



DOWNTOWN DEVELOPMENT AUTHORITY

Quality Services for a Quality Community

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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

April 23, 2015 - 12:00 p.m.
Conference Room A, 2nd Floor
410 Abbot Road

Present: Douglas Jester, Brad Ballein, David Krause, George Lahanas, Lynsey Clayton, James Croom, Mayor Nathan Triplett, Eric Rosekrans

Absent: William Mansfield, Colin Cronin, Peter Dewan

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

Guests: Tom Eckhardt, Paul Schmitz, Danny Shimer, Charles Lawler, Jim Anderson, Christine Root

1) Call to Order

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

A) Roll Call

At the taking of the roll, Board members Mansfield, Clayton, Cronin, Dewan, and Mayor Triplett were absent.

B) Approval of Agenda

Mullins stated that Dan O'Connor, Parking Administrator, will be retiring in May. She added an item under Written Communications – Letter of Recognition to Dan O'Connor. Ballein moved to approve the Agenda as amended; Croom seconded the motion. Vote: All yeas, motion carried unanimously.

C) Approval of Minutes

i. March 26, 2015

Croom moved to approve the minutes of March 26, 2015 as written; Krause seconded the motion. Vote: All yeas; motion carried unanimously.

2) Financial Reports
A) Treasurer's Report for March 2015

Mullins reviewed the Treasurer's Report.

B) FY2015-16 Budget

Mullins reviewed the DDA Budget for 2015-16. She noted that \$118,000 is budgeted for the Project Development Fund and an additional \$30,000 for the Expanded Area, which is the area east of Collingwood, specifically for the Red Cedar River trail.

Clayton arrived at 12:14 p.m.

Mullins reported that City Council's public hearing on the budget is scheduled for May 19.

Ballein moved to approve the proposed budget; Lahanas seconded the motion. Vote: All yeas. Motion carried unanimously.

3) Written Communications

None.

4) Communications from Staff
A) Cold Stone Creamery ROW Request

Pope stated that Cold Stone Creamery at 200 M.A.C. Avenue requested the use of the public right-of-way for two tables with two chairs each. This is identical to last year's request; and since there were no issues, staff approved it administratively.

B) Young Professionals Focus Group Overview Report

Schlusler stated in October 2014 the DDA committed funds to enter into a contract with Publicom, Inc., to moderate a focus group with Young Professionals, between the ages of 25 to 35 who do not currently live in the downtown, on what types of housing and commercial development might be supported in Downtown East Lansing. She presented a brief summary of Publicom's findings and recommendations.

C) 1301 and 1307 East Grand River Avenue & 116-132 Spartan Avenue

Mullins said the plans are being revised, and this will be back before the Board next month. She noted at the previous DDA meeting there were concerns over the size of the retail space.

D) 565 E. Grand River Avenue Site Plan and Special Use Permit

Mullins said this site plan is for the redevelopment of the former Taco Bell building. Proposed is a five-story building with retail on half of the first floor and residential on upper four floors and rear portion of first floor. The project is being redesigned slightly to have more patio space. This will be on the DDA's agenda for next month.

E) Letter of Recognition to Dan O'Connor

Mullins announced that Dan O'Connor, the Parking Administrator, is retiring on May 22. He has been with the City for 27 years and has helped the DDA with many initiatives over the years.

Ballein moved to authorize the chair of the DDA to sign a letter of congratulations and thanks; Clayton seconded the motion. Vote: All yeas 7 to 0. Motion carried unanimously.

5) Communications from Audience

Jim Anderson, 968 Roxburgh, indicated that the majestic oak tree on the corner of 116 Spartan Avenue and Grand River Avenue is more than 300 years old. He said he is encouraged that there is a revision in the proposed site plan for 1301 & 1307 E. Grand River and 116 & 132 Spartan to protect the tree and its root system. He cautioned against some feeling that just because the tree is old, it can't live too much longer and might as well be bulldozed.

Chris Root, 729 Sunset, expressed her concern over CVS wanting to stay open for alcohol sales from midnight to 2 a.m. She said there is no public benefit from increasing the number of merchants in the downtown selling alcohol.

Root also stated she felt that the report on PDIG's Development Agreement from the legal consultant, Clark Hill, is incomplete because under the Scope of Services Item #2, the City did not provide them with the PDIG LLC membership and relevant partnership agreements to identify immediate and future risk exposure for the City and DDA. Because of this, she said it would be premature to conditionally approve the Development Agreement. She also stated that PDIG promised to provide a letter from the Chicago-based partner that proposes to operate Hotel Indigo on two floors, but this was not provided to Clark Hill. She felt the process is moving too fast. She said the City needs to get information in order for the legal consultant to complete the due diligence.

