



DOWNTOWN DEVELOPMENT AUTHORITY

Park District Proposal Review Team

Park District Proposal Review Team

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Meeting Minutes

April 10, 2013 - 3:00 PM
54-B District Court, Courtroom 2
101 Linden Street

1. Welcome and Introductions

Chair Jester opened the meeting at 3:02 p.m. At the taking of the roll, no one was absent.

2. Approval of Agenda

Lahanas moved to approve the Agenda as written; Mansfield seconded the motion. Vote: All yeas. Motion carried unanimously.

3. Approval Minutes

Dempsey moved to approve the minutes; Hittner seconded the motion. Dempsey said the minutes should show when he arrived at the meeting. Vote on motion to approve the minutes as amended: All yeas. Motion carried unanimously.

4. Written Communications

- E-mail to Lori Mullins from Alice Dreger
- E-mail to Lori Mullins from BJ Nocera
- Memo to Review Committee from Amy Schlusler-Owens regarding the Senior Housing Survey
- E-mail to Review Committee from Eliot Singer

Jester said it is the Committee's third meeting. The first meeting was organizational, and at the second meeting each member looked at various proposals and preliminarily scored the qualifications of the proponent teams, with the exception of Criterion No. 3, the financial capability. That will be addressed by a small subcommittee. He said there was a wide variation among committee members and felt it was necessary to clear up the areas of uncertainty. Today we will be doing that by asking the proponent teams to give a presentation to the areas we need to understand and to answer clarifying questions from the members of the committee. They will have another meeting a week from now and in the interim the members will take another look at the scoring, re-score and submit those to staff, and that will be the basis of discussion at their next meeting. Then they will have to schedule another meeting where they will decide what their recommendations will be to City Council. He said five of the proponents are present to be interviewed.

5. Interviews – 10-15 minute presentations, 10-15 questions from Review Committee each

a. Capstone Collegiate Communities, LLC and Vlahakis Companies

John Acken, on behalf of Capstone Collegiate Communities, said their philosophy is the same whether they're working with a university or a municipality—it's a partnership. They need to understand the vision and determine what the reality is in the marketplace. He indicated Capstone is the project lead and was founded over 20 years ago. They have had over 60 years of experience in development in 90 college towns and have a national presence. They have multiple sources of equity and debt. He said the uniqueness of this site is that it's a high density, mixed-use development in the heart of an urban environment.

In 2009 they built Taylor Place at Arizona State University, with 1,288 student residents, which was a public/private partnership. They're working on a private development in downtown Eugene at 13th and Olive, a private development with private financing with no University affiliations. In 2003 they delivered Charles Commons in downtown Baltimore in partnership with the University. In 2012, they built the Lofts at Kennesaw outside of Atlanta, which is a private development, privately financed, and has 240 residential units and retail. In 2013 they built the Lofts at City Center in Tuscaloosa Alabama, about 60,000 sq. ft. of retail and a hotel. He said they're developing the residential part in Tuscaloosa and are partnering with another firm who is developing the retail town center adjacent to it. In 2014 they will build College Station, Texas North Point Crossings, with 615 units, 1,800 residents and 60,000 sq. ft. of retail which will be separate from the residential.

Acken said they are partnering with Vlahakis Companies, Inc., which has a local knowledge of the retail market and has 25 years of real estate development experience. They are using them as a consultant. Dublin Square Irish Pub will be first retail component of the development and they bring knowledge of the restaurant industry.

Acken indicated they are also partnering with Midas Hospitality, which has experience in developing 10 properties since 2006, most of which are located in the Midwest. They currently manage seven of their properties, two are A-loft hotels. He said he received a letter of interest from an A-loft for this location. An A-loft is designed to fit in with the urban environment and would be a good fit for downtown East Lansing.

Acken indicated Dungan Nequette Architects will be providing the overall design. They have partnered with them on 14 developments, including the Lodges of East Lansing. They finished Phase I (220 units) and are currently working on Phase 2 (144 units). The Lodges were featured in the *Wall Street Journal* in their mansion section for using innovative design. They are proud of the street trees and sidewalks. They pride themselves on classic urban design and what it means.

Regarding LEED experience, Acken said they have lots of experience with green projects—three gold, one silver, and three pending LEED certifications. Most are on campuses. He said they have the experience to carry this out. He said it's also about sustainability—a great example is their development at 13th and Olive in Eugene OR. Their development there was given the Earth Advantage Silver award. The utility company provides a certification process. He welcomed the conversation of employing these practices.

