

January 8, 2015

*By Electronic Mail*

Tim Dempsey  
Director, Planning, Building and Development  
City of East Lansing  
410 Abbot Road  
East Lansing, Michigan 48823

**RE: Park District Building A**

Dear Tim:

In regard to the proposed height of Building A, we address some of the issues raised under the applicable code provisions as follows.

*Issue 1: The building, through its proposed use, shall contribute substantially to the mix of desirable commercial, residential, social, cultural or employment opportunities or public amenities or open space available in the business district to achieve one or more public goals or objectives, as specified in the comprehensive plan or other strategic plan of the city, to benefit the business district, the adjacent residential or public areas, and the city as a whole.*

As discussed at the recent meeting, the B-3 zone allows a ten-story building with a special use permit. All of the information supplied to date from Bergmann Associates, including the July 9, 2014 site plan application and building plans, have indicated that the building height will be ten stories; based in part on the inclusion of the Hotel Indigo on floors two through four. The current plan provides that the building will be set back 25 feet from the Peoples Church property line (the set back of the existing building is zero), and floors three through ten are further set back, with an atrium through the center of the building.

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The building conforms with the B-3 District goal to provide for a wide range of commercial and high density residential land uses designed to serve the residents and shoppers of the East Lansing City Center. The building also conforms with the Comprehensive Plan's goals for mixed-use buildings up to ten stories that, among other things: promote diversity in downtown housing; support both commercial and residential development; and encourage land development that can reduce the need for motor vehicles.

Building A will be unique and diversify housing in a variety of ways:

1. The building will provide upscale amenities not typically found in undergraduate student housing such as: valet parking; room service; dry cleaning pick-up and drop-off; onsite banking, restaurant and coffee shop; and concierge services.
2. The building will be a secure facility with security personnel and dedicated electronic access to elevators.
3. The residential units will be larger than those found throughout most of the City of East Lansing and offer high-rise views of the adjacent MSU campus.
4. The building is adjacent to campus, the downtown district, Peoples Church and close to the Valley Court Park and East Lansing City Hall.
5. The building will have superior fit and finish including such items as hardwood or stained concrete floors, stainless steel appliances, and large easy access closets.

*Issue 2: The applicant demonstrates that additional building height is necessary in order to make the proposed development economically feasible for the intended use and no reasonable alternative to additional height exists.*

A ten-story building is necessary to support the three-story hotel use. The hotel will cost significantly more to construct than it will be worth once it is economically stabilized. The most economically feasible use of this building is the residential, which is essentially subsidizing the hotel. If the number of residential units is decreased, the economic gap further widens for the entire project. Furthermore, Buildings A and B have the minimum number of residential units to support a full-time manager. If the number of units is decreased any further, the residential portion of the project will not support an on-site management staff, which is critical given the mixed-use format of the overall project. A shorter building could be constructed if the hotel were removed from the plan.

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Further, the hotel area will be about 97,896 square feet. According to The US Energy Information Administration, a commercial building of this proposed size, that will include the stated proposed uses, would create one permanent job for every 1290 square feet. Thus, the addition of the hotel should generate around 76 permanent jobs.

*Issue 3. The additional building height will cause no significant additional negative impact on adjacent properties, public streets and parking facilities, or public utility and services.*

The building will provide 283 parking spaces underground. In addition, the reduction of parking caused by the realignment and reconstruction of Albert Avenue will be replaced by surface parking to the east and south of the proposed Building B and 15 parking spaces added to The Peoples Church surface parking lot. The Carl Walker parking study commissioned by the City concluded that “based on the shared model assumptions and results it appears that the parking supply can accommodate the peak demand period.” As part of the development, Park District Investment Group will also: upgrade and realign Albert Avenue; add bike lanes to Albert and Abbot Road; add traffic lanes to Abbot Road; and modernize and increase capacity of electrical, water and sewer facilities.

Sincerely,

ECKHARDT & ASSOCIATES, PC



Thomas R. Eckhardt