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# Planning Board backs compromise in Renaissance Zone

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Planning Board backs compromise in Renaissance Zone

Residents dissatisfied, Developer Eyde happy; Council must decide

By DANIEL STURM

The Lansing Planning Board supports the Benavides administration's "compromise" agreement with Sam Eyde to develop property in the Renaissance Zone, but residents are fighting it.

In a 6 to 0 vote on May 18, the board approved a proposal to sell an additional 20,000-square-foot lot to Eyde for a small mixed-use project of mostly commercial space. In return for carrying out this project, which would include some office space, the deadline would be removed for Eyde to develop a much larger adjacent piece of land that Eyde bought from the city in 1999. Eyde wants to build mostly office space on the larger property, while residents want a mixed-use development that would include stores and residences.

The final decision rests in the hands of City Council. Eyde said he was happy with the agreement. He called the proposed construction of a smaller mixed-use facility a "favor to the city." He said he doesn't have any tenants for this building and would have to "gamble."

Ron Whitmore, a member of the Renaissance Neighborhood Association, said the city administration was "exerting considerable pressure to move this forward." He said that neighborhood groups would make sure that City Council members were well informed.

"City Council still has to approve it," he said. "They have the power."

Planning Board members also unanimously recommended that City Council require Eyde to complete the smaller project if the sale is approved.

Eyde's Seven Block Development LLC has not fulfilled its original contract to complete a three-story, 150,000-

square-foot office building on a large vacant property southwest of the Capitol.

Renaissance Zone residents were disappointed by the "compromise agreement," presented by James Ruff, the city's director of planning and neighborhood development. In letters to the city signed by the Seven Block Citizens' District Council and the Renaissance, Westside and Downtown neighborhood associations, residents criticized the proposed sale of additional land.

The biggest concern was that Eyde will no longer be obliged to meet any deadlines for the adjacent four-acre site, whose completion is already three years behind schedule.

Residents also argue that a small amount of retail next to a large site of vacant property is unlikely to succeed due to a lack of traffic.

"This arrangement would reward and give preferential treatment to a delinquent developer and delay the original four-acre development indefinitely," the Citizens' District Council said in a letter sent to the City's Planning Board on April 27.

The groups encouraged the city to revise the plan to include mixed-use development throughout the entire site. They urged the city to enforce its agreement with Eyde, by requiring the company to break ground immediately. Otherwise, the city should repossess the land, the community groups said.

When Eyde said economic conditions were no longer favorable for meeting the original 2001 deadline, City Council approved an extension on developing the site until 2004, and then granted a further extension until 2006.

With an estimated 25 percent downtown office vacancy rate, planning officials said that it wouldn't make sense to add further office space. Eyde has refused to consider other types of development for the larger property, choosing instead to leave the property vacant. They argue that the undeveloped area is a blight for the community and that they know of other developers with ideas for mixed-use development.

At last week's meeting, three of the planning board's six members expressed concerns about the fact that the neighborhood groups unanimously opposed the agreement between the city and Eyde (a "compromise" in which residents had little say). Board member John P. Ruge suggested the city take back the property and find a new developer, because Eyde had broken his promise and the neighborhood had lost trust in the developer.

Ruff said he didn't want to "fluff over" residents' concerns but defended the compromise, arguing that Mayor Tony Benavides' office had instructed him to resolve remaining problems with the developer "in good faith." He said that taking the property back would only lead to a lengthy legal fight.

Planning Board Chairwoman Sissi P. Foster insisted that the city should include some kind of "performance condition" in its new sale agreement with Eyde, so that if nothing happens within five years the agreement can be annulled.

Realizing that the board appeared undecided whether it should push for certain conditions, board member Carlton McConnell asked Eyde, who silently listened from a seat at the front of the chamber, whether the adoption of performance conditions would negatively impact his project plans. Eyde replied that any conditions would be a "hindrance." The developer gave the impression that such measures were unnecessary and that they placed his integrity in question.

Eyde blamed the project's failure in part on the unwelcoming environment he said the existence of a small party store at Butler and Kalamazoo Streets had created in the neighborhood. It sat on the only part of one square city block of property that the developer does not yet own. The city tore it down after selling the larger site to Eyde.

Whitmore said Eyde was wrong to blame any part of the project's failure on the party store because he knew about its existence when he signed the original agreement in 1999. Whitmore said there had been very few problems associated with the corner store.

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