Acken said most important thing is the pedestrian experience; i.e. brick details, street trees, and architectural details. They temper what the community wants with the realities of the market. In that case they had multiple meetings with the community and the City and multiple iterations of the plan. They have done this for over 20 years in multiple college towns across the country.

Lahanas said a lot of the projects were university projects. He asked if all their developments were in student markets. Acken said Capstone has focused on the student market. Conventional markets consist of one or two bedroom units and some three bedroom units. They have a mix of unit types in all of their complexes. He said in this case there is an opportunity for one or two bedroom units to be focused towards professionals—the goal is to build a range of housing types that can cater to different people in the community. They could put the one or two bedroom units in one section; the four bedroom units would cater to undergraduate students.

Jester asked if they've done anything where some of the housing went to private or condo ownership. Acken answered Creekside of Auburn was a condominium development. Clemson, South Carolina was also a condo development. Those were low density done as single-family houses that were made into condominiums, and they established a condominium association. He said now condominiums are a hard market.

Jester asked in those cases where they did retail if it is essentially neighborhood services or destination retail. Acken answered Tuscaloosa has destination retail. Kennesaw has neighborhood services. College Station will be a mix.

Szymusiak asked Acken if they typically handle the leasing of retail. Acken said they have done both but in this case they would probably bring in a third party, which they did at Kennesaw.

Mullins asked Acken if they were selected who would the City mainly be working with through this process. John Acken answered he would. He was the lead developer on the Lodges of East Lansing. Capstone is the principal developer.

Jester asked how the charrettes they held influenced the programming of the sites and in planning and design. Acken said typically they will have a series of meetings with community stakeholders and other people leading up to the charrette, which is typically a three-day event. They will bring in designers, the City and stakeholders and will receive input during the day and redo the design at night. The post-charrette process in providing design guidelines is just as important. He said for the overall process their goal will be not only to understand this site but to understand how it fits into the overall urban fabric. They want something financeable.

Jester asked what the biggest re-think of a design they had to do as a result of the charrette process. Acken said during the charrette process for the Lodges of East Lansing they were going to have a conventional three-story walk-up building surrounded by a sea of parking. The charrette attendees wanted street trees and pedestrian walkways. They cut the three-story building in half and linked the buildings together to create a seamless building that fronted onto internal streets. They installed street trees in there and surface parking behind, so there was a remarkable difference between the first design and the last. It affected their subsequent site plans in other cities.

Jester said this location is adjacent to the downtown and also is adjacent to an older established neighborhood with student and non-student residents, and it is a pathway for people to get to the University. He said there's a need for defending the neighborhood uses as well and asked what Acken's experience was with that. Acken said the hospital in Eugene, Oregon was on the periphery which was the transition between the urban core and the neighborhood. It took a lot of meetings with the neighborhood association adjacent to it and more importantly was how to do the connectivity and walkability, transit use and bikeability effectively. That was a collaborative process between the City, the neighborhood, the hospital and the University. He said he would work with the neighborhood and the City on how to make complete streets.

Szymusiak asked Acken to describe the relationship between Vlahakis and Capstone companies. Acken said Vlahakis owns the land at Dublin Square. Capstone would partner with Vlahakis on that piece of land with the overall development. They would use Vlahakas as consultants since they know the restaurant market.

Dempsey asked if they have been securing most of their funding, through traditional, institutional, or equity partners. Acken said Anderson has provided more than \$300 million in equity, and they have used other sources as well. They have a close relationship with other banks; i.e. Service First and Wells Fargo. He said college towns have stayed very vibrant during the downturn. He said this year alone Capstone has \$240 million in construction under development.

b. Urban Cultural and Arts District, LLC, David C. Vanderklok & Project Partners

David VanderKlok introduced Ray Cox, a member of the LLC, Ken Brooks, Joe Biersbach and Roger Thornburg.

