



# DOWNTOWN DEVELOPMENT AUTHORITY

Quality Services for a Quality Community

## MEMBERS

William Mansfield, Chair  
Douglas Jester, Vice Chair  
Peter Dewan, Treasurer  
George Lahanas, Secretary  
Brad Ballein  
Lynsey Clayton  
Colin Cronin  
James Croom  
David Krause  
Eric Rosekrans  
Mayor Nathan Triplett

## Staff Liaison

Lori Mullins  
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## City of East Lansing DEPARTMENT OF PLANNING, BUILDING & DEVELOPMENT

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## MEETING MINUTES

**February 26, 2015 - 12:00 p.m.**

Conference Room A, 2<sup>nd</sup> Floor

410 Abbot Road

**Present:** William Mansfield, Brad Ballein, David Krause, Peter Dewan, Colin Cronin, Douglas Jester, George Lahanas, Mayor Nathan Triplett, Eric Rosekrans

**Absent:** James Croom, Lynsey Clayton

**Staff Members Present:** Lori Mullins, Heather Pope, Terri Soliday, Tim Dempsey, Darcy Schmitt

**Guests:** Ralph Monsma, Christine Root, Jim Anderson, Tom Eckhardt, Paul Schmitz

### 1) Call to Order

The meeting was called to order at 12:07 p.m. by Chair Mansfield.

#### A) Roll Call

At the taking of the roll, Croom, Clayton and Jester were absent.

#### B) Approval of Agenda

Mullins said the applicant for the Special Use Permit for 500 Albert/122 Division requested that it be moved to a future meeting. Therefore, she recommended deleting Item 4D, for now.

Ballein moved to approve the Agenda as amended; Cronin seconded the motion. Vote: All yeas, motion carried unanimously.

#### C) Approval of Minutes

##### i. January 22, 2015

Dewan moved to approve the minutes of January 22, 2015 as written; Cronin seconded the motion. Vote: All yeas, motion carried unanimously.

- 2) **Financial Reports**
  - A) **Treasurer's Report for January 2015**

Mullins reviewed the Treasurer's Report.

- 3) **Written Communications**
  - A) **Ballot Language Recommendation Referral Letter to City Council**
  - B) **Referral letter for Site Plan and SUP for 831 E. Grand River**
  - C) **Referral letter for Site Plan and SUP for 927 E. Grand River**
  - D) **Letter of Support for Keys in the Cities**
  - E) **Memo from Arts Commission regarding City of the Arts Banner**

Mullins said the City of the Arts banner has been on the large bank building at the corner of Abbot and Grand River for over two years and is no longer in good condition, and the Arts Commission has recommended that it be taken down. This will be discussed at the next Executive & Finance Committee meeting.

- 4) **Communications from Staff**
  - A) **Memo regarding ROW Applications**

Pope said staff reviewed requests for right-of-way applications for outdoor seating from four businesses—Chipotle Mexican Grill, Moe's Southwest Grill, Leo's Coney Island, and Potbelly Sandwich Shop. Since these were the same as in past years and there were no issues, staff administratively approved these. Pope has forwarded these on to the City Clerk.

**B) Update on Bond Anticipation Notes for Evergreen Properties**

Mullins stated the Finance Department is refinancing the BANs, and this was also discussed last week at the Executive & Finance Committee meeting. She said First Merit provided the best bid. She will continue to update the Board.

**C) FY 2015-16 Budget Discussion**

Mullins passed around a Fund Balance Analysis and indicated the DDA's account balance for the end of FY15 is expected to be \$111,890. The balance for the Evergreen Properties, which included bond refinancing costs, will be better than expected because of being able to lease the properties. Since the Evergreen properties are fully leased for FY16, that should cover the bond payment.

**D) 500 Albert/122 Division**

This item was deleted from the Agenda.

