



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
(517) 319-6930

City of East Lansing

410 Abbot Road
East Lansing, MI 48823

(517) 319-6930
www.cityofeastlansing.com

MEETING MINUTES

August 27, 2015 - 12:00 p.m.
Conference Room A, 2nd Floor
410 Abbot Road

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

Absent: None

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

Guests: Eric Sudol, Doug Johns, Ralph Monsma, Jim Anderson

1) Call to Order

The meeting was called to order at 12:09 p.m. by Chair Mansfield.

A) Roll Call

At the taking of the roll, no one was absent.

B) Approval of Agenda

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

C) Approval of Minutes

i. July 23, 2015

Jester moved to approve the minutes of July 23, 2015 as written; Cronin seconded the motion. Vote: All yeas, motion carried unanimously.

2) Financial Reports

A) Treasurer's Report for July 2015

The Board accepted the Treasurer's Report.

B) Fund Balance Analysis

Mullins said this is preliminary; there may be some additional charges as we finalize the year end. She did point out that the preliminary net loss is lower than they expected because some of the Evergreen property units were leased. She indicated the DDA's fund balance was \$282,704 as of June 30, 2015.

3) Written Communications

- A) Referral Letter for Policy Resolution No. 2014-12 – Concessionaires and Food Trucks**
- B) Letter to Velvet – A Candy Store**
- C) Letter to Starbucks Coffee**

4) Communications from Staff

- A) Park District Update**

Mullins said the City Council approved the amended Pre-Development Agreement with DTN Management for the City-owned properties. She said there is no update on the PDIG properties.

B) Artist Alley Kick-off/Creative Placemaking Summit

Mullins said the Grove Street alley and the alley in the 500 block of Grand River Avenue next to the GLCVB will be part of a Patronicity project. They will do crowdfunding to get matching funds from the MEDC. She said the DDA, Downtown Management Board, the Seniors Commission, and the Arts Commission are all participating along with the Greater Lansing Association of Realtors and other East Lansing residents. She stated the team will kick off a crowdfunding campaign on October 7 and hold a Fall Festival to tie in with the Placemaking Summit. The Executive and Finance Committee has allocated \$500 toward the kick-off. She indicated the team has approximately 35 days to raise \$45,000. If they can do this, this amount will be matched by the MEDC. She said seniors and East Lansing Middle School students will be creating a mosaic mural to be installed in the 500 block. She indicated the selection of an artist for the mural in the Grove Street alley would go through the art selection process. There will be a separate process for the mural in the 500 block.

Mansfield asked if there will be a maintenance fund for the murals. Mullins said we are hoping to raise more than needed and set some funds aside for maintenance. Mansfield said we should figure out a way to do a maintenance reserve fund for ongoing maintenance.

5) Communications from Audience

None.

6) Business Agenda

- A) Special Use Permit – 313 E. Grand River and north half of 317 E. Grand River – Tin Can**

Jester moved to recuse Ballein, as he is the landlord; Croom seconded the motion. Vote: All yeas. Motion carried unanimously.

Mullins said Stateside Deli is there now and serves alcohol until midnight; she added they have a seating capacity of 50. She indicated the applicant proposes to extend space for more bathroom facilities and

have seating for 84; the occupancy would be for less than 100. They plan to have outdoor seating at the rear of the building for 32, which would take away from the indoor seating. Mullins said the proposal is to stay open until 2 a.m. This was discussed at both the Project & Infrastructure and Public Policy Committee meetings, and both committees were concerned that it would be difficult to maintain the 50/50 requirements at this location because of the focus on alcohol and the hours of operation, which are weekdays from 3 p.m. to 2 a.m. She added they would be open for lunch on weekends. The Public Policy Committee recommended that they be open for lunch during the week. There was also discussion that it would be a 21 and over restaurant, and the Public Policy Committee would like to see it open to families during the weekdays.

Darcy Schmitt said the Planning Commission voted 5 to 2 last evening to recommend approval. She said the two commissioners opposed based their recommendations on the concentration of similar types of restaurants in the area, and also because there is a desire to have restaurants closing at midnight. The remaining Planning Commissioners thought it was fair for the restaurant to be open until 2 a.m., but thought it would be difficult for the restaurant to achieve the 50/50 requirement without a menu conducive to that. Schmitt said the Planning Commissioners hope this will be more than a restaurant for 21 to 28 year olds and that it will appeal to persons of all ages.