VanderKlok indicated he is president and principal architect with Studio Intrigue Architects in Lansing, and REO Town. He said he is the designer for the eight-story building going up 250 feet away with Doug Cron and David Krause. He is also the author of the design for the new HopCat Restaurant, which was just approved. He was involved with the design of the Technology Innovation Center, and also was the architect for the Spine Center on Saginaw. He said he's been here since 1997; most of the other members of the LLC have been here for 30 years, and most live and work within eight miles from here. There will be a strong architect role, he and his firm will act as a hub for the City and the general contractor and the consultants under his umbrella. He said Joe Biersbach is the managing member of the LLC, and Biersbach and he have developed over 100,000 sq. ft. together since 1997. Biersbach has an extensive development and real estate background dating since 1978. Ray Cox is not local but brings a financing arm to their group and some investment capital. Ken Brooks is a local attorney with a lengthy experience in real estate. 730 Equities, LLC is within the parent LLC. Roger Thornburg has been in real estate development, particularly multi-family, since the 70's and has done over 2,500 units.

VanderKlok said a parking deck and high rise will be part of this project. Shymanski & Associates is the structural engineer; they were the engineer for the Residences in East Lansing. He showed artistic renderings of local buildings he has done, including the PNC Bank, which is a mixed-use building with parking underneath, and they will start construction in mid-June on a bank and 63 residential units above at the old Silver Dollar site. He was one of the contributing architects for the Stadium District in downtown Lansing. VanderKlok said they do contemporary and traditional designs. For urban

development, they re-did Douglas J in Grand Rapids and in Royal Oak, Dean Apartments in Lansing and the Lansing Armory, which has received several awards. They had to get historic preservation incentives for that project. He is also working on the Lansing Board of Water and Light plant.

VanderKlok said he used green initiatives; i.e. for the Lansing City Market, which was audited by the Department of Energy and had federal funds. This was recognized as the signature example of the proper use of energy efficiency; it can operate without electric lights. The Cedar Street School, which was abandoned; they renovated it to meet Gold standards. There is a storm water cistern in the basement which is used to flush the toilets, which they propose to use in the Park District project. He indicated the Board of Water and Light project will be done in July and has a Silver designation. They received a sustainability award for a building in Lansing where they harvested red sandstone from a project in Grand Rapids. They want to incorporate green practices in building recycling and in the Park District project. They will have a 45% increase in the pervious area.

VanderKlok said he loves doing charrettes. There were four months of charrettes for the Lansing City Market. He walked into it with a blank canvas, there were strong feelings on both sides, and 90% were happy with the end result. He said he worked with Friendship Manor about lighting issues for the renovation of the old Silver Dollar, and for the Spine Center they worked nine months with the neighbors. He uses materials that are timeless. He has had experience with historic buildings; the Douglas J in Grand Rapids was done with the State Historic Preservation Office, which won an award. The Lansing Armory won a Governor's Award for historic preservation.

VanderKlok described the site plan which includes two buildings which are 10 stories high, one being a condo apartment with a grocery store on the bottom, and the other building having a hotel with a parking deck and some office, a pedway, some apartment housing and a 10,000 sq. ft. structure for a farmers market. He said there will be a buffer for the Memorial Garden for Peoples Church. Public art will be included as part of the project.

Szymusiak asked VanderKlok to speak to his experience in doing projects of this magnitude. VanderKlok said this will be the largest project that his studio has taken on—they have the consultants to support them and the experience of several million dollar projects.

Jester asked where the expertise is on their team to gain community input to get to a valid programming concept which the market will support. VanderKlok said he will commission a market analysis and make sure that the project has the support from the community. They have done an investment model with Thornburg's experience with multi-family, which will be clarified with the market study. He added that Biersbach's experience with grocery and restaurants will be valuable.

Jester asked if they will sell it or contract for those services after the project is built. VanderKlok said he would hire a professional management company to do that. His team will build the building and someone will lease the building and be in charge of the hotel.

Troost asked if they have had any experience in public/private partnerships. VanderKlok answered incentive wise, yes, but not in this depth.

Dempsey asked him to talk about debt equity in recent projects. VanderKlok said they have been working with a financing source that is really strong. His team is going through and analyzing the

various sources to get the financing from. He said he looks forward to sitting down with the finance subcommittee to go over that information.

Mullins asked if he has a strategy about the retail spaces that will be leased. VanderKlok said Joe Biersbach has a lot of connections. He said since 2008 the economy has changed, and they are seeing some retail comeback, especially in urban areas.

Szymusiak asked what amount of square footage is proposed for retail space. VanderKlok answered about 9,000 square feet.

Jester said 9,000 square feet sounds like a modest grocery store or community services. VanderKlok said he was not including grocery store as part of the retail. The building for the retail will be against the parking deck and include neighborhood services.

