ordinance identifies a bar under the term; food and beverage service to be referred to as an “establishment for the sale of beer or intoxicating liquor for consumption on the premises.” These are uses: [1] offer food and non-alcoholic beverages for on- or off-site consumption; [2] offer food and alcoholic beverages for on-site consumption; or [3] offer alcoholic and non-alcoholic beverages for on-site consumption.

<sup>5</sup> A cabaret is an establishment open to the public, which sells or serves alcoholic beverages for consumption on the premises with or without food and also provides entertainment. Establishments commonly referred to as “nightclubs” shall be considered “cabarets” for zoning purposes, except for those nightclubs, bars, juice bars, restaurants, bottle clubs, or similar commercial establishment, which regularly feature live conduct characterized by semi-nudity, which are classified as “adult cabarets.

<sup>6</sup> According to Sections 61-16-201, 102, and 124 of the Zoning Ordinance, factories are classified as either Very high impact/High-impact/High-Medium-impact/Low-medium-impact/ or Low-impact manufacturing and processing land uses. Depending on the intensity it will vary as to how they are impacted by a rezoning to SD2. In general all manufacturing and processing uses that begin at a high-medium intensity and up will become conditional or non-conforming. All of those uses that are low medium or low impact manufacturing and processing will remain or become by-right uses.

18	Unidentifiable/ Surface lots/ Vacant/ Other	Some uses were not able to be determined because of their long-standing vacancy or dilapidation. Others may have been surface lots which would be discouraged in an SD2 district in certain cases.

**COMMUNITY INPUT**

In the report dated March 24, 2017, staff detailed the large amount of community engagement that has taken place for this effort. Those outreach efforts are summarized as:

- A community meeting was held by the Detroit Catholic Pastoral Alliance on Thursday, September 15, 2016 at Firewater Bar & Grill II, E. Milwaukee and John R in which staff and developers presented the proposal.
- Approximately 25 signs were posted in public-rights-of-way to inform of public hearing and rezoning effort.
- Mailings were sent to all properties and tax payers of record within 300 feet of the subject boundaries via U.S. mail (for CPC public hearing)
- October 6, 2016 CPC public hearing meeting
- Northend Neighbors Block Club at Metropolitan United Methodist Church, 8000 Woodward Avenue on October 19, 2016 in which staff and developers presented the proposal.
- Vanguard CDC at their building located at 2795 East Grand Blvd. on October 25, 2016.
- CPC meeting on November 3, 2016 in which staff and developers presented the proposal.
- Smaller focus meetings were held with a few community groups for staff to explain the proposed rezoning.
- March 30, 2017 PED Standing Committee meeting to consider setting a public hearing for the rezoning.
- Mailings were sent to all properties and tax payers of record within 300 feet of the subject boundaries were notified by U.S. mail.
- May 8, 2017 community meeting at the Baltimore Gallery, at which, staff and developers presented the proposal.

As listed above, staff also held one last community meeting this week, on May 8, 2017 to get any additional feedback before this matter would come back before this Honorable Body. In general there was large support for the overall proposal from the 15 or so people that attended. The meeting was advertised by including an additional flyer in the mailing that was sent out by U.S. mail to all properties and tax payers of record within 300 feet of the subject rezoning area.

However, although most were in support of the effort, we would like to note that comments were contributed that spoke to the mix of units being offered in the specific development projects within this effort and in the greater downtown area in general. It was noted that the unit spread offered by the proposed developments in do not cater to families, but instead seem to aim for single students and business professionals. The community persons exclaimed that they would like to see the area developed in a way that intentionally accommodates families, along with single young professionals and millenials.

Due to the level of community engagement and the desire to see the development that this rezoning would help foster, several letters of support have been submitted which you will find

attached.

## CONCLUSION

In general, more residential uses are allowed by-right or conditionally under the SD2 provisions. The commercial land uses remain similar to the currently allowed uses except for the more intensive business uses or those that are auto-oriented.

As staff reviewed Buildings and Safety Department's permit records to determine permitted land uses for structures, we found many notes that indicated many property owners at one time or another have sought land use changes for uses such as loft conversions, multi-dwelling, commercial and other uses that are allowable in the SD2 zoning classification. From reviewing records, it seems as though many of those efforts toward a change of use were not fulfilled for reasons that staff does not know. We can only estimate that the process may have been too strenuous or costly to effect those uses under current zoning.

One particular thing to note is that the comparative use table has been changed as it relates to urban farms. Due to an error in the zoning ordinance use table, staff mistakenly listed urban farms as being allowed under SD2 when this is not the case. Urban farms are actually prohibited under an SD2 district while urban gardens are allowed conditionally. This zoning ordinance error is being corrected in the forth-coming 5<sup>th</sup> General Text Amendment of Chapter 61, Zoning.

Lastly, it should be acknowledged that this process has sparked interest for subsequent mixed-use rezoning's in the future. Staff has received several requests for possible future efforts. We have committed to study the area for appropriate nodes, corridors or swaths of the Northend community to receive similar treatment. Additional phases stemming from this effort may be forthcoming as staff works with the community to identify opportunities.

