



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
DEPARTMENT OF
PLANNING, BUILDING &
DEVELOPMENT
410 Abbot Road
East Lansing, MI 48823

(517) 319-6930
www.cityofeastlansing.com

MEETING MINUTES

June 30, 2015 - 12:00 p.m.
Conference Room A, 2nd Floor
410 Abbot Road

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

Absent: Colin Cronin, Eric Rosekrans

Staff Members Present: Lori Mullins, Heather Pope, Tim Dempsey

Guests: Tom Eckhardt, Paul Schmitz, Paul Furtaw

1) Call to Order

The meeting was called to order at 12:06 p.m. by Chair Mansfield.

A) Roll Call

At the taking of the roll, Cronin and Rosekrans were absent.

B) Approval of Agenda

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

C) Approval of Minutes

i. May 28, 2015

Jester moved to approve the minutes of May 28, 2015 as written; Ballein seconded the motion. Vote: All yeas, motion carried unanimously.

2) Financial Reports

A) Treasurer's Report for May 2015

The Board accepted the Treasurer's Report.

- 3) **Written Communications**
 - A) **Referral Letter – 1301 and 1307 E. Grand River Avenue/116-132 Spartan Avenue**
 - B) **565 E. Grant River Avenue**
 - C) **Letter to Taxi Authority**

The letters were included in the packet.

- 4) **Communications from Staff**
 - A) **Introduction of Caleb Sharrow, new Parking Administrator**

Mr. Sharrow was not able to attend the meeting.

B) Park District Due Diligence Update

Mullins provided an update on the due diligence report. Jester asked if legal claims were reviewed. Mullins replied yes and referred the Board to page 5 of the report which outlined the scope of work. Jester stated there was a notice of default/lawsuit that was filed on June 18, 2015 and he didn't believe this was part of the review. Croom asked if there was a review of previous projects and did the consultant interview individuals to see if they were satisfied. Mullins called Corey Leon with National Development Council and placed him on speakerphone, informing him the Board would like to discuss with him further his due diligence report.

Croom asked Mr. Leon if he reviewed litigation that was pending or related to the project. Mr. Leon responded that he had asked for a list and received information about litigation in Florida and Ohio, and explained what the litigation in those states involved. Croom asked about Mr. Leon's review of past projects and how they went. Mr. Leon replied that Mr. Chappelle and Mr. Crouch have been very active in development projects for many years and discussed his review of the projects. Mr. Leon noted that his review was mainly a document review and some items the Board is asking about are beyond the scope of work. Mr. Leon noted that with this project the financial risk to the City is minimal due to it being a reimbursement. Mr. Leon discussed the experience and financial capability of Mr. Crouch. Mr. Leon stated Mr. Crouch has the cash and real estate assets that could be leveraged for this project. Croom discussed the ability to have a guarantee from Mr. Crouch that he would pay or contribute to the project. Croom asked if Mr. Leon received cooperation with his request for documents and information. Mr. Leon replied he had to push for some sensitive documents, but that is not uncommon. Mr. Leon stated he was able to get all the documents he requested.

The Board discussed with Mr. Leon recourse and non-recourse mortgages and the requirements of guarantees, both personal and property.

Jester stated in the past month there has been a notice of default and counter suit filed regarding the Park District, and asked Mr. Leon if he had reviewed the suit. Mr. Leon responded no, he had just received the information regarding the lawsuit that morning. Jester asked if the lawsuit would have an impact on Mr. Leon's report. Mr. Leon replied the information is so new he needs to have a chance to review the case, which could possibly change his report.

Lahanas discussed having Mr. Leon review the litigation and have the information brought back to the DDA at their next meeting. Mr. Leon agreed, stating this is more important and more relevant than the other lawsuits.

