

Public Response: Another Developer with Persistent History of Tax Delinquencies Is Seeking a Major East Lansing Project // Eliot Singer

At the top of the list of reforms to make public-private development credible is preventing anyone with a history of fraud, tax delinquencies, mortgage defaults and foreclosures, etc. from receiving tax incentives or otherwise engaging in partnerships or dealings with government. This not only limits moral risk—remember East Lansing has done brownfield projects with developers who have committed fraud and had terrible tax payment records, a major reason for the city’s reputation for corruption and cronyism—business people with these factors in their profile are a very high risk for project failure.

According to a report in ELi, another developer with a history of tax delinquencies is seeking a major development project with East Lansing (ELi did not yet report on the tax history).

<https://eastlansinginfo.org/content/new-proposal-features-movie-theaters-automated-parking>

It is ironic that at the time newspapers across the world, including ELi and LSJ, are challenging Trump for his attempts to intimidate the free press, someone who sued City Pulse for reporting on his tax record "has been in conversations for two or three months with Mayor Mark Meadows, City Manager George Lahanas, and City Planning and Economic Development staff." For those who missed it, the case was about using the name of the owner, instead of the names of his limited liability (shell) companies in reporting the tax delinquencies, and was thrown out by Judge Ball.

<http://lansingcitypulse.com/article-6649-City-Pulse-wins-libel-suit.html>

Of more immediate relevance is the continuing history of tax delinquencies for both personal property taxes owed by Authentic Properties LLC (Dublin Square) and real property taxes (327 Abbott Rd LLC). Also, since the purchase of El Azteco, which had a spotless tax payment record under previous ownership, it has seen persistent personal property (ELA Food Services LLC) and real property (225 Ann St LLC) tax delinquencies.

I have reported on this in the past and have only, at this time, checked city tax records, which show red when delinquent taxes are turfed to to Ingham County. I assume ELi will report on this and obtain the full delinquent tax records for all four of these LLCs from Ingham County. If there is any attempt for a brownfield, the MEDC Key Personnel screen will come into play.

I also did a quick check of Ingham Country Register of Deeds records and see several MESC tax liens on Authentic Properties. Even when paid off, it does not change the pattern. Also of note are Federal Tax Liens dated May and June 2018 (not paid off as of record check) against Vlahakis Companies and a January 2018 (not paid off) State of Michigan tax lien against Paul Vlahakis. There are a number of other documents worth checking, but with how ICRD searches work now, you need to pay to obtain full document to get any idea what they are about, so I'll leave that up to the good auspices of ELi.

-Eliot Singer