

STAFF REPORT 11-08-2023 REGULAR MEETING

PREPARED BY: G. LANDSBERG

APPLICATION NUMBER: 21-7529

ADDRESS: 14901, 14917, 14927 E JEFFERSON

HISTORIC DISTRICT: JEFFERSON-CHALMERS HISTORIC BUSINESS DISTRICT

APPLICANT: KYLE KNOLL/PCI INDUSTRIES, INC.

DEVELOPER: URBAN RENEWAL INITIATIVE FOUNDATION (URIF) DBA SCHAAP CENTER PROPERTY

OWNER: URBAN RENEWAL INITIATIVE FOUNDATION

DATE OF PROVISIONALLY COMPLETE APPLICATION: 10-16-2023

DATES OF STAFF SITE VISITS: 10-01-2021, 10-07-2021, 10-17-2023, 11-06-2023

SCOPE: DEMOLISH BUILDINGS, CONSTRUCT PARKING LOTS AND LOADING ACCESS DRIVE FOR ARTS CENTER PROJECT IN GROSSE POINTE PARK (WORK STARTED WITHOUT APPROVAL)

EXISTING CONDITIONS & PROPERTY HISTORY

The proposed project area is composed of adjacent parcels at a prominent gateway location to the city, situated at the northeast corner of Alter and East Jefferson. Three city of Detroit parcels are proposed for redevelopment; two currently form a landscaped lawn area and the third, the easternmost parcel of the city along Jefferson, is occupied by the westernmost thirds of buildings (one of them demolished in February 2023) that are otherwise in adjacent Grosse Pointe Park.

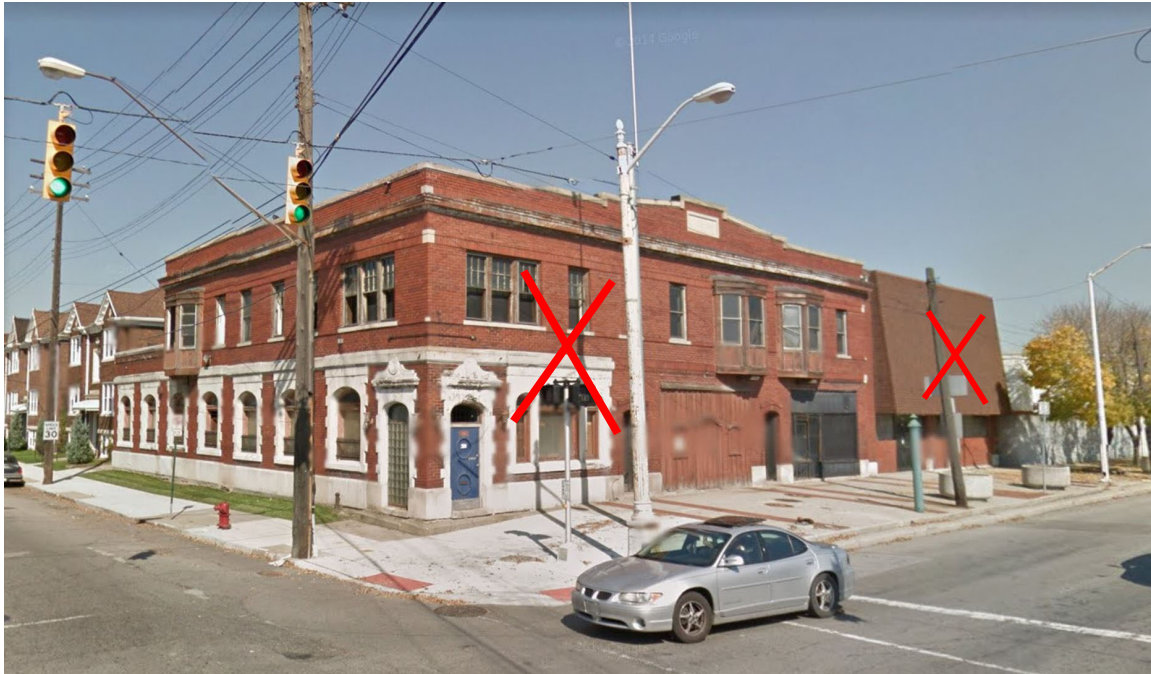


View of existing conditions at 14901-14917 E. Jefferson, view to the north. Note unapproved construction fence and gate crossing the public sidewalk. The western portions of 14927 East Jefferson, also in the district, are visible at far right. Staff photo, October 17, 2023.

Until 2015, the corner location (14901) was occupied by a strikingly handsome 2-story red brick and stone corner building, once known as the Deck Bar building. The owner of the property, the City of Grosse Pointe Park, applied to this Commission for approval to demolish the building in late 2014. The structural report submitted at that time was unconvincing to both professional staff and the Commission,

and your body unanimously denied the request. Shortly after, based only on the minor internal issues identified in the structural report, an emergency demolition order was issued by the City's Buildings, Safety Engineering and Environmental Department (BSEED). The City of Grosse Pointe Park is not a party to the current application, nor it is now involved in this development.

Since that time the parcel has been vacant, creating another gap in the street wall along East Jefferson. Landscape plantings, and a short section of fence closed with a metallic panel have since been added; none of this work has been approved by the Commission or its staff. The lot appeared in 2021 to be well-maintained, but is now suburban in character and out of place in this district. Since the start of adjacent construction activities in Grosse Pointe Park, these parcels have been used as a construction staging area. A construction fence was erected around the properties in late February 2023, without Commission approval. A gate in the construction fence opens towards Alter, crossing the public sidewalk.



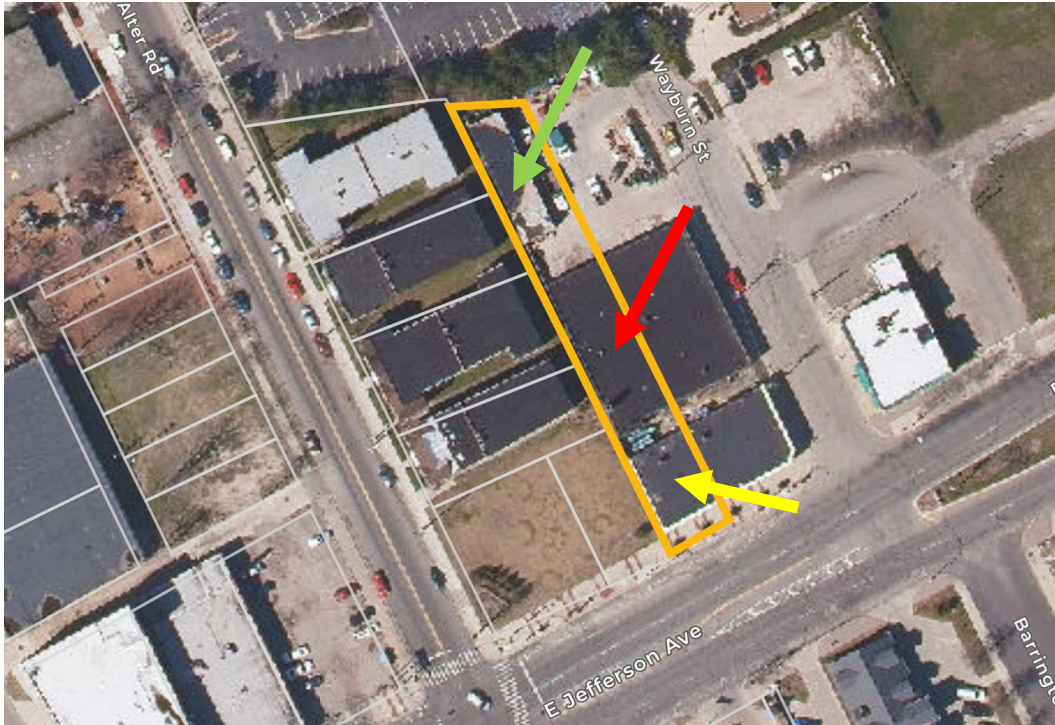
Google Street View of same location, circa 2011, prior to the demolition of 14901 (contributing) and 14917 (non-contributing), showing fully intact commercial block. 14927, the white building at far right, is partially extant, closed off from the street, and once served as the City of Grosse Pointe Park's DPW facility, since relocated to a new building erected on the Mack commercial corridor, also at the border with Detroit.



