

An aerial photograph of an industrial district in Detroit, showing a dense grid of streets, numerous industrial buildings, and parking lots. The image is in grayscale, with a yellow banner overlaid on the top right.

# Southwest Industrial District Framework Study: Implementation + Impact Report

*October 2023*



# Southwest Detroit Industrial District Study: Implementation and Impact Report

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# Introduction

In 2020, the **Detroit Local Initiatives Support Corporation** (LISC Detroit) engaged **Detroit Future City** (DFC) to facilitate a framework study process for the industrial district near Michigan Avenue and Junction Street in Southwest Detroit. The study was led by **Southwest Detroit Business Association** (SDBA), a non-profit organization with a long history of serving residents and businesses in the Southwest community.



The study was based on **LISC's** [Community-Centered Economic Inclusion](#) approach, developed in partnership with The Brookings Institution. This approach aims to build wealth within underinvested communities and reduce economic inequities by connecting more people, places, and small businesses to regional economic opportunity. The initiative builds upon **LISC's** decades of experience working as a convener, investor, and capacity builder in 38 cities and rural communities across the country.

This document summarizes the progress made toward implementing recommendations contained within the [Exploring Opportunities for Equitable Development in a Southwest Detroit Industrial District](#) study completed in 2021, highlighting the work of the [Southwest Detroit Business Association](#) (SDBA) with support from [LISC Detroit](#).

To date, **LISC Detroit** has invested approximately \$274,000 in support of **SDBA** to increase its capacity to implement equitable economic development in its community. The investments backed the development of the 2021 study and early-stage implementation. **LISC Detroit** continues to work with and support **SDBA** and **Detroit Future City** to implement and update the Industrial District Study.

# Implementation Update

Listed below are the recommended next steps contained in the Industrial District Study, followed by brief updates on the status of recommended actions. As this update will illustrate, there are already several promising initiatives and potential development projects underway that will significantly impact inclusive economic growth in the study area.

- 1. Dedicate staff to continue outreach to businesses in the manufacturing and industrial sectors. Consider creating a new District Manager position to lead these efforts and play the roles of a business connector, district marketer and equitable development advocate within the study area.**

Shortly after the Industrial District Study was published in 2021, **SDBA** hired a full-time Business Development Specialist, with support from **LISC Detroit**. This position serves as a District Manager for the industrial district, as recommended in the district study. **SDBA's** Real Estate Advocate also plays a key role implementing the study recommendations. This position not only supports **SDBA's** own real estate development projects, but works with businesses, government agencies, real estate brokers, and other organizations to attract and retain businesses in the area.

**SDBA** also provides support to the [Michigan Avenue Business Association](#), which intersects with the industrial district. This support includes providing façade improvement grants to retail businesses along Michigan Avenue.

**SDBA** is making concerted efforts to survey and connect with business owners in the industrial district by developing survey instruments to assess technical assistance needed by area businesses. Responses from within the district have been limited to date, outreach to businesses remains a priority.

In 2023, **SDBA** established additional contacts with property owners and developers within the district, including Straight 8 LLC, Players Only LLC, the Piston Group, Ford Motor Company, and developer Christos Moisides. The contacts were often the result of an introduction made by one of **SDBA's** partners such as **LISC Detroit** and [Parkstone Development Partners](#). Leveraging partner relationships has proven to be a successful strategy for connecting with more area businesses and will be continued.

- 2. Incorporate manufacturing and industrial sectors into SDBA's ongoing programming. Continue to develop a comprehensive contact list and incorporate those businesses into SDBA mailings and social media communications. Consider hosting workshops on topics that may appeal to these businesses such as workforce resources, trends in manufacturing, drainage fee reduction, succession planning, solar power, opportunity zones, etc.**

**SDBA** maintains an updated contact list of industrial stakeholders and businesses in the industrial district and uses these contacts to invite businesses to participate in webinars and programs sponsored by **SDBA**.



