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In a Surprise Development, MSUFCU Looking Toward Building Downtown ^[1]

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By:

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Above: Rendering of the project as seen from the southwest, as if looking from the back of Peoples Church.

When, at last week's meeting of the Downtown Development Authority, the question came up of whether big new office space would ever be constructed downtown, East Lansing City Manager George Lahanas said he was hopeful it might yet happen.

What he didn't say was that his staff has been working with Michigan State University Federal Credit Union (MSUFCU) on just such a plan.

The plan involves selling a piece of public land just south of Dublin Square to the credit union in order to enable construction by MSUFCU of a five- to eight-story branch and innovation office space in downtown East Lansing.

We got wind of this plan yesterday and asked Lahanas questions about it today. The City responded a few hours later with a full press release [2], including renderings [3] and some plan details. It all confirmed what we had heard.

Yesterday afternoon, ELi also obtained an appraisal of Parking Lot #4 [4], the 13,000-square-foot piece of land owned by the City at the northwest corner of Albert Avenue and Abbot Road, just south of Dublin Square and just north of the construction site of DRW Convexity's "The Abbot".

The date of the report suggests this appraisal was ordered by City staff several weeks ago.

In it, Valbridge Property Advisors estimates the land is worth \$810,000. That puts it well over the threshold set in the City Charter that would require majority voter approval for a sale.

According to today's press release, City Council will be asked next week to consider putting the matter of the sale of the land to voters on the March 10, 2020, ballot, the same ballot as the presidential primaries.

The press release from the City said that what Council will consider is ballot language that would specifically ask if residents want to approve sale of the land to MSUFCU for the project the credit union envisions.

The press release also says the appraised value would be used as the target purchase price for the sale to MSUFCU.

But after East Lansing's recent million-dollar, barely-publicized eBay land auction [5], many citizens have expressed a desire to see public land sold via well-publicized auctions to the top bidder or through transparent Request for Proposals processes that open up applications to all potential developers.

Lahanas says in the press release that he sees the MSUFCU project as beneficial because it would further diversify and increase the number of office users in our downtown, which is consistent with the City Council's policies and the City's Master Plan.

The building envisioned by MSUFCU would include a branch office on the ground level, a community gathering space for public events/activities and office space for various MSUFCU operations, including the expansion of the MSUFCU Innovation and Education Center's professional internship program.

Below: the project rendered looking northwest, across Abbot Road, with DRW Convexity's "The Abbot" (now under construction) rendered to the left and Dublin Square to the right.



The building would be made possible not only through the transfer of ownership of the land of existing parking Lot #4 (the parking lot next to Dublin Square), but also through transfer of the ownership of land that is now part of Albert Avenue. Albert Avenue is currently being aligned across Abbot Road by being moved slightly south, opening up land in the current-right-of-way for a project of this sort.

The land immediately to the west and north-west of this property is owned by the DDA, and after much delay, the DDA just voted last week [6] ? with Lahanas in support ? to release an RFP on those properties.

Lahanas did not respond to questions from ELi about why this plan was kept mum while the question of an RFP for the DDA?s properties was being considered. Nor did he answer questions about whether there is any new parking planned for this site.

ELi contacted MSUFCU?s President April Clobes earlier today to ask her to confirm what we were hearing on this possible project. She did not respond, but is quoted in the subsequently-released release as saying the credit union ?had always hoped to be able to increase our footprint in the core business district.?

MSUFCU has built two large buildings on the northwest side of East Lansing, far from downtown, as well as many branches in the area.

Clobes is quoted in the press release, ?Our project, if approved by our Board of Directors and City of East Lansing voters would begin construction in mid 2020. The building will also include a community gathering space.?

ELi asked all members of City Council for comment this afternoon.

Mayor Pro Tem Aaron Stephens responded by saying, ?I'm very excited about this possibility. We will be discussing it further on Tuesday [December 3], including whether or not an RFP process is the right path to go on and whether or not to have it on the ballot, and if we are, what that language would be.?

Council member Jessy Gregg, just elected on a platform of transparency, responded in an email

this afternoon by writing, "I was made aware that there was a possibility of MSUFCU proposing a downtown office space using Lot 4 soon after I was elected, but I understood that it was still in the concept phase and that the details of the proposal were not fully developed. I believe it was MSUFCU that asked that the project not be made public until they were ready to release it."

She added, "I have seen a draft of possible ballot language which would approve the lot for sale only in conjunction with this specific project. Basically if voters approved the property for sale in conjunction with a project with MSUFCU and then that project did not happen for some reason then the land would no longer be approved for sale and would revert back to being a normal city parking lot. Not an open ended sale, in other words."

It would be up to Council members to decide what the ballot language would say, if they decide to take it to voters at this time.

About the plan itself, Gregg wrote, "I don't have any helpful details for you since there aren't a lot of details that have been decided on yet. I will say that I'm generally in favor of this idea. One of the reasons for building high-density housing downtown is to concentrate the student populations closer to the university which should ultimately have a calming effect on traffic congestion throughout the rest of the town."

But, she notes, "That only works if there is a concentration of services near that population center as well. I think having a larger downtown branch for MSUFCU is a good idea. It also means office space and office workers to help support the downtown businesses, and I love the idea of a community performance space."

Council member Lisa Babcock, who also ran on a platform of transparency, said, "I have great respect for MSUFCU and its role in the community," adding, "This looks like a great plan, but I'm concerned about how much seems to have transpired without any knowledge of the city council, planning commission, or DDA."

Mayor Ruth Beier said she would respond after more details came from staff.

Update: More Information Emerges on MSUFCU Downtown Project ^[7]

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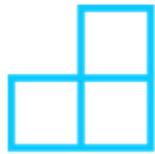
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