



Dear Members of East Lansing DDA,

After discussing with members of the East Lansing City Council and City staff, as well as the equity lenders who we are in discussions with regarding the ParkPlace project, we will require an amendment to our purchase agreement to extend the due diligence period. There are several recent events that have changed our perspective on uses of the project, as well as its overall design.

Our first obstacle we are encountering is regarding the proposed height of the ParkPlace East building at 159 feet. Discussions with City staff, planning commission members, and City Council members indicate that a building that is more in line with current building height restrictions (140 feet) is preferable. The initial design of the ParkPlace East building was for 139 feet in height. After it was discussed that a public plaza would be required in the Southern Portion of ParkPlace East, displacing retail and restaurant space on the first floor, the 13<sup>th</sup> and 14<sup>th</sup> floor were added to offset income loss. In order to address this and to get back in line with current building height restrictions, we are proposing to remove the 13<sup>th</sup> and 14<sup>th</sup> floors of ParkPlace East and a redesign of the ParkPlace West building.

The second major obstacle we are encountering is the lender requirement for presale of 50%-70% of the For Sale condominium units prior to construction beginning. While both the market study and the current real estate market conditions of downtown East Lansing indicate that both the presale and resale of any luxury condo unit would occur quickly, it can cause some issues in the initial phases of construction if they don't sell quickly enough.

We will be submitting new drawings and renderings with the removal of the 13<sup>th</sup> and 14<sup>th</sup> floors of ParkPlace East and the redesign of the ParkPlace West building by April 15th. Our re-design will include more walk-friendly units and spaces, as well as better accommodate the City's requirement of 25% of units be For Sale Condos, 55+ Senior Housing, or Low-to-Moderate Income housing, in a way that is more efficient and better caters to the uses required.

We look forward to working with the City staff and elected officials to re-design the ParkPlace West building in a way that maximizes efficiency of the building, its individual uses, and caters directly to the tenants and owners who reside there.

Thank you,

A handwritten signature in blue ink, appearing to read 'P Vlahakis', with a stylized flourish at the end.

Paul Vlahakis  
ParkPlace Development Team.