Jester noted that many units in the City Center condominiums face onto this alley space and expressed concern about noise from the outdoor dining. Schmitt said a possible condition of approval would be that if there are a certain number of noise violations, outdoor dining could be eliminated.

Doug Johns, the applicant, said the patio would close at midnight, and they have no plans to have outdoor speakers. He gave a history of the Tin Can, which he first opened in Lansing in 2010; since then they've opened restaurants in west Lansing, DeWitt, and Grand Rapids, which attract a large variety of clientele. He said they all feature Michigan beers and feels they are successful because they do not allow patrons under 21. He said this location will have a full kitchen, and they will have a gourmet burger menu. He said he has been in business for 25 years but would rather not be open for lunch right away since he has not done that. He said their concept is not for children.

The board discussed different ways to have the outdoor seating go through an annual review process.

Krause said he liked the concept and noted it would be a different type of restaurant for the downtown. He said he would not want to force the applicant into a business plan that he is not used to. He noted the applicant's concept has worked well elsewhere. He said it should be explained under exactly what circumstances the patio would have to be shut down. Jester stated it would not be fair to people who purchased condominiums to have no recourse, and he supports an annual licensing process.

Mayor Triplett mentioned that we would not be having this conversation if they were using the public right of way. He said the existing operator operates inconsistently by practice. He reminded the board about the history of this property. Spencer, the original applicant, said he only wanted to operate until midnight. He then came back to the DDA and City Council less than a year later and wanted to operate until 2 a.m.; Council voted 3 to 2 to not approve this. Schmitt said most restaurants that are currently operating that wanted to be open later than midnight were given approval to do that. Jester said the argument for not closing at 2 a.m. is that it puts an extra burden on the Police Department when all the patrons from bars empty out onto the street at that time. Clayton said at that time there was a push to have more restaurants rather than bars in the downtown. Ballein noted that Spencer did not have

experience with operating restaurants with alcohol. Mansfield said he did not feel comfortable about dictating hours of business.

Lahanas said he is concerned about the hours of operation. He said the recommendation for midnight closings was not just because of the 2 a.m. glut of people; closing at midnight shows that operators would be more concerned with serving food than just alcohol. He said he does not support a storefront which does not open until 3 p.m. He said he likes that it is a smaller place and feels they have a good menu.

Johns said they will serve food from the full menu until about 1:15 a.m. He said in order to be a successful operator, he has to start doing what he knows. He said later they may want to open up for lunch.

Mullins stated attached to the Public Policy Committee Synopsis is the liquor license evaluation scoring criteria. She said the committee felt this is more of a theme restaurant with table service, which would give this a favorable rating of 10. She said if this is considered “fast food” and given a rating of 9, that is not favorable. She indicated the question is if it is really going to be a restaurant or a bar that serves food.

Clayton pointed out the applicant has made a huge investment by buying the full-service kitchen.

Krause moved to recommend approval of the Special Use Permit; Clayton seconded the motion. Jester added a condition that only allows the outdoor dining until 10 p.m. subject to the annual approval by City Council.

Mayor Triplett said the closer it can mirror the current policies, the better. He said now outdoor dining is administratively approved. He moved to amend Jester’s amendment to allow outdoor dining subject to the administrative approval process for restaurants with outdoor dining in the public right of way. Clayton seconded the motion.

Schmitt said to maintain consistency staff would like to keep outdoor patio areas open until midnight. She said the 10 p.m. closing time would be hard for staff to monitor.

Jester accepted the amendment by Triplett without the 10 p.m. closing restriction.

Lahanas asked if it is staff’s recommendation that the scoring criteria would say 9 or 10 points. Mullins said it would get a 10 because it is a theme restaurant, and she would change the scoring criteria.

Vote on motion to recommend approval of the Special Use Permit with the condition the outdoor dining is allowed until midnight subject to the yearly administrative approval process for restaurants with outdoor dining in the public right of way. Vote: All yeas 10 to 0, with one member recused. Motion carried unanimously.

Ballein left at 1:08 p.m.

