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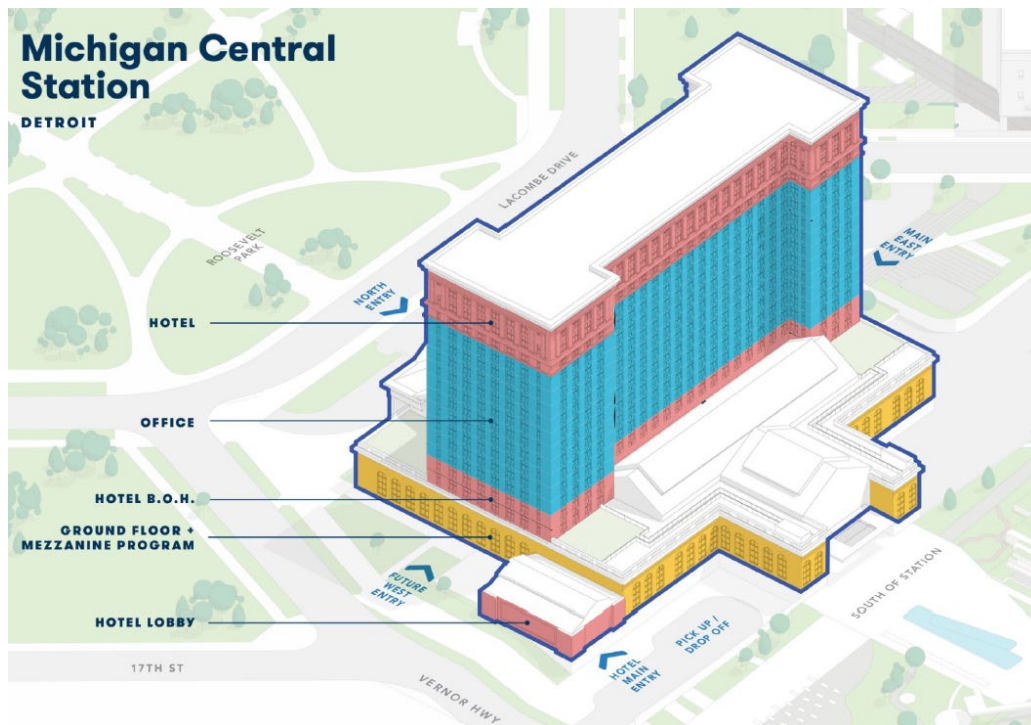
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May 16, 2024

HONORABLE CITY COUNCIL

RE: Request of New Investment Properties 1, LLC, on behalf of Michigan Central Development, to amend Chapter 50 of the 2019 Detroit City Code, Zoning, by amending Article XVII, Section 50-17-44, District Map No. 42 of the 2019 Detroit City Code, to show a B5 (Major Business District) zoning classification where an M4 (Intensive Industrial District) zoning classification is currently shown on land generally bounded by Lacombe Drive, 15th Street, Bagley Avenue, 16th Street, Newark Street, and Vernor Highway (formerly 16th Street), more commonly known as 2001 15th Street and 2091 15th Street. **(RECOMMEND APPROVAL)**

Before this Honorable Body is a zoning map amendment (rezoning) request for the subject area proposed to be rezoned from M4 to B5.



PROPOSAL

The properties commonly known as 2001 15th Street and 2091 15th Street are the site of the historic Michigan Central Station (MCT). The applicant has submitted a proposal that would repurpose the existing train station building into a multi-use hotel, office, and retail space with supportive parking. The proposed hotel use requires a rezoning to be permitted. Much of MCT's goals for

redevelopment of the train station have been communicated and planned for as part of recent planning efforts done in conjunction with the community and the city.

The proposed rezoning area includes the parcel that the train station building sits on (2001 15th Street) plus an adjacent triangular shaped parcel (2091 15th Street) immediately to the east. The proposed rezoning area does not include the rear yard parcel abutting the train station to the south (2301 17th Street) that includes former railroad tracks between the building and the rail line.

BACKGROUND

¹Michigan Central Station, located in Detroit’s Corktown neighborhood, was the city’s primary railway depot from 1913 to 1988. Prior to the new station’s construction, the Michigan Central Railroad operated out of a depot located near the river and Third Street. Michigan Central Station was built partially to accommodate rail traffic from the Detroit-Windsor rail tunnel, which opened in 1910, and an increase in passenger business. The station was put into use before formal dedication in December 1913 due to a fire destroying the Third Street station.

