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Home > DDA Unanimously Approves Contract with Park Place Developers

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Friday, December 14, 2018, 12:49 am

By:

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Above: City Attorney Tom Yeadon and Planning Director Tim Dempsey at the DDA meeting.

East Lansing's Downtown Development Authority (DDA) yesterday approved a Purchase and Sale Agreement ^[2] for a series of publicly-owned properties along Evergreen Avenue with Vlahakis Development and its partner, Royal Apartments USA, for a potential large

redevelopment called ?Park Place.?

The DDA also endorsed a draft ordinance that would allow for more 140-foot-tall (12-story) buildings in the area north of Grand River Avenue, despite East Lansing's Planning Commission's rejection [3] of it on Wednesday.

Now, by close of business on Monday, December 17, City Planning staff expects to receive a formal site plan and application for Park Place.

This would be the third large-footprint development in rapid succession at the west end of downtown that would rise to 12 stories or more. The Center City District and Park District redevelopments each involve a 12-story building and a 10-story building between Grand River and Albert Avenues.

Conceptual drawings for Park Place shared with East Lansing City Council [4] at its discussion-only meeting on December 11 describe a new project for properties on Abbot Road and Evergreen Road, extending toward Valley Court Park to the west and toward the Oakwood neighborhood to the north.



The ?Park Place East? 14-story building ? with underground parking, restaurants, two floors of office space, rental apartments, and four floors of owner-occupied condominiums ? would be located on Abbot Road at the current location of the Dublin Square restaurant and the City-owned Lot #4 parking lot on the corner of Albert Avenue. (A fourteen-story building would require a new kind of zoning.)

The ?Park Place West? building, across the back alley from the first building, would extend along Evergreen Avenue. This is where the developers propose that five DDA-owned buildings and the apartment building at 404 Evergreen owned by Hagan Realty would all be torn down and replaced by a 12-story building with a 12-screen theater at street level, automated parking, rental apartments, and condominium apartments.

The City will obtain more details about this project in the site plan that is due next week; architect Tom Tooley of Ghafari Associates emphasized at Tuesday's meeting that the conceptual images shared with Council were subject to change before the site plan is submitted.

DDA approves the Purchase and Sale Agreement:

The December 17 deadline for submitting a site plan and Special Use Permit application is contained in a Purchase and Sale Agreement that the DDA unanimously agreed to [2] at its meeting yesterday, December 13.

The agreement gives Vlahakis and Royal Apartments the exclusive opportunity to submit a proposal for the DDA-owned properties along Evergreen Avenue across from Valley Court Park. Exclusive consideration of this developer's proposal could extend for up to eight months.

Below: The DDA meeting yesterday, showing member Jeff Kusler speaking.



The DDA also approved the text of a Request for Proposals [5] (RFP) for the Evergreen Avenue properties so that the RFP could be issued without delay at some point in the future if the Park Place project falls through.

The Evergreen Avenue properties carry about \$5.6 million in debt, and local developer Paul Vlahakis has been talking to the DDA about buying those properties for a project since mid-August [6]. Community and Economic Development Administrator Tom Fehrenbach told Council on Tuesday that the Planning staff's main goal for this agreement was to "to get the developer to submit a site plan and really start the public process in earnest."

The Purchase and Sale Agreement [7] morphed over several months from a letter of intent from the developer into a legal document that contains a number of conditions for a Development Agreement, which is required for a project that includes publicly-owned land, as well as for a

Brownfield Tax Increment Financing (TIF) plan. ELi reported previously [8] on the approach being taken in this Purchase and Sale Agreement.

The agreement voted on yesterday contained a few changes since the version that Council discussed. Language urging use of Michigan employees and Michigan-made products was strengthened to more closely conform to agreements entered into with other large developers.

The final agreement also extended the deadline to sign a Development Agreement from March 1, 2019, to April 1, 2019, with the potential to be further delayed. Somewhat non-specific language was added saying that the developer can obtain four 30-day extensions (on earlier extensions that are easier to get) if the City determines sufficient progress is being made toward completion of the project at the time of each extension request.

Before the vote on the agreement was taken, three DDA members made a point of saying that their votes were not intended to express support for the project in its current conceptual form, or for fast-tracking the proposal.

DDA Chair Peter Dewan said, "the process is still the process": there will still be a site plan review by staff, public hearings on the plan by relevant commissions, and a Brownfield TIF request, all of which ultimately require approval by the Council. What the DDA was acting on is a purchase agreement.

Below: Mayor Pro Tem Erik Altmann (not a DDA member), Lynsey Clayton Little (DDA Member), and Tom Fehrenbach (staff) at the meeting yesterday.



Lynsey Clayton, a DDA member who previously served for nine years on the Planning Commission, said at yesterday's meeting, "I think it's important that the community realize that we are not fast-tracking everything else."

She added, "there definitely are some significant concerns that have to be vetted out," especially considering the action taken by the Planning Commission on Wednesday evening [4] when it voted 6-2 against recommending an ordinance that probably would allow the developer to build a 12-story building on the Evergreen properties, which is taller than the current code allows.

DDA member Jeffrey Kusler agreed with Clayton, saying he had some concerns regarding issues about planning for this part of the downtown, some of which were discussed at the Planning Commission.

