

AGENDA

Committee of the Whole January 12, 2026 at 5:30 PM



Lansing City Hall, Tony Benavides Lansing City Council Chambers
124 W. Michigan Avenue, 10th Floor

To provide input or ask questions on any item that is listed on the agenda,
members of the public may contact the City Council at city.council@lansingmi.gov or (517) 483-4177 prior to the meeting.
To view the meeting live and participate in virtual public comment: <https://www.lansingmi.gov/1212/Council-Committee-Meetings>

Council Member Peter Spadafore , Chairperson
Council Member Trini Pehlivanoglu, Vice Chairperson

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
 - A. January 5, 2026
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Discussion/Action:**
 - B. RESOLUTION - Elected Officers Compensation Commission; Set first meeting for 2026
 - C. RESOLUTION - Polling Places; relocation of multiple precincts
 - D. RESOLUTION -Set a Public Hearing; Act-7-2025; Sale of City Property, Lot 49, 200 block S. Cedar St.
 - E. RESOLUTION - Introduction & Set a Public Hearing; Z-2-2025; 220 S. Larch St. and 3 adjoining parcels on E. Kalamazoo St. and S. Cedar St., Conditional Rezoning from "DT-3" Urban Core to "IND-1" Industrial
6. **Other**
7. **Adjourn**

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Council Office at 517-483-4177 (TTY 711) 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

DRAFT



MINUTES
Committee of the Whole
Monday, January 5, 2026 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

City Clerk Swope called the meeting to order at 5:30 p.m.

PRESENT

Councilmember Tamera Carter
Councilmember Jeremy Garza
Councilmember Adam Hussain
Councilmember Ryan Kost
Councilmember Clara Martinez
Councilmember Deyanira Nevarez Martinez
Councilmember Trini Pehlivanoglu
Councilmember Peter Spadafore

OTHERS PRESENT

Sherrie Boak, Council Staff
Greg Venker, City Attorney
Lisa Hagen-Lawrence, City Attorney
Mark Lawrence, Mayor's office
Chris Swope, City Clerk
Mayor Schor
Luke Bingaman, Legislative Analyst
Loretta Stanaway
Brad Clark
Nick Zande
Sarah Jewell
Ernie Delgado
Lupe Romerez

Minutes

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE MINUTES FROM DECEMBER 15, 2025 AS PRESENTED. MOTION CARRIED 8-0.

Public Comment

Ms. Stanaway spoke on the election of President and Vice President, noting Councilmember Kost for President and Councilmember Hussain for Vice President.

Mr. Clark spoke on the election of the President and Vice President on the agenda, and spoke in support of Councilmember Kost for President.

DRAFT

Mr. Zande spoke on the election of President and Vice President, supporting Councilmember Kost for President.

Ms. Jewell spoke in support of Councilmember Kost for Council President, and spoke on concerns with past communications with her Ward representative (Councilmember Jackson). Ms. Jewell also acknowledged Councilmember Pehlivanoglu for her work in the community. Ms. Jewell spoke briefly on noise issues that need to be addressed in the City.

Mr. Delgado spoke on the agenda items for President and Vice President asking for the Council to be positive and move forward in 2026, supporting Councilmember Pehlivanoglu for Vice President.

Ms. Romero acknowledged the newly elected members on behalf of the Cesar E Chavez Committee in Grand Rapids.

Presentations

Ceremonial Swearing in of Newly Elected City Council Members

Council Member Clara Martinez was sworn in by City Clerk Chris Swope

Council Member Deyanira Nevarez Martinez was sworn in by City Clerk Chris Swope

Discussion/Action

RESOLUTION – Election of 2026 City Council President and Vice President

Mr. Swope clarified that per the Charter he presides until President and Vice President is elected.

Council Member Pehlivanoglu nominated Council Member Spadafore for Council President 2026. Council Member Spadafore accepted the nomination.

Council Member Hussain nominated Council Member Kost as Council President for 2026. Council Member Kost accepted the nomination.