Lahanas asked who the City would actually be working with. VanderKlok answered he would be the authorized representative.

c. DTN Management Company

Colin Cronin of DTN passed out notebooks. He introduced his partners—Tom Kuschinski, Allen Russell, Nick Uppal, and Raji Uppal. He said it's a family business which they founded over 42 years ago, and they now own over 4,500 apartments, with another 2,000 under management, and have offices and properties in East Lansing, the greater Lansing area, Grand Rapids and Muskegon. They consist of four business groups—property management, development and construction, commercial property management, and Spartan Net (Internet/Video). Sixty percent of their apartments are for students and 40% are conventional. They work with local and national partners and own and operate construction companies. Recently completed projects are Aspen Lakes in Holt, which is a mixed-use PUD consisting of single family homes, owner-occupied condos, luxury rental apartments, and professional office space to be developed; and the Hamptons & Waterbury Place in Okemos, which consists of mixed use—65 residential apartments above commercial and professional space. They are ready to break ground on three projects—The Quarry in DeWitt, an apartment community; The Vista at Eastwood, a \$16 million mixed-use project; and Aspen Ridge in Holt, a rental project. He described their conceptual concepts and future possibilities. He said they received financing during the financial downturn. They have started working with LEAP and Prima Civitas. He indicated they have signed an agreement with CADA and are the only group that can assemble all the land in the area.

Allen Russell, Construction Manager, described the development team. He said Bergmann Associates in East Lansing will be supplying the engineering services, and Humphreys & Partners in Dallas, Texas specialize in urban design. He said both have extensive histories in urban and mixed-use environments and have received national awards. The planning concepts drawings are from Richard Cooley. Bergmann Associates, which previously did the design for City Center II (CCII). They purchased the option to develop those rights, giving them at least a six month head start on solutions to issues regarding site prep work, positioning of roads, relocating and upgrading utilities, and how they interconnect to the rest of the downtown area. Their financial partners are Key Bank, Wells Fargo, and Arbor Commercial Mortgage. Kelly Rossman-McKinney of Prescott Rossman, a well-known Lansing public relations and communications firm, will be assisting with the charrettes and communicating with different groups and the media.

Russell indicated David Pierson of McClelland & Anderson and Jeffrey Green of Loomis Law Firm will be their legal team. DTN has worked with both firms in the past. They have not yet selected construction management pending the final scope of the project, but have discussed this with a number of well qualified firms. He said DTN Park District LLC will be the development entity completely owned by the four people he stated earlier, who are all related. They will hold status meetings each week. He said each member has collaborated with DTN on successful development and construction projects. DTN will own and manage these properties long term. He added DTN is a local company and is the City's largest taxpayer. He said every project DTN has ever done has been successfully financed and built as designed and planned and is still owned by DTN.

Russell said all buildings will be developed to the latest LEED standards. DTN has not sought LEED certification of their projects in the past because it was not required, but they have always designed with high energy standards.

Cronin said regarding community input, Allen has talked to different neighborhood groups and gone door to door, especially for their project at Burcham and Alton. He said a lot of community input was included in their proposals. Kelly Rossman will be helping with this.

As to construction materials, Russell said they will use brick, stone, cement board siding, upgraded windows and roofing, and elaborate landscaping, with limited use of vinyl. He said DTN has local properties located within historic districts.

Cronin said their vision is to create a LEED-certified, walkable community, with a mix of commercial and residential, bike lanes, and outdoor seating, including a year-round farmers market. Building A will house Hotel Indigo, which will take up the first four stories, and for commercial users they have received interest from restaurants, a wine bar and a bank. Residential above Building A would be purely conventional, possibly alumni housing. Building B would have mixed-use commercial on the first floor with residential above. There would be a skywalk system connecting all five buildings to the parking structure and across Grand River. The primary residential component will be near Valley Court Park. He said a conventional style of mixed units will accommodate potential users—one, two and three bedroom units; there will be no three-bedroom, three-bath units or four-bedroom, four-bath units.

Dempsey asked Cronin to speak to the ownership and control and asked if the current ownership will have any ownership interests going forward. Cronin answered they have an option to purchase the land with a development agreement with the City. They don't know who will be investing. He said it will take about \$20 to \$30 million in equity to start construction. DTN can finance \$12 to 15 million without a problem. He doesn't know what the final mix will be.

Wolf asked what the mix will be of owner-occupied and rental units. Cronin answered Building A will have 140 units of conventional apartments. There will be another 250 to 300 nonconventional apartments; they think students will be a good fit. Building B may have some owner-occupied condos. They could do a study to find out what condos are rented by students. He said the market in East Lansing for condos is not good, but this could change.