October 2021 view in front of 14901 East Jefferson looking east towards Grosse Pointe Park, prior to the start of construction activities in late winter 2023. The brick sidewalk ornamentation was meant to enrich the pedestrian experience here and elsewhere in the district, but has lost the commercial street wall that previously framed it. Staff photo, October 1, 2021.



Construction activities on the Grosse Pointe Park portion of the site. Visible are the Detroit apartment buildings, and the salt shed proposed for demolition (center). Staff Photo, October 17, 2023.



Parcel view of vicinity, 14927 East Jefferson outlined in orange. This is the easternmost parcel in Detroit and in the historic district. Note how the western (left) portions of two buildings substantially in Grosse Pointe Park occupy this parcel. The “interior” building (red arrow), addressed as 1005 Wayburn from Grosse Pointe Park, was completely demolished in late March, including the Detroit portion. The Jefferson-fronting City of Grosse Pointe Park Department of Public Works (DPW) building (15005 East Jefferson, yellow arrow) was partially demolished, leaving a compromised remnant in Detroit. The structure at the north end (green arrow) is an open air salt storage shed, which exists entirely within Detroit.

The legal parcel known as 14927 East Jefferson, one of three parcels under review, is the easternmost parcel along Jefferson and merits some deeper discussion. Per the legal description of this parcel, it includes all of lot 201 and the westernmost 2’ of lot 202, and has a frontage of 42’, to wit:

N--E JEFFERSON 201 W 2 FT 202 TURNBULL & EPSTEANS JEFFERSON AVE SUB L26 P98 PLATS, W C R 21/300 42 IRREG

Per the assessor’s records, lot 201 is 40’ wide. According to the codified boundary of the Jefferson-Chalmers Historic Business District as described in Section 21-2-204 of the 2019 Detroit City Code, the historic district boundary in this vicinity runs

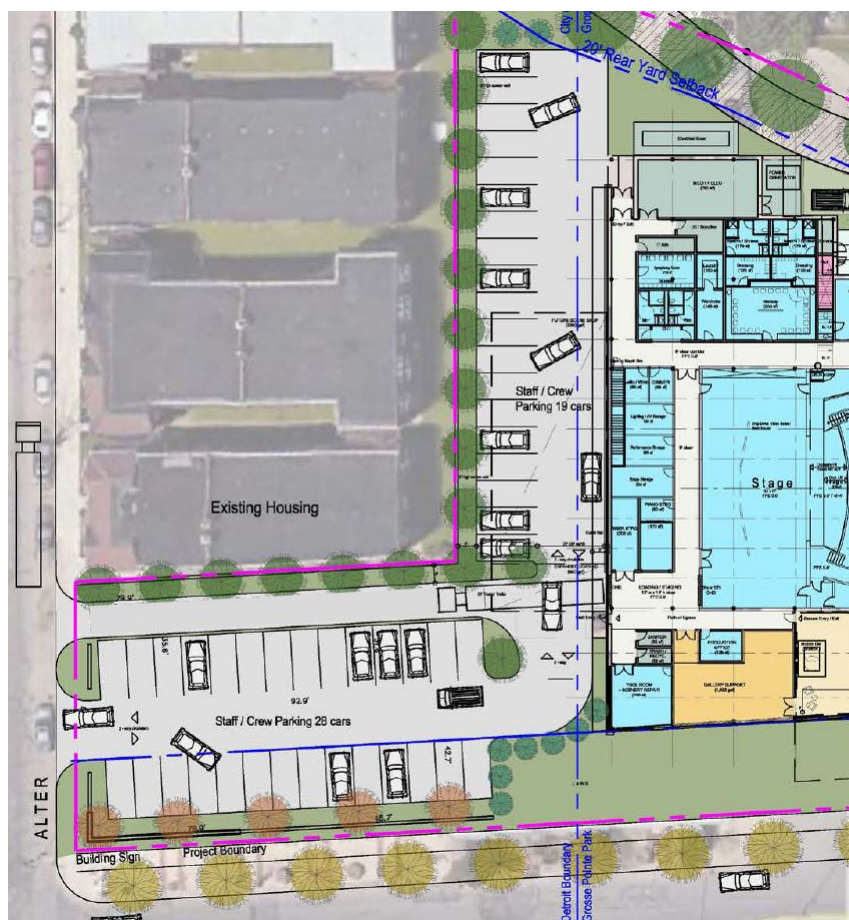
*northerly along the center line of Alter Road to its intersection with the north line of Lot 1 lying north of East Jefferson Avenue, Alters Plat (L7 P85), extended northwest; thence southeast along said north line of Lot 1 to the northwest corner of Lot 201 in the Turnbull and Epstean's Jefferson Avenue Subdivision (L 26 P 98); thence continuing southeast along the north line of said Lot 201 **to the northeast corner of said Lot 201 and the intersection with the City limit; thence south along the east line of said Lot 201 to the north line of East Jefferson Avenue**; thence continuing along the line of the City limit, extended south to its intersection with the center line of the alley running east-west behind the lots fronting on the south side of East Jefferson Avenue;*

Carefully parsed, there is an apparent 2’ conflict between “intersection with the City limit” and “south along the east line of said Lot 201” at this eastern extreme of the historic district, unless the city limit is also at the east line of Lot 201. What is certain is that the Commission jurisdiction includes at least 40’ of the 42’ frontage of 14927 East Jefferson, and the entire depth behind that to the north. The two additional easternmost feet may also be covered, or may be in Grosse Pointe Park, but are probably de minimis in practice, as in either case at least 1/3 of the buildings are transected by the historic district boundary, just in a slightly different location.

