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Richmond Heights won't give Hadley developer extension on buyouts

By Margaret Gillerman

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Richmond Heights — In a move that startled residents and the developer alike, the Richmond Heights City Council on Friday refused to grant a one-year extension to obtain financing for the Hadley Township project.

Michelson Commercial Realty and Development faces a Dec. 29 deadline to notify owners that it intends to close on properties needed for the \$210 million mixed-use project. It would include a hotel, offices, shops, restaurants and 153 houses and condominiums on 44 acres south of Highway 40 and east of Hanley Road.

The council voted 4-4 on the developer's request for an extension after a one-hour closed session Friday afternoon. The tie vote meant the bill failed.

"I don't think it's going to be built, and for that reason, I'm not going to vote for an extension," said Councilman Tim Gallagher, a lawyer frustrated by the developer's repeated delays and lack of financing, before the vote. The council first approved the development in December 2006.

Gallagher was joined in voting against an extension by council members Paul Lore, Gina Mitten and Connie Williams.

Mitten, also a lawyer, said afterward: "At this point, I think the extension would create a risk to the city. I think the project has been in jeopardy of failing long before today."

After the vote, Michelson representatives rushed out of the meeting without comment.

But Michelson has a few weeks before the door shuts entirely. The company may ask the city to reconsider or it can come up with financing and send out notices to close on the properties by the Dec. 29 deadline.

Had the extension been granted, the bill also would have required the developer to pay \$1,500 to each owner of owner-occupied property and to release \$1,000 it had put in escrow to other property owners.

Many residents were disappointed by the vote. More than 90 percent of Hadley Township residents answering a survey this fall favored an extension.

"They should have given the developer more time," said resident Mamie Jones.

Harvey Pace, who has lived in Hadley Township since 1938, said, "The economy, as bad as it is, it's going to turn around."

His wife, Chris Pace, said: "Sending out that flier to us, that survey, was useless. We voted to extend the contract."

The Paces own four properties and were expecting to receive close to \$1 million in the buyout.

But a few residents were relieved.

"I'm surprised but not disappointed," said JoAnn Bailey. "I never wanted to sell."

Bailey said she and her husband signed a contract with the developer because of the threat of eminent domain.

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