

Andy Schor  
Mayor



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Andy Schor, Mayor

**OFFICE OF THE MAYOR**  
CITY OF LANSING, MICHIGAN

April 12, 2024

Councilmembers Pehlivanoglou, Carter, Kost, and Brown,

I am in receipt of your letter regarding City Hall.

Regarding transparency of the bids for City Hall, we have been very transparent throughout the process. The initial request for proposals were put on the Michigan Local Government Bids and RFPs website (MITN) for all to bid on, and were announced publicly in the media and on social media. We had three responses at the deadline and asked for clarification information afterward, as happens in most bids. All three – Boji, Granger, and Beitler – provided clarification responses. We then determined, after review of the bids by our highly respected and highly qualified owner's representative, that the two proposals for a new city hall – both Boji and Granger – did not have adequate means to pay for their projects. We told them both that we could not afford their projects and asked them to be more creative with their proposals or identify funding sources. Granger did not respond. Boji provided us with a response indicating that he would go to the Legislature for funding, and would use the Masonic Temple building if the public safety millage passed. After the millage passed, we very publicly announced the plan to purchase the Masonic Temple building. Our City Attorney's Office was part of the process to ensure that everything was done according to form. After questions from Council, we put all of the information on [www.lansingmi.gov/cityhall](http://www.lansingmi.gov/cityhall) for the public to view over a month ago. As such, we had a very public, transparent, and legal process that produced a winning bid.

Your request to issue a new 30 day RFP after we have already selected a winning bid through a comprehensive RFP process mentioned above would put into question our bidding process. Allowing others, especially the loser of the RFP, to re-bid and undercut a winning bidder would be highly irregular and greatly discourage future bidders from bidding for projects in our city. People will not bid on city projects if they believe that the loser can force a re-bid and undercut them. This gives a leg up to a losing bidder, and is bad practice for any entity that bids out projects.

Additionally, issuing a 30 day bid would add significant time to the process of finalizing a new city hall, potentially putting new and existing state funds for Lansing in jeopardy. The Legislature is considering its budget now. Not having certainty could make it very difficult to ask for and receive further funding, when the city still hasn't decided what to do with the existing \$40 million that has been allocated to us. We are asking for significant dollars for projects like Logan Square and others, and this delay could put those requests at risk. Also, a delay of this sort could result in attempts to claw back unspent and unallocated City Hall dollars by some

members of the Legislature if those dollars have not been committed to a project. Our legislators have done a great job for us, and I am not willing to put them in that position.

It is also important to note that the request you made in your letter for the City Council to be part of the bid process (“the bidding entities should be allowed to provide answers to the public and Council”) runs contrary to city ordinance. Ordinance 206.02 specifies that an invitation for bids be issued, sealed bids are presented, and recommendations based on specific requirements in ordinance be made to the Mayor. That selection process is specifically intended to not be public, so that no bidder can exert improper influence. Council can approve or deny any purchase of land or long-term leases. Should there be any requests for land purchase, I will certainly present those options to you for your consideration.

The resolution that I have asked you to consider is whether or not to use the \$40 million from the state to purchase the Masonic Temple and then use it for a new City Hall. I continue to believe that this would be the best place for a new City Hall, based on the benefits of the proposal (rehabilitation of two historic buildings, customer service center, new hotel, etc.). I have had many people stop me around town and at events (as recently as yesterday) and indicate their excitement about this proposal because of the re-use of the Temple as well as the re-use of the current City Hall. A recent poll of Lansing residents indicated 58% support a plan to use already-passed state funding to build a new city hall with a one-stop customer shop that this plan provides. Your letter indicated you have heard from opponents, and I believe that you are listening to the vocal minority rather than the quiet majority. But, of course, it is your right to listen to who you want as you make your decision on how to vote as an elected council member representing the citizens of the city of Lansing. It is your obligation to vote for or against resolutions that come before you, and how you make that decision is your prerogative to decide.