Jester asked what the largest single development site is in dollars that DTN has developed. Cronin answered Aspen Lakes for \$76 million.

Jester asked about DTN's experience with community involvement and how that has changed their direction. Russell said any number of projects which he has managed over the last 10 to 12 years have had extensive community involvement. He said they had numerous meetings for the Hamptons at Mt. Hope Road. There were numerous public and private meetings and mailings. He even distributed handouts door to door. As a result of the community involvement they altered screening in their project and moved and eliminated parking. At Olde Farm they eliminated a building to move three buildings furthest away from the neighborhood after a series of public and private meetings. For the project at the west side of town on West Mt. Hope, they had public hearings, public meetings and met with neighbors, which resulted in them changing the profile of the building at the lot line. For Burcham Place in East Lansing there was more than a year of meetings with staff and public hearings. He has met with neighbors door to door, sent out mailings, had sit-down meetings with neighbors, and as a result of community input changed the site plan seven times in response to input from neighbors.

Jester asked if their intent would be to adopt a mix of uses and a site plan similar to the CCII project. He asked if they believe this project is feasible in this market, and how much flexibility they would have as the developer. Russell answered they think the uniqueness of their proposal is that they pulled all the pieces together. He said they have control of the bank building on the corner, the vacant ground between the condos and Biggby, and the apartments. Augmenting the presentation and plan makes DTN a unique option. He said they are open to suggestions and change. He indicated DTN is the market study and has done enough of these projects that they believe it needs to be mixed use. He said this site is the gateway to East Lansing and will be the focal point—the most visible and visionary project in East Lansing.

Cronin indicated like a lot of their properties it will be similar to the original CCII project. To the north they do not have that much land to change the overall footprint. He said you will need to put the parking structure in the middle or next to Valley Court, which wouldn't be well received by the neighborhood.

Mullins asked what would be the lasting impression people would take away. Cronin said they are trying to create walkability, vibrancy, action and more things to do in the downtown. They will put in a year-round farmers market and fine dining within the hotel area.

Jester had the committee break at 4:35 p.m.

The meeting resumed at 4:44 p.m.

d. MTB Partners, LLC and Visser Brothers Development

Mike Bailey, of MTB Partners, introduced Bill Mast of Visser Brothers Development and Angela Mann and Rae Richards of Hospitality Specialists. He said given the history of the City and having participated in City Center I (CCI), there needs to be a collaborative effort and community input. He said they welcome that, but their project has to be financially feasible. He said the 3-1/2 year project for CCI evolved into something totally different than the City's original RFP. The City originally wanted for-lease housing; they ended up a successful development with condominiums for sale. Bailey said they expanded the contract and he disagreed with the person who said the project was already laid out by the City. He said he does not think the condominium market is there now. As to the qualifications of their group, he said the City Center Project was an urban development which was breaking new ground in the City and was a catalyst for new development. The goal was to bring in national retailers and they were successful; unfortunately, Barnes & Noble did not do the numbers they had projected. Their ideas for the

Park District are less grandiose, and he said they believe less is more and want something that is thoughtful that serves the community which they can all be proud of.

Bailey indicated Hospitality Specialists have the rights to this territory and have worked with East Lansing on an adjacent piece of land. He said MTB will work with the Historic District Commission and have in the past relocated buildings if there is any historical significance to an actual building. They worked with the Downtown Development Authority (DDA) for a year on CCI and held community sessions at the Marriott and other places. He has done that in several projects in other communities. He said Mann and he have done projects in Grand Rapids and are slated to do construction on 132 apartments in Holland, Michigan. He said Visser and Mann have worked together over 10 years and own five hotels together. As to financing, Bailey said CCI was a \$35 million project. He said between he and Visser they have done a half billion dollars of development in America over the last 15 years. He said they will condominiumize, similar as in CCI, into a series of \$10 million developments; i.e the hotel, the retail similar to CVS in CCI, the parking structure will be one entity, and residential will be another entity. He said community input will extend over to the triangular shaped piece towards the park. He wants this to be low impact.