In March 2022, **SDBA** promoted a grant opportunity to area businesses offered through Wayne County. The grant program supported environmental assessments for industrial properties looking to undertake development. This effort generated proposals from five industrial businesses in Southwest Detroit, although these businesses are located outside the immediate study area boundaries.

In September 2022, **SDBA** co-sponsored a webinar called *Best Practices and Strategies for Building a Collaborative Construction Culture* with local construction contractor [AGI Construction](#). Also in the fall of 2022, another webinar was held focusing on Permitting and Licensing and featured speakers from the City of Detroit Building Department and Parkstone Development Partners.

Tonja Stapleton, Parkstone Development Partner's President, has extensive experience with zoning, licensing, and permitting in Detroit and has consulted with numerous industrial businesses. Stapleton has since become involved with the Industrial District Plan implementation and has introduced **SDBA** staff to local businesses and real estate developers with which Parkstone has a relationship. **SDBA** has recently contracted Parkstone to provide direct technical assistance to local industrial businesses to deal with zoning, permitting, and other related issues.

**3. Work with other stakeholders to influence policy related to industrial development and land use. Support efforts to downzone property where appropriate to restrict intensive industrial uses and protect resident interests. Support efforts to incorporate stronger industrial buffering requirements and property development standards into the City's Zoning Ordinance. Support efforts to regulate truck traffic that impacts local residents and businesses.**

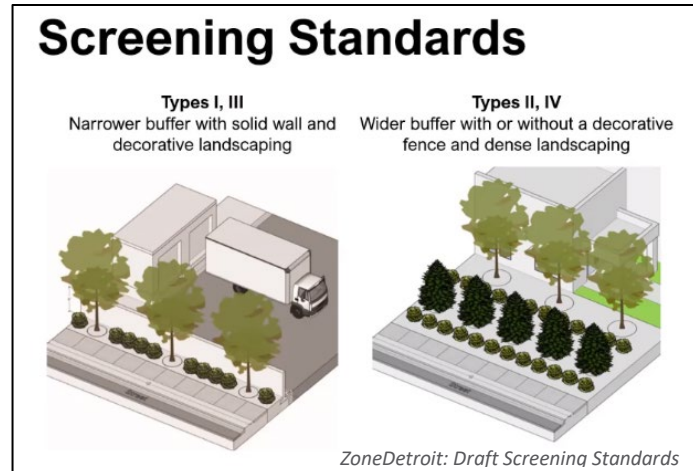
At the time of the original study, several properties within the district were downzoned from intensive industrial use to light industrial, residential, or special district designations. This effort was spearheaded by former City Councilmember Raquel Castaneda-Lopez with support from **SDBA** and other community stakeholders. The properties targeted for downzoning were adjacent to residential areas where heavy industry creates health hazards and other nuisances for residents. While it was hoped that additional downzoning would follow, this has not yet occurred.

Simultaneously, the Detroit City Planning Commission undertook a multi-year project to complete a major revision to the City's zoning code called [ZoneDetroit](#). The initial phase of this project does not include a comprehensive revision of the City's zoning maps. However, the City will be undertaking an update to the [Master Plan of Policies](#), beginning in Fall 2023. The most recent update to the Master Plan was completed in 2009. The Master Plan is intended to reflect a long-term vision for land use in Detroit and is used to inform changes in zoning designations. An update to the Master Plan should afford **SDBA** and other stakeholders an important opportunity to influence the future development of their community.

Although the comprehensive overhaul of the Zoning Ordinance has not yet been completed, some of ZoneDetroit's recommendations regarding buffering of industrial and commercial properties are being considered on an accelerated time frame.

These recommendations align with the 2021 Study. **SDBA** and **LISC Detroit** have participated in public meetings regarding the buffering regulations to advocate for

increased standards. If adopted, these standards would not apply to existing properties unless additional improvements are made or there is a change of ownership or use. More information on how SDBA and community partners could support implementation of these zoning changes, if passed, is discussed below.