B) Special Use Permit Modification – 300 M.A.C. – Marriott Lobby Greatroom Restaurant

Mullins said this is a request for the Marriott to extend its hours of operation in the Lobby Greatroom. Now it closes before midnight, and the current Special Use Permit allows it to remain open until midnight. She said this special use permit modification would allow them the flexibility to stay open past midnight for special occasions. She said the Planning Commission recommended that they be allowed to be open until 2 a.m.; the Project and Infrastructure and Public Policy Committee members concurred.

Rosekrans moved to recommend approval of the modification to their Special Use Permit to allow the Marriott Lobby Greatroom to stay open until 2 a.m.; Krause seconded the motion. Vote: All yeas. Motion carried unanimously 10 to 0.

C) Special Use Permit Modification – 254 W. Grand River – Crunchy’s

Mullins said Crunchy’s is requesting an SDM license for takeout. She said they received favorable recommendations from the Project and Infrastructure and Public Policy Committees.

Rosekrans moved to recommend approval of the Special Use Permit Modification for Crunchy’s, Clayton seconded the motion. Vote: All yeas 10 to 0. Motion carried unanimously.

D) Ordinance 1348 – Building Height

Mullins said this ordinance only applies to buildings in the downtown. She said it was discussed by both the Project and Infrastructure and Public Policy Committees, and the consensus was that no one wants to see a one-story building in the downtown. She said they would like to see an ordinance change that none of the existing one-story buildings would be nonconforming. This ordinance would allow for additions or improvements for existing buildings. She stated the new buildings would have to be between 2 and 4 stories in height. Schmitt said the DDA could send their suggestions back to the Planning Commission without a formal recommendation.

Jester asked how this would affect the Master Planning process. Mullins answered the form-based code would ultimately address this, but now we have a moratorium in place which has been extended a number of times, and it makes sense to set the minimum height at whatever we feel comfortable with. Schmitt said staff is continuing to work on the Comprehensive Plan and then will work on a form-based code. She said this ordinance will set somewhere between 2 and 4 stories as a minimum height, and this requirement may be temporary until a form-based code is passed.

Rosekrans moved to have the Chair send a letter to the Planning Commission saying that the DDA discussed Ordinance 1348 and the consensus was that somewhere between 2 and 4 stories would be a desirable height for new buildings downtown, and that they would strongly encourage language that none of the existing one-story buildings would be made nonconforming. Clayton seconded the motion.

There was much discussion about what would be the appropriate minimum height for new development in the downtown. Cronin felt there should be a review of parking in the downtown. Schmitt said the Planning Commission felt that 4 stories is too high to set as the minimum because of our parking situation, and it eliminates the small developer. She said this ordinance does not require that a

development be mixed use. Mayor Triplett stated he does not feel this ordinance is necessary if it just requires that any new development have more than one story; this would not differentiate the core downtown from any other area of the City. He said we should consider what type of development is right for the core downtown and the B-3 District, not who can develop in the downtown.

Schmitt said the moratorium is over and we need to get something in place. She indicated the Planning Commission wants the DDA's opinion and will hold a work session on this ordinance and the number of beds ordinance. Jester asked when this might be replaced by a form-based code. Schmitt answered at least two years out. Jester recommended being more restrictive now and loosening the restriction in the form-based code if that is the consensus in the future.

Lahanas moved to amend the motion to recommend that the minimum height be 4 stories and strongly encouraged the Planning Commission to insert language in the Ordinance that none of the existing one-story buildings would be made nonconforming; Cronin seconded the motion. Lahanas said he wants to see urban density in the core downtown and vibrancy.

Vote on amendment: All yeas. Motion carried unanimously.

Vote on motion as amended: All yeas 10 to 0. Motion carried unanimously.

E) Ordinance 1347 – Maximum Number of Bedrooms

Mullins stated this ordinance deals with the maximum number of bedrooms allowed in the B-3 District. She indicated the way it is drafted now there would be a maximum of 4 bedrooms allowed. She said there was no consensus on this among the committee members at the Public Policy or Project and Infrastructure Committee meetings as far as the residential districts are concerned as some felt there is some demand for larger units which should be accommodated. They felt that this ordinance is not necessary unless there becomes too many larger units in the downtown. She suggested the DDA forward its comments to the Planning Commissions