Rae Richardson and Angela Mann with Hospitality Specialists said they have a unique collaboration with MTB and bring the hotel expertise. They have over 35 years of experience in the hotel industry, including different brands such as Hilton, the Marriott, Holiday Inn, Carlton, Wyndham products, etc. They have experience, particularly with university towns. They currently operate 20 hotels in five states. They operate the Hampton Inn in East Lansing and are approved to operate a Residence Inn in East Lansing. She said they also have green experience in sustainable programs, such as for laundry, energy usage, irrigation, and LED lighting. Marriott representatives have been to East Lansing and authorized them to operate a Marriott Residence Inn.

Bill Mast said he is a member of the second generation of Visser Brothers in Grand Rapids, which is a 53-year old construction and commercial real estate development firm. He said he has had a 2-1/2 year business relationship with Mike Bailey. They developed, owned and operated three hotels with Hospitality Specialists, and two more will be opening in the near future. He said they financed all three hotels they have done and are financing the two hotels they are doing next.

Bailey said MTB has an ongoing relationship with the DDA and the office portion of CCI. He said he should have some good news soon as far as a tenant for that property.

Jester asked Bailey if he is chosen, who the City would be dealing with. Bailey said he would be the contact person and development lead. They have an in-house architect, Harry Kokkinakis, who is very well qualified in working in urban environments.

Dempsey asked about the hotel market in general with the Hyatt going up in Eastwood and the ability to have multiple downtown hotels. A representative from Hospitality Specialists answered the Residence Inn is different from a full-service hotel, as it is an extended stay product for transients, high end, studio suites, etc. It has versatility. She said in addition to the University, there will be a lot of corporate business as well. This is a good model for those relocating from companies. It is also near the Capitol, and many people have Marriott rewards program.

Szymusiak asked how many apartment units there will be and what the ownership structure will work.

Bailey answered there will be 80 apartments, which they will manage. They are proposing 132 units, with no three-bedroom, three-bath, or four-bedroom, four-bath. The apartments will not cater to any specific group. It's hard to conceptualize what will be built since there have been surges in office in the market over the last 6 to 12 months. He said they do the marketing and brokerage work in-house themselves. Bailey said he was the lead on the Barnes & Noble building.

Jester asked what the largest project is that they have done other than City Center I. Bailey answered a \$15 million Riverfront project. Visser added they have developed several malls throughout Michigan; i.e. Centerpointe Mall In Grand Rapids, and more recently two \$15 million office buildings which they own and manage.

Bailey said it is important to note that this is condominiumized into a series of separate developments.

Jester asked Bailey to talk about his non-standardized experience, with a blank slate design. Bailey said they have many office buildings which are not corporate products. They own several strip centers and have bought big box units and redeveloped them into multi-tenant retail; i.e. the original building occupied by Jacobson's.

Jester asked about their green building practices. Bailey said he has not personally been involved in building a green building. He said they would be willing to do that and hire consultants. Visser said they built the downtown YMCA in Grand Rapids which is 154,000 sq. ft. and houses the corporate and branch offices of the YMCA and is the largest workout facility in the area. It is the first LEED-certified YMCA in the nation.

Jester asked Bailey what his charrette experience has been and how that has changed their designs. Bailey said the City Center project went from eight to four stories. They changed the design completely to allow the allé to be pedestrian friendly. He said they have been more than willing to consider something that makes economic sense. He said the charrette process is a very valuable one, but stressed that the design has to make financial sense. He said the process is great, but he wants to be realistic. As far as design and certain materials look, Bailey said they are very open to changing those as they've done in the past.

Jester said this site is adjacent to the rest of the downtown and the neighborhood and is a corridor for various kinds of traffic. He asked what Bailey's experience is in dealing with similar circumstances. Bailey said the west end would be the sensitive area. In their development plan they proposed not extending and widening Albert Street, but to make it more pedestrian friendly, and have the main hub into the park be to the north of the AT&T building. He believes Albert Street is currently a hazard to pedestrians.

e. Lurvey White Ventures

Ridgeway White introduced his partner Dave Lurvey from Lurvey White Ventures and said they're a double bottom line real estate company located in Flint. They look at real estate fundamentals but get excited about projects that are game changing for communities. He said their most recent project was the Michigan School for the Deaf in Lansing and Powers High School from Flint, Michigan; this was a \$36 million project. He said it was a sale/lease back with the State legislature who sold the MSD to them, they built a brand new school. They also co-located the campus of Luke Powers High School from Flint

with the School for the Deaf. They had a lot of community input on that. White indicated all of the tax credits and financing sources which they have used in Flint over the past 10 years are available in East Lansing; the difference is conditions are much better in East Lansing than in Flint. They are working on a Flint Health & Wellness District, anchored by MSU's Masters of Public Health in Flint, which is the anchor tenant, 16 lofts, the second component is re-use of the former Flint Journal headquarters, and they are moving the Flint Farmers Market which has had over 270 million visitors a year. They have worked with Project for Public Spaces (PPS) for 10 years.