- 5) **Communications from Audience**

Monsma passed out two letters—a copy of the letter he gave to City Council with regard to process on the PDIG Development Agreement and Brownfield Plan, and a letter addressed to the DDA regarding concerns about the City's budget over the next few years, assignments of the PDIG property, and

possibly using the MEDC process to find out who PDIG is. He asked how the changes to the site plan would affect the number of jobs anticipated.

Mayor Triplett left the meeting.

**6) Business Agenda**

**A) Gateway – 300 W. Grand River Site Plan and SUP**

Lahanas moved to recuse Cronin; Dewan seconded the motion. Vote: All Yeas. Motion carried unanimously.

Darcy Schmitt said the Planning Commission voted 8 to 1 to recommend approval of the site plan/SUP and included with their recommendation to Council a 25% parking waiver. She said the building is a four-story structure with retail on first floor, a bank on the corner with a drive-through, 2,430 sq. ft. of retail space, and a small leasing office. She noted the surface parking and underground parking will be used for retail and the bank; the underground parking off Valley Court will service the residents. It will allow for car stacking and bike spaces. She stated there will be 39 units; all will have two bedrooms with small balconies. She discussed the changes made to the site plan and the ingress and egress.

Schmitt added that last week the Transportation Commission reviewed and recommended some conditions of approval, mainly involving exits to Grand River Avenue. The applicant is working with Engineering to make these changes. This will go to City Council Tuesday evening to be introduced, and the public hearing will be set for April 21.

Krause said he liked the site plan. He stated the developer has addressed the concerns over shading of the park and has a great track record. He moved to recommend approval of the 300 W. Grand River Site Plan and Special Use Permit; Ballein seconded the motion.

Some Board members stated they would like to see a variety of units rather than all two-bedroom units, but felt it is a quality plan. Vote on motion to recommend approval: All yeas 6 to 0, with one abstention. Motion carried unanimously.

**B) Development Agreement with Park District Investment Group**

Mullins said the intention with this review is to determine if the development agreement is ready to go through the third party review. She said this was discussed in more detail at the Project & Infrastructure Committee, and staff and the City Attorney reviewed the development agreement. She discussed the changes which they recommended.

Jester arrived at 12:35 p.m.

Mullins said staff recommends that the Executive & Finance Committee select a firm to review the development agreement, and adjust the scope of the work as deemed necessary. Then this would come back to the full Board for approval. She said if there are changes in PDIG's schedule or in the design, there would have to be amendments to the development agreement, and it would go back to the DDA and City Council for approval. She said the Board may want to consider what the procedure would be for amendments.

Krause said it was brought up at the Project & Infrastructure meeting that there is an unknown entity out of Chicago who will manage Hotel Indigo, and there was mention of doing condominiums for the whole property, which could be sold off. Mullins said the project has changed to eight stories with two floors for the hotel. The first floor will be retail; levels 3 through 8 are residential. There will also be two levels of parking. She said because the franchise agreement with Hotel Indigo was nearing the end, now another group has entered into a franchise agreement with PDIG. The Board discussed concerns over assignability of the project.

Eckhardt said a logical assignment is if the lender forecloses; another lender-generated assignment would be if the lender had a problem with the property owner and felt there was a risk of default; or PDIG could ask that entire project be assigned to another lender. Mullins said if PDIG would sell a portion of the project, they would be assigning ownership. She indicated staff will work on a solution to address assignability and may get input from a third party.

Mullins said there would probably have to be a special meeting of the Executive & Finance Committee. Staff has issued RFPs for both financial and legal review. She suggested designating the Executive & Finance Committee to review the other RFPs as they come in. She asked that the DDA allocate funds for that; the applicant will also be contributing. One proposal for legal review is just under \$20,000.

Rosekrans moved to forward this development agreement to independent review; Cronin seconded the motion.

Mullins asked members to forward any concerns regarding the development agreement to staff; under Item 7D of the Agenda the Board we will discuss the scope of services. Tom Eckhardt, attorney for PDIG, said he would like Board members to make suggestions at this time or soon after. He said there has been lots of discussion with staff and the City Attorney, so it is close to what the final document will be.