PROJECT DESCRIPTION/BACKGROUND INFORMATION

Per the attached plans, renderings, and documents, the Urban Renewal Initiative Foundation (URIF, dba Schaap Center) proposes to construct a surface parking lot at the northeast corner of East Jefferson and Alter Road, as well as a loading drive for trucks adjacent to the south elevation of the neighboring apartment building at 1020 Alter Road. 14927 East Jefferson, the long parcel extending north behind the three district apartment buildings, is also proposed to be surface parking. These improvements are intended to serve the new Schaap Arts Center building proposed for the Grosse Pointe Park portion of the block. Necessary to complete this project are the demolitions of three non-contributing structures in the historic district, two of which extend into Grosse Pointe Park. The full demolition of one of these buildings, and the partial demolition of another, occurred in spring 2023.

The City of Grosse Pointe Park and the Urban Renewal Initiative Foundation signed a Memorandum of Understanding (MOU) with the City of Detroit in 2019 regarding the future of the property, which is included in the application materials. However, the law department confirmed in August 2021 to PDD and HDC staff that the MOU did not exempt any proposed project from regulatory review under zoning, historic, or other requirements. The Historic District Commission was not a party to the negotiated MOU, despite the MOU's own requirement to be "signed by all necessary parties thereto" (page 7, section 9F); there is no record of historic staff involvement in the proposal, though it was signed by the previous director of the Planning and Development Department (PDD), Maurice Cox. Note that PDD's Office of Historic Preservation (OHP) provides professional staff for the HDC. With no prior approvals from this Commission, the project has thus been docketed for this body's review.



Site plan per applicant submission. The Commission's jurisdiction (city of Detroit) is west (or left) of the blue dashed line. Note loading drive approach adjacent to existing historic apartment building, including a semi-truck shown staged in front of 1020 Alter, denoted here as "Existing Housing."



Aerial view of entire project site, from applicant's submission materials. The yellow line, added by staff, shows approximate location of city boundary/jurisdictional limits of the HDC.

PUBLIC REALM DESIGN

It is hoped this gathering area will be enjoyed by all people of the community, and celebrated as a place for the arts and a place to come together and rediscover the kindness and good in all of us.



Depiction of the public space offered by the applicant/developer, at corner of Alter and Jefferson.

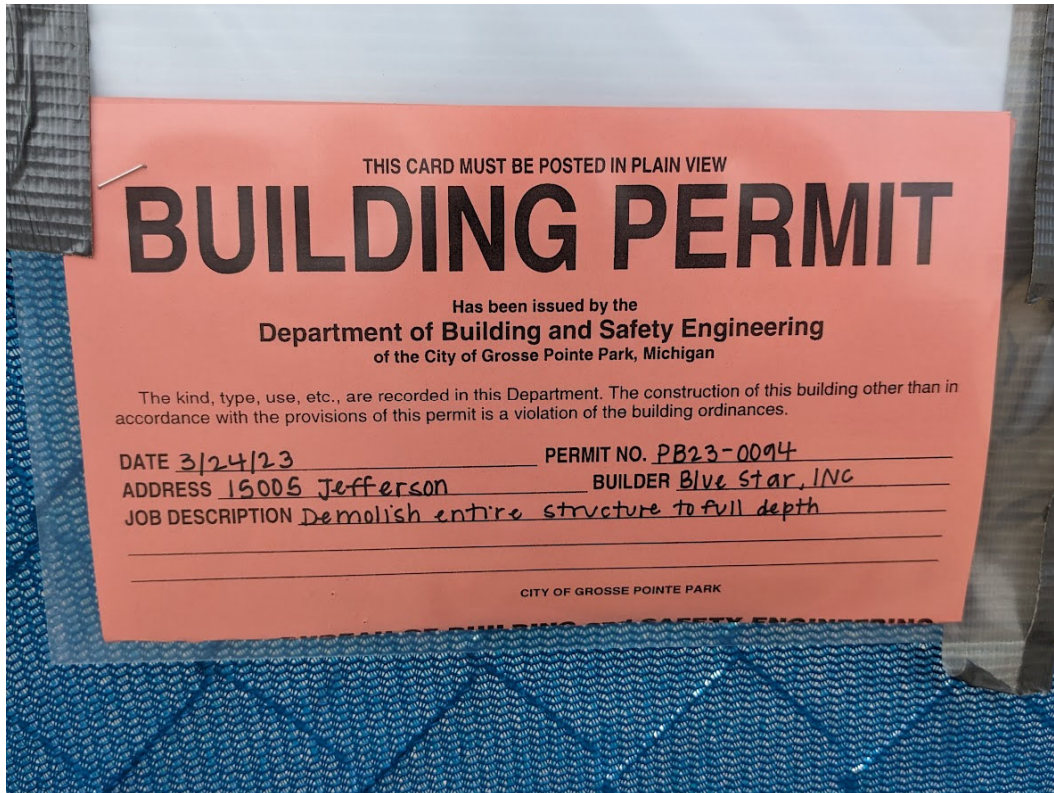
The application was first docketed for Commission review at the October 2021 Regular Meeting, but was withdrawn by the applicant on the day of the Meeting. Responding to the initial negative October 2021 staff report, the applicant noted that they “relied on the executed MOU and City of Detroit Approvals to proceed with the mutually acceptable construction of the Schaap Center in accordance with the MOU. Based upon the City of Detroit Approval, the URIF has spent over \$4 Million in pre-construction costs to

date. The City of Detroit has also accepted a \$300K donation from the URIF in compliance with the executed MOU.” Between late 2021 and early 2023, there was little communication from the developer, excepting a Freedom of Information Act (FOIA) request for all City of Detroit employee communication regarding the project, which was duly fulfilled.

In late March 2023, HDC staff received multiple urgent complaints from residents of both Detroit and Grosse Pointe Park concerning demolition activity at the site, including unpermitted activity (“work”) at the Detroit parcels. A stop work order was issued by the City of Detroit’s BSEED, but not before a substantial majority of the “interior” DPW building (extending into 14927 East Jefferson, and addressed as 1005 Wayburn) was demolished. This work is in violation of the historic ordinance and the state’s Local Historic Districts Act.



View of site conditions during demolition activity, including City of Grosse Pointe Park building permits (in pink) and City of Detroit Stop Work order (in orange). The extant Jefferson-fronting DPW building, partially demolished later that spring, is visible at left. Staff photo, March 31, 2023.