White said Lurvey and he worked together on Riverfront Student Housing with 550 beds in Flint. They reconstructed a vacant Hyatt Regency hotel and turned it into a 240-bed student housing building which has since grown to 550 beds. They reconfigured it as apartment style student housing. They also worked with the University of Michigan on that project and opened their School of Management on the second floor. For the ground floor they re-opened a banquet center and service over 200,000 people a year. He said he first worked with Lurvey on the Wade Trim Project, a 35,000 sq. ft. mixed-use project anchored with an engineering firm on the second floor and lofts on the third. They created a really simple lease—which had five move-in spaces for entrepreneurs to occupy. It's been fully occupied ever since.

As far as tax credit experience, White said East Lansing qualifies for every single tax credit that is available in Flint because East Lansing has a lot of students and older residents. As far as team members' experience, White said Dave Lurvey has 20 years of experience in the construction business; he has worked for 10 years as a developer in Flint. Steve Davies, the vice president of PPS, has nationwide experience. He said David O'Neil of PPS is the guru for marketing. They will use Walker Parking for the layout of the parking structure, which is a different company than the City has worked with in the past. They brought in Zoyes Creative Group as a creative PR firm. They have not selected a design architect at this time, and may select one or two. They want to create density in East Lansing. He said now our downtown is one block wide and two miles long. Walkability is a key part of their proposal, They have financed over 10 tax credit projects with Chase and Citizens Banks and worked with numerous groups with bonds.

Lurvey said regarding green building practices, his team's approach is that you need knowledge, communication skills and a passion to be a good steward of the environment. He indicated energy codes have changed over the past 10 years. The passion part is working through the design charrette process to see what the community wants and how it corresponds to civil engineering design. He said he has experience with LEED Silver design standards. They always monitor recycling. Regarding building aesthetics, he said they can choose materials to make this a 50-year plus building; i.e. because of this location the building aesthetics will be stone, brick, cast stone, and metal panels. He said the contractor may have to make the choice between what is more important and what is right to do; they do so and are very responsible in their choices.

White said originally they outlined two potential schemes, both which work. They worked with a local architect and have rough floor plans, layouts and designs. He said the financing sources work. He talked with Joe Martin at MEDC and others to make sure that every piece does work. He said Version 1 of the proposal is the toned down version with 350 parking spaces, 20,000 sq. ft. of indoor/outdoor space, and a three-day, year-round farmers market. In Flint the farmers market has 45 vendors. He said they have some office space and may look at more if a user came on board. There would be a 120-room hotel from Hilton. He said he invested with Blackstone, which owns Hilton Hotels. They suggested a Hilton Garden Inn since it will be in an urban environment. They get to choose the unique architecture that attracts

locals, business travelers, and educational travelers who use the Marriott's reward system. They thought this wouldn't be in competition with other hotels. He said all of their products would be rental for the first seven years, and then it could go to condo. They would have a hotel, and a parking structure with student housing with two-bedroom, three-bedroom, and possibly four-bedroom units. They would also have a loft product. Tax credit revenue would support the product.

In Version 2 they would look for some community support for a larger TIF area, and they would like to create a pedestrian flow with 25% assistance with a parking structure and would have retail around that. It would be a building block to densify this area. He said he looks forward to cooperating and providing the parking needed for adjacent properties.

Szymusiak asked White to speak to his actual equity stake in past redevelopment projects. He sees 2% to 3% private equity in some of his pro formas. White answered on the Powers/MSD Project they are 100% owner of the MSD portion; the Diocese owns 40% of the Powers portion. They put about \$2 million in that project and leveraged a lot of tax credits. He said his family has the ability to put money in projects as needed. They can bring the equity up if needed. They had a maximum leverage of 50 to 60%. He said Dave Lurvey is the lead for Lurvey White. In the first year White said he will be there a lot on the financing. They will have a manager for the whole facility and will have a hotel manager. White said they would be long-term owners.