Jester asked why this ordinance concerns bedrooms rather than licensed occupancy. Schmitt answered a typical residential unit used to have has 4 or 5 bedrooms tops; recently we have seen two new developments with 7 bedrooms each. She said they want to have flexible units in the downtown to be available to a variety of demographic groups without much physical alteration. They also prefer residential units with a mixture of different sized bedroom units. The Planning Commission is requesting that staff look into an ordinance to prevent more 7 bedroom-unit developments. She said the temporary moratorium which limited the number of bedrooms to 4 in any new developments expired in August, and it did not address the licensing. Dempsey said typically we don't limit the number of beds in a bedroom. He noted that most students now want their own bedroom, so 7 bedrooms equates to an occupancy limit of 7 in today's market. Schmitt said the number of parking permits that are allowed further limits the number of occupants. She said this ordinance would have no effect on sororities, fraternities or co-ops, because they are zoned differently.

Clayton noted there have not been any problems with the new 7-unit developments and said she did not support limiting multi-family dwellings for students.

Lahanas said he is in support of this ordinance because he wants diversity in our housing stock. Schmitt noted that the Comp Plan talks about diversifying our housing, and we cannot differentiate between

student and non-student developments. She said eventually there will be enough student housing, and we want housing for both students and other demographic groups. She said right now housing for 18 to 24 year olds makes up 62% of our housing stock.

Jester said it will be hard to have viable housing for non-students by campus if we don't have enough housing for students who want to live near campus. He felt that every unit of housing does not have to work for non-students, and that the ordinance does not address the issue that the community has been dealing with.

Triplett said we are addressing the symptom and not the cause, and that no matter how you configure the bedrooms, students will still find a way to get into those units close to campus. He stated there is a provision in the human relations ordinance that you cannot discriminate on housing based on student status. He noted you also cannot discriminate against age. He said he favors some limitation for this type of housing that cannot be converted.

Schmitt noted we are seeing non-students moving into the same buildings where students live.

Lahanas stated that he supports the ordinance, and added that without it we will keep seeing developments with 7 bedrooms or more.

Mansfield deferred action on this ordinance discussion until next month. He noted Schmitt is doing an analysis of different types of housing and how they are managed.

Jester moved to have the Chair send a summary of the DDA's conversation to the Planning Commission; Cronin seconded the motion. Vote: All yeas. Motion carried unanimously.

F) Lot 1 Ad Hoc Committee

Mullins said several years ago the DDA issued an RFP that included Parking Lot 1. She said they reviewed proposals and did not move forward any development because of City Center II. She indicated staff has since received proposals for developing Lot 1 and asked if the board felt that staff should say we are still waiting for City Center II to be developed or form an ad hoc committee to review proposals.

The consensus of the board was to defer action until there is a special joint meeting with the Planning Commission on the draft Comprehensive Plan.

7) Old Business Agenda

None.

8) Committee Reports

A) Executive and Finance Committee

i. Synopsis of August 18, 2015 Meeting

Dewan said in addition to items the board already discussed, the committee discussed the removal of graffiti on the City Center parking structure. He said the DDA would be sharing expenses with the Parking Division. He said they also talked about Artist Alley and remediating possible asbestos in the Evergreen properties.

B) Business and Market Development

There was no meeting.

C) Public Policy

i. Synopsis of August 18, 2015 Meeting

Mansfield said they discussed the liquor issues regarding the Tin Can application.

D) Project and Infrastructure Development

i. Synopsis of August 18, 2015 Meeting

Cronin said the DDA has discussed their agenda items.

9) Reports from Chair and Boardmembers

A) Parking Task Force

i. Synopsis of August 12, 2015 Meeting

Dempsey stated the consultant finished his update of the Parking Master Plan. He said the LED lighting installation is being wrapped up in the Division Street Garage, and Parking will be installing LED lighting in the Charles Street garage.

B) Downtown Management Board

No report.

10) Announcements/Boardmembers Comments

Cronin said DTN Management had a good meeting with the MEDC Strategic Fund and got approval for MBT incentives for the Gateway Project, and they will be starting construction around Labor Day.

Lahanas thanked staff for purchasing the Samsung tablets for board members to use instead of receiving paper agenda packets and said this will be a huge cost savings.

Mansfield asked if T-shirts qualify for non-alcohol sales at the Tin Can for the purpose of 50/50.

11) Adjournment

There being no further business, Dewan moved to adjourn the meeting at 1:58 p.m.; Lahanas seconded the motion. All yeas, motion carried.