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City Hall seeks mixed usage for Renaissance Zone land

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City Hall seeks mixed usage for Renaissance Zone land

By DANIEL STURM

Lansing Mayor Tony Benavides has increased pressure on developer Sam Eyde to include housing and more commercial space on property southwest of the Capitol that Eyde wants to develop almost entirely as an office building.

"There are better uses for that property than just another large office building that could possibly draw even more away from the downtown area," said David Wiener, the mayor's chief assistant.

Eyde's one-square-block site is located near the new Hall of Justice. The proposed complex, in the Seven-Block Renaissance neighborhood, is bordered by Butler Boulevard on the east, Martin Luther King Boulevard on the west, Kalamazoo Street on the south and Washtenaw Street on the north.

Eyde bought the land from the city in 1999 for \$290,000. His original plan called for a 90,000-square-foot office building and an adjacent 30,000 square-foot commercial building.

The developer was supposed to complete the project by 2001. But City Council approved an extension until 2004 after Eyde claimed that economic conditions were no longer favorable for meeting the original deadline.

Now Eyde is seeking another extension, this time until 2006. And besides increasing the office building's size by 60,000 square feet, he wants to decrease the commercial building's size from 30,000 to 10,000 square feet

Benavides and Wiener met with Eyde in August to explain the city's position. Wiener said the mayor told the developer that he unwilling to give an extension until 2006 because Eyde hadn't developed anything in the three years he's owned the property.

Wiener said their attempt to encourage Eyde to include housing in his plan wasn't entirely successful. "He wasn't interested in making any compromises. However, we told him that we would only consider the extension if he would discuss some alternatives with us," said Wiener.

At the end of the discussion Eyde agreed with Benavides' recommendation for a six-month extension to further discuss alternative plans for the site, said Wiener. "Eyde said if we could make a good business case for mixed-use development, then he would consider that."

Efforts to reach Eyde for comment were unsuccessful.

The mayor's office has prepared a resolution for the Sept. 17 meeting of the City Council Development and Planning Committee to grant Eyde a six-month extension, with the understanding that good-faith discussions on alternative uses of the site will continue. Wiener said he expects the committee to vote to recommend the resolution to Council.

Wiener said taking legal action against Eyde to return the property was still a possibility since Eyde has failed to complete the project by the deadline, but that the city preferred to find an agreeable resolution during the six-month extension. "In a sense we are giving him another chance to work with us," said Wiener.

Last week, Wiener shared the mayor's position with members of the Seven Block Citizens' District Council, who'd earlier asked Benavides to refuse any deadline extensions and terminate Eyde's contract if the December 2004 deadline is not met. The group also recommended allowing time for Eyde to submit a new mixed-use development plan that includes housing, offices and commercial property. Neighborhood members were pleased with the outcome thus far but remained skeptical.

"What we got from this is that the city has definitely come on board, as far as wanting the same thing as the neighborhood. They're willing to almost advocate, if not mediate, for us," said Paul Tagger, a member of the Renaissance Neighborhood Association.

A board member of the Seven Block Citizens' District Council, Ron Whitmore, said he isn't particularly pleased with the delay but believes they can use the time "to create a strong case for mixed-use development."

The group is empowered by state law to advise the city on development issues concerning the Seven Block Renaissance Zone, which covers 36 acres, from Allegan Street to St. Joseph Highway, and from Martin Luther King to Butler.

Together with 11 other Michigan Renaissance zones, the Seven-Block district became tax-free in 1997 during a statewide effort to encourage economic revitalization. Both residential and commercial businesses in these designated zones remain exempt from most state and local taxes until 2008.

Whitmore said he remains skeptical about Eyde's willingness to include housing in his plans. "I'm concerned that in six months we'll be in the same position of facing more office development and having no mixed-use for Eyde's property. Is the city willing to take the next step?"

The mayoral race between incumbent Benavides and challenger Virg Bernero may have a large impact on the outcome of the dispute, said Whitmore. While Benavides made it clear that he doesn't want to give Eyde an indefinite extension, Whitmore said he isn't so sure about Bernero's commitment.

Whitmore sent Bernero background materials last month after the state senator met with Renaissance Zone Neighborhood members. But neither Bernero nor his staff has responded to the group's request for Bernero's stance on the controversy, said Whitmore.

"My guess is that Bernero doesn't want to tackle the issue because Eyde is one of his largest contributors," he commented. Eyde company owners George and Sam Eyde and Eyde partners Mark Clouse and Irvin Kebler contributed \$1,000 or more each to Bernero's campaign race before the August primary.

Whitmore said that his vote in the Nov. 4 mayoral election would largely depend on the two candidates' positions on this issue.

Bernero's campaign manager, Dennis Denno, said Tuesday Bernero plans to "figure out a consensus between the neighbors and the property owner."

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