Due to all of the facts and current trends outlined in this report and the previous comprehensive report to this Honorable Body regarding this matter, staff understands why there is outstanding support/reaction for this rezoning. However, we see nothing that would alter the Commission's recommendation for approval.

Respectfully submitted,



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

Attachment:

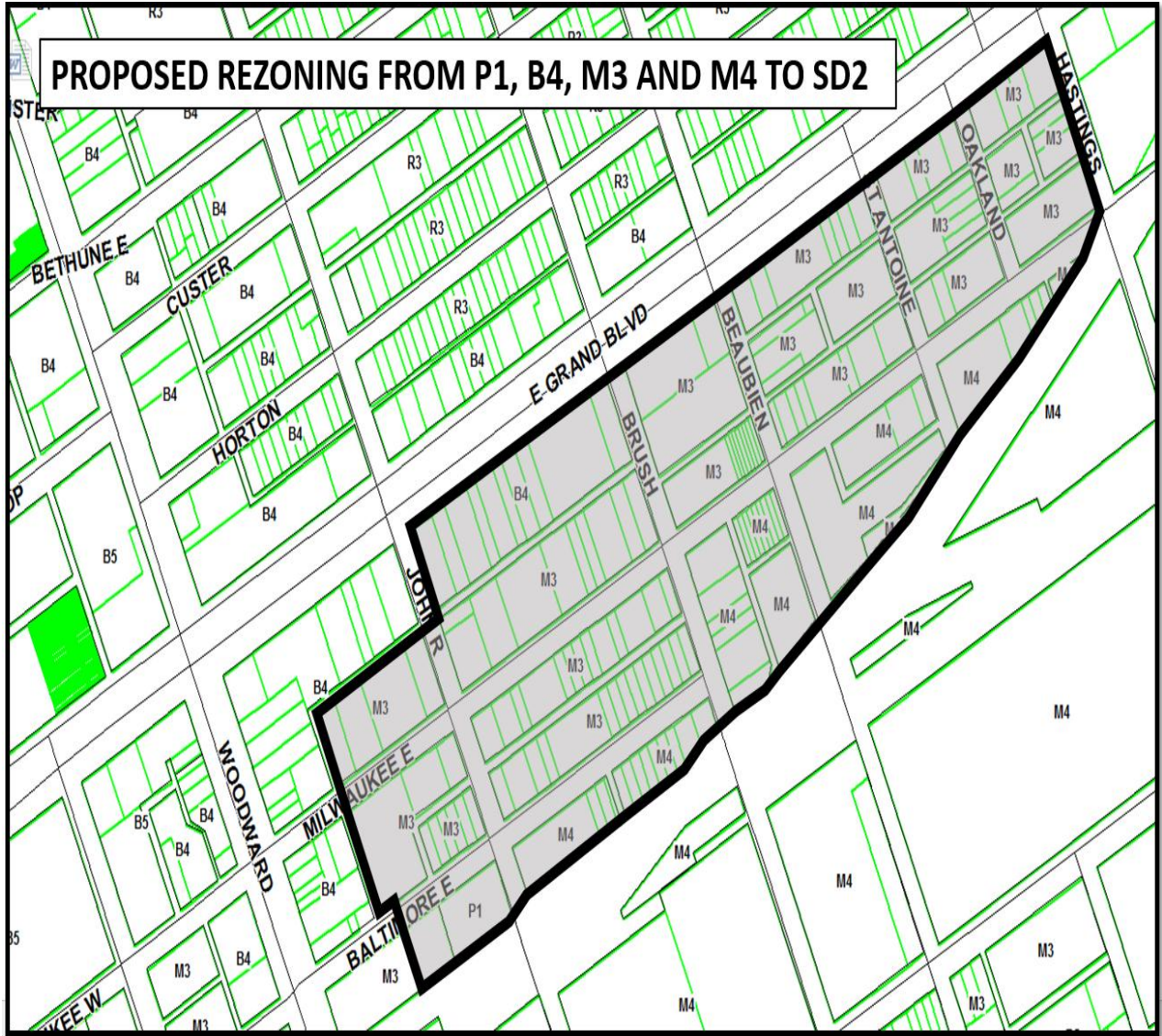
Map

Letters of support

Comparative Land Use Table

Cc: Maurice Cox, Director, PDD  
Arthur Jemison, Director, HRD  
David Bell, Director, BSEED  
Melvin Hollowell, Corp. Counsel  
Detroit Housing Commission

Attachments



May 9, 2017

Detroit City Council  
Coleman A. Young Municipal Center  
2 Woodward Ave. Ste. 208  
Detroit, MI 48226

RE: Milwaukee Junction Rezoning

To Whom This May Concern:

Vanguard Community Development Corporation is located at 2795 E. Grand Boulevard in Milwaukee Junction. We are in support of the rezoning effort to change the current zoning to an SD2 Special Development District, Mixed Use. We support all the City Planning Commission efforts to improve the zoning modifications proposed for Milwaukee Junction.