Mullins stated City Council would like to discuss this more at their March 24th work session, and if staff has received feedback from the third party consultant, that could be taken into consideration at that time. The DDA will not be seeing this again until their meeting on March 26. She stated until the applicants have an approved site plan and a signed development agreement, they are not able to finalize their financing for the project. They have to get financing before the City can review everything.

Dempsey said staff sent out RFPs to three different law firms; one declined to submit a proposal and the other one may also decline. The DDA has to decide if we should seek other proposals. The plan would be to have an initial meeting with the third party consultant after they review the document. If they like it, it can go to City Council on the 24<sup>th</sup> and subsequently the DDA. If there are changes, we will make them. If there are extensive changes which can't get the rectified by the developer, it will take longer.

Mullins reviewed the scope of services for the legal consultant. She also reviewed Miller Canfield's proposal.

Vote on motion to forward on this development agreement for third party review: All yeas. Motion carried unanimously.

**7) Old Business Agenda**  
**A) Keys in the City**

Mullins said the license agreement for the pianos, which would be located in the City's right of way, was drafted by the City Attorney. The DMB has asked for businesses to sponsor the pianos and will provide some free advertising for the businesses who take on that role. She said we are still waiting for input from the Capital Area Blues Society on the license agreement and for responses from businesses who wish to become sponsors. Ballein moved to defer this item until the March DDA meeting; Jester seconded the motion. Vote: All yeas. Motion carried unanimously.

**B) Allocation of Funds for outside expert to evaluate PDIG Development Agreement**

Mullins said we only have one proposal so far from Miller Canfield for legal review of the development agreement. She noted there is \$24,000 remaining in the Project Development Fund for the Park District project.

Ballein moved to allocate up to \$20,000 for review of the PDIG Development Agreement and to authorize the chair to sign the contract with the law firm which will be reviewing it. He noted the Executive & Finance Committee will review the proposals and adjust the scope as necessary.

When asked if RFPs will be sent out to other firms, Mullins answered yes. Mansfield added that we may need to schedule a special meeting of the Executive & Finance Committee.

Krause recommended that the costs be split between the DDA and the developer because of the scope of the project. Mullins said it would make more sense to get money from PDIG up front.

Mullins said we hope to get the proposals for financial and legal review before the Executive & Finance Committee meets. She noted \$20,000 would probably only cover half of the cost of the reviews. She noted that the proposal from Miller Canfield would just be for a piece of the review; we still need the financial review of the development agreement.

Ballein amended his motion to say that the DDA would not pay for more than 50% of the contract for review; Jester seconded the motion. Vote on amendment to Ballein's original motion: All yeas. Motion carried unanimously.

Vote on original motion with the amendment: All yeas. 8 to 0. Motion carried unanimously.

**8) Committee Reports**  
**A) Executive and Finance Committee**  
**i. Synopsis of February 19, 2015 Meeting**

Dewan reported the Committee also discussed signs in addition to what the Board covered.

**B) Business and Market Development**  
**i. Synopsis of February 17, 2015 Meeting**

Rosekrans said the synopsis covers what they discussed.

### **C) Public Policy**

There was no meeting this month.

### **D) Project and Infrastructure Development**

#### **i. Synopsis of February 19, 2015 Meeting**

Cronin said everything on their agenda was discussed here at the meeting except for the Lingg Brewer project.

### **9) Reports from Chair and Boardmembers**

#### **A) Parking Task Force**

Dempsey said the Parking Task Force will meet on March 19 with the parking consultant to review status of the draft Parking Master Plan update.

#### **B) Downtown Management Board**

Jester said they took care of advertising issues.

### **10) Announcements/Boardmembers Comments**

Lahanas recommended moving to a paperless agenda packet as the City goes through so much paper. This will be discussed at the next Executive & Finance Committee meeting.

### **11) Adjournment**

There being no further business, Ballein moved to adjourn the meeting at 1:31 p.m.; Jester seconded the motion. All yeas, motion carried.