

# *Shaping East Lansing:*

Historical Land Use, a Review of Analogous  
Communities, and Recommendations for  
Moving Forward

Commissioned by:  
Michigan State University

Prepared by:  
Scott D. Watkins, Consultant  
Jeffrey J. Smith, Analyst

Edited by:  
Patrick L. Anderson, Principal

**Anderson Economic Group, LLC**

1555 Watertower Place, Suite 100  
East Lansing, Michigan 48823  
Tel: (517) 333-6984  
Fax: (517) 333-7058

<http://www.AndersonEconomicGroup.com>

## *I. Executive Summary*

---

**PURPOSE OF REPORT** The purpose of this report is to provide a comprehensive, factual basis for understanding how historical land use decisions have shaped East Lansing, and to identify opportunities to improve the community in the future.

In this report, we review land use decisions over the past century, and compare East Lansing with similar mid-sized cities that host large universities in the Midwest. This factual basis allows us to identify specific opportunities to further enhance the community, and shows that most of the challenges East Lansing faces today are not unique to this time or place, and can be successfully addressed.

### **OVERVIEW OF APPROACH**

**Historical Review.** We began our research by conducting a historical review of land use decisions in East Lansing. In doing so, we identified seven eras. These are summarized in Table 1 below.

**TABLE 1. Eras of Land Use in East Lansing**

<b>Time Period</b>	<b>Description</b>
1855 - 1906	Founding of MAC, early developments
1907 - 1938	City charter and formation of downtown
1939 - 1957	The GI Bill and enrollment boom
1958 - 1967	Construction boom and continued enrollment increases
1968 - 1979	Provision for liquor sales and off-campus housing
1980 - 1999	Downtown revitalization and neighborhood improvement
2000 - 2005	Recent developments and trends

Information for the section was collected from a variety of sources, including the East Lansing Planning Department, the State of Michigan, Michigan State University Archives, and personal interviews. Our detailed review of historical land use decisions in East Lansing begins on page 6.

**East Lansing Land Use Today.** In addition to reviewing historical land use decisions, we also reviewed land use in East Lansing today. This included a spatial analysis of commercial and residential land uses, as well as a closer examination of land use practices that have shaped the downtown and adjacent neighborhoods. This is further discussed in “East Lansing Today” on page 21.

**Analogous Market Review.** We compared East Lansing to other midwestern communities hosting a large university. For each of these analogous markets, we first reviewed demographic and socioeconomic data. Among the variables we looked at were overall regional population, university enrollment, average age,

ratio of owner- to renter-occupied housing, and relative location of downtown to campus.

The analogous markets (with the hosted universities) reviewed were:

- Ann Arbor, Michigan (University of Michigan)
- Champaign, Illinois (University of Illinois)
- Columbus, Ohio (The Ohio State University)
- Madison, Wisconsin (University of Wisconsin)
- State College, Pennsylvania (Penn State University)

In addition, we used our Geographic Information System (GIS) to perform a spatial analysis of business and residential land uses in each community. Our GIS incorporates location data for natural features, roads, businesses and residences, along with a wealth of demographic and socioeconomic information, and allows for spatial comparisons that are often visualized with custom maps.

We supplemented this technical analysis with publicly available sources of information from planning departments, economic development agencies, chambers of commerce, and other such organizations. These sources, as well as articles from local newspapers, gave us a sense of the land use concerns and priorities in the communities today.

Our review of analogous markets begins on page 24.

**Liquor License Distribution.** We also looked at the distribution of liquor licenses in college communities in Michigan. To do so, we obtained data from the Michigan Liquor Control Commission on the locations of establishments with liquor licenses in East Lansing, Ann Arbor, Kalamazoo, and Mt. Pleasant. We classified each of these establishments as a retailer, bar or restaurant, or an “other” establishment. We then did an informal survey of local chambers of commerce and student newspapers to determine which “bars and restaurants” are considered “college bars.” Once identified, these were coded separately in our database, and plotted on a map along with retail liquor establishments, bars and restaurants serving liquor, and other establishments serving liquor.

The findings from this analysis are discussed beginning at “Liquor License Distribution Near Michigan Universities” on page 34. Maps showing liquor license distribution data begin on page 36 of Appendix B.

## OVERVIEW OF FINDINGS

Our research and analysis led us to a number of important findings. We summarize these below.

### *Historical Land Use in East Lansing*

- Since the founding of the Michigan Agricultural College in 1855, both the University and the surrounding community have undergone significant development. Not surprisingly, development on the campus and in the community correlates with the growth in enrollment at the college, and much of the early development in the area was undertaken by college staff and faculty.
- The City of East Lansing was chartered in 1907. Among the provisions in the original city charter was a ban on the sale and distribution of liquor within the City. This ban was not lifted until 1968.
- A primary reason for the decision to allow liquor sales in the City was concern over the vitality of the downtown, which was facing competition from retailers and restaurants elsewhere in the region. However, the East Lansing City Council was not quick to issue liquor licenses, and showed significant discretion in allowing mainly restaurants to receive the licenses.  
Unfortunately, the City found that once a license was issued under one set of conditions, it was difficult to stop establishments from operating as they pleased. This led many restaurants to operate more as bars, especially after the drinking age was dropped to 18 in 1973.
- Many of the residential neighborhoods that were once largely single-family homes are now heavily renter-occupied. Changes to the zoning ordinance in 1960 encouraged home owners in neighborhoods near downtown to rent their properties. The closing of Bailey Elementary in 1984 has also made the area less attractive to young families.