*Detail view of one of the two City of Grosse Pointe Park building permits posted at the site, which states in unusual specificity, “Demolish entire structure **to full depth**”, despite both structures extending partially into the City of Detroit and out of the jurisdiction of this building department. This card refers to the DPW building, addressed as 15005 Jefferson. The other permit, with identical language, refers to 1005 Wayburn, that being the “interior” building demolished in its entirety. Staff photo, March 28, 2023.*

Subsequently, the City of Detroit filed a lawsuit seeking to compel the submission of a building permit application. This present application to the Historic District Commission, in HDC staff’s opinion, represents a positive and welcome step towards regulatory compliance. However, it should be noted that multiple other city departments may have open comments regarding the initial 2021 permit application, a summary of these comments is appended to this staff report. HDC staff has no knowledge concerning the applicant’s intentions or progress in responding to other department’s reviews/comments, nor is the status of other reviews within the jurisdiction of the Commission. Any approval by the Historic District Commission would not affect the permit approvals or reviews still outstanding to any other department, except perhaps as the successful completion of those other reviews might delay the issuance of a Notice to Proceed under condition 2 of Section 21-2-75, which requires all other reviews to be complete and successful.



View of existing conditions at 14927 East Jefferson, the “cleaved remnant” of Grosse Pointe Park’s former DPW building. Note historic brickwork and limestone coping revealed by this activity (blue arrow). Staff photo, October 17, 2023.

Subsequent to the filing of the lawsuit, the former DPW building (fronting East Jefferson) which was in apparent use by the City of Grosse Pointe Park as recently as 2021, was partially demolished, leaving only the western portion in Detroit standing. The surgical precision and time necessary to create this cleaved remnant, reminiscent of some of artist Gordon Matta-Clark’s most ambitious creations, is notable to staff. This action has substantially compromised the safety and serviceability of the remaining piece of the structure, leaving it open to weather infiltration for several months. It is unknown whether the remaining building systems (including the structural systems) are adequate to keep the architecture intact, or to feasibly salvage the remaining piece. It is unclear why the City of Grosse Pointe Park would have permitted and approved the creation of such an obvious hazard to the public under Michigan building codes, if that is what happened. Ironically, the developer’s own attorneys now characterize this fatally compromised structure as “abandoned,” “deteriorated,” and in “poor condition,” when such conditions have by all appearances been created by the developer/owner in recent months.

Alternately, if the building was indeed “dilapidated” prior to this spring’s partial demolition, or even prior to the City of Grosse Pointe Park’s sale to the developer in March, or even further was actually an “attractive and dangerous nuisance which has been the site of pervasive lewd and criminal activities such as vandalism, drug use, and other immoral acts” as vividly described by the applicant’s attorney in their present letter to this Commission, such a regrettable circumstance would quite plainly have been the sole responsibility of the property’s previous owner, the City of Grosse Pointe Park, to remedy. A licensed engineer’s report prior completed prior to the partial demolition, commissioned by the developer and included as an exhibit in support of the demolition, states that “the building has suffered from a lack of proper maintenance over the years. As a result, the building now requires major repairs to ensure the safety of occupants and the public.” Even now, large portions of siding on the remnant building are disconnecting and posing an immediate hazard to pedestrians on the Detroit sidewalk. HDC staff observed aluminum siding blowing off the building in the wind.



Detail view of current conditions at 14927 East Jefferson, showing easily repairable loose siding materials hovering over Detroit's public sidewalk. Staff photo, October 17, 2023.

No structural engineering report or opinion was submitted for the much larger “interior” building, 1005 Wayburn, which was completely demolished prior to the structural engineer’s inspection of 15005 Jefferson, nor for the non-contributing “salt shed.” Such reports are only required by the Commission if applicants are claiming structural deficiency or economic infeasibility as a reason for the demolition.

STAFF OBSERVATIONS AND RESEARCH

- The Jefferson-Chalmers Historic Business District was established in 2008.
- Legal establishment and construction of a surface parking lot at this prominent corner makes permanent the loss of density and character caused by the controversial and unnecessary demolition of the Deck Bar building (not the responsibility of the current applicant). In staff's opinion, appropriate redevelopment of these vacant parcels might include, but is not limited to public-facing structures similar in scale, massing, and density to what was once here, built to the front lot line with no setback, and consistent with the existing street-engaging historic context of the Jefferson-Chalmers Historic Business District.
- The area around three well-maintained pre-war apartment buildings, 1020 Alter, 1034 Alter, and 1034 Alter, will be heavily impacted by the project through the introduction of surface parking to the south and east. Additionally, the loading drive along the south elevation of 1020 Alter, though nominally separated by a row of trees/masonry screening wall, is close to residential units ventilated by double-hung windows, and will clearly impact the historic environment in that area. Though the MOU outlines limited hours of operation for loading, and a five minute limit for idling, there appears to be no enforcement mechanism to control such an easily abused rule.



View of the Alter Road apartment buildings. The proposed loading drive would run adjacent to the south elevation of the building at right. There is no existing curb cut in this location. Staff photo, October 1, 2021.



View to the east along south elevation of 1020 Alter, where loading drive is proposed. By staff's count, there are thirty-two (32) operable windows at this elevation, including several at grade. Staff Photo, October 1, 2021.

- Two new curb cuts will be introduced along Alter Road, one for the loading drive, and one for entry into the corner parking lot. Such cuts were not present historically and will disrupt the historic pedestrian character of the district. Currently, the construction crews are using an unapproved gate at Alter, on 14901 East Jefferson, without a curb cut.
- As currently designed, the project locates “back of house” uses and negative support functions (i.e., parking, pedestrian/vehicle conflicts, and truck loading) in, and facing toward, the City of Detroit. The addition of a few landscaped beds or masonry walls does not diminish nor mitigate this obvious disparity, and is not historically compatible with the pedestrian and historic context.
- The proposal also requires the demolition of additional streetwall buildings on this block, further aggravating the damage already caused by the loss of 14901 and 14917 East Jefferson. Though the buildings have been insensitively re-clad and are non-contributing, prior to the recent demolition activities they maintained enough integrity of setting and association in playing their part to maintain the historic street wall. The partial demolition undertaken by the developer has revealed potential historic details hidden below the later cladding. Full demolition of the remaining buildings will mean that, in the short history of this district, a once fully intact historic block has been completely leveled, which is inconsistent with the goal of historic preservation.



The westernmost section of historic brick buildings at 14927 East Jefferson prior to partial demolition in 2023, showing the approximately 40' of frontage subject to the Commission's jurisdiction. Note historic limestone still intact behind the incompatible white siding. The tall chimney at rear belongs to the "interior" building. Staff photo, October 2021.