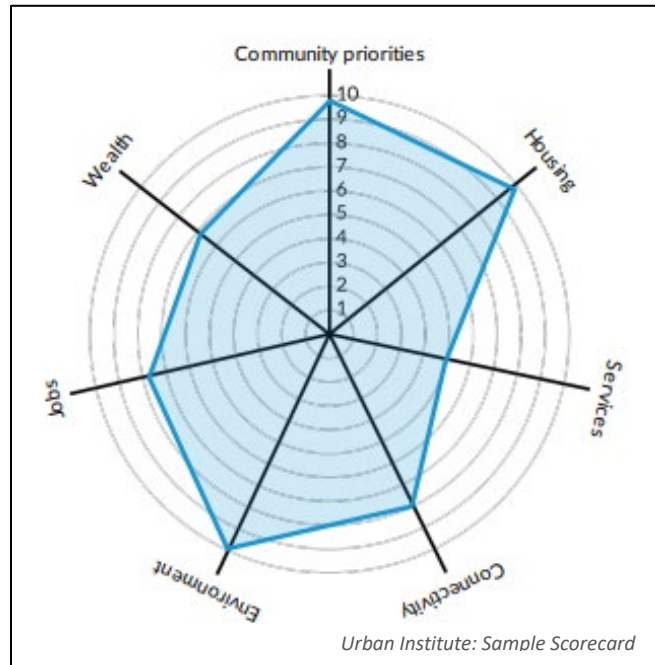
At the time of the original district study, the City was also conducting a study of truck traffic in the area. Heavy truck traffic in and through residential areas is a major complaint of nearby residents due to the air pollution, noise, vibrations, and other hazards they produce. Residents criticized the original truck traffic study as insufficient to reduce the hazards of truck traffic. The City has since expanded this study to be city-wide, without implementing the recommendations in the initial Southwest study yet.

Truck traffic remains a difficult problem to solve as the infrastructure in place in Southwest was not designed to manage today's level of traffic and size of truck. The problem is likely to intensify with the development of the Gordie Howe Bridge. **SDBA** has made it clear that they do not want to encourage new development within the industrial district that would intensify pollution from trucks or other heavy industrial processes.

4. **Develop a set of Equitable Development Principles that SDBA can use to guide its decision-making on policy issues and whether to support or oppose specific development proposals in Southwest Detroit. Work collaboratively with other community-based stakeholders to develop a common "Equitable Development Scorecard" or similar tool to guide collaborative action.**

**SDBA** is working to develop an equitable development "scorecard" to evaluate development proposals within the community. **SDBA** recognizes that not all new businesses or development proposals will have a net positive impact on the community, and that almost every proposal can be improved to result in more equitable and inclusive development.

**SDBA** developed a partnership with the [Urban Institute](#), which created a tool called the [Capital for Communities Scorecard](#). To use this tool, communities answer a series of questions about a proposed development project using an online platform. The platform will generate a Capital for Communities Scorecard that evaluates the proposal according to six social impact areas: *accessible, high-quality jobs; community wealth building; affordable and accessible housing; environment and open spaces; community priorities for health, social services, and culture; and transportation and connectivity*.



In summer of 2023, **SDBA** and **LISC Detroit** began collaborating with the Urban Institute to pilot implementation of the Capital for Communities Scorecard in Detroit. Initially, this will mean introducing the Scorecard to community stakeholders to ensure that it reflects the community’s priorities. The Scorecard will then be used to evaluate specific development proposals to identify ways to increase the beneficial impact in the community.

**5. Partner with industrial businesses to improve edges and buffers where properties are adjacent to residential areas and commercial corridors. Consider developing an industrial buffering matching grant program to incentivize industrial property owners to make improvements.**

**SDBA** advocates for improving both the aesthetics and environmental quality of the industrial district through buffering of industrial property. As noted above, the City of Detroit is exploring changes to the City’s Zoning Ordinance, which will set higher standards for buffering of commercial and industrial property. These new standards will not apply to existing properties unless property owners change the use of or undertake significant renovations to their property. While **SDBA** supports the effort to increase property standards, it also believes that incentives are needed to encourage property owners to make desired improvements.

