



Published on *East Lansing Info* (<https://eastlansinginfo.org>)

Home > Royal Vlahakis Asks for Another Extension on Park Place. What's Happening?

---

## Royal Vlahakis Asks for Another Extension on Park Place. What's Happening? <sup>[1]</sup>

Wednesday, August 21, 2019, 9:43 am

**By:**

Alice Dreger and Chris Root



*Above: Developer Paul Vlahakis (with colleague Mike O'Callaghan, left) at Planning Commission. Photos by Raymond Holt.*

A lot has happened since East Lansing's Downtown Development Authority (DDA) voted a month ago to allow the "final" 30-day extension on the expiring exclusive deal with Royal Vlahakis for the Park Place project on the DDA-owned Evergreen Avenue properties. Tomorrow at a meeting starting at noon, the DDA will decide whether now is the time to open up the properties to proposals from other developers or to renew the exclusive deal.

So what's been happening since the last vote?

**In our last report [2], we told you that on July 25, the DDA voted 8-1 in favor of another 30-day extension to the Purchase and Sale Agreement.** That's the agreement in which the DDA promises to sell the properties for what is owed on them – about \$5.6 million – to Royal Properties and Vlahakis Development if the developers can obtain the necessary approvals for their plans and work out agreements with City Council and the DDA.

If the exclusive deal is to be extended, tomorrow a majority of the DDA members present will have to vote through a new set of agreements. That's because the existing agreements are expiring.

We probably won't get to see what is being proposed before the meeting – nor will the DDA members being asked to vote. The agenda shows a proposed new \$5.6 million public land sale agreement will be provided as "a handout" at the meeting. [Update: A draft new contract has now been posted here [3].]

Tomorrow, the DDA could decide to go into another round of exclusive contracts. Alternatively, the DDA could decide to now open up the land to proposals from other developers through a Request for Proposals (RFP) process.

If a majority of the DDA members present vote to release an RFP, Royal Vlahakis could stay in the game by being part of that open proposal bidding process. But they'd lose the exclusivity obtained in an unusual contractual process [4] implemented over eight months ago [5].

Here's some of what's been happening in the last few weeks:

**The Planning Commission heard more from the developers last week.** There, the developers talked about maybe doing a tasting kitchen in collaboration with MSU's School of Hospitality Business, having an indoor market of artisan vendors, relocating the farmers market east to what is now Evergreen Avenue, putting up an ice rink, or all of the above.

Once again, the Planning Commission heard from the project's architect that details aren't going to be provided until after "stakeholder" groups are consulted, something he says still hasn't happened.



This led to questions from Commissioner Jack Cahill about what it would mean if Commissioners are asked next week to vote on a project lacking core details. Planning Commission Chair Dan Bollman (above) responded that members would have to "vote their conscience" if they were asked to vote on a project lacking key details.

**The City Attorney has told DDA members he wishes Council would weigh in on the proposal.** At a committee meeting of the DDA last week, City Attorney Tom Yeadon noted again that the City Council has decision-making authority over many parts of this deal. So, he said, he wished that City Council would decide what they want to do with this project.

Even the developers' attorney, Brent Titus, acknowledged to the DDA that this deal has been done in a backwards fashion because of agreements made before he came on board. The Purchase & Sale Agreement set a deadline for an executed Development Agreement with the City *prior* to the Council approving a site plan, Special Use Permit, or a Brownfield Tax Increment Financing plan, when normally a Development Agreement is *based* on those key components.

*Below: Brent Titus (left) and Tom Yeadon (right) at last month's meeting of the full DDA.*



Titus has suggested there could just be "holes" left in the Development Agreement ? leaving major items, like the site plan, to be decided later ? or that the DDA could now reverse the agreements to put the parts in a more logical order. Tomorrow's discussion of this is likely to be complicated and intense, based on prior discussions.

**The developers also want the DDA to consent Thursday to a public financing application by the developers for low-income apartments on the now-public land.** The current plan calls for 25 percent of the proposed Park Place West apartments to be for low to moderate income rental units and the developers are hoping for help with state-level financing for this.

*Below: The project as it is currently rendered by the developers, looking east down Albert Avenue with Peoples Church on the right.*



The DDA is being asked by the developers to vote Thursday to approve a letter indicating <sup>[6]</sup> the DDA consents to the developers application to the Michigan State Housing Development Authority for any MSHDA programs related to low and moderate income housing for the referenced properties, including but not limited to any tax credit programs, tax incentives, and financing.?

Incidentally, the developers now say that they misunderstood MSHDA when they said previously that MSHDA wanted the low-income tenants to have a separate lobby and elevators from the other tenants. The Planning Commission was told that the plan is now to have a single lobby and set of elevators.

**The Transportation Commission reviewed traffic studies of the plan on Monday this week.**

According to Commission Chair Thomas Baumann, the group recommended acceptance of the traffic studies with some recommendations. The primary study, provided by the developer as required, was noted by the external review consultant to be lacking in key information.

Concerns were raised at Transportation Commission about the potential for significant traffic increases and parking challenges along Albert Avenue because of extension of this street. The road extension is something the City wants to have happen in conjunction with this project, along with major sewer work on Evergreen Avenue.