Charlie Lawler, Clark Hill, speaking on behalf of CVS, stated he went to the Planning Commission with the request to be able to sell alcohol between 12 and 2 a.m. He apologized that CVS did not include the expansion of liquor sales in the original request before the DDA. He said the Planning Commission approved their request last night partly based on the memo from the Police Department that they did not expect any issues with CVS increasing its hours of alcohol sales. Lawler said the pharmacy closes at 9 p.m.; these hours will not be affected. The Board indicated if CVS were to come forward in the future to operate a 24-hour pharmacy, they would be supportive. Danny Shimer from CVS said he felt they've been a responsible company and would support that.

6) Business Agenda

A) Cron Management Property Management Agreement

Pope stated the Management Agreement for 314 Evergreen covers from June 1, 2015 to August 31, 2016. She said the only changes from previous agreements are the dates.

Ballein moved to recuse Krause from the discussion; Croom seconded the motion. Vote: All yeas. Motion carried unanimously.

Ballein moved to approve the Management Agreement; Rosekrans seconded the motion. Vote: All yeas, 6 to 0, with Krause being recused. Motion carried unanimously.

B) CVS Hours – Modified Special Use Permit

Mullins said this was unanimously recommended for approval at the Planning Commission meeting last evening. Last month the DDA recommended approval of CVS being open 24 hours, but did not know this included increasing the hours for alcohol sales until 2 a.m. Mullins pointed out that CVS is represented by Clark Hill, and the DDA has used Clark Hill in the review of the Park District Development Agreement. The Board did not believe there was any conflict of interest.

Mayor Triplett arrived at 12:41 p.m.

Croom moved to approve the Modified Special Use Permit; Rosekrans seconded the motion. The Board discussed whether or not there is an equity issue with downtown restaurants which cannot sell alcohol after midnight. They noted the memo from Officer Tim Smith, East Lansing Police Department, who said there have been no problems arising from alcohol sales at CVS. Clayton pointed out that they have a different liquor license from the State than that of a liquor store. One board member noted that CVS has been well received in the downtown. Lahanas said they were one of the leads to go into the City Center. He noted that they sell groceries and offer a wide range of products, plus they offer pharmacy services, which differentiates them from liquor stores. Vote on motion to approve CVS's modified Special Use Permit: All yeas 8 to 0. Motion carried unanimously.

C) 500 Albert Avenue and 122 Division Street Site Plan and Special Use Permit

Mullins said this is Lingg Brewer's project, which went before the Planning Commission last night and was unanimously approved. She indicated it meets all the Zoning Code requirements, the entire first floor is retail space, and this adds residential to the downtown. She stated this site plan was discussed at the Project & Infrastructure Committee, and the members felt it is out of character with its surroundings and would prefer more comprehensive redevelopment of this area rather than putting this building between the two other buildings.

Jester asked about Council's options. Mullins said approval has to be consistent with the Zoning Code, but Council can also make a decision as to whether or not it is consistent with the Comprehensive Plan or other plans. Mullins said the residential upper floors are subject to provisions of the Special Use Permit.

Mullins added that the wood frame house would be demolished in three years, and the applicant would provide a bond to insure this. There is a phased approach. Ballein noted this is the 6th or 7th time we have looked at this from the same developer. Clayton said if it complies with the requirements of the Code, as a property owner they have the right. Some members expressed concern that there was no plan for the house that is being torn down.

Mullins stated that City Council did not approve the most recent site plan because it did not meet the retail requirements for the first floor. Council approved the applicant's previous site plans.

The main issues the DDA had were: concern about the narrowness of the sidewalk and the light and utility poles which are located on the sidewalk; compatibility of this building with any future building to the south; and a commitment to remove the existing wooden house within five years.

Clayton noted that the elevations from the applicant and the site plan drawings are inconsistent with regard to windows on the south. She recommended requiring that the applicant submit correct drawings which are consistent. Mullins suggested asking for a more complete site plan showing how they are complying with the Urban Design Guidelines.

One Board member said he felt uncomfortable not knowing what is being proposed in three years. Another Board member felt the development would be visually unappealing.

Darcy Schmitt said part of the condition of approval is that Brewer would be willing to reinstate a contract that would give the City a \$10,000 bond that the wooden house would have to come down within five years. Regarding the elevations and floor plans, she said the intention of the applicant is that there will be no windows on the south side of the new building because they will eventually be attaching a building. She noted the site plan will have to be corrected prior to City Council taking action. She stated the Planning Commission also discussed the consistency in relation to the Comprehensive Plan. She said the plan for 122 Division is that the windows will stay, and for awhile the residents will be looking at a brick wall. The only condition that the Planning Commission added was the agreement with the applicant to put up the \$10,000 bond for the wooden house to be removed within five years. Dempsey said we may want to raise the amount of the bond.