If your honorable body should need further information please contact me at 313 872-7831.

Sincerely,

Pamela Martin Turner  
President/CEO  
Vanguard Community Development

May 9, 2017

Kimani Jeffrey  
City of Detroit  
2 Woodward Ave, Suite 208  
Detroit, MI 48226

Dear Mr. Kimani Jeffrey,

Midtown Detroit, Inc. is aware that the City of Detroit is considering the rezoning of the Milwaukee-Junction District (an area that is currently zoned mostly for general and intensive industrial uses) to include SD-2 zoning codes. This zoning change will support higher density mixed-used development, while encouraging adaptive reuse and transit-oriented design regulations, including less restrictive setback and parking requirements.

The goals of SD-2 zoning districts are aligned with the City of Detroit's Master Plan. Some of the major goals identified for this area include:

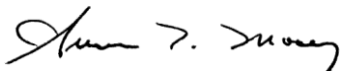
- Increasing residential density
- Converting existing obsolete industrial buildings into residential lofts
- Promoting new innovative light industrial/technology industries

Under current zoning, new developments that look to achieve these goals will have a much harder time gaining city approval. This can act as a road-block to development and hinder the revitalization of the neighborhood.

The Midtown district recently piloted SD-2 zoning changes and has already begun to see the benefits. MDI believes that these zoning changes are essential to the future growth and revitalization of Midtown as well as the City of Detroit.

MDI is pleased to support the rezoning of Milwaukee-Junction to SD-2.

Sincerely,



Susan T. Mosey  
Executive Director

TerraNovus Development, LLC  
457 East Milwaukee  
Detroit, Michigan 48202



JANUARY 19, 2017

**Mr. Kimani Jeffrey, City Planner**  
**Detroit City Council Legislative Policy Division/City Planning Commission**  
**Coleman A. Young Municipal Center**  
**2 Woodward Avenue, Suite 208**  
**Detroit, Michigan 48226**

Dear Mr. Jeffrey,

The intent of this letter is to express our support for the proposed re-zoning of the Milwaukee Junction neighborhood to SD2 (Special Development District, Mixed Use). As property owners and developers in the neighborhood, we firmly believe that this rezoning will help to facilitate the appropriate type and scale of development in the area.

The current zoning designation has presented challenges in the redevelopment of underutilized and blighted assets into vibrant, mixed use buildings that facilitate a diverse and thriving neighborhood. As robust growth downtown and in midtown continue, areas such Milwaukee Junction must be carefully planned and developed in a manner that respects the history, current residents, and future growth of the neighborhood and the city as a whole.

Currently, development of this nature requires a complex, costly, and time consuming process that dis-incentivizes investment. We have experienced this firsthand in our efforts to redevelop a vacant commercial building at the corner of Milwaukee and Beaubien into retail, office, and residential use. The proposed new zoning will provide the flexibility to meet current market demand, revitalizing the neighborhood, creating jobs, and improving lives.

Please advise if we can be of any assistance with regard to your rezoning efforts.

Warm regards,

Handwritten signature of Ben Smith in black ink.

**Ben Smith**

TERRANOVUS DEVELOPMENT, LLC

Handwritten signature of Carlo Liburdi in black ink.

**Carlo Liburdi**

TERRANOVUS DEVELOPMENT, LLC



Shirley Davis  
210 Melbourne  
Detroit MI. 48202  
May 2, 2017

To whom it may concern:

My name is Shirley Davis and I am the president of the Northend Neighbors Block here on the North End of Detroit. I have been a resident of the North End for over 22 yrs. In those 22yrs, a lot have changed here in our community. The neighborhood has changed in a way that I myself could not believe. When I moved here, we had stores and restaurants cleaners and entertainment. I saw some development and then it was gone nothing else happened except drugs killings and fires. Today we are open and willing to see change on the North End that is going to benefit my community and help the people grow. The development that is going to happen is a welcome change, and that is why I am in support of it.

Best:

Shirley Davis

Northend Neighbors President



**Kimani Jeffrey, City Planner  
Detroit City Council  
Legislative Policy Division/  
City Planning Commission  
Coleman A. Young Municipal Center  
2 Woodward Ave. Suite 208  
Detroit, MI 48226**

May 9, 2017

Dear Kimani

The Northend Christian CDC and the Oakland Avenue Urban Farmway supports the zoning change in the Milwaukee Junction area of Detroit to become a Special Development District. While this zoning change does not immediately effect The Historic North End we are looking forward to the extension of zoning improvement as we continue our work along the Oakland Avenue Corridor. Please keep us advised as to how this moves along in the coming months and we look forward to speaking with you about our work in The Historic North End along the Oakland Avenue Corridor.

Please let me know if you need anything else.

Best,

Jerry Ann Hebron, Executive Director