The structure was designed by New York hotel architects Whitney Warren and Charles D. Wetmore, along with Charles A. Reed and Allen Stem, designers of New York City’s Grand Central Station. The building consists of a three-story depot with 10 gates for trains, and an 18-story tower with more than 500 offices. The depot’s waiting room was the highlight of the station, with marble floors, high vaulted ceilings, bronze chandeliers, and many other details indicative of Beaux Arts style. It also featured restaurant, lunch counter, barber shop, florist, bathing facilities, and other amenities.

Rail travel saw a sharp decline beginning in the 1950’s due in part to the proliferation of highways and air travel, and ridership from the station dropped. Ownership changed hands several times beginning in 1968, with portions of the station closing and facilities disappearing until the final train departed on January 5, 1988, bound for Chicago. Redevelopment plans for the structure came and went, and much of its lavish features were destroyed by vandalism and neglect. The structure was saved from the threat of demolition several times thanks to pending plans and its listing on the National Register of Historic Places, achieved in 1975.

The station has often been cited as a symbol of Detroit as a whole – a remarkable achievement eclipsed by decades of decline – and was frequently photographed as a prime example of “ruins photography.” In June 2018, Ford Motor Company announced their purchase of the building, and their plans to transform the station and nearby buildings into their mixed-use Corktown campus.

Specific Land Use History

The zoning specific land use that reflects the historic train station use of the site is “Passenger transportation terminal”. In staff’s review of historic zoning ordinances, it appears that this specific land use was first added to the city code as part of the 1968 zoning ordinance (Ord. No. 390-G). The 1968 zoning ordinance (ZO) permitted Passenger transportation terminals as a by-right use in the PCA Public Center Adjacent District (Restricted Central Business).

In 2005, what is referred to as the Clarion zoning ordinance was adopted (Ord. No. 11-05), being chapter 61 of the City Code at the time. The 2005 ZO was the first ordinance with the structure of use categories being used to group sets of related specific land uses. The 2005 ZO included the

¹ **Encyclopedia of Detroit-** From the Detroit Historical Society’s Encyclopedia of Detroit

creation of the “Aviation and surface transportation facilities” use category that included the following four specific land uses:

- Aircraft landing areas for winged aircraft
- Heliports
- Passenger transportation terminal
- Tunnel or bridge plaza and terminal, vehicular

In 2005, Passenger transportation terminals were permissible in the following districts:

Sec. 61-12-71 (2005)	Business		Industrial				Special		
Specific Land Use	B5	B6	M1	M2	M3	M4	PCA	TM	SD2
Passenger transportation terminal	R	C	R	R	R	R	C	R	C

- R = By-Right Use
- C = Conditional Use

As indicated in the above permissions, passenger transportation terminals, whether they serve surface bus or rail transit, are intended to be located in districts that cover downtown (B5, B6, PCA), industrial districts except M5, and mixed-use neighborhood commercial corridors (TM, SD2). In 2005 when ‘passenger transportation terminal’ was finally added as a permitted use in the M4 district, the train station had ceased operations since 1989.

PLANNING CONSIDERATIONS

Surrounding Zoning and Land Use

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

North: R2; Roosevelt Park
 West: M4; Vacant land, surface parking
 East: M3; Newlab at Michigan Central (office building)
 South: SD2; Rail line, Star Paper Converters, Apac Paper

Master Plan Consistency

The subject rezoning site is located within the Corktown area of Neighborhood Cluster 4 of the Detroit Master Plan of Policies (MP). The Future Land Use map for this area shows a Mixed Residential Commercial (MRC) designation. The Planning and Development Department (P&DD) has provided a MP interpretation letter for this proposal stating that the proposed rezoning to the B5 classification is **consistent** with the MRC designation.

Zoning District Descriptions

Below are the Zoning Ordinance descriptions for the applicable zoning districts with staff analysis.

M4 – Intensive Industrial District (Current)

The M4 Intensive Industrial District will permit uses which are usually objectionable and, therefore, the district is rarely, if ever, located adjacent to residential districts. A broad range of uses is permitted in this district. New residences are prohibited with the exception of loft conversions of existing buildings and of residential uses combined in structures with permitted commercial uses. These requirements are to protect residences from an undesirable environment and to ensure reservation of adequate areas for industrial development (Sec. 50-10-101).

