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Another Design, More Argument, and Another Extension for Royal Vlahakis ^[1]

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By:

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Above: Developer Paul Vlahakis (left) and Mayor Mark Meadows at yesterday's meeting. (Photos by Andrew Graham.)

After hearing about another new vision for the "Park Place West" project, a majority of East Lansing's Downtown Development Authority (DDA) voted again yesterday to allow developers Royal Properties and Vlahakis Development more time to pull together a workable deal for the DDA's properties on Evergreen Avenue.

This latest extension runs through July 25. But many of those DDA members voting in favor ? which included Greg Ballein, Lynsey Little Clayton, Jim Croom, Luke Hackney, Jeff Kusler, Mike Krueger, and Jill Rhode ? seemed to indicate they'd allow at least one more 30-day extension after that.

That's the last extension that would be possible under the Purchase and Sale Agreement amendment agreed to in May. But the DDA could vote to extend it all again at that point.

So, it looks likely Royal Vlahakis will retain exclusive rights to redevelop the public properties

through at least late August.

Once again, Mayor Mark Meadows and DDA Chair Peter Dewan were the only votes against extending. Frustrated with the current plan and the fact that the developers have not submitted much more than non-scale concept drawings, Meadows and Dewan believe it is time to open up the properties to proposals from other developers.

At a joint meeting of the Council of Neighborhood Presidents and City Boards and Commissions Monday night, Meadows got into an argument with attorney Alexis Vlahakis Cole, daughter of lead developer Paul Vlahakis. Meadows told those gathered he was going to vote against the project at the DDA meeting the next day.

In response, Cole challenged him sharply, saying the City could not seem to tell the developers what they should propose at the site to get a workable deal.

Latest plan is for one building plus a public space

At the DDA meeting, Architect Tom Tooley of Ghafari presented new concept drawings (see them here [2]). The plan for "Park Place West" now features a single nine-story building above ground, with two levels of parking underground providing 140-150 privately owned spaces.

This would be built on land now owned by the DDA. The developers would pay about \$5.6 million for the properties, which is what the DDA owes on them. The rendering below is shown as if looking from Peoples Church's north side.



The interior first floor of "Park Place West" would include what is now labeled a "private market" that the developers say would be designed and operated by Project for Public Spaces, a nonprofit market design firm. The idea is to have food and boutique shopping options in that space.

Michael O'Callaghan of Vlahakis' team said that Project for Public Spaces is "finalizing" the plans for the space. Vlahakis told the DDA that Project for Public Spaces is the "industry leader" in this field, echoing what he said about the company that was supposed to do the automated

parking in the plan submitted at the start of this process. (That robotic parking is now out of the latest presented plans, as are the movie theaters, office space, and owner-occupied condos.)

Park Place West would now also include seven floors of apartments, with 25 percent of the apartments restricted to people with moderate incomes. (Students who are listed as dependents on someone else's federal tax return would not qualify.) This is aimed at satisfying the City's requirement for housing diversification in large projects downtown.

Above the apartments would be a "rooftop" amenity floor for tenants. The developers say that building would be about 112 feet tall, not including the amenity floor, which they say would be stepped back from the edge. Access to the parking would from Albert Avenue, and there would be a "porch" (covered outdoor seating) on the Evergreen Avenue side.



In the space where Evergreen Avenue now runs between Valley Court Drive and Albert Avenue, the developers imagine a publicly owned, cantilevered pavilion under which there would be space for a farmers' market (shown above). They note a major sewer line would run under this area, so the space has to be able to be dug up by the Department of Public Works at any time. Hence the cantilevered pavilion and plan for tents.

Newest plan still in visioning stage

While the developers referred to what they submitted as a "site plan," City staff made clear it is not. It is something significantly more preliminary.

Planning and Zoning Administrator David Haywood told the DDA about the "deficiencies" in the submission, calling some of the material in the submitted packet "unreadable" and noting that the drawings show only approximate locations and sizes of buildings. He said staff needs drawings with real dimensions, accurate elevation drawings, and more, all from "a licensed professional" in order to complete a staff report that the Planning Commission needs before it considers any project.



Haywood (above) also noted what else is still missing: landscape plans; preliminary engineering for changes to streets; a shadow study; lighting plans; the floor plan of apartment units; and basic textual descriptions describing what's proposed.

Also lacking at this point are a traffic study, proof of partnership for the retail space, and any evidence of financing capability.