- The proposal is additionally in conflict with the following Elements of Design for the Jefferson-Chalmers Historic Business District (per Section 21-2-204 of the City Code), as excerpted below:
 - **Element 5, Rhythm of spacing of buildings on streets:** *Where buildings abut each other along East Jefferson Avenue, the continuous flow of the streetscape is broken rhythmically only by the intersection of side streets. Where gaps exist because of building demolition, that rhythm is broken.*
 - **Element 12, Walls of continuity:** *Walls of continuity are created by the continuous flow of abutting buildings along the front lot lines. This continuity is broken where buildings have been demolished.*
 - **Element 14, Relationship of open space to structures:** *Open space generally exists in the form of public right-of-way in the front of buildings on East Jefferson Avenue and the side when the building is on a corner lot, such as the sidewalk and street.*
 - **Element 16, Directional expression of front elevations:** *Most front elevations express horizontally, an impression reinforced by the repetition of similar storefronts along the street*
 - **Element 17, Rhythm of building setbacks:** *A consistency of building setback is created, except where demolition has occurred, due to the siting of the buildings on the front lot lines along East Jefferson Avenue.*
 - **Element 18, Relationship of lot coverage:** *Buildings on corner lots often occupy most of their entire parcels*
 - **Element 20, Orientation, vistas, overviews:** *The primary orientation is towards East Jefferson Avenue...The wide, uninterrupted sweep of East Jefferson Avenue lined with buildings of fairly uniform heights results in a consistent but varied silhouette.*
 - **Element 22, General environmental character:** *The Jefferson-Chalmers Business Historic District is a low-scale, mixed-use neighborhood commercial district that*

maintains a high degree of integrity but faces increasing pressures from redevelopment...the district has potential to grow into a gateway that complements that of the Grosse Pointes.

- In the recent past, the Commission has **approved** surface parking lots in the city's historic districts only under the following conditions:
 1. The lot is located adjacent to, and directly supports, the proposed adaptive reuse or rehabilitation of a contributing historic building, and thus qualifies for a COA under the National Park Service guidelines concerning cumulative effect (noting that smaller portions of projects may be inappropriate, if the overall effect of the larger project is appropriate in the context of the specific conditions of the property)
 2. The lot is part of a new development project, providing required parking per City code, located in the historic district and approved for a NTP.
 3. The lot is a pre-existing, legally established (permitted) use that predates the historic district, or was approved by the Commission at an earlier date.
 4. The lot is a temporary condition.

ISSUES AND ANALYSIS CONCERNING A **CERTIFICATE OF APPROPRIATENESS (COA)**

- Per Sections 21-2-73, 21-2-75, and 21-2-78 of the 2019 Detroit City Code, and corresponding sections of the state Local Historic Districts Act (Act 169 of 1970, as amended), the Commission reviews all applications for work in consideration of three specified outcomes, that being a Certificate of Appropriateness (COA), Notice to Proceed (NTP), or a Denial. Section 21-2-78, excerpted below, describes the three paths available for all applications (bolded words by staff):

...the Historic District Commission shall determine:

*(1) Whether the proposed work will be **appropriate** according to the defined elements of design for the historic district and the Secretary of the Interior's standards for rehabilitation and guidelines for rehabilitating historic buildings (36 CFR Part 67), in which case the Historic District Commission will issue a **certificate of appropriateness**;*

*(2) Whether the proposed work will be **inappropriate** according to the Secretary's standards and the defined elements of design for the historic district, but is **without substantial detriment to the public welfare and without substantial derogation from the intents and purposes of this article**, and where **one or more of the conditions of Section 21-2-75 of this Code have been met**, in which case the Historic District Commission may issue, in lieu of a certificate of appropriateness, a **notice to proceed**; or*

*(3) Whether the proposed work will be **inappropriate** according to the Secretary's standards and the defined elements of design for the historic district, in which case the Historic District Commission will issue a **denial**. A denial shall be issued to the permit applicant in writing, accompanied by a written explanation by the Historic District Commission of the reasons for the denial and, if appropriate, a notice that the application may be resubmitted for the Historic District Commission's review when suggested changes have been made. The written notice of denial shall also include notification of the applicant's rights of appeal as provided for in Section 21-2-81 of this Code.*

- This section of the staff report therefore discusses and summarizes professional staff recommendation concerning the application's potential qualification for a Certificate of Appropriateness (COA). Staff acknowledges that the applicant, in their submission materials, has indicated their interest in pursuing a Notice to Proceed, but this does not prevent the Commission from duly considering each of the three paths outlined above for applications for work, as it is required to do for all applications. Per Section 21-2-2, the Commission receives and reviews applications for *work* (not applications for NTPs), work being defined in Section 21-2-1 as "*construction, addition, alteration, repair, moving, excavation, or demolition.*"
- This COA discussion considers only the three City of Detroit parcels. The architecture, design, and compatibility of the arts center building in Grosse Pointe Park, located fully outside of the historic district boundaries (and indeed, outside of the City itself), has no bearing on this analysis. For a COA, the Commission is tasked only with assessing the appropriateness of the proposed corner parking lot, seating plaza, and loading drive on the historic district. For the later analysis under a NTP the entire project may be considered.
- Staff notes again that the City of Detroit entered into an MOU regarding this property, which is included in the review materials for the Commission this evening. However, for unclear reasons, the Detroit Historic District Commission, which has statutory authority over work in historic districts per [Chapter 21 of the 2019 Detroit City Code](#) and [MCL 399.201-215](#) (the [Local Historic Districts Act](#)), was not consulted prior to the agreement, despite the City of Grosse Pointe Park's previous experience with the Commission's approval requirements (Note that the City of Grosse Pointe Park, while not a party to this application, is a party to the original MOU). For clarity, except for appointment of its members, neither the Mayor nor City Council have authority over

the actions and decisions of the Commission. Decisions of the Commission may be appealed to the State Historic Preservation Review Board, and thereafter to Circuit Court. The City does not review, and cannot overrule, decisions of the Commission. This is a common safeguard in municipal historic preservation law in the United States – the intent is that short-term political concerns should not override long-term planning and preservation of historic districts. For community concerns that rise to such a level that historic preservation might be set aside, Michigan state law provides the Notice-to-Proceed option, which gives elected and community officials, and developers, the opportunity to present arguments for an inappropriate project’s merit.

- BSEED may not issue permits for work in historic districts without Commission approval, except for emergency orders for work that is “immediately necessary for the protection of public health and safety” per [Section 21-2-74](#) of the City Code.
- The drafters and signers of the MOU (including senior City of Detroit officials), via the design of this project, appear to have missed a real opportunity to create a gateway facility that respects the historic context, while celebrating and joining both of our cities. It is the opinion of HDC staff that the project could have been redesigned to incorporate multi-story massing along East Jefferson, centered at Alter Road in Detroit, which would restore the lost street wall and maintain pedestrian vitality consistent with the city’s planning goals and pre-existing historic preservation designation of this district, while still accommodating its proposed program and mission. Parking and loading could have been relocated to areas north and east on the development site, away from public view.
- HDC Staff finds the proposed surface parking, seating area, and loading drives proposed for 14901-14917 East Jefferson to be historically inappropriate, as it puts the property into a new use that requires substantial change to the defining characteristics of the site and its environment, destroys the historic character of the property, is incompatible with the massing, size, scale, and architectural features of the property and its environment, and impairs the essential form and integrity of the historic property and its environment, and does not conform to the Elements of Design for the Jefferson-Chalmers Historic Business District, specifically Elements 5, 12, 14, 16, 17, 18, 20, and 22.
- Staff finds that demolition of those western portions of buildings on 14927 East Jefferson, and replacement by surface parking to be historically inappropriate, as it would create an even larger void in the historic Detroit commercial street wall, and correspondingly places the property in a new use that requires substantial change to the defining characteristics of the site and its environment, destroys the historic character of the property, removes historic materials, alters features and spaces that characterize a property, destroys distinctive features of a historic property, destroys historic materials that characterize the property, is incompatible with the massing, size, scale and architectural features of the historic property and its environment, and impairs the essential form and integrity of the historic property and its environment, and does not conform to the Elements of Design for the Jefferson-Chalmers Historic Business District, specifically Elements 5, 12, 14, 16, 17, 18, 20, and 22.
- Staff therefore recommends to the Commission that the proposal does not qualify for a Certificate of Appropriateness under Sections 21-2-73 and 21-2-78.

