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Judge blocks Pontiac's latest try to raze Phoenix deck



STORY HIGHLIGHTS

Pontiac keeps filing lawsuits, trying to demolish its big downtown Phoenix Center parking deck.

And the courts keep ruling against the city, saying 'You can't do that!'

Why? Because a pair of adjoining office towers have a 35-year-old claim on parking spaces.

Now, the city's mayor said she might have a change of heart %u2014 and keep the structure up.

A judge has thrown out a lawsuit by Pontiac in the latest round of the city's three-year legal fight to demolish the downtown Phoenix Center parking structure.

Monday's decision by Oakland Circuit Judge Michael Warren brings to three the number of Phoenix Center court rulings that have gone against the city, which has one ruling pending in the Michigan Court of Appeals.

The city's former emergency manager declared that the 2,500-space parking deck should come down because the city could no longer afford its maintenance costs. But this year, as the city's finances stabilized, Mayor Deirdre Waterman said she was having a change of heart. On Tuesday, Waterman said she would

soon explore "other options."

Now that Pontiac's budget is balanced and the city is running a surplus, "it has been my opinion that the Phoenix Center can be part of the strategy for the development of our downtown area," Waterman said. Those words were welcomed by city's legal opponents, a family-owned real-estate firm that owns the twin Ottawa Towers office complex that adjoins the parking deck — and which asserts it owns a 35-year-old easement for its office tenants to park in the structure.

"Our family company would prefer to work collaboratively and cooperatively with the city that we are so invested in," said Mike Stephens, a partner in Ottawa Towers LLC.

"This ruling is an important victory, but unfortunately we're still entangled in litigation with the city that is hampering local economic development and investment in Pontiac," Stephens said. The office complex has about 400 employees of the state of Michigan working there, and if the parking dispute can be resolved there could be many more employees moving in, he said.

Stephens' family firm has offered to buy the structure and has spent more than \$1 million in the last several years maintaining it, he added. In contrast, the city has not spent any money in years to maintain the structure, Waterman said.

Built as part of a Pontiac revitalization effort in 1980, the Phoenix Center once was seen as an anchor to rebuilding the city's central business district. But by 2012, after years of maintenance neglect, Pontiac's then emergency manager Louis Schimmel ordered that it be demolished, citing it needed \$8 million in repairs and was incurring annual operating losses of \$175,000.

That decision was approved by the city's former mayor and the Oakland County Board of Commissioners. Yet, the court cases turned up documents that disputed Schimmel's characterization of the deck as being in shoddy condition. And Blair McGowan, owner of the Crofoot Ballroom in downtown Pontiac that is a block north of the Phoenix Center, said this week's ruling against the city was good news.

"The city of Pontiac's legal assault on Ottawa Towers has been sending a terrible message to business owners looking to invest in downtown Pontiac," McGowan said.

"What we should be doing is working together to bring back our downtown, not filing lawsuits that harass local businesses," he said.