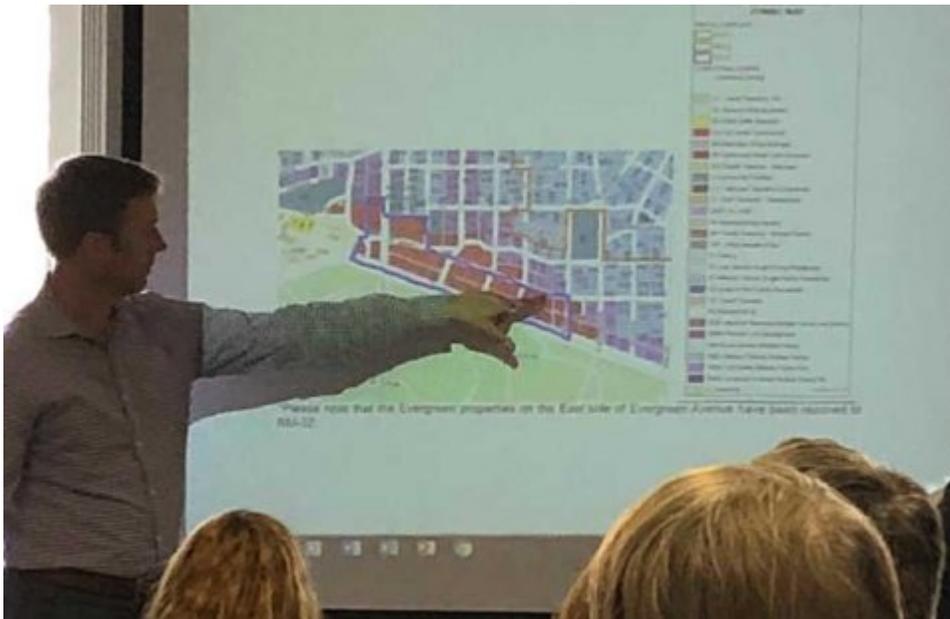
Fehrenbach said the traffic study contracted for by the developer will not occur until January. The company conducting the study wants to get a more accurate measure of traffic when MSU students are back in town.

That study is needed for the Transportation Commission, and the Transportation Commission's recommendation must, in turn, go to the Planning Commission before it can make a recommendation to Council.

DDA recommends ordinance to allow taller buildings in more places:

The DDA and its committees had discussed the Purchase and Sale Agreement on multiple occasions, and it even approved an earlier draft two months ago [9], so its unanimous vote on yesterday's version does not represent the first positive vote on the matter.

What came next at yesterday's meeting was new ? consideration of and unanimous voice vote favoring Ordinance 1433 [10], the day after the Planning Commission voted 6-to-2 against the same ordinance. This ordinance, which requires a majority approval of City Council, sets the stage for allowing 140-foot (12-story) buildings a larger section of the City than is currently allowed.



East Lansing Planning & Zoning Administrator David Haywood (above) conveyed that the Commission's vote against recommending approval was due, in part, to the ordinance's deviation from East Lansing's Master Plan [11] for the City's future directions. That Comprehensive Plan calls for shorter buildings than the Park Place project envisions near Valley Court Park.

This was the first time the DDA discussed this ordinance, which was referred to the DDA for a recommendation to Council because the draft law would affect zoning in East Lansing's downtown.

The ordinance was drafted to allow taller buildings at the would-be location of the Park Place West building on Evergreen Avenue. As the staff report provided to the Planning Commission stated, "Ordinance 1443 is an effort by City Council to explore the appropriateness of expanding the bonus height allowance in Section 50-593(f) to the entire B-3 zoning district. The interest comes from the proposal of "Park Place" at the northwest corner of Abbot and Albert, which proposes two mixed-use buildings, which exceed the height restriction found in Section 50-593(f)."

The current zoning of these properties (shown below) would allow for a maximum of six stories. They are just north of Peoples Church and just east of Valley Court Park.



Clayton expressed concern about allowing a 12-story building at this site. She said "I am super supportive of density, and I like height," but she expressed big concerns about changing this zoning because of the impact on residential neighborhoods.

DDA Vice Chair Jim Croom expressed support for extending the maximum height throughout the B-3 district and then leaving it in Council's hands to decide whether or not a particular project should go that high.

DDA members Jill Rhode and Tricia Foster expressed support for building taller in order to achieve greater density downtown, and City Manager George Lahanas, who also sits on the DDA, pointed out that the ordinance added only about 10 properties to the area that would allow greater height.

In the end, the vote in support of Ordinance 1433 was unanimous.

During the discussion of the ordinance, Mayor Mark Meadows, who by virtue of his office has a seat on the DDA, said that he and the Council did not get the kind of information and recommendation from the Planning Commission that it's important for them to have.

Meadows said the 6-2 vote against the ordinance based on non-compliance with the Master Plan was not useful enough information for decision-making. Specifically, Meadows wanted the Commissioners' opinion about whether these buildings were, in fact, too high.

He went on to say that what Council was looking for from the Commission was an opinion on whether allowing taller buildings should be extended to any parts of the B-3 in which they are not now allowed, and, if so, to what areas.

The DDA members present and voting in favor of the Purchase and Sale Agreement and

recommending Ordinance 1443 to City Council were Chair Peter Dewan, Vice Chair Jim Croom, Tricia Foster, George Lahanas, Greg Ballein, Lynsey Clayton, Luke Hackney, Jeffrey Kusler, Mark Meadows, and Jill Rhode. Eric Sudol was absent, and none voted against.

Photos from the meeting by ELi's Dan Totzkay.

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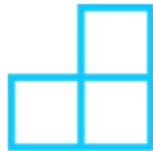
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