### *East Lansing Today*

- Downtown East Lansing is comprised largely of restaurants, bars, coffee shops, and small retail and service businesses. Aside from Barnes and Noble, there is not a strong retail anchor, and competition from nearby shopping centers (Meridian Mall, Frandor, and Eastwood Towne Center) continues to increase.
- The downtown does have a well-defined center at the intersection of MAC and Albert, extending west to Abbot. This area is the site of many planned community events, but it is also the location of a large number of bars. There are 10 “college bars” with a total occupancy of 2,530 in and around the area.
- This heavy concentration of bars presents significant public safety problems, especially when 2,530 people leave the bars at nearly the same time. It is also a deterrent to consumers and businesses who might otherwise be attracted to the area, but choose locations outside of the City because they do not want the “party zone” atmosphere.
- Compounding the problem of bar concentration in the downtown is the relative lack of competing areas featuring multiple restaurants and bars in other locations bordering the campus. As we note below in our analysis of analogous markets, this both limits the benefits additional patrons could bring to East Lansing and contributes to the pattern of disturbances.
- Residential options have recently been added in downtown East Lansing, and significant steps have been taken to regulate the number of renter-occupied

housing in the City. Diligent code enforcement has also helped maintain the housing stock, and steps are being taken to control noise and nuisance problems.

### *Analogous Market Review*

- By fundamental socioeconomic and demographic measures, East Lansing’s campus/downtown area is similar to that of other college communities in the midwest. The college communities that we analyzed all had younger populations, higher levels of renter-occupied housing, and lower per capita incomes when compared to their larger surrounding market areas.
- There are also some notable socioeconomic measures on which East Lansing’s campus/downtown area outperforms analogous market areas. Of the markets reviewed, East Lansing’s campus/downtown area has the second highest per capita income, the largest share of households earning over \$100,000 per year, and the lowest share of renter-occupied housing units.
- Our spatial analysis shows that many of the analogous markets feature downtowns with more diverse offerings than in East Lansing. For example, Champaign, Madison, and Ann Arbor have a good mix of retail, entertainment (including bars and restaurants), and professional businesses. They also feature multiple clusters of eating, drinking, and entertainment establishments. This, along with higher density land use, has helped the cities become more significant centers of business activity at the regional level.
- Our spatial analysis also shows that many of the analogous downtowns offer multiple destinations for visitors interested in a night out after a game or other event. This benefits the cities by both bringing in additional business and limiting large concentrations of people in a single “party zone.”
- Challenges involving rental units, public disturbances, and drinking are not foreign to other college communities, and many are pursuing policies that can be applied in other communities as well. For example, Columbus and OSU have teamed to provide financial assistance for home buyers in specific areas, and State College and PSU are working on ways to make restrictions on liquor licenses more enforceable.

## **RECOMMENDATIONS**

There are a number of opportunities that the City of East Lansing and Michigan State University can seize to continue improvement. These include:

1. *Follow through with current initiatives.* Current and proposed projects such as City Center II, West Village, and East Village will positively affect the community by diversifying the entertainment, retail, and residential options available in and around downtown.
2. *Enhance and diversify downtown.* The current downtown landscape has few professional offices, no strong retail anchor, and is dominated by bars and restaurants with liquor licenses. This has hindered the downtown’s ability to attract a broader base of business activity, and has encouraged a culture of drinking. It also narrows the potential audience that might visit the downtown, as those not looking for the “party zone” atmosphere for evening or post-game entertainment choose other destinations. To rectify this, the City should make a concerted effort to:

- a. Encourage a greater diversity of professional business and residential options to increase the daytime and evening downtown populations. This, in turn, will make the downtown more attractive to retail and service businesses that rely on daytime, year-round customer traffic.
  - b. Promote the downtown as an area for entrepreneurs to set up businesses, especially those that draw on the human capital and research found on the MSU campus.
  - c. Encourage owner-occupancy in the neighborhoods adjacent to downtown, especially as demand for student rentals in the area appears to have diminished as a result of the introduction of “luxury” student apartment complexes away from downtown.
  - d. Spread the concentration of liquor licenses over the entire downtown area, and explore options to better regulate advertising and promotions that bars use to encourage drinking in downtown East Lansing.
  - e. Pursue legislative measures to ensure that the City can limit establishments with liquor licenses to their originally stated business purpose.
  - f. Broaden the geographic scope of downtown to encompass the area from West Village and City Center II on the west, to East Village at Grand River and Hagadorn. By doing so, the City can promote multiple clusters of activity to appeal to a great range of audiences.
3. *Be collaborative in planning.* Many of East Lansing’s and MSU’s current plans have parallel goals for community improvement. However, in reviewing these plans, it was not apparent that the City and the University collaborate on a high level. By working together in their planning efforts, the community can better attract new families, manage future celebratory events, and attract alternative entertainment venues to the downtown. These collaborative efforts should not be limited to East Lansing and Michigan State University. Other neighboring communities should also be included.

These recommendations are further discussed in “Moving Forward” on page 37 of this report.