



# DOWNTOWN DEVELOPMENT AUTHORITY

Park District Proposal Review Team

## Park District Proposal Review Team

Douglas Jester, Chair  
William Mansfield  
Julie Jones Fisk  
Konrad Hittner  
Tricia Foster  
Ken Szymusiak  
Steve Troost  
Pat Wolf  
George Lahanas  
Mary Haskell  
Todd Sneathen  
Tim Dempsey  
Tim McCaffrey  
Darcy Schmitt  
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## Meeting Minutes

March 27, 2013 – 4:00 PM  
54-B District Court, Courtroom 2  
101 Linden Street

### 1. Call to Order

Jester called the meeting to order at 4:01. At the taking of the roll, Dempsey and Schmitt were absent. Dempsey arrived later in the meeting.

### 2. Approval of Agenda

Mullins added Approval of Minutes to the Agenda which was e-mailed out. Wolf said the public comment period might be more appropriate towards the beginning of the meeting. Jester said when we get to Qualifications Scoring, he will solicit public comment on that, and also when they discuss Agenda Items 6 and 7. Jones Fisk moved to approve the Agenda with the addition of Approval of Minutes; Szymusiak seconded the motion. Vote: All yeas. Motion carried unanimously.

### 3. Approval of Minutes

McCaffrey moved to approve the minutes as written; Lahanas seconded the motion. It was noted that the meeting started at 3:35 p.m. instead of 5:35 p.m. Wolf proposed four amendments to the minutes which he said he would e-mail to Soliday. Vote on approval of the minutes with the changes as discussed: All yeas. Motion carried unanimously.

### 4. Written Communications

- E-mail from Bert Seyfarth
- Letter from Jacob D. Horner, CPA, Asst. Vice President, Great Lakes Capital Fund
- Letter from Colin Cronin, DTN Management Company
- Letter from Thomas R. Eckhardt, Eckhardt & Associates
- E-mail from Eliot Singer

### 5. Qualifications Scoring

Jester indicated at this meeting the Team would review the proposals from all of the proponents with respect to the five criteria in the first section of the RFQ/P, Qualifications. He said one of the qualifications concerns financial capacity; their evaluation will depend

upon results of the review by a small subcommittee of proprietary information which this committee will not see. He said the scoring they did as their homework will not be final. He stated each member has independently read the proposals and came up with a score. They will discuss the scores to see why there are such variations in the scoring. He asked the Team to move the interviews up to the next meeting instead of the second meeting.

### **Public Comment:**

Alice Dreger, 621 Sunset Lane, indicated she lives in the Oakwood Neighborhood near the project. She said the sewer study that was budgeted by City Council was done for their neighborhood and she is delighted that money might go to fix the sewer. She said she is speaking for herself and indicated sometimes their neighborhood is portrayed as anti-development. They have invested a lot of money in our homes and don't like the vacant properties and would like to see them used for development of the City. They would like something sustainable. She expressed concerns about the capabilities of the developers with regard to economic development, and concerns about traffic as far as their children being able to play safely in the neighborhood. They want to see the kind of development that does not increase crime, drunkenness or any other kinds of conflicts. She said their neighborhood is disappointed that they are not represented on this committee. She invited developers to contact her and she will set up another potluck in their neighborhood. She said a student development would increase their concerns.

There was no other public comment.

Jester passed out a summary of scores of the six proposals; he said they will not be considering #3.

Dempsey arrived.

### **Qualification Criterion #1 – 20 possible points**

Experience in completing projects of the complexity and significance of what is envisioned for this site.

#### **Capstone/Vlahakis – Average 12.4; Range 10-18**

Wolf said he had difficulty with the scoring, especially from the standpoint of how to arrive at a score on one item that ranges from 0 to 10 and one that ranges from 0 to 20. He suggested that in addition to the Average and Range, the mode or most frequent score or median would be important. He said he would like more detailed data and asked that the median and the mode be provided.

Mansfield said he gave Capstone a higher score. He decided to break the 20 possible points into different groups as follows: complexity – is there a simple scale that is involved; i.e. have they done a \$100 million project or not; scope – if it is a mixed use or pizza shop; and quantity – have they done one \$100 million dollar project or 20 of them. He allowed 10 points for size, 5 for scope and 5 for quantity. He said Capstone has done several projects over \$100 million; all of these projects have been in college towns and in an academic environment; they have done more than one of these projects.