ROLL CALL VOTE, COUNCIL MEMBER SPADAFORE AS PRESIDENT; 6 VOTES, - COUNCIL MEMBER KOST AS PRESIDENT; 2 VOTES. MOTION CARRIED FOR COUNCIL MEMBER SPADAFORE AS 2026 PRESIDENT.

Council Member Spadafore nominated Council Member Pehlivanoglu as Council Vice President for 2026. Council Member Pehlivanoglu accepted.

ROLL CALL VOTE; MOTION CARRIED 8-0.

OTHER

No other topics.

Adjourn

The meeting adjourned at: 5:55 pm

Respectfully Submitted by,

Sherrie Boak, Recording Secretary, Lansing City Council

Approved by the Committee

Resolution #2026-###

By the Committee of the Whole
Resolved by the City Council of the City of Lansing

WHEREAS, pursuant to the Lansing City Charter and Chapter 280 of the Lansing Code of Ordinances, the Council shall designate in advance the first meeting of the Elected Officers Compensation Commission in even-numbered years; and

WHEREAS, Chapter 280 of the Lansing Code of Ordinances requires the first meeting of the Elected Officers Compensation Commission to be not later than February 21, 2026 and that the commission meet on no more than 15 session days; and

WHEREAS, Chapter 280 of the Lansing Code of Ordinances requires the Elected Officers Compensation Commission to make its determination within forty-five days after its first meeting.

NOW, THEREFORE, BE IT RESOLVED the Lansing City Council hereby calls upon the Elected Officers Compensation Commission to meet and conduct its business in 2026 and designates Wednesday, February 4, 2026 at 12:00 p.m. in the City Council Conference Room on the 10th floor of City Hall as the first meeting of the Commission.

BE IT FURTHER RESOLVED the City Council Office Manager shall serve as the recording secretary to the Commission unless the Commission determines otherwise.

BE IT FINALLY RESOLVED the City Clerk shall notify the members of the Commission in writing concerning the designated date, time, and place of the first meeting at least seven calendar days in advance thereof.

Resolution #2026-###

By the Committee of the Whole
Resolved by the City Council of the City of Lansing

WHEREAS, the City Clerk, Swope, received notice from the Unitarian Universalist Church of Greater Lansing that it no longer wishes to serve as a polling place, and a request from the Lansing School District to reduce the use of its school buildings as polling locations where possible, in order to minimize disruption to classroom instruction and limit unrestricted public access to school facilities; and

WHEREAS, Bethlehem Lutheran Church is the Polling Place for Ward 1, Precinct 10; and

WHEREAS, Lyons School is the Polling Place for Ward 2, Precinct 12; and

WHEREAS, Unitarian Universalist Church of Greater Lansing is the Polling Place for Ward 2, Precinct 18 and 20; and

WHEREAS, City Clerk Swope recommends the following Polling Place relocations:

- Ward 1, Precinct 10 be relocated to Potter Park Zoo;
- Ward 2, Precinct 12 be relocated to Bethlehem Lutheran Church;
- Ward 2, Precinct 18 be relocated to Epicenter of Worship Church;
- Ward 2, Precinct 20 be relocated to the Epicenter of Worship Church;

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, makes the following Polling Place assignments:

- Ward 1, Precinct 10 be relocated to Potter Park Zoo;
- Ward 2, Precinct 12 be relocated to Bethlehem Lutheran Church;
- Ward 2, Precinct 18 be relocated to Epicenter of Worship Church;
- Ward 2, Precinct 20 be relocated to the Epicenter of Worship Church;

BE IT FURTHER RESOLVED that the City Clerk shall notify the Registered Electors of impacted precincts of the relocations.

BE IT FINALLY RESOLVED, that the City Clerk shall work to ensure proper signage, to assist relocated voters in finding their Polling Place.

