

- [Front Page](#)
- [Cover Story](#)
- [News Briefs](#)
- [Community Events](#)
- [School Bulletin Board](#)
- [Letters To The Editor](#)
- [Thomas Sowell](#)
- [Business News](#)
- [Restaurant Spotlight](#)
- [Classifieds](#)
- [2008 Bridal Guide](#)
- [Central County Weather](#)
- [Advertising](#)
- [Subscription](#)
- [Contacts](#)
- [About Us](#)

Richmond Heights development deal appears dead

By Benjamin Israel

Barring a highly unexpected development, the 50-acre Hadley Township redevelopment is dead.

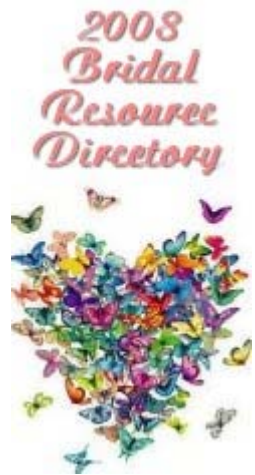
Officially, Michelson Commercial Realty and Development's agreement with the city of Richmond Heights to buy out the neighborhood and build in its place a \$150 million retail, residential, office and hotel project does not run out until Dec. 29. However, the developer has publicly stated that it does not have the financing and does not expect to for months.

At a special meeting on the afternoon of Nov. 28, members of the Richmond Heights City Council failed to give Michelson the five votes it needed to extend Michelson's deadline for giving property owners notice. Had it passed, Michelson would have been given until Oct. 30, 2009, instead of Dec. 29 of this year to close on the properties. The developer would have had to pay homeowners \$1,500 and other property owners \$1,000 as a gesture of good faith. It would have been the third extension that the City Council granted.

The City Council held a special meeting Nov. 24 to vote on the extension, but instead went into closed session and held no vote after emerging from behind closed doors. The City Council voted to reconvene the day after Thanksgiving without explanation before adjourning. Richmond Heights City Councilwoman Gina Mitten (Dist. 3) said afterward that "a legal glitch" needed to be worked out.

"We were unable to reach agreements on the terms we discussed at the last meeting," Richmond Heights City Attorney Ken Heinz told the City Council at the Nov. 28 meeting regarding the talks with Michelson.

The City Council then went back into closed session. It emerged into open session, held a brief public discussion, then voted 4-4 on the question.



Mitten, Paul Lore and Tim Gallagher (Dist. 1) and Connie Williams (Dist. 4) voted no. Camille Greenwald (Dist. 4) was absent, but had indicated her opposition at an earlier meeting. The city charter requires a majority of the nine-member City Council to pass any ordinance.

City officials surveyed Hadley property owners in October. Nearly 90 percent said they wanted the city to give the developer the extension, provided Michelson paid them for the disruption to their lives. After initially offering two \$250 payments six months apart, Hadley residents indicated their displeasure and Michelson agreed to just one \$1,500 payment.

Richmond Heights City Councilman Mike Jones (Dist. 2), who represents Hadley Township, voted for the extension. Jones said he is not sure that Michelson would be able to pull off the project, but he believed the best thing for the neighborhood would be to give the developer another chance.

“If it doesn't come through in a year, at least they get \$1,500,” Jones said in an interview. “Now, they get nothing.”

Jones cited the “Hadley Township Neighborhood Assessment,” a 2003 study by consulting firm Wollpert LLC that the city commissioned. The study stated that developers had been buying up homes in the area reducing the number of owner occupied homes and allowing the neighborhood to deteriorate in anticipation of future development.

“All I can see for the future is slow deterioration,” Jones said.

In a closed door meeting with the City Council last summer, Jones said, Tim Berry, executive vice president of Michelson, assured the City Council it could finance the project.

“I was under the impression they had two lenders,” Jones said. “One of them they still had, the other one pulled out. We have a letter from McBride (the home builder for the project) that they were all financed and ready to go.”

But, Jones said, with the banking system in crisis, getting any financing now is difficult.

The majority of the City Council did not agree that the extension was worth it. Gallagher said at the Nov. 28 meeting, “I don't think it is going to be built

and for that reason I am not going to vote for the extension."

Williams voted for the extension at an earlier meeting, but changed her vote at the Nov. 28 meeting. She said that the agreement as written had left the city open to legal liabilities that would have affected the entire city.

In the two years since Richmond Heights signed an agreement with Michelson, residents and property owners signed contracts with Michelson that would pay them well in excess of the assessed valuation of their properties when the developer closes the deals.

For a century, Hadley Township was a stable neighborhood of small, well-kept homes occupied mainly by African-Americans with good jobs. Many residents have been there for generations. However, in the last decade, as developers have been buying up properties — often from the estates of longtime residents — much of the neighborhood has deteriorated while some homeowners have kept parts of the neighborhood immaculate.

After an unsuccessful attempt to find a developer who would build on the vacant lots while keeping the neighborhood intact, the City Council asked developers to send in proposals for wholesale redevelopment.

After hearing several proposals, the City Council chose Michelson in large part because it promised to build a substantial residential component.

However, this summer, Michelson earned the ire of some City Council members when it submitted a site plan that decreased by half the number of homes.

One Hadley resident, Donna Garcia, seemed relieved by the City Council's action.

"I'll wait until Dec. 29th, then I'll put some money into my home for repairs," Garcia said.

Tim Berry of Michelson declined to comment.