One opportunity for such an incentive may be available through the [Detroit Tree Equity Partnership](#) (DTEP). DTEP is a collaborative initiative of the City of Detroit, Greening of Detroit, DTE Energy, **Detroit Future City**, and American Forests. It has a goal of planting thousands of trees across Detroit over the next five years to improve air quality and address issues related to climate change. Through this initiative, it may be possible to obtain trees for buffering at little or no initial cost to the property owner, if the owner agrees to provide long term maintenance of the trees.

**Detroit Future City** applied for a grant from the US Environmental Protection Agency (EPA) to support the development of a tree planting plan for Southwest Detroit in partnership with community-based organizations such as **SDBA**. A funding decision is expected in November 2023. If successful, DFC could work with **SDBA** to identify sites for tree planting and **SDBA** could approach industrial property owners to encourage them to plant tree buffers. Even if the grant application is not successful, it may still be possible for **SDBA** to get a commitment from DTEP for a specified number of trees that could be offered to local businesses for buffering. Additional opportunities for grant funds to support industrial screening and buffering may be available through the Gordie Howe Bridge Community Benefits Agreement.

**6. Promote innovative use of vacant, developable sites, especially the City-owned site at Livernois and Vernor. SDBA has been an advocate for the development of the Livernois site for many years and continues to explore development options. Consider light manufacturing as part of a mix of uses for this and other sites.**

In early 2023, the Detroit Economic Growth Corporation (DEGC) issued a Request for Proposals to develop the City-owned parcel at the corner of Vernor and Livernois (6370 W. Vernor). This long-vacant site has been a priority for development for **SDBA** for many years. [Hacienda Foods](#), a family-owned producer of tortillas and tortilla chips currently located in Southwest Detroit, submitted a proposal that was tentatively accepted by DEGC and is working with LoPatin & Co. to secure a financing plan for development.



*Photo Source: Hacienda Foods*

The proposed development, currently referred to as Hacienda Corners, will be a catalytic project for equitable development in the area. It would allow Hacienda Foods to modernize and consolidate its production facilities, keeping and growing jobs in the community. The current proposal also envisions a mixed-use site with affordable space for additional retail and food business entrepreneurs, and co-working office space. **SDBA** is also exploring how it could participate in the deal structure, potentially as an equity investor. Other potential project partners include TechTown and the Eastern Market Corporation. **LISC Detroit** supports the development proposal as it provides support for small business, job creation, and real estate development.

The Vernor-Livernois site has long been a source of blight along the W. Vernor commercial corridor. **SDBA** has been pursuing redevelopment for more than 10 years and has explored a number of previous concepts. **LISC Detroit** supported these efforts with a \$50,000 recoverable grant to study site feasibility in 2012. If developed, Hacienda Corners would bring new vitality to a high-visibility corner of the West Vernor Corridor.

A number of other vacant sites within the district are drawing attention for redevelopment. One of the largest is a 16-acre site at 2995 Hubbard, currently owned by the [Piston Group](#), a Tier One automotive



supplier founded by former NBA star Vinnie Johnson. The site is temporarily occupied by a non-profit organization called Free Bikes 4 Kids.

In 2021, Players Only LLC, a cannabis industry company founded by Chris Webber, another former NBA star, purchased an industrial warehouse site on 22<sup>nd</sup> Street and [announced plans](#) for a major development that would include a workforce development component. The company is now reportedly considering a variety of development options for the site and surrounding area that could also include workforce housing and hospitality uses. Players Only purchased the property from real estate developer Christos Moisides who owns several nearby properties along Michigan Avenue that he plans to develop into mixed-use new development.

Players Only is not the only cannabis company that is developing property in the area. Luxury Loud, whose business includes growing, processing, and retail sales of cannabis products, is already open and operating on 22<sup>nd</sup> Street, just south of Michigan Avenue. Straight 8 LLC is in the process of developing and licensing a facility on Scotten Street in the former Cadillac design center. This facility is planned to include growing, processing and retail sales. This building is several times larger than Luxury Loud and could eventually lead to dozens of new jobs.