**The developers created a new limited liability company called HSV Park Place, LLC.** This is common for big developments, as it allows developers to limit their financial exposure on complex deals. In this case, the acronym HSV includes the last initials of surnames of major investors and developers.

A note to our readers: Just as we kept calling the Park District proposal DRW/Convexity's proposal and the Center City proposal Harbor Bay/Ballein Management's proposal after those groups created project-specific LLCs, you'll see us continue to identify this project with the developers' core company names in this case, Royal Vlahakis. This approach helps our readers be able to track what we're talking about as the names of projects and partnerships morph.

*Below: The DDA on July 25, 2019, where an 8-1 majority voted for the final extension to the existing agreements.*



**On Thursday, if the DDA decides to extend the deal again, a big Tax Increment Financing (TIF) plan will also be considered.** East Lansing's Brownfield Redevelopment Authority (BRA) has exactly the same membership as the DDA and is charged with reviewing and approving TIF plans. The BRA is scheduled to meet right after the DDA tomorrow.

The developers for this project have submitted a revised TIF plan <sup>[7]</sup> (the third proposed plan for these properties), calling for 100 percent of eligible taxes (about \$13 million) to be diverted for about 16 years to reimburse costs associated with the area's redevelopment. This would include rebuild of public infrastructure such as roads and sewers which the developer would fund and undertake, with reimbursement (including interest) to the developers coming later from new taxes captured from the redevelopment.

If the exclusive deal is effectively extended by a majority of those present at the DDA tomorrow, one task of staff and the BRA will be to sort out whether this proposed TIF meets City Council's 2017 TIF Policy <sup>[8]</sup>, which seeks to limit the use of TIF to cleaning up environmental contamination and enhancing public infrastructure.

That TIF policy also says that the principals of the LLC seeking a TIF deal must be in good financial and legal standing with the City of East Lansing. Public records continue to show lead developer Paul Vlahakis's companies' histories of delinquencies on taxes owed to the City of East Lansing, including for his Dublin Square property next door to the public land he's seeking to redevelop.

We've previously reported on Vlahakis' companies' tax delinquencies, his explanations, and his failed attempt to sue the Lansing City Pulse for reporting on his companies' tax delinquencies; read that here [9].

**How can you weigh in?** You can speak at public comment at the DDA's meeting which starts at noon in Conference Room A (upstairs) in City Hall. You can see the agenda with attachments here [10]. You can also write to Community and Economic Development Administrator Tom Fehrenbach by email [11] with a message for the DDA.

*Get easy access to our complete reporting on the Royal Vlahakis Park Place project here [12].*

### **Related Categories:**

Big Development [13]

Development and Planning [14]

Downtown Development Authority [15]

Government [16]

Public Works [17]

TIF [18]

## **ELi is a member of INN and LION Publishers**



**Institute for  
Nonprofit News**



This news is brought to you by our financial supporters!

---

**Source URL:** <https://eastlansinginfo.org/content/royal-vlahakis-asks-another-extension-park-place-whats-happening>

### **Links**

[1] <https://eastlansinginfo.org/content/royal-vlahakis-asks-another-extension-park-place-whats-happening>

[2] <https://eastlansinginfo.org/content/altmann-votes-royal-vlahakis-deal-extension-says-he-probably-wont-again>

[3] [https://eastlansing.granicus.com/MetaViewer.php?view\\_id=2&event\\_id=424&meta\\_id=82624](https://eastlansing.granicus.com/MetaViewer.php?view_id=2&event_id=424&meta_id=82624)

[4] <https://eastlansinginfo.org/content/extraordinary-process-developers-may-obtain-exclusive-contract-public-land>

[5] <https://eastlansinginfo.org/content/dda-unanimously-approves-contract-park-place-developers>

[6] [https://eastlansing.granicus.com/MetaViewer.php?view\\_id=2&event\\_id=424&meta\\_id=82552](https://eastlansing.granicus.com/MetaViewer.php?view_id=2&event_id=424&meta_id=82552)

- [7] [https://eastlansing.granicus.com/MetaViewer.php?view\\_id=2&event\\_id=521&meta\\_id=82618](https://eastlansing.granicus.com/MetaViewer.php?view_id=2&event_id=521&meta_id=82618)
- [8] <https://www.cityofeastlansing.com/DocumentCenter/View/7059/TIF-Policy-Resolution-PDF?bidId=>
- [9] <https://eastlansinginfo.org/content/vlahakis-explains-tax-delinquencies-and-libel-suit-advocating-100m-public-private-deal>
- [10] [http://eastlansing.granicus.com/GeneratedAgendaViewer.php?view\\_id=2&event\\_id=424](http://eastlansing.granicus.com/GeneratedAgendaViewer.php?view_id=2&event_id=424)
- [11] <mailto:tfehren@cityofeastlansing.com?subject=message%20for%20DDA>
- [12] <https://eastlansinginfo.org/parkplace>
- [13] <https://eastlansinginfo.org/bigdevelopment>
- [14] <https://eastlansinginfo.org/devplan>
- [15] <https://eastlansinginfo.org/dda>
- [16] <https://eastlansinginfo.org/government>
- [17] <https://eastlansinginfo.org/publicworks>
- [18] <https://eastlansinginfo.org/tags/tif>