Dear Mayor Beier,

On behalf of Harbor Bay, Ballein Management, The Ballein Family, The Bell Family and HB BM East Lansing LLC (collectively “HB BM”) I am following up on my April 1, 2020 letter to you, as well as an April 2, 2020 call with George Lahanas and Tom Fehrenbach.

While our collective first priority remains with the life/safety of the East Lansing Community, we need to also focus our attention to East Lansing’s Downtown Businesses. As you are aware, COVID-19 has resulted in mass devastation to East Lansing’s downtown businesses, and, the pain is only going to get worse.

As reported by Lansing State Journal on April 14th, MSU’s Board of Trustees and Dr. Stanley have responsibly chosen to officially cancel all summer school, summer sports, and summer camps. This includes, but is not limited to, classes, orientations, traveling faculty, K-12 kid camps, Grandparents University, and more.

With MSU being the lifeblood of East Lansing’s downtown businesses, this necessary decision to protect the wellbeing of citizens indirectly creates a disastrous economic ripple throughout East Lansing’s business community. Based on initial conversations with other downtown business owners, some businesses are evaluating not reopening until Labor Day, as expenses will likely far outweigh revenue, given abysmal consumer activity. Meanwhile, business expenses remain regardless, such as business loans, real estate taxes, insurance, rent, etc.

Further, assuming businesses have been able to obtain stimulus packages via the likes of the “CARES ACT”, programs such as the Payroll Protection Program (PPP) is payroll/employee focused. Is it realistic to stay open, continue payroll, when consumer activity and confidence has been decimated? Moreover, the PPP doesn’t address the overwhelming pressures of revenue losses, accounts payable and other various expenses.

The next 4.5 months, and most likely beyond, will be the toughest stretch most East Lansing businesses will ever encounter. Not even in the darkest days of the Great Recession in 2008, do I believe that any business owner ever envisioned a scenario were MSU would be forced to close their campus. And, there is no guarantee that the catastrophic conditions will end in 4.5 months. Many are stating that MSU is actively exploring online classes for the fall semester. If this were to occur, further significant revenue generating events for downtown businesses such as fall football and homecoming are in serious jeopardy.
In addition, important revenue generating summer events like the Art Festival have already been canceled.

In summary, the financial forecast for downtown East Lansing businesses is extremely ominous, with no predictable end in sight and each of us facing our own unique financial challenges. The fate of many businesses are in grave jeopardy right now, including the hundreds of employees that we all employ. We call on your continued leadership, including the leadership of City Council, Downtown Development Authority (DDA) and East Lansing as a whole. If we don’t take serious action immediately, and consider all options, many businesses won’t survive, and the corresponding economic impact to the City of East Lansing could be equally devastating.

HB BM has already begun reaching out to several businesses within downtown East Lansing to discuss and develop creative ideas to help support the downtown businesses.

We’re in this fight together.

Sincerest Regards,

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Cc: East Lansing City Council
    East Lansing DDA
    George Lahanas
    Tom Fehrenbach