Szymusiak said he scored them in the average 10 range because their focus has been student housing, with not a lot of experience in mixed use or urban development. Lahanas agreed with Mansfield and gave them a 10 because we asked for mixed use, mixed market, different generational housing which appeals to a diversity of people. He felt they are big in scope but one dimensional. Wolf asked if they

have completed any non-student or any non-housing projects. He said after scoring all the developers, he reconsidered some because they listed were in alphabetical order and his scoring process evolved as he went along. Jester said he scored them all three times.

### **DTN – Average 11.9, Range 7 to 16**

Troost said he gave developers either a high, medium or low rating. He assigned DTN a 7, the low rating. He said he did not find from the proposal submitted that the complexity was there. Hittner said since he scored Capstone at 10; he scored DTN in relation to Capstone. He said he was concerned about the size and complexity of projects that DTN has managed. He noted they have a somewhat broader range of commercial buildings, but they are smaller than what Capstone has done. Sneathen said one of the issues he has with the process is the relativeness of the scoring. He said DTN is his third choice of all of the proposals. He rated them better than Capstone because they have additional office and retail experience that Capstone does not have, but still rated them mid-range. Tricia Foster said the scoring relates to what we were provided, and this location requires smaller developments. She took that into consideration and said there are some mixed-use opportunities other than that which was presented by Capstone, which is primarily multi-family.

Mullins added that she scored DTN high because of the quantity of the work they have done and because they have consistently completed projects, even though not at the same scale as this project.

### **Lurvey White Ventures – Average 14.4, Range 8 to 20**

Szymusiak said he gave them an 8 because when he looked at their list of completed projects, he found them to be mostly institutional. He said the Riverfront Center kind of fits into the mold, but is only one building. He said they do not have a track record in building large, multi-use buildings.

McCaffrey said he gave them a high score because they have worked in the private sector, government, and nonprofit projects. Troost said he gave them a high rating and looked at their team – as a group they should be able to handle a project of this complexity. Jones Fisk gave them an 18 because of who they partner with and what those companies do. She said she went online and saw that what they proposed is what they have built. Now a lot of what is built is what the Planning Commission sees in the renderings.

Jester asked if there were any concerns with the scoring. Lahanas said he had the concern of whether he is scoring just the people putting up the proposal or who they are partnering with. He said he tended to score just the people submitting and not their potential partners. He added that in-person interviews would be helpful for this reason.

### **MTB & Visser Brothers – Average 13.3, Range 8 to 20**

Dempsey said they probably have the most similar project in scope with the original City Center Project; however, that was over 10 years ago and they had different partners on that project. They have a good track record, but for a prototype, suburban-type development. He stated this is urban development. So he gave them a lower score. Jester agreed. He said he lives in City Center I and thinks the result was pretty good. He said that was pretty different than anything else they had done. A lot of the early stages of CCI were done by the City and Downtown Development Authority through various contracts before the

developer came in, so he was not confident that they could successfully do the early parts, so he gave them a lower score.

Hittner said he gave them a lower score because CCI appeared to be commercial big box buildings. He said from his aesthetics standpoint CCI is utilitarian and does not need to be replicated downtown.

McCaffrey said he gave them a high score because he went on the strength of their work in the downtown and the fact that they worked with the community.

### **The Parkside Project – Christopher Jerome and Carpenter Group – Average 10.8, Range 5 to 20**

Lahanas said the entity putting in a proposal did not have that much experience, but their partner has a lot of experience. Since he didn't know who will be doing the work, he gave them a low score.

Troost said he gave them a high score because their collective proposal was good. He said in looking at their collective package, the projects they have done in urban environments, such as Charles Square in Cambridge, Massachusetts, were creative and interesting. Jones Fisk concurred and gave them a 16. She liked the Hanover Inn and Liberty Hotel Project in Westin. Hittner said he scored them in the middle because Carpenter has the capacity to operate in complex projects if they are on board. He said they know less about Mr. Jerome, so he scored them in the middle.

### **Urban Cultural Arts & Studio Intrigue – Average 10.1; Range 1 to 18**

Wolf said he scored them in the middle because there was not enough information. He said even though they had nice renderings, there was not enough detail in the proposals, so he gave them a 10. Hittner said he gave them one point because he did not know who they were dealing with. He said they did not identify themselves in the initial proposal, and even in the follow-up questions they did not give a list of credentials.

### **Qualification Criterion #2 – 15 possible points**

Qualifications, financial capacity and track record of key personnel and development entity.