Act-7-2025

**500 block East Kalamazoo Street, 200 block South Cedar Street
Sale of Real Property, Lot 49, 200 Block S Cedar Street**

At its December 2, 2025 meeting, the Planning Commission voted 5-2 to recommend approval of Act-7-2025. This is a request to sell three parcels of real property at the 500 block of E Kalamazoo St. and 200 block of S Cedar St. commonly known as Lot 49 and Lot 49a, respectively, to Deep Green Technologies USA LLC, to facilitate redevelopment of the city-owned parking lots into a hyper-efficient data center. These properties are vastly under-utilized as parking lots and both have seen reductions in revenue since the Covid-19 pandemic that have not recovered. The subject properties are not necessary for parking services or city operations.

There is a companion case, Z-2-2025, to conditionally rezone the properties from DT-3 to IND-1 to allow the data center land use and accessory infrastructure uses.

No public hearing is required for Planning Commission Act 33 review. The Planning and Zoning Office staff recommended approval.

Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property - STAFF REPORT

An Act 33 Review is a planning level review of the **location, character, and extent** of public improvements and City property transactions. Act 33 Reviews are conducted by the City of Lansing pursuant to the provisions of the Michigan Planning Enabling Act (P.A. 33 of 2008) and Section 208 of the Lansing Code of Ordinances.

APPLICANT Deep Green Technologies USA LLC
1007 N Orange St. 4th Floor, Suite 1382
Wilmington, DE 19801

PROPOSAL: Sale of Real Property, three properties along 200 block of S Cedar St..

PARCEL(S): 501 E Kalamazoo St. PID # 33-01-01-16-427-122
229 S Cedar St. PID # 33-01-01-16-427-082
0 S Cedar St. PID # 33-01-01-16-427-051

CURRENT OWNER(S): City of Lansing
316 N Capitol Ave., Suite D1.
Lansing, MI 48933

EXISTING LAND USE & ZONING Use: Vacant – surface parking lot,
Zoning: DT-3 Downtown Core

PROPERTY SIZE AND SHAPE: L-shaped, irregular, 99,560 square feet, 2.28 acres total
-122 – 50,750.5 square feet
-082 – 43,908.5 square feet
-051 – 4,901 square feet

SURROUNDING ZONING & LAND USE North: DT-3; infrastructure, solar array
East: DT-3; motor vehicle service station
South: DT-2; commercial, restaurant
West: DT-3; infrastructure, Dye Water Conditioning Plant

ANALYSIS

BACKGROUND:

Note: This report will refer to Lot 49 as 501 E Kalamazoo St. and Lot 49a as 229 S Cedar St.

The City of Lansing proposes to sell three parcels of real property totaling 2.28 acres, two of which are being used as City parking lots commonly known as Lot 49 and Lot 49a, to Deep Green for redevelopment for a data center. Lot 49 was acquired in 1990 for \$600,000. Lot 49a was purchased in 2010 for \$350,000.

The properties were historically developed with several single-family residences from at least 1906. In the late 1940s or early 1950s, the southern portion of the property was developed with

Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property - STAFF REPORT

two gasoline service stations. These buildings were razed in the late 1950s or early 1960s when the Imperial 400 Motel was constructed. The motel buildings remained until the early 1990s when the structures were razed and the City’s public parking lot. State of Michigan records state that an oil tank was removed from the property in 1992.

Lot 49a (229 S Cedar St.) was formerly the Yellow Cab headquarters. In 2007 the City proposed to swap Lot 49 along E Kalamazoo St. for this property to help facilitate the ‘Kalamazoo Gateway’, a mixed-use redevelopment which ultimately did not happen due to the Great Recession. (Z-12-2007, Act-17-2007). The subject properties were both included in the Z-12-2007 rezoning request from H – Light Industrial to G-1 – Business well before the 2012 *Design Lansing* Plan and the Form-Based Zoning Code, explicitly to permit the redevelopment from parking lots to a four-story mixed-use development. That rezoning case was recommended for approval by that Planning Board.

City Council ultimately followed through with the purchase in 2010 for \$350,000, with a long-term vision for prominent redevelopment at the intersection of Downtown and the Stadium District. During the 2010 purchase process it was stated that there was some site contamination, estimated at a \$50,000 clean up.