The cannabis industry has been drawn to this industrial district due to the industrial zoning and proximity to Downtown Detroit and Corktown, which is considered advantageous for retail sales, consumption lounges, and associated hospitality uses. **SDBA** is working with all of these cannabis companies because of their potential to revitalize vacant industrial buildings and employ local residents.

In addition, **SDBA** hopes to attract a variety of small-scale manufacturing businesses to the area. This type of business can provide opportunities for local ownership and employment, with potentially lower environmental impact. The development projects mentioned above could offer opportunities for small-scale manufacturing recruitment. It is also hoped that the renovation of the [Michigan Central Station](#) by Ford Motor Company might spur interest in light industrial development in the area.

In 2023, **SDBA** is participating in the [Recast City Leaders](#) training program, with support from **LISC Detroit**, to learn more about the strategies and tactics of attracting these types of businesses as part of an inclusive district revitalization effort.

**7. Strengthen relationships with the workforce agencies that are part of the Centers for Working Families network, to help bridge the gap between workforce agencies, businesses, and residents seeking job opportunities.**

**SDBA** has been awarded a Federal workforce development grant with the goal of attracting 32 new livable-wage jobs to the community and using community-based partnerships to place community residents in those jobs. **SDBA** is exploring how this grant can support job creation within the district and Southwest Detroit.

**LISC Detroit** supports a network of workforce development agencies through its [Greater Detroit Centers for Working Families](#) initiative. Two of the network agencies, SER Metro and Southwest Economic Solutions, are located in Southwest Detroit and participated in the development of the industrial district framework study. These organizations can continue to be an important resource to **SDBA**, local businesses, and area residents to promote equitable job creation.

## What's Next?

Much has happened since the publication of the Southwest Industrial District Study in 2021. This brief summary captures some, but not all, of this activity. **LISC Detroit** and the **Southwest Detroit Business Association** have played key roles in implementing recommendations of the framework, with an emphasis on promoting equitable and inclusive development. As momentum toward further development continues in Southwest Detroit, **SDBA** and **LISC Detroit** are committed to promoting an equitable path toward community-centered economic inclusion and working with other area stakeholders to produce tangible benefits for the residents, workers, entrepreneurs, and business owners in the area. With ongoing support from **LISC Detroit**, **SDBA** will continue to implement the framework with an emphasis on these priority goals for 2023 and beyond:

- Support plans to develop the Hacienda Corners project as a model for community-centered economic development.
- Engage with local property owners, business owners, and developers to encourage further community-centered development of vacant and underutilized property in the district.
- Utilize the Urban Institute's Capital for Communities Scorecard to evaluate specific development proposals and to identify ways to increase equitable economic outcomes.
- Advocate for changes to the City of Detroit Zoning Ordinance and Master Plan of Policies that would increase economic opportunity while protecting the health and well-being of area residents.
- Explore opportunities to promote industrial property buffering and air quality improvement through collaboration with the Detroit Tree Equity Partnership and Detroit Future City.
- Continue general outreach to industrial district businesses to build relationships and better understand the issues facing local business owners. Offer technical assistance on zoning and permitting issues through an agreement with Parkstone Development partners.

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The Southwest Detroit Business Association (SDBA) is a coalition of business and community interests committed to facilitation the continuation and enhancement of a stable, economically healthy Southwest Detroit. SDBA employs strategies that support existing business and industrial enterprises, enhance the climate for public and private investment and economic growth, and serve as a vehicle for cooperative ventures that support economic development in Southwest Detroit.

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LISC is one of the country's largest community development organizations, helping forge vibrant, resilient communities across America. LISC works with communities and partners to close systemic gaps in health, wealth and opportunity and advance racial equity so that people and places can thrive. Since its founding in 1979, LISC has invested \$26.7 billion to create more than 463,000 affordable homes and apartments, develop 78.5 million square feet of retail, community and educational space and help tens of thousands of people find employment and improve their finances.