B5 – Major Business District (Proposed)

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 (Sec. 50-9-131).

Based on this description of district intent, M4 zoning may not be appropriate for the train station site due to the broad range of industrial uses permissible under M4. As described in Specific Land Use History, the land use that reflects the historic train station use is Passenger transportation terminal. Current zoning permits Passenger transportation terminals in the following districts:

Sec. 50-12-101	Business		Industrial				Special		
Specific Land Use	B5	B6	M1	M2	M3	M4	PCA	TM	SD2
Passenger transportation terminal	R	C	R	R	R	R	C	R	C

R = By-Right Use

C = Conditional Use

Due to concerns with potential objectionable uses that could be permitted either by-right or conditionally in the M4 district, there is an ongoing effort by CPC, the Administration, and P&DD, to downzone M4 property being redeveloped to reduce the amount of M4 zoning in the city and the potential for future objectionable uses (e.g. rezonings of former AMC Headquarters at 14250 Plymouth Road and Cadillac Stamping at 10600 Gratiot Avenue). There are numerous types of industrial uses permissible in M4 that are typically considered objectionable near residential neighborhoods due to M4 being the second most intense industrial zoning district. Example uses include Explosives storage; Hazardous waste facilities; Incinerator plants; Radioactive waste handling; Scrap tire storage, processing, or recycling; Very high-impact manufacturing or processing (e.g. asphalt plants, automobile body plants, steel mills); and Waste/scrap materials storage, handling, or transfer. These examples of objectionable industrial uses justify the M4 district description and may signal that M4 zoning is not appropriate for the preservation and reuse of the historic train station building.

Furthermore, M4 zoning may not be appropriate for the train station site based on the current boundaries of M4 zoning and industrial development in the area. The vast majority of M4 zoning in the Corktown and Hubbard Richard neighborhoods exists south of Bagley Street, between Bagley Street and the Detroit River. North of Bagley Street, only two sites in Corktown, the train station and a Detroit Public Works facility at 2633 Michigan Avenue, are currently zoned M4. The presence of M4 zoning in these two neighborhoods dates to the city's first official zoning ordinance adopted in 1940 (Ord. No. 171-D). The primary purpose of the 1940 ordinance was to implement the first Zoning Ordinance District Maps Index, the city's first official zoning map.

COMMUNITY AND CPC FEEDBACK

January 24 Community Meeting

A community meeting was held on January 24th. CPC staff participated in a presentation with Michigan Central representatives to inform attendees from the surrounding area of what zoning is, the reason for a rezoning request, and what is being proposed. The meeting went relatively well, with participants asking questions and generally receiving responses to everything that was raised. Since then, four letters of support have been received and one letter in opposition has been submitted. Please see the attached letters for details.

February 22 CPC Public Hearing

On February 22, CPC held a public hearing to consider this request. Three public speakers attended to state concerns with the parking system in the neighborhood and its impact on existing businesses and residents, as well as comments regarding of bike lanes. Those concerns were addressed by representatives from P&DD and the Municipal Parking Department (MPD) at CPC’s subsequent meeting when they attended the March 21 CPC meeting to discuss these concerns with CPC. The CPC was satisfied since MCT is able to provide parking for their uses and the City spoke to various strategies for the larger area.

Michigan Central Station has submitted the chart below to identify the parking that they are currently providing for the subject site. The hotel use requires three off-street parking spaces per four guestrooms. Based upon their calculations, they will be able to park the uses for their site. This will ultimately be determined based upon their final unit count in addition to any other uses at the site.

MICHIGAN CENTRAL PARKING ESTIMATE MARCH 2024			
		Capacity (parking spaces)	
Bagley Mobility Hub		1250	
Crown Parcel		286	
		1536	
	Parking calculation w/o reductions	Parking calculation w/ reductions	
Book Depository	573	119	<i>* reductions due to high transit corridor proximity and grand-fathered previous use</i>
Train Station	1291	264	<i>* approximate reductions due to high transit corridor proximity and grand-fathered previous use</i>
	1864	383	

CONCLUSION AND APPROVAL CRITERIA

Staff recommends approval. Recommendations and decisions on a zoning map amendment shall be based on consideration of the below criteria. Staff comments are provided in italics.

