

ELi Q&A by email with Paul Vlahakis, October 14, 2018:

Question from ELi: The DDA has an Evergreen properties marketing committee, to look at the possibility of sending out an RFP on the DDA properties. Why do you think your project is worth it to East Lansing to skip sending it out for an RFP?

Answer from Vlahakis: The DDA's ultimate objective in initiating an RFP process would be to sell the properties and pay off the existing debt associated with those properties. Prior to the actual formation of the committee Royal Properties submitted a Letter of Intent to purchase the DDA properties for the entire amount that the DDA currently owes. Royal Properties has designed a development that includes the Dublin Square site, the City's surface parking lot #4(I believe), and the DDA site. However, we cannot submit plans to the City Council for the full project unless we have prior authorization from the DDA to submit a project that will include their properties. Once that is received, plans will be ready for submission to City Council by the end of this month.

If we are able to gain City Council's approval by early 2019, it is our intent to construct ParkPlace along the same timeline of Convexity's development for the purpose of reducing the amount of time that the area will be under construction. However, if the DDA chooses to move forward with the RFP process it will prolong the construction period because it will realistically cause development on that site to be at least a minimum of 1 year behind the completion of the ParkPlace and Convexity projects. Had Royal Properties presented the ParkPlace project a month earlier I don't believe that a motion would have even been made to form an RFP committee. I can confidently say Royal Properties' efforts thus far have been in the best interest of the City.

Question from ELi: The Historic District Commission has sent a letter to the DDA, Planning Commission, and City Council urging them "to protect the [Dublin Square] building in its current site or at a new East Lansing location." As you probably know, the building was constructed by the WPA in 1933 and served as East Lansing's post office from 1934 to 1972. What is your reaction to this request?

Answer from Vlahakis: I completely understand the desire to preserve certain historic buildings, however, the Dublin Square building has previously undergone extensive renovations not only to the interior but to the exterior as well and would not meet qualifications to even be included on the Historic Registry, the time for anyone's concern for "historic preservation" would have been when plans were submitted to the City in 2006 before the renovations began. The only remaining items of historic significance are a small portions of the original tin ceiling panels, and a small section of post office boxes that we would like to incorporate into the new building. Had this building been in the "Historic District" or listed on the "Historic Registry" we would not be having this conversation but since it is not, there is legally nothing to protect. If the Historic District Commission wants to move the building, we would be willing to discuss the feasibility of that process depending on how the timing affects our timeline.

Question from ELi: The City Council's agenda for this coming Tuesday includes an item contemplating expansion of the height limit to the area that includes Dublin Square and the DDA's properties on Evergreen Avenue. How tall would you want to build the structures between Abbot and Evergreen?

Answer from Vlahakis: By allowing the increased height limit it would allow for some consistency in building height restrictions for the downtown area. The Convexity project is located across the street from the Evergreen/DDA site has been approved for 12 floors. We are proposing a 12 floor building on Abbot Road and a 10 floor building on Evergreen Avenue /DDA site. If permitted to increase the building height on Evergreen Avenue, we would like to utilize the additional 2 floors as "for sale" condos with enhanced views of the park area.

Question from ELi: What conditions are you looking to put on the offer to purchase the DDA properties?

Answer from Vlahakis: There are no contingencies other than the ability to build an economically feasible structure as proposed. The DDA will be paid in full for the property at the closing.

Question from ELi: Is it correct that you're proposed purchase price is about \$5.6 million, i.e., the amount to pay off the full debt on the Evergreen Avenue properties?

Answer from Vlahakis: Yes, that is correct. The offered price will allow the DDA to retire the bond debt that is guaranteed by the City.

Question from ELi: Have you now paid all taxes and fees you or your companies owe to the City of East Lansing?

Answer from Vlahakis: Each entity is independently responsible for its expenses and all outstanding taxes will be paid by the end of October. [Currently the only taxes that are outstanding are 2018 summer taxes for 226 Ann Street, LLC, and the 2018 summer taxes for 327 Abbott Road, LLC]. If you need to mention anything, I prefer you simply say any unpaid taxes will be paid before the project is before the City Council. Feel free to call me if you would like clarification on what is due (which are summer of 2018 taxes for only the 2 properties listed above) since the City and County website are not up to date.

Question from ELi: Anything else we should know for our report?

Answer from Vlahakis: This is a very exciting time for Downtown East Lansing and I'm hopeful that the City's residents and business leaders will embrace the revitalization and investment

that is taking place. We are eager to contribute to this revitalization and to further invest in Downtown East Lansing.