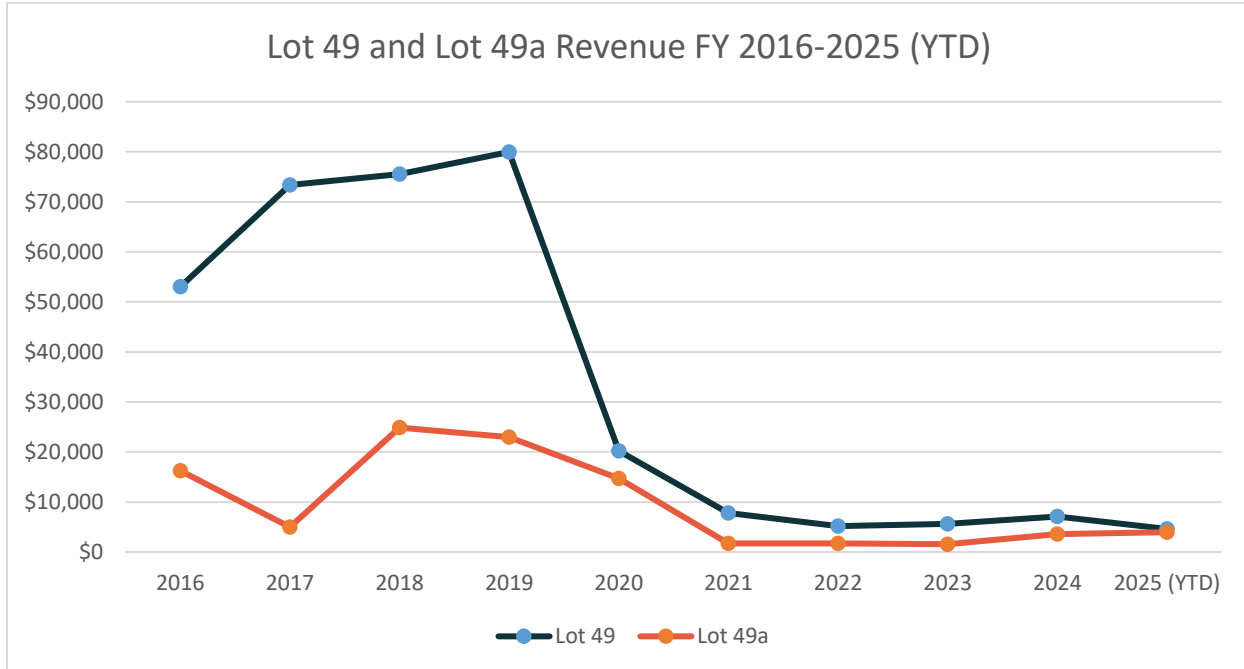
Lot 49 contains 81 parking spaces, while Lot 49a has 64 spaces. While there are a handful of regular permit holders they typically serve overflow or event parking for Lansing Lugnuts games, Lansing Center events, and Choose Lansing. Some of this parking is formalized in individual agreements. These users have been notified of the proposed sale and the Parking Services Office is working to select new sites based on individual needs.

Below is a ten-year review of revenue for the lots. There has been a marked decline since the 2020 Covid-19 pandemic.

| Year | Lot 49 | Lot 49a |
|--------------------------------|---------------|--------------|
| FY 2025 (YTD) | \$ 4610.80 | \$ 3979.00 |
| FY 2024 | \$ 7113.50 | \$ 3547.00 |
| FY 2023 | \$ 5626.00 | \$ 1560.00 |
| FY 2022 | \$ 5143.00 | \$ 1700.00 |
| FY 2021 | \$ 7771.00 | \$ 1745.00 |
| FY 2020 | \$ 20,234.00 | \$ 14,674.00 |
| FY 2019 | \$ 79,957.74 | \$ 22,958.00 |
| FY 2018 | \$ 75,569.01 | \$ 24,866.00 |
| FY 2017 | \$ 73,386.52 | \$ 4,998.00* |
| FY 2016 | \$ 53,028 | \$ 16,265.00 |
| 2020 – 2025 (YTD) Total | \$ 49,528.30 | \$ 27,205 |
| 2016 – 2019 Total | \$ 281,941.27 | \$ 69,087 |

Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property - STAFF REPORT

* Note: Lot 49a 2017 decline due to a resurfacing project.