But Vlahakis told the DDA that "we've got real positive feedback" on what he called "the debt and equity side." He said that while the previous proposals were not financeable, he believes this one is, with the help of MSHDA (the Michigan State Housing Development Authority).

"They come in with real money," said Vlahakis of MSHDA.

He indicated that the developers delivered more materials to City staff from engineers yesterday morning, for the staff to review.

Neighboring developer not happy

During the public comment portion of the meeting, attorney David Pierson (below) spoke for his clients, DRW and Convexity Properties, identifying significant problems with the pavilion. DRW Convexity is set to construct a five-story apartment building ^[3] at 341 Evergreen Avenue for people with moderate incomes. That's right across Evergreen Avenue from what would be "Park Place West."



The new design from Royal Vlahakis, Pierson pointed out, appears to stick a 20-foot tall structure ? the pavilion ? 10 feet from the east side of his client?s building. He indicated that DRW Convexity would object to this use of the public right-of-way, which is dedicated as a street.

The image below shows the DRW building shaded-in to the left in white, with the black pavillion roof just to the right, along what is now Evergreen Avenue.



In response, architect Tooley said that the ?design is being done in a vacuum? and the

developers would need to talk more with stakeholders, including Pierson's clients, the Parks Department, the Planning Department, the Department of Public Works, and others.

He suggested that this would help the developers figure out what to build. The City has not agreed that it wants a pavilion here.

So far, the developers have learned along the way that the City doesn't want to own and maintain underground parking (it is very expensive), and that the Department of Public Works won't allow underground parking with a sewer running through it or allow the developers to use Valley Court Park for private stormwater treatment tanks.

Brent Titus (below), attorney for the developers, told the DDA, "We are reacting to many informal decisions and comments by people we think are in the know, but may not be [in the know] when push comes to shove."



He said his clients were trying to come up with some plan that would be "acceptable to the majority," presumably referring to the City Council and DDA.

DDA members explain their votes

Jim Croom, who has been absent from the last several DDA meetings, indicated that he was disappointed to see much of what the DDA had wanted gone from the current plan. He

suggested that a better-financed developer might be able to get something better moving sooner.

But, Croom said, it was worth giving them more time, especially since the DDA and City could always say "no" to a final proposal at the end of the process.

Jill Rhode (below) said she did not understand why an extension was even under discussion. As far as she was concerned, if the developers wanted the extensions that were built into earlier agreements, they should get them automatically. Luke Hackney agreed.



The developers are paying the DDA \$15,000 for every 30-day extension.

Peter Dewan said what was proposed at the outset of this deal-making was radically different from what is now on the table and was truly transformative, but that this proposal does not excite him. He wanted to see Royal Vlahakis given back their \$100,000 in earnest money and all the \$15,000 extension payments and to open up the DDA-owned land, through a Request for Qualifications and Proposals (RFQP), to other developers. Only Meadows supported this idea.

Lynsey Little Clayton (below) said she believes the developers are making "adequate progress" and "every time they come forward, there are more details." She saw "substantial" public good in the first-floor market space.



Meadows noted that the plan calls for major public infrastructure work to be paid off using brownfield tax increment financing (TIF). He said he's not at all sure the project now being proposed would generate enough new taxes to actually pay for the public infrastructure, and indicated frustration that numbers in that regard have not been worked out and presented.

Meadows, like Dewan (below), wanted an RFQP to "bring in more actors" and noted that Royal Vlahakis could be among those making proposals.



But Clayton objected that the City Council had been sending mixed messages on what they're looking for, making it difficult for the developers to figure out both a site plan and a Brownfield TIF plan that would be based on it.

Croom said that the mayor made good points about the financing but argued that there is "no public clamor" to see these properties redeveloped, so he thought it worth doing extensions through August.

Jeff Kusler, Greg Ballein, and Mike Krueger did not explain their votes. Eric Sudol and George Lahanas were absent.

City Attorney Tom Yeadon is continuing to work with Titus on hammering out a development agreement, which is at the core of the agreements and extensions. Tom Fehrenbach (below) from the Planning Department pointed out that the site plan and Brownfield TIF plan would need to be approved in order to complete the Development Agreement.



No one mentioned the schedule of Planning Commission and Council meetings for the rest of the summer, but the irregular schedule could present a challenge to review of a site plan, even presuming the developers soon submit enough material to trigger formal review.

See ELi's complete reporting on the Royal Vlahakis deal. [4]

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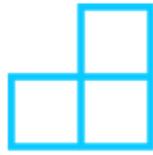
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