ISSUES AND ANALYSIS CONCERNING A *NOTICE TO PROCEED* (NTP)

- Per Section 21-2-75, 21-2-78, and the corresponding section of the state Local Historic Districts Act (MCL 399.205 (6)), the Historic District Commission may issue a type of approval known as a “Notice to Proceed,” in lieu of a Certificate of Appropriateness. for work that is inappropriate but meets certain requirements generally predicated on community benefit, as such, bolded words by staff;

*Pursuant to the Act, an application for **inappropriate work** adversely affecting the exterior appearance of a resource, **which work cannot be granted a certificate of appropriateness**, shall be permitted by the Historic District Commission through the issuance of a notice to proceed **if any of the following conditions prevail and if the Historic District Commission finds that the work is necessary to substantially improve or correct any of these conditions:***

(1)The resource constitutes a hazard to the safety of the public or the occupants;

*(2)The resource is a deterrent to a **major improvement program that will be of substantial benefit to the community**. Substantial benefit shall be found only if the applicant proposing the work has obtained all necessary planning and zoning approvals, financing, and environmental clearances, and the improvement program is otherwise feasible;*

(3)Retention of the resource would cause undue financial hardship to the owner. Undue financial hardship shall be found only when a governmental action, an act of God, or other events beyond the owner's control created the hardship, and all feasible alternatives to eliminate the financial hardship, which may include offering the resource for sale at its fair market value or moving the resource to an appropriate vacant site within the historic district, have been attempted and exhausted by the owner;

(4)Retention of the resource would not be in the interest of the majority of the community.

- As in all previous HDC staff reports concerning Notices-to-Proceed (NTPs), PDD’s Director of Historic Preservation (author of this report) is tasked, in addition to providing a professional opinion on historic appropriateness, with forwarding the opinions and advice of PDD, the Mayor’s Office, and/or other administration departments/agencies that are accountable to community opinion and responsible for decision-making on such matters. This does not mean, however, that the Commission is bound by such opinions or advice. Historic District Commissioners in Michigan, while nominated by the Mayor and approved by City Council, have full independence in their administration of the districts. Neither the Mayor nor City Council can bind the Commission to a particular action, nor overrule any action or decision of the Commission, as discussed above.
- **As distinct from the COA discussion, the NTP discussion can consider the impacts of the entire project (including the GPP portion), in the context of the work approved at the Detroit parcels, should the Commission find it relevant to an understanding of community benefit.**
- It is clear, in staff’s opinion, that “substantial community benefit” or “interest of the majority of the community” means the **community of the City of Detroit**, as the historic district has been recognized by the City of Detroit as being significant, is organized and perpetuated under city code, and any inappropriate work negatively affecting the City’s resources and historic districts permitted in a NTP context is assumed to be mitigated (almost in a transactional sense) by a clear and identifiable community benefit that accrues to the negatively affected district/community. As

such, when considering a NTP, the Commission is asked to focus on **potential community benefit to Detroiters in general, and residents/businesses of Jefferson-Chalmers in particular**. However, the Commission may define, and act upon, “substantial community benefit” according to their own analysis and interpretation.

- Community benefit may be construed or weighed in both tangible (design, physical project impact) and intangible (economic/socio-cultural) ways, as the Commission may see fit. In all recent cases awarded a NTP, the Commission considered both tangible and intangible factors during their deliberation, and in many cases instituted certain conditions to maximize community benefits and minimize negative physical impacts on the historic district or resource. Examples include recent NTP approvals at the Brodhead Armory on the riverfront, the Coe II in the West Village, and the Godfrey Hotel in Corktown. All of these projects were improved by design changes and conditions until the Commission felt a community benefit had been established.
- The applicant, in their submitted materials, makes a number of arguments concerning community benefit for Detroiters and residents/businesses of Jefferson-Chalmers. Upon receipt last month, this information was shared with, and discussed by, several planners in PDD with direct experience in community benefit administration, planners responsible for community liaison and legislative affairs, and senior planners responsible for east region planning, which includes the Jefferson-Chalmers neighborhood. Under the standards typically used to assess community benefit, it was the consensus of this group of community planners that a substantial benefit, either tangible or intangible, had not been convincingly made by the submitted materials. The objections in italics below are summarized, and provided for information, current as of October 26, 2023:

We accept that there is potential value to the Jefferson-Chalmers neighborhood in the construction of this venue. It is likely that the presence of this development will bring additional traffic to the adjacent area. However, as proposed, the project does not conform to the standards of the Historic District Commission or the Traditional Main Street Overlay Areas (TMSO). The project also does not explicitly provide satisfactory community benefits to the Jefferson-Chalmers neighborhood, as the venue is in another jurisdiction, with only its parking lot in the City of Detroit. Additionally, the venue, as designed, appears to present an adverse impact to the quality of life to residents living immediately north of the site on Alter Road, due to the location of proposed loading lanes. Furthermore, the non-pervious parking lot and plaza surfaces will exacerbate stormwater management in a neighborhood that already has significant flooding issues.

We note below added concerns that can be raised with the applicant for clarification:

Community Engagement

i. Minimal community engagement has been documented in Detroit and specifically, the Jefferson-Chalmers neighborhood.

ii. No letters of support have been furnished from Jefferson-Chalmers neighborhood residents or community stakeholders.

iii. A single community meeting scheduled after submission of an application espousing substantial community engagement is insufficient to afford maximum opportunity for input from Jefferson-Chalmers neighborhood residents or community stakeholders for a project of this magnitude. It is also counter to the applicant’s profession of a collaborative effort with the City of Detroit.

Community Benefits

i. While the construction of Schaap Center may provide ancillary benefits to the Jefferson-Chalmers neighborhood adjacent to the venue, there are few

tangible, direct benefits to the community or the City of Detroit.

ii. The vendor list supplied shows support of some Detroit-based businesses, however, this is not an enforceable benefit to the community.

iii. The proposed parklet on the corner provides only perfunctory amenity, and only to minimally meet regulations and design guidelines. For a proposal that promotes significant sustainable, environmental design standards, the parklet does not pass muster.

iv. The proposed parking and plaza surfaces do not incorporate any significant best management practices, such as permeable pavement, bioswales, or native planting buffers, all of which have documented positive aesthetic and stormwater infiltration benefits. This is a monumental oversight for an area with documented flooding issues. This calls into question the extent of public engagement of area residents and stakeholders during the design process.

v. It is unclear if the parking lot will be available for residents' use when no activities are planned.

vi. It is unclear if the venue plans to function in any capacity during standard business hours or will be mostly active on nights and weekends.