### **Capstone/Vlahakis – Average 12.2, Range 8 to 15**

Hittner said he gave them a low score because Capstone can build and make money off student housing, but whether or not they can do retail or restaurants is not clear. Troost gave them a high score since they have a proven track record in the country and have built at many university campuses all over. They are starting to mix in gateway elements, which are mixes of uses on the ground floor. Foster said she rated them at 12 because they are a proven commodity and can get the job done.

### **DTN – Average 11.3, Range 5 to 15**

Troost said he gave them a 5 because he looked at the financial issue and their track record and did not find that they have dealt with projects across the spectrum. McCaffrey felt they have the capacity to get the job done. Hittner gave them an 8 and rated them equal to Capstone. He said this is their biggest and most complex project. They are successful midsize operators. He said their equity and finance numbers look formulated, and there was not a lot of detail to the numbers they presented.

### **Lurvey White Ventures – Average 12.6, Range 8 to 15**

Szymusiak said he gave them an 8. He reasoned that although they displayed the ability to get some jobs done, they are using public funding. They have done some complex projects using other money; i.e. state money and tax credits. He rated them similar to Capstone and DTN.

### **MTB & Visser Brothers – Average 11.2, Range 6 to 15**

Mansfield agreed with Dempsey's description and said they have a track record in suburban prototypes.

### **The Parkside Project – Average 9.3, Range 3 to 15**

Lahanas said he scored them low because there is no assurance that the second entity is committed to the project, and the local partner doesn't have a track record. Wolf said he scored them higher because he looked at the experience of the potential partner and was impressed by that. Jones Fisk said she gave them a high score because the individual pages in the matrix said "in the past 10 years Carpenter & Company has successfully development projects." Haskell said she agreed with Lahanas because the legal connection between Carpenter and Jerome was not clear. Foster said it was difficult for her to rate them highly for the same reason. Hittner said he gave them a 12 based on the assumption that Carpenter was involved in this. He questioned whether the proposal is something that Carpenter presented to Mr. Jerome or if it was Jerome's proposal with the idea that Carpenter would participate, and stated it would be helpful to know this.

### **Urban Cultural Arts & Studio Intrigue – Average 8.9, Range 1 to 12**

Hittner said he gave them a 1 because he did not think they answered any of the questions. The 1 was on the basis of the projects they have had some hand in seeing through fruition. Jester said on this criterion he was looking for five capacities – site programming, design, project management, financial management, and the ability to work with the community. He just saw them as most qualified in design and working with the community.

Lahanas suggested that the developers bring their partners to the interviews.

### **Qualification Criterion #4 – 5 possible points**

Experience in implementing green building practices such as those required for LEED certification and low-impact development such as innovative storm water management systems.

### **Capstone/Vlahakis – Average 2.6, Range 0 to 5**

McCaffrey said they have LEED engineers on their staff and partner with an architect that has LEED staff on their team. Troost said they have one gold certified project and are attempting to get a silver certification. Szymusiak said if you need a LEED certified building, you hire a contractor/engineer with LEED certification, so he rated them all average. Dempsey said he rated most of them low. He said he wants to see people quantify it; i.e. how many buildings, what percent of the buildings are LEED certified. He indicated in one of the proposals the architect has a great background, but he wants to see the owners and the buildings they built. He didn't think anyone did a great job in demonstrating this.

### **DTN – Average 2.4, Range 1 to 3**

Jones Fisk said she gave them a 3 because they did some storm water management projects with the Ingham County Drain Commissioner which they noted. Hittner said they don't claim any LEED experience or qualifications, yet they said they experience in dealing with the Drain Commissioner's office regarding storm water run-off.

### **Lurvey White Ventures – Average 3.3, Range 1 to 5**

Troost said they mentioned they have a LEED Silver certification, and they show a LEED platinum project on their website. Sneathen said he rated them low because he questioned what their relationship is with the people they listed on the sheet. None of their projects showed LEED certification. Mullins added that DTN, for example, usually builds things that are leased out and utility costs are passed on to renters. Lurvey White has institutional clients that are demanding LEED certification and energy savings.

### **MTB & Visser Brothers – Average 1.3, Range 0 to 3**

Szymusiak said he gave them a 2; and the scores were pretty uniform across. Mansfield gave them and The Parkside Project a 0 because of lack of information.

### **The Parkside Project – Average .9, Range 0 to 2**

Jester noted there was lack of information.