Lahanas moved to recommended denial of the site plan unless the developer can provide a phased plan for the full redevelopment of the site for the City to review consistent with the Comprehensive Plan; Croom seconded the motion. Vote: All yeas 8 to 0. Motion carried unanimously.

7) Old Business Agenda
A) PDIG Development Agreement

Mullins said we received an e-mail this morning containing the letter from legal consultant Ken Lane of Clark Hill with recommended changes to the Development Agreement. She said the applicant made changes to the Development Agreement based on the suggested changes in Clark Hill's report. She said the applicant has requested a conditional approval of the Development Agreement, but the DDA does not have sufficient information on the finances of the project for the consultant to do the financial review. She said the applicant needs to have some sort of conceptual approval of this agreement subject to final review of all of the financial documents, which would be enough for their lenders to provide a final pro forma and financial package for the financial consultant to review. The Development Agreement would come back to the DDA. Conditional approval would say that the Development Agreement outlines the responsibilities of both parties and that the DDA still needs to see the financial information.

Mullins added that staff and the City Attorney have not had the opportunity to review the applicant's changes to the Development Agreement, which were just handed out at this meeting. Clayton pointed out that we do not have the identity of the partners and questioned if the form has already been submitted to the MEDC. Schmitz said we cannot submit any documentation until we have City approvals. Eckhardt said all information will be provided to the City's financial consultant before receiving approval by the City Council; he indicated whatever is necessary to be provided to the

consultant will be provided. He stated the City has to approve financing before the project can go forward.

Lahanas said our goal is to have a third party review it. Eckhardt said we had envisioned packaging the information and sending it to the consultant and the MEDC; we cannot go forward until we receive approval.

Mullins said we would have information from the consultant; not information about the partners. She indicated a tentative approval would be able to be modified. Croom expressed concern about what “tentative approval” means. He felt the DDA needs time to review the Development Agreement and make suggestions.

Mullins said the NDC is doing the financial review. Eckhardt stated PDIG needed site plan approval for the lender or to even get a pro forma.

Mayor Triplett said until a process is in place, he does not think the Development Agreement is ready for this body or City Council. He noted that the letter from the legal consultant refers to a “draft process,” and they don’t have a draft process in place to be discussed. He stated the portion of the legal report that was not addressed was the process component for financial disclosure.

Mayor Triplett moved to defer further consideration of the proposed Park District Development Agreement until the DDA’s May meeting and directed staff to prepare a disclosure process provision as recommended by the Clark Hill legal analysis for review at the DDA’s May meeting. Ballein seconded the motion. Vote: All yeas 7 to 0. Motion carried unanimously.

8) Committee Reports
A) Executive and Finance Committee
i. Synopsis of April 21, 2015 Meeting

Mullins said they discussed the draft of the recommendations from Clark Hill and talked about downtown capital improvements in terms of streetscaping and implementation of the Urban Design Guidelines, and the likelihood of doing some smaller projects this year and next fiscal year. The committee approved expenditures for light repair at University Place Plaza and the purchase of skateboard deterrents for Ann Street Plaza.

B) Business and Market Development

They did not meet.

C) Public Policy
i. Synopsis of April 21, 2015 Meeting

Ballein said City Clerk Marie Wicks spoke about the Taxi Authority. At their next board meeting they would like to develop a document supporting the Taxi Authority’s work.

D) Project and Infrastructure Development
i. Synopsis of April 16, 2015 Meeting

Pope said they reviewed the site plans and Special Use Permit applications for 1301 & 1307 E. Grand River /116 & 132 Spartan and 500 Albert Street/122 Division. She said they also reviewed the proposal for 565 E. Grand River and noted there is an opportunity for having retail on the entire first floor of the building. They discussed having a different layout for the site plan for 1301 & 1307 E. Grand River and 116 & 132 Spartan and being more creative with parking requirements so that less parking would be required for that site. In addition they reviewed the Capital Improvements Program and the need to align improvements with the installation of the proposed BRT. They also discussed CVS's request for 24-hour sales.

9) Reports from Chair and Boardmembers
A) Parking Task Force

Dempsey said they reviewed the recommendations of the Parking Survey and Carl Walker's assessment of the parking system, especially focusing on technology upgrades such as having credit card meters installed downtown. In the proposed budget there is a nickel per half hour rate increase for attended lots.

B) Downtown Management Board

Jester said they took the last step for implementing the gift card program and contributed \$750 to Keys In The Cities. They also began the annual process of contracting for year-long advertising.

10) Announcements/Board members Comments

None.

11) Adjournment

There being no further business, Krause moved to adjourn the meeting at 1:56 p.m.; Clayton seconded the motion. Vote: All yeas, motion carried.