Neighborhood Compatibility

We reiterate comments previously raised regarding the proximity of the loading lane immediately adjacent to a multifamily residence and building setback deeper than parking lots.

- On Monday, October 23rd, the applicant hosted a community meeting concerning the proposed project in the Jefferson-Chalmers community. This was the first known public meeting held concerning this project; the applicant has provided documentation showing the meeting was well-advertised to the community via a mass mailing. HDC staff did not organize, advertise, nor attend the Meeting, to avoid giving the impression of sponsorship or approval of the proposal. We received the following general feedback from a Legislative Policy Division (City Council) employee who attended the meeting:
 - The meeting was well-attended, with approximately 75 community residents and business owners.
 - The project received “mixed reviews,” with some attendees strongly opposed to the treatment of the Detroit parcels, while others looked forward to the activation and commercial activity that the Schaap Center might provide.
 - Though no accounting is available, in general, it appeared to the observer that the project found favor with a majority of those attending. The applicant has not submitted a sign-in sheet, to date.
 - Jefferson East Incorporated (JEI), a business association active in the district who helped host the community meeting, is in favor of the overall project.
- To date (November 6, 2023), the applicant/developer team has provided nine letters of support (Exhibit A) from the following writers:
 - Anthony Toth of **Dynasty Investment Partners**, a “Detroit-based private equity commercial real estate investment firm” and owner of the adjacent Bridge Apartments (formerly Pointe Manor apartments) adjacent to the site on Alter Road. Mr. Toth notes that the apartments are the “Schaap Center’s nearest neighbor in proximity.” Mr. Toth claims that the residents of his company’s buildings do not share staff concerns with the proximity of the loading dock/screening wall, and that others have “moved here in

anticipation of living in close proximity to the Schaap Center.” He writes that “both our ownership and our 62+ residents at The Bridge wholeheartedly endorse the Schaap Center and the myriad benefits it will bring to our community.”

- Moussa Bazzi **owner of 943 Alter (Windmill Pointe Manor Apartments)** and “other residential properties located near the Schaap Center” writes that “the Schaap Center will be a significant benefit to our community and will help to revitalize the gateway to Detroit on the east side.” He also owns and operates the Mobil and Marathon gas stations at the subject intersection. Mr. Bazzi writes that the Schaap Center will “provide jobs for Detroit residents and Detroit companies, bolster retail and restaurant opportunities and reestablish our neighborhood.” He notes that his retail activities have improved from the recent construction activity.
- Judith F. Dolkart, Deputy Director for Arts, Education and Programs for the **Detroit Institute of Arts (DIA)** writes with “enthusiastic support” for the “mission” of the Schaap Center, and looks forward to partnering “to bring a wide variety of art forms to the city, the region, and the state.” Noting that the arts can “drive the health of civic life,” the DIA endorses and “welcomes the Schaap Center as an important new destination for the arts for those in the region and far beyond—further adding to Detroit’s place on the national cultural stage.
- George R. N’Namdi of the **N’Namdi Center for Contemporary Art**, located on 52 East Forest in Detroit’s Sugar Hill/John R Music & Art Historic District, supports the Schaap Center as it is “poised to expand the arts envelope of Detroit and enhance the Jefferson-Chalmers neighborhood in immeasurable ways.” He writes approvingly of partners like the Detroit Institute of Arts, the Carr Center, and the Sphinx Organization. He anticipates “promising economic and cultural growth” and states that “Detroit residents will benefit from the performances and events and witness the development of 4,000 new homes, blight remediation, and retail shops.”
- Scott Maggart of **Smith Group**, the architect of the Schaap Center, also contributes a letter of support. He writes that the Center will serve as a “world-class performance venue for multiple Detroit-based musical and theatre groups,” and that “Detroit residents will be able to share in all the wonderful performances that will be produced there over the years.” In the architect’s opinion, the Center’s “location on the border of Detroit and Grosse Pointe Park will also be able to provide an anchor to stimulate growth and positive business impact along Jefferson in the historic Jefferson-Chalmers district.”
- Another letter, by Reggie Roland of **District by Design**, appears to be a letter of interest to CBRE for “preliminary design services” for the Schaap Center.
- Ethan Davidson, Chairman of **Detroit Opera**, writes that the Schaap Center will be “an exciting and welcome addition to the ever-growing art community in metro Detroit.” Adding the Schaap Center, he adds, “to the wealth of arts organizations in Detroit will be a constant reminder of, and boon to, Detroit’s significant and nationally recognized arts footprint.” Speaking more directly to city benefit, he offers that the “Detroit Opera, like all the other arts organizations in the city, will directly benefit from the Schaap’s stated purpose of being ‘a place of public fellowship for the appreciation of the arts.’”
- Another letter, submitted by David T. Provost, Chairman of the **Detroit Symphony Orchestra** Board of Directors, celebrates the “opening” of the Schaap Center and states that “adding a new arts center to the region expands our collective impact and provides additional and unique opportunities to educate, create dialogue, and inspire.” He notes that “our communities benefit from an increased investment in arts and culture.”
- A final support letter, from **Jefferson East Incorporated (JEI)**, was received on Monday, November 6. JEI is “a multi-service neighborhood organization that serves low-income populations on Detroit’s east side and five historic adjoining neighborhoods,” that describes its mission as partnering “with neighborhood residents and businesses to support development, greater resources, and investments in several eastside neighborhoods, including Jefferson-Chalmers.” JEI was also a key supporter of the

original historic district designation in 2008, and has been a partner in the city's efforts to redevelop and plan the future of the Jefferson-Chalmers commercial district. They request that "the Historic District Commission approve the Schapp Center's request for a notice to proceed to complete the demolition of the former DPW building and construction of a public plaza and parking facility at the northeast corner of Alter Road and east Jefferson." Joshua R. Elling, Director of JEI, further outlines the organization's support as such:

Given our deep commitment to Inclusive Development, historic preservation and good urban design, we do not take our endorsement of the Schapp Center lightly. And while all projects can always be improved, we feel that the spin off economic development benefits that will be created by the Schapp Center, constraints presented by the development site, and previous actions taken by the city of Detroit (emergency demolition order of the former Deck Bar and approval of the 2019 MOU between the city of Detroit and the Schapp Center) have all informed JEI's Board of Directors decision to fully support this development.