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

Between the time that the last train departed from the station in 1988 until 2018 when Ford Motor Company purchased the building, no meaningful activity occurred towards repurposing the historic building. Since Ford’s acquisition of the building, comprehensive building and site stabilization and rehabilitation efforts have occurred leading towards an anticipated building re-opening date of June 2024. The train station is one of several key properties recently or currently being developed by Michigan Central related to continuing to build out Ford’s new Corktown campus, see Area View attachment. Prior to Ford’s investment in Corktown, the neighborhood was generally not considered a regional office area. Ford’s investment in the neighborhood and the ongoing development of its Corktown campus signifies a trend towards Corktown including a regional office and hotel component that was not historically present in the neighborhood. This proposed amendment to B5 would provide zoning that is in line with that of a regional destination site.

- 2) *Whether the proposed amendment is consistent with the Master Plan and the stated purposes of the zoning code.*

According to PDD's letter, the proposed amendment is consistent with the MP.

- 3) *Whether the proposed amendment will protect the health, safety, and general welfare of the public.*

The proposed amendment to downzone the site from M4, the second most-intense industrial district, to a Business district would all but eliminate the ability for objectionable industrial uses from locating on the site. This will protect the health, safety, and general welfare of the public from the impacts of objectional industrial uses is a foundational zoning principle.

- 4) *Whether the city and other service providers will be able to provide adequate public facilities and services to the subject property, while maintaining adequate levels of service to existing development.*

The building is already in operation and so maintaining services for the subject property is not expected to be an issue. As discussed previously, the site has available accessory parking that will be utilized for this site. A larger discussion regarding a district wide approach should be had separately.

- 5) *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.*

The rezoning is not expected to have significant adverse impacts on the natural environment. If anything the proposed rezoning will help to protect the natural environment by excluding any future intensive industrial uses that are currently permitted.

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

The proposed amendment to downzone the site from M4, the second most-intense industrial district, to a Business district would all but eliminate the ability for objectionable industrial uses from locating on the site. The presence of M4 zoning in this location is somewhat concerning given the site's proximity to the recently renovated Roosevelt Park and the adjacent historic neighborhood. Michigan Central owns the Newlab building immediately to the east of the site across 15th Street and the Michigan Central West property immediately to the west across Vernor Highway. No significant adverse impacts on property in the vicinity of the site are anticipated.

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

The subject property is not suitable for the M4 classification based on the current boundaries of M4 zoning and industrial development in the area. The vast majority of M4 zoning in the Corktown and Hubbard Richard neighborhoods exists south of Bagley Street, between Bagley Street and the Detroit River. North of Bagley Street, only two sites in Corktown, the train station and a Detroit Public Works facility at 2633 Michigan Avenue, are currently zoned M4. Due to concerns with potential objectionable uses that could be

permitted in the M4 district, there is an ongoing effort to downzone M4 property on a case-by-case basis to reduce the potential for future objectionable uses from locating in the city.

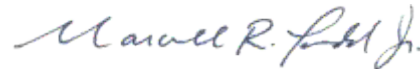
The subject property is suitable for the B5 classification. The ZO description states that B5 may be successfully utilized in other regionally oriented shopping and office areas. Ford's investment in the neighborhood and the ongoing development of its Corktown campus signifies a trend towards Corktown including a regional office component within the neighborhood. Due to the train station's building historic importance, the train station may be considered the signature building of the Ford/Michigan Central Corktown campus. Lastly, the building measures 230 feet to the top of the cornice. This significant existing building height is something that would typically be seen in the B5, PC, and PCA districts where building height is regulated by cubical content provisions, and not a lower limit.

8) Whether the proposed rezoning will create an illegal "spot zone."

The proposed rezoning will **not** create an illegal spot zone.

Respectfully submitted,

DONOVAN SMITH, CHAIRPERSON



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

Attachments:

P&DD Master Plan Interpretation
Letters

cc: Antoine Bryant, Director, P&DD
Kevin Schronce, P&DD
Greg Moots, P&DD
David Bell, Director, BSEED
Conrad L. Mallett, Corporation Counsel
Bruce Goldman, Law
Daniel Arking, Law



Rezoning shown within hashed line. The shaded-striped area is proposed to be rezoned from M4 to B5.