The Board discussed the possibility of other litigation that may not have been included as part of the review. The Board discussed having Clark Hill or the City Attorney's Office do additional research on lawsuits. After further discussion the Board agreed to have the City Attorney research to determine if there are additional lawsuits that need to be reviewed. The Board also discussed having the information available at the July DDA subcommittee meetings.

C) Digital Packets

Mullins reported City Council has moved to electronic packets and they would also like to have the DDA and Planning Commission go to digital packets. Each boardmember would need a tablet, which has been included in the budget. The other option is you can use your own tablet.

D) Solar Dok Picnic Table

Mullins reported the BWL would like to install a solar dok in downtown East Lansing. It is currently being proposed to be placed on the plaza on the east side of the Marriott. The agreement will be reviewed at the July DDA Board meeting.

5) Communications from Audience

Ralph Monsma, 1350 Red Leaf Lane, spoke about the financial due diligence report and the viability of the project. Mr. Monsma questioned if the due diligence report was a community friendly document. He stated he knows the Board is doing its best to understand the document. Mr. Monsma also discussed his concerns with the City finances and legacy costs.

Tom Eckhardt introduced himself along with Paul Schmitz and Paul Furtaw. Mr. Eckhardt stated he was open for any questions. Jester asked if he could provide a brief comment on the due diligence.

Mr. Eckhardt stated they provided information on May 28, May 29, June 3 and June 5 and additional items after that, and cooperated with Mr. Leon. With regards to the foreclosure on the project, the legal notice was published yesterday and can provide additional information on that.

Chris Root, 729 Sunset, stated she appreciates the due diligence process. She stated she is concerned because information about the hotel operator has not been provided and all partners should be identified. The Planning Commission was promised by PDIG that they would provide the information on the operator, and we still don't have that information. Ms. Root also discussed concerns with the issue of proprietary information, and not all information is proprietary. Ms. Root stated it seems the scope of work also changed because the report comes to a conclusion giving a TIF; the financial advisor was not asked to give a conclusion on a TIF.

6) Business Agenda

A) Pre-Development Agreement with DTN for Publicly-Owned Park District Properties

Mullins explained the original pre-development agreement with DTN was reviewed and approved. The agreement was terminated after DTN withdrew the site plan following the November 2014 election. DTN is now asking to reengage the pre-development agreement for the same project, with the exception that 404 Evergreen may not be included. The pre-development agreement has been updated with new

dates. The Board discussed the options for placing the publicly owned properties on the ballot in March of 2016.

Jester moved to approve the pre-development agreement with the following changes, page 3, paragraph 1) March 31, 2016; paragraph C., March 31, 2016; page 4, paragraph D) March 31, 2016. Clayton seconded the motion.

Mayor Triplett explained there are earlier options for placing the publicly owned properties on the ballot, but we need to have a much more concrete plan.

There being no further discussion on the motion, a vote was taken: All yeas, motion carried unanimously.

B) Park District Development Agreement

The Board discussed deferring this until the additional items to be reviewed has been completed. Jester moved to defer this to the August meeting; Ballein seconded the motion. Vote: All yeas. Motion carried unanimously.

7) Old Business Agenda

None.

8) Committee Reports

A) Executive and Finance Committee

i. Synopsis of June 18, 2015 Meeting

Dewan referred the Board to the synopsis.

B) Business and Market Development

There was no meeting this month.

C) Public Policy

There was no meeting this month.

D) Project and Infrastructure Development

i. Synopsis of June 18, 2015 Meeting

The Board was referred to the synopsis.

9) Reports from Chair and Boardmembers

A) Parking Task Force

Dempsey reported the Committee will be meeting in July to review the Parking Master Plan.

B) Downtown Management Board

Jester reported the DMB is working on their advertising campaigns which will include social media. The DMB is also looking at some new activities and a dance event proposed for September.

10) Announcements/Boardmembers Comments

None.

11) Adjournment

There being no further business, Ballein moved to adjourn the meeting at 1:30 p.m.; Clayton seconded the motion. All yeas, motion carried.