



MEMO

To: Mary Sheffield, President, Detroit City Council

From: Dan Carmody, CEO, Eastern Market Corporation

Date: April 20, 2023

RE: Response to Eastern Market 2023 Budget Hearing Questions

- What is the reason for the \$55,000 decrease in Eastern Market expenditures from FY2023 to FY2024?

Eastern Market requested an increase to \$300,000 from last year's support of \$280,000. The administration recommended a \$55,000 decrease in support (or \$225,000). City Council approved a budget with EMC's requested amount of \$300,000.

- On page B35-11, please explain the \$350,000 expenditures for FY2023-24 under City of Detroit Capital Projects.

We will continue with major repairs that we began in 2022 to extend the useful life of major renovations to Shed 2 (2007), Shed 3 (2012), and Shed 5 (2015). Such repairs include boiler repairs, replacement of windows that have broken weather seals, replacement of overhead and pedestrian doors, replacement of rusted traffic bollards, repair of concrete driveways, major storm sewer and water main replacement at Shed 2, upgrade of Shed 2 electrical service, repairs to public art, and predevelopment expenses related to development of a new Shed 4.

- Has the City begun enforcing the new MKT zoning classification for the Greater Eastern Market area? If so, how have residents and businesses alike been notified of the proposed changes?

The City Council approved the MKT zoning classification on September 13, 2022, and went into effect on 27 September after publication in Detroit Legal News. There was extensive engagement of residents and businesses during the approval process that spanned from May of 2021 when the City Planning Commission recommended approval of the MKT District and September 2022 when the city council approved the rezoning.

We continue to meet with neighborhood groups and host our monthly merchants meeting and discuss issues related to the new MKT classification when they arise.

- Are Medical and/or Recreational Marijuana facilities allowed in Eastern Market? Will the MKT zone be amended to allow for various Marijuana uses? Will consumption lounges be allowed in the GEM area?

Currently they are not allowed. City Council did direct the City Planning Commission to look at the situation in Eastern Market to see how marijuana uses might be accommodated and that review is in process.

Eastern Market Corporation supports reducing the set back requirements that currently prohibit any marijuana use in the district regardless of the zoning and then revising the MKT District to allow for marijuana uses. EMC supports a limited number of licenses for all aspects of marijuana use including production, processing, sales, and consumption lounges.

- Are there any programs to encourage local minority-owned businesses as retail tenants in the Market? Does the EMC work with the DEGC to attract local talent?

Eastern Market Corporation has developed four food production suites for food businesses to accelerate their growth and EMC is creating four retail suites in 2023. In both cases EMC reserves 50% of these cost-subsidized spaces for minority tenants.

EMC provides technical assistance to support minority-owned businesses. Most recently we worked with Joe Spencer of Louisiana Creole-Gumbo to ensure the successful relocation of his business when the building he was renting was sold. We also have worked extensively with Saad Meats to help them expand their Halal meat operation.

EMC is currently designing two new programs as part of its Authentic Eastern Market campaign that will provide financial resources to create an Emergency Fund to help any minority-owned business that faces relocation due to changing real estate market conditions and a Predevelopment Fund that will provide funding to minority real estate developers who are considering projects in the Eastern Market District.

- Are there plans for increased multi-family residential developments in Eastern Market? If so, does the new MKT District allow for multi-family housing? Is there an affordable housing plan for any prospective developments in the Market?

Housing is a conditional use in the MKT District but a by-right use in the SD-2 areas of the market district which were also a part of the re-zoning approved by the City Council last September.

EMC is working with three different affordable housing developers on four different projects that will lead to the construction of more than 300 units over the next five years.

- EMC is working with Pivotal, a national affordable housing developer from Cincinnati, OH on both a workforce housing and a senior housing project. Each is a two-phased project of 100 units, and both are aimed at households making between 30-70% of area median income. A tax credit application for the first phase (53 units) of the workforce project was submitted to MSHDA on April 3, 2023.
- EMC is working with Detroit's American Community Developers on a mixed-income, mixed-use project aimed at serving households between 40 and 120% of area median income and will include 4,000 sq. ft. of commercial space that EMC intends to add to its portfolio of low-cost retail rental space with 50% reserved for minority-owned businesses.
- EMC is working with Growth Corporation, an Illinois based non-profit housing developer with supportive housing experience. Supportive housing aimed at providing a landing spot for refugee farmers is in the conceptual stage.

Develop Detroit is completing funding for a 77-unit project at the southern edge of the market district that will serve residents making between 30 and 80% area median income.

Firm Real Estate is planning one market rate project. The renovation of the Atlas building at 1460 Gratiot will construct 25 units for households making more than 80% area median income.