Troost asked him to describe the partnership with University of Michigan Flint. White answered he is on the board of the Uptown Reinvestment Corporation (nonprofit), which is a nonprofit of 16 local people. There was an opportunity to take the building. He said he wrote the pro forma for U of M Flint for student housing. He started construction without a contract and \$4 million in they signed a contract. He said a building fell in into disrepair a year after when GM left. They took it, bought it and redid it as apartment styles. For the Michigan School for the Deaf the State of Michigan requires all buildings to be built to LEED standards. He said there is a new program at MSU-Green Building Facilities, and they are willing to pay the fee for a hotel in East Lansing, and it would possibly be a LEED Silver.

Lahanas asked if PPS will do the community engagement portion. White answered yes and said they will be involved in that.

Jester said in this case they have had some community input and asked about their experience in figuring out what is right for the site. White answered going forward the hotel component is a strong component. He indicated Hilton is familiar with the downtown environment and they operate the Hampton Inn; he feels there is a demand for a hotel with 120 rooms. He felt there is a demand for the student housing component, and there is a demand for lot living (urban living) and a market for the farmers market. He said they can fill the 9,000 sq. ft. of retail and can fill it with the mom and pop operations. They have talked with Americenter about developing small offices.

Lahanas said their Version 1 calls for 100 residential housing units with 14 upscale lofts/condos, and 10 residential housing units. White answered Building D would be one or two bedroom residential, and in Building C the apartments would be primarily for students. Building B would house the hotel and Building A would contain two lofts per floor, which would be a good condo opportunity. He said it is important to keep street access. For Version 2 it is important to keep connections to the church, and there are lots of design options. He said they want to stick with student mixes.

6. Break

The team decided not to take a break and to keep going.

7. Discussion of Scoring Procedure

Jester said the committee members should re-score the projects by Monday, April 15, and submit them to Lori Mullins who will compile the scores for next Wednesday's meeting.

Mullins said she asked the developers from the Parkside Project if they wished to withdraw, and they said no, but that they would not be coming to the interviews.

Foster said she would be concerned how they could move forward from a development process if they did not show up for an interview. The committee questioned how to score them. Yeadon said it would be his preference that the scores reflect their not being at the meeting. Scores would reflect their unwillingness to provide the necessary information.

8. Discussion of Criteria Scoring Procedure

Wolf said it would be easier to judge each of these criteria on a five-point scale and apply the points after that.

Lahanas said he originally had difficulty scoring the qualifications and asked if they should just score the principals or who they are working with. Troost said he felt the committee members needed to take their collective experience and in their agreements write in that those partners will be there and their roles. Troost suggested if we go to a 1 to 5 scale, you can always assign an external weighting as to what is more important. Szymusiak asked from a scoring perspective if it is the City's intent to make recommendations solely on the points.

Jester said the committee is supposed to make a recommendation of 0 to 3 proposals to the City Council. He felt the scoring is a device to make them think through all the details. In the end they would make a motion and vote on a recommendation of which proposals merit further consideration. He said the rankings are more important than the scores.

Yeadon asked how recommendations will be made. Szymusiak asked if a consensus can be reached on one or three proposals to proceed with, if they will be based solely on points. Yeadon said there are different ways to look at raw data. You don't have to just base it on scoring.

Mullins said each member should rank the different proposals. She proposed that they continue scoring the way they did previously and then she can determine the rank that each person gave. Wolf said we should arrive at a consensus score.

Yeadon clarified it is his understanding that they would look at both sets of numbers and discuss their ratings like they did before.

Mansfield said they are accomplishing the consensus building by using this data, which provides discussion points, and in the end they will arrive at a consensus.

Jester asked if the worst score is 0 or 1. Jones Fisk said some proponents did not discuss some aspects in their proposal; i.e. LEED certification. There was a consensus to use 0 as the base.

Jester said Wolf's other suggestion was to use five grades and scale out to the number of points available. Wolf said they should be evenly spaced.

Sneathen said everyone has spent a considerable amount of time in developing their scoring. He recommended that instead of starting a whole new scoring system; to keep it as it was and evaluate new information that they received today. He said if they use both the weighting system and the scoring they will ultimately get a pretty similar answer.

Szymusiak said in fairness to the developers we should re-evaluate the community input which was given at the RFP.

Jester said he will be thinking about the proponent's flexibility in responding to the interview.

9. Public Comment

None.

10. Adjournment

Szymusiak moved to adjourn; Lahanas seconded the motion. The meeting was adjourned at 6:13 p.m.