You also raised in your letter several new issues of concern. These include your concerns about parking, the age of the Temple building, concerns about becoming a landlord to pay for long-term costs and operations, concerns about the additional costs above the \$40 million for the additional space not needed for the city, and your concerns about accommodations for elderly and those with disabilities. These newly raised concerns seem to be based on speculation rather than actual facts. The reality for each of these issues is:

- Parking – Parking would be significantly more accessible to the public than we have now. In addition to significant on-street parking, there is a city garage across the street, and we had begun conversations with BCBSM about the lot next to the Masonic Temple building (which could also include secure parking as needed).
- Age of the Building - The former Masonic Temple is certainly older, but it is a historic building in Lansing and can effectively be redeveloped for re-use by completely rehabbing the interior. While there have been a few residents who have made assertions about what construction can or cannot be done inside the building, this has been reviewed by building experts to ensure it can be done. I believe a vast majority of Lansing residents are concerned about the historic buildings in our city, and I have heard over and over how great it is that we are able to rehabilitate this building and keep the historic nature. (Just

look around at such gems as the Accident Fund HQ in a former BWL power plant, the Knapps Building, and the Mutual Building as examples of what great repurposing of historic buildings can do for a downtown).

- Regional Cooperation and Being a Landlord – Being able to have the school district or other entity as a tenant would not only provide regional efficiencies and savings for both us and our schools, it would provide revenues for the future maintenance of City Hall. Our current building deteriorated and was not maintained because city dollars are always prioritized to other areas (police, fire, parks, etc). For the first time, we would have a non-general fund revenue stream to ensure that the building is maintained. I see this as a win for our city. But if anyone objects to this, we can bring other departments of our city (such as ED&P) into city hall with us, as we presented to you over a month ago and this would be paid for by TIF (see below).
- Costs above \$40 million – Any costs above the \$40 million that will be needed for the extra floors for the school district or our employees or anyone else would be paid for by tax increment financing. New state and local tax property tax revenues from the new hotel at the old city hall location would provide the funding, and a majority of these taxes would not be city taxes. Additionally, it would only be a portion of those new taxes, so the city would still see new tax revenues (which would go to the TIFA under ordinance).
- Elderly and Disabled – Any rehabilitation of this scope must comply with the law and be ADA compliant. The City’s Building Safety Office would not certify occupancy without being ADA compliant. In fact, it will be better than our current building for the elderly and those with disabilities as there will be closer parking options, a first floor customer service center, and we will redevelop the building to accommodate everyone.

Your recent letter indicates your continued opposition to this proposal, despite your indication of potential support after needing more time and increased transparency (both of which were provided). If it remains your final intent to vote against the proposal in front of you to purchase the Masonic Temple building for the purpose of making it a new City Hall, I will move on to reviewing other options for a new City Hall. As I have said from the beginning, we can disagree and do so respectfully. So, while I strongly disagree, if all four of you remain opposed then I will acknowledge that there is not a majority on City Council willing to purchase the Masonic Temple to serve as our new City Hall.

Please alert me as soon as possible if your vote remains in opposition based on the proposal before you, so I can be sure that we need to take the time and effort to look at other properties. Assuming there are not enough supportive votes of the Masonic Temple, I will be reviewing the remaining options regarding where to locate our new City Hall. My concerns about timing and using a new RFP to undercut a winning bidder remain. Therefore, I will look at all possible options, including potential vacant sites as well available buildings. I will look at existing city property, and if we can make it work within the \$40 million then I will move forward with the funds allocated by the state that have been appropriated by City Council. If

private property is a better option, then I will bring to City Council an option for purchase. But if any of you are willing to vote yes on the Masonic Temple based on this new information provided, then we can move forward with the newest resolution that was provided to City Council. I will provide the public and City Council information on these future City Hall plans as soon as possible.

Thank you for your service to the City of Lansing. I look forward to working with you on the many important issues facing our City and our residents.

Sincerely,



Andy Schor  
Mayor