### **Urban Cultural Arts & Studio Intrigue – Average 4.3, Range 0 to 5**

Troost said he gave them an 8 for a LEED Gold and a LEED Silver in their resume. Mansfield mentioned that they have clever storm water treatment. Wolf said he gave them a 5 because they were the only ones to address both parts of the requirement.

## **Qualification Criterion #5**

Proven experience conducting community input/visioning sessions or design charrettes.

### **Capstone/Vlahakis – Average 1.3, Range 0 to 3**

Sneathen said he gave everyone a 3 other than those who have actually done charrettes. Lahanas gave them a low score because they have to show a greater diversity of uses. Jester also gave them a 0. He said they never used this intensity of community input. Mansfield said there is a charrette experience vs. a willingness to do this, and he did not see this from most of them.

### **DTN – Average 1.8, Range 0 to 3**

Szymusiak said he gave them a 3. He looked at their willingness to work with the community in terms of putting together a vision and said they are a local, known entity and would have more familiarity with the neighborhoods. Jones Fisk said she scored them a 2 because of her experience of being on the

Planning Commission and said in one of their projects in the Bailey Neighborhood they did not reach out to the neighborhood at all. That project did not go through. Hittner said he gave them a 1 because of that project in the Bailey neighborhood.

#### **Lurvey White Ventures – Average 3.5, Range 0 to 5**

Troost said he gave them a good score because of their partnership with Projects for Public Spaces and said you don't get much better than that. He also scored them highly because of just knowing their portfolio; he said they are a very credible organization in running charrettes. Dempsey agreed that Projects for Public Spaces is good, but he focused on proven experience of the development entity doing the charrettes on their own, so he scored most of the developers low.

#### **MTB & Visser Brothers – Average 1.6, Range 0 to 5**

Sneathen said his score was in error; he wanted to give them a 3 instead of a 5. Wolf said they did not provide much information to show community involvement, so it was difficult to give them anything other than 0.

#### **The Parkside Project – Average 2.1, Range 0 to 5**

Wolf said Jerome seemed to talk about his experience in having community involvement in Lansing. Szymusiak scored them a 3 because of his familiarity of the Red Cedar proposals.

#### **Urban Cultural Arts & Studio Intrigue – Average 3.5, Range 0 to 5**

Mullins said they cited the PNC Bank which is a much smaller project, but there were several community meetings for that and there was a good outcome. Szymusiak also ranked them high because he is familiar with the way they do business and was involved with them when he worked for the City of Lansing. Wolf graded them highly and agreed with Szymusiak. He said they cite involvement with charrettes; he said we have to evaluate the developers on how they present themselves.

#### **Qualification Criterion #6 – 5 possible points**

History of utilizing high-quality design and materials in past projects.

#### **Capstone/Vlahakis – Average 2.9, Range 1 to 5**

Troost said this category is very subjective. He gave everyone middle of the road scores because it depends on the money they have for the project. McCaffrey concurred and said we did not have any information on how they will accomplish high design standards.

#### **DTN – Average 3.0, Range 2 to 5**

Mullins cited the investment DTN has made in the exterior of their existing buildings around town, including landscaping and building materials. She said she has been impressed with the aesthetics of their work; i.e. new construction on Burcham that was done a few years ago and the new signs on a couple of their properties along Abbot Road which were done in the last few months.

### **Lurvey White Ventures – Average 3.4, Range 1 to 5**

Wolf said their renderings looked better than renderings from the other developers. Foster gave them a 1 because she is less familiar with that developer and struggled with the history piece. She said she does not know what the buildings they have built actually look like. Hittner said their buildings appear to be high quality buildings, not cookie cutter.

### **MTB & Visser Brothers – Average 2.8, Range 1 to 3**

Dempsey said they were doing prototype development spec'd out by the corporate entity, so there was not a lot of room for creativity.

### **The Parkside Project – Average 3.4, Range 1 to 5**

Szymusiak said who we are dealing with dictates the difference in the scores.

### **Urban Cultural Arts & Studio Intrigue – Average 3.8, Range 1 to 5**

Lahanas said the examples were good examples and that if you drive by the buildings, you will see they look timeless.

Jester said from the minutes we can get the questions for the interviews. Mansfield said there were numerous cases where he docked points because not enough information was given.