- An economic impact report prepared by the applicant (Kyle Knoll of PCI) is also included. The report talks glowingly of the project's potential benefits to the larger community, but does not break out the particular benefits predicted in the Detroit neighborhood of Jefferson-Chalmers. The report predicts an economic effect of \$100M and 665 new jobs for the construction phase. Importantly, more economic effect is expected during operation, not accounted for in this report.
- The applicant, in their presentation, notes the following:
 - The Schaap Center will be the permanent home for Detroit Concert Choir, Grosse Pointe Community Chorus, Grosse Pointe Symphony Orchestra, and Grosse Pointe Theatre.
 - Detroit-based program partners are: Detroit Institute of Arts, Detroit Medical Orchestra, Detroit Public Television, Detroit Symphony Orchestra, Detroit Opera, Eisenhower Dance Detroit, Mosaic Youth Theatre of Detroit, Pewabic Pottery, and the Carr Center.
- Three submitted exhibits, (Exhibits F-H) discuss flooding risk and stormwater impacts/mitigation for the overall project, including a bioswale. PDD notes that the Detroit Department of Water and Sewerage (DWSD) has its own review and sign-off for project approval, and cannot comment further on this scope as it may relate to community benefit or impact.
- The Planning Department notes the high profile recommendations for the Schaap Center submitted by several of the city's leading cultural institutions. Should the Commission approve the proposed work under a Notice-to-Proceed, our department hopes and expects that the Detroit Institute of Arts, the Detroit Opera, the DSO, and other organizations will take great care (in perpetuity) to develop joint programming with the Schaap Center that focuses on, highlights, and centers Detroit's history, culture, and performing arts, in particular the interests, needs, and priorities of the Jefferson-Chalmers community.
- As noted above, the Commission has relied in the past on recommendations from elected officials and/or their appointees concerning the validity of community benefit for proposed projects which may stray from historic appropriateness. Being accountable to voters, it is logical for the Commission to do so. In this case, the MOU itself (signed by now-departed PDD Director Maurice Cox on behalf of the City, and subsequently approved by City Council) states plainly that the construction of "a non-profit community center for the arts, bus turnaround and parking area is in **the best interest of the public** and are desirous of seeking necessary approvals and consummation of the same." Note that this assessment of public interest (as part of the larger MOU) includes not only the Schaap Center project, but the bus turnaround and two-way traffic opening on Kercheval at the city border. It is the opinion of PDD and the Law Department that the Commission may assess the benefits accruing to the City via the MOU in addition to the benefits of the Schaap Center project itself as part of its finding of "substantial community benefit," as the work envisioned for the parking lot is captured within the MOU.

- Mr. Antoine Bryant, current Director of PDD, has expressed to the Office of Historic Preservation (OHP) that PDD continues to support the assessment of former director Maurice Cox concerning public interest, as made in early 2019. Additionally, neither the Mayor nor City Council has communicated to OHP that they have withdrawn or reconsidered the assessment of public interest recited in the MOU. As such, based on such implied guidance from elected leaders and their appointees, staff recommends to the Commission that the demolition of the remainder of the building at 14927 East Jefferson and the proposed construction of a parking lot and loading drives at the subject parcels (with the proposed addition of a public plaza/seating area), should in fact constitute a substantial community benefit and is, via the attestation of the public's elected representatives captured in the original MOU, is squarely in the interest of the majority of the community, and per the requirements for a Notice-to-Proceed outlined in Sections 21-2-75 and 21-2-78.

ADVISORY REVIEW

- Per Section 21-2-5 of the city code, the Commission is also required to make a finding on the demonstrable effect of any discretionary, city-assisted physical development project, and if an effect is found, whether that effect is likely to be beneficial or adverse to the historic district. This finding does not affect the permit approval decision (i.e., COA/NTP/Denial), and will be reported separately to the Mayor and City Council. Staff notes that both the Mayor and City Council have already acted upon this project, via the MOU, prior to receiving the Commission's advice. However, the Commission's input is still required under the law.
- The city code requires the Commission to assess the project under the following conditions:

A City-financed, licensed, permitted, authorized or contracted physical development project shall be considered to have a demonstrable effect on a designated or proposed historic district when any condition of the project creates a change, beneficial or adverse, in the quality of the historical, architectural, archeological, engineering, social or cultural significance that qualified the property for designation as an historic district or that may qualify the property for designation as an historic district.

Generally, adverse effects occur under conditions which include:

- (1) Destruction or alteration of all or part of a resource;*
- (2) Isolation from or alteration of the surrounding environment of a resource;*
- (3) Introduction of visual, audible, or atmospheric elements that are out of character with the resource and its setting;*
- (4) Transfer or sale of a City-owned resource without adequate conditions or restrictions regarding preservation, maintenance, or use; and*
- (5) Neglect of a resource resulting in its deterioration or destruction.*

RECOMMENDATION (PERMIT REVIEW)

Editors note: Two possible recommendations are provided here for the Commission's consideration, based on the two analyses offered above. Only one decision can be made.

Section 21-2-78, Determinations of Historic District Commission – Denial

The proposed project, including demolition of buildings, surface parking lots, loading drives, curb cuts, and associated landscaping, is inappropriate with respect to the Secretary of the Interior's Standards for Rehabilitation and does not conform to the Jefferson-Chalmers Historic Business District's Elements of Design.

Staff therefore recommends that the Commission issue a Denial for the proposal, as it fails to meet the Secretary of the Interior's Standards, especially Standards 1, 2, 5, 6, 9, and 10:

- (1) A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
- (2) The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
- (5) Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
- (6) Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
- (9) New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
- (10) New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

and is additionally incompatible with the district's Elements of Design (especially 5, 12, 14, 16, 17, 18, 20, and 22) of Section 21-2-204 of the 2019 Detroit City Code.

Section 21-2-78, Determinations of Historic District Commission – Notice to Proceed

PDD recommends that the Commission issue a Notice to Proceed for the project, as the proposed work will be inappropriate according to the Secretary's standards and the defined elements of design for the historic district, but is without substantial detriment to the public welfare and without substantial derogation from the intents and purposes of this article, and where condition 2 of Section 21-2-75 of this Code have been met, that being:

The resource is a deterrent to a major improvement program that will be of substantial benefit to the community. Substantial benefit shall be found only if the applicant proposing the work has obtained all necessary planning and zoning approvals, financing, and environmental clearances, and the improvement program is otherwise feasible;

With the condition that the Notice to Proceed approval is suspended, and shall not be issued or acted upon by staff, until evidence of "all necessary planning and zoning approvals, financing, and environmental

clearances” has been duly documented and submitted to HDC staff, to include approvals of other city departments.

RECOMMENDATION (ADVISORY REVIEW)

Section 21-2-5, Effects of projects on districts

Staff recommends that the project be found to have a **demonstrable effect** on the Jefferson-Chalmers Historic Business District, and that this effect is likely to be **adverse**, due to the following conditions:

- The project destroys all or part of the non-contributing resource at 14927 East Jefferson, which plays a role in maintaining the historic streetwall of the district identified in City Council’s historic designation report for the Jefferson-Chalmers Historic Business District.
- The project introduces visual elements that are out of character with the resource and its setting, that being a surface parking lot in a district identified and designated specifically for its pedestrian and urban character.