
Ottawa Towers Challenges Pontiac Condemnation and Demolition of Phoenix Center

Ottawa Towers Challenges Pontiac Scheme to Condemn and Demolish the Phoenix Center

The Ottawa Towers have filed their challenge to the attempted condemnation and demolition of the Phoenix Center Parking Garage & Plaza in Pontiac, Michigan. The City of Pontiac, acting through appointed officials, commenced a condemnation action in the Oakland County Circuit Court before the Hon. Michael Warren, and sued the Ottawa Towers as Defendants to seize their property rights. City officials seek to tear down the Phoenix Center with no plan for what will replace it, and without regard to the physical damage that will result to the Ottawa Towers office buildings. The Ottawa Towers are two, eight-story office towers in Pontiac, Michigan that are physically and logistically connected and integrated with the Phoenix Center. The owners of the Ottawa Towers are represented by the General & Complex Litigation Group at Maddin, Hauser, Roth & Heller, P.C., in Southfield, Michigan.

The City of Pontiac asserted that the “public necessity” for condemning and demolishing the Phoenix Center consists of the following purported bases: (a) criminal activity in the Phoenix Center and concern for the people using the garage; (b) the maintenance, repair and operating costs for the center; and (c) lack of access to downtown Pontiac from certain roads. Ottawa Towers refute these claims as mere pretext to transfer the land underlying the Phoenix Center into private developer’s hands for undisclosed private purposes.

First, there is no evidence of unique or increased criminal activity in or around the Phoenix Center. To the contrary, the Ottawa Towers have paid for and use independent security personnel and equipment to protect tenants and their guests as they visit the Ottawa Towers and use the parking garage. Ottawa Towers have invested more than \$1,000,000 to repair and maintain the parking garage for the benefit of everyone who uses it, including restoring the lighting in the south side of the parking deck and in the portion of Orchard Lake Road that traverses underneath the Phoenix Center.

To date, although the tunnel is lighted and perfectly safe, the City has failed to reopen Orchard Lake Road which is a city-governed road. Ottawa Towers have offered to assume the repair, maintenance and operational obligations for the Phoenix Center, but their offers have been rejected outright by the City's emergency manager and city administrator. Instead of trying to resolve issues with the Phoenix Center, city officials are entrenched in their mission to destroy the Phoenix Center and the surrounding office buildings.

There is also no basis for condemning and demolishing the Phoenix Center due to a "lack of access" to the downtown area. An Oakland County funded transportation study regarding the roadways in Pontiac states that the objective should be to widen Woodward Avenue in the loop area and restore two-way traffic so that it does not flow around the city center. There is no requirement or valid recommendation in any public study that any of the streets abutting the Phoenix Center be altered, neither are there any funds or plans to do so. The City should focus on the obvious and recommended change – updating Woodward Avenue – that does comport with the transportation study.

Ottawa Towers also challenges the officials' conduct because it appears to focus upon placing the land underlying the Phoenix Center into the hands of private individuals for undisclosed private purposes. In advance of any court ruling authorizing the condemnation or the demolition, city officials have already granted an option to purchase one portion of the underlying land to the entity that purchased adjacent parking Lot 9, Warco Holdings, Inc. Warco Holdings is 50% owned by the son-in-law of Oakland County Executive L. Brooks Patterson. Warco purchased Lot 9 in a private deal with the Pontiac emergency manager in June 2013 for less money than had previously been bid at a public auction sale, and is now poised to increase its land holdings upon condemnation and demolition of the Phoenix Center. Transferring public property post-demolition into the hands of any private developer, let alone one that is owned by a close relative of a public official is an improper exercise of eminent domain power.

A copy of the challenge filed by the Ottawa Towers owners is available upon request.

The General & Complex Litigation Group at Maddin, Hauser, Roth & Heller, P.C. is a group of strategic litigation attorneys and business counselors who specialize in commercial and real property litigation. With 90 years of multi-specialty legal expertise and an extensive portfolio of services across numerous industries, Southfield, Michigan-based Maddin, Hauser, Roth & Heller, P.C. serves individuals, businesses and government entities. For additional information, please visit www.maddinhauser.com.