## **6. Discussion of Financial Review Committee**

Jester said they want to look deeply into the financial capacity of the proponents. The plan is for Haskell and Yeadon to look at this information. Yeadon said the committee can be declared a public body when they have decision-making power; but it is important to note that whoever is ultimately appointed will be on an information gathering only subcommittee and would not have any decision making power. The subcommittee will be reporting to this body. Lahanas questioned whether we will be reviewing all six companies. Haskell recommended short listing this at some point because to do an adequate job of due diligence, the subcommittee will have to review a lot of involved financial documents and risk assessment, so six would be excessive. Lahanas suggested reviewing the qualifications of the final three.

Jester questioned how long the process would take after the short list. Haskell said it will depend on participants' willingness to divulge information. She guessed it would take two or three weeks to go through the information.

Hittner expressed concern about the subcommittee not being able to score the proposals. Jester said each of the proponents made some representations about their financial capacity to do the project. He expected that the subcommittee could look over the proprietary information provided and decide whether what they represented in their public proposal accurately reflects their financial capacity or if they see reasons for concern. Wolf said the other component of financial capacity is cost estimates and requires some knowledge of construction costs.

Jester said we will set this aside for further discussion at the next meeting.

Mullins read the aggregate scores.

## **7. Discussion of Proposed Interview Format**

Jester said at the last meeting they adopted a process that said the committee would score qualifications today, score the proposals at their next meeting, and interview applicants at the following meeting. He felt we should communicate to the proponents the issues that were raised today – what we saw that concerned us and invite them to come to our next meeting and go through the interview process. After that the committee could revise their scores. At the meeting after that the committee would bring all of the scores together and see if they can come to a consensus.

Lahanas asked if they can ask the principal people to come forward, so they know who they are scoring. Mullins said we would provide them with questions up front and ask them to give a presentation. There was discussion about whether or not to ask the same questions of everyone and how many people to interview. Jester said if we do the interviews at the next meeting we should interview all of them. Foster said we need to understand who we are dealing with and that she would be supportive of modifying the process. She said they should interview all the applicants because the scores are so close.

Jester moved the meeting to Conference Room A as another group had the room reserved.

The meeting reconvened at 6:05 p.m. in Conference Room A.

Jester reviewed the total average scores.

The committee discussed whether or not to interview all the developers at one meeting. Lahanas said the developers will be interviewed by Council also. The consensus was to do the interviews at one meeting and to give each developer the same amount of time. It was decided if a developer could not be present to not allow them to use video conferencing. Yeadon mentioned it would have to be visible to the public. Jester said they would defer activities for remaining meetings and schedule interviews on the 10<sup>th</sup>. Yeadon asked if we would let them give a presentation and then have them answer questions. Dempsey suggested giving them a list of questions ahead of time and have follow-up questions if we need clarification. Jester said we should ask them to speak to the criteria in order, and in doing so to take note of the discussion the committee had; the follow-up questions will be embedded under the headings of the criteria.

Szymusiak moved to conduct interviews on April 10 per Tim Dempsey's recommendation and defer the rest of their schedule to subsequent meetings. Troost said the developers should bring their teams to the interviews and speak to their relationship of having worked together before. Foster said we should know who is coming. Lahanas said they should bring the people we will be working with.

Mullins asked if we're just going to ask them to address the qualifications criteria only or to address the proposal criteria. Jester answered just to ask about their qualifications, because the designs will change during the planning process. Yeadon made a friendly amendment to ask staff to draft the particular document that will be sent to the applicants instructing them what it is the committee will be looking for with regard to qualifications, who we will be working with, and setting 30-minute time limits on the interviews. George Lahanas seconded the motion as amended.

Vote on motion as amended: All yeas. Motion carried unanimously.

## **8. Proposal Criteria Scoring Procedure**

This item was deferred to a subsequent meeting.

Wolf asked for a copy of the background to the summary spreadsheet. Mullins will send that out.

Jester said after the interviews we will ask everyone to re-score the qualifications if they wish and then score the proposals on April 17.

## **9. Public Comment**

Jeff Baten said he thought it would make it easier to look at financial capacity by having the developer put \$50 million in escrow and draw from that. Or he suggested the City require the developer to bring to the table \$12.5 million in cash, considering institutional financing comes in at 75% of the loan value, plus the \$5.2 million owed on the land. He said we should also require a commitment letter from the developer's lender. We should ask the developer if they would be willing to self-fund the project, including the farmers market, TIF, the road, infrastructure, etc. and the City would pay them back later.

## **10. Adjournment**

Lahanas moved to adjourn the meeting at 6:25 p.m., Mansfield seconded the motion. Vote: All yeas. Motion carried unanimously.