The properties were included amongst the assets recommended for sale in the 2023 Parking Study, conducted by Walker Consultants. A March 7, 2023 appraisal valued the two parking lot properties at \$1,450,000. The appraisal did not include the small 4,901 square foot lot (-051). These parcels are under-utilized and are not necessary for the City parking system nor other City operations.

Lansing Economic Development Corporation (LEDC) in partnership with the City, released a request for proposals for these parcels in 2023. Only one respondent submitted a plan. That proposal for multi-family residential development fell through during 2023.

Since the beginning of Mayor Schor's 'Build Lansing Initiative' in 2021 the City has maintained a review of any and every proposal for redevelopment of non-park City-owned property. Deep Green has been only the second entity to submit a purchase offer for Lot 49/49a since 2023.

The subject parcels along with 220 S Larch St. are part of a conditional rezoning request (Z-2-2025) from DT-3 Downtown Core to IND-1 Industrial to permit the data center land use.

LOCATION:

The subject properties are located along the 200 blocks of S Cedar St. at the intersections with the 500 block of E Kalamazoo St. This area is the southern end of the Stadium District. The area bordered by the Grand River and Pere Marquette Railroad from E Kalamazoo St. north to E Shiawassee St. was designated as the DT-3 Downtown Core zoning district to permit redevelopment with the greatest density and mix of uses.

CHARACTER:

The subject area is specifically mentioned in the 2012 *Design Lansing* Comprehensive Plan (pgs. 63-64).

“This zone creates unappealing vehicular entries to downtown from the east and barriers that discourage pedestrian access to and from near-downtown neighborhoods. Along East Michigan Avenue, a transition to urban mixed use has begun...”

“Design Lansing recommends a continued transition from industrial and heavy commercial to a mix of office, retail, entertainment, arts/cultural live-work and residential uses.”

However, it goes on to concede:

“Except on the riverfront, light industry can continue to be part of this mixed-use area if external impacts (outdoor storage, noise and truck traffic) are minimized, and buildings and parking are located and designed to make a positive contribution to the area’s visual appeal and walkability.”

During the drafting and the subsequent amendments to the form-based zoning code, the Stadium District from Cedar Street to Pere Marquette Railroad, from Kalamazoo Street to Shiawassee Street, was included in the DT-3 Downtown Core zoning district to encourage the dynamic mixed-use redevelopment envisioned in the comprehensive plan.

Staff recognizes that redevelopment has so far failed to extend to the 500-600 block of E Kalamazoo St. even with major projects such as Block 600 on E Michigan Ave. The 600 block of E Kalamazoo St. is still dominated by motor vehicle and light industrial uses, or worse, vacancies. There are four major vacant parcels across the street that have been on the market for years.

Part of the sale agreement placed on file November 14, 2025, includes conditions to require development of the site to follow Zoning Ordinance Site Layout Requirements for the DT-3 district as well as Chapter 1254 Architectural Standards for Commercial/Mixed-Use buildings (of DT-3) rather than Industrial buildings, thereby requiring the building to be sited at the street frontage without front yard parking, and requiring the building to have a pedestrian-friendly and pedestrian-scaled architecture, thereby furthering goals of the master plan and the zoning ordinance for the subject area.

EXTENT:

The extent of the proposed sale is three parcels totaling 2.28 acres to facilitate a data center and accessory infrastructure uses/structures. The parcels must be combined prior to construction. If approved, the property will return to the tax rolls with a more productive land use.

The sale price is \$1,400,000.

AGENCY REFERRALS

Lansing Board of Water and Light (BWL)

- *(Dick Peffley General Manager)* BWL owns and operates the John F. Dye Water Conditioning Plant west of subject matter property, and we look forward to having Deep Green as our new neighbor.

Public Service Department:

(Dan Danke, Engineer)

- Cedar Street and Larch Street are MDOT roads and will require MDOT permit for construction in the ROW.
- The sewers appear to be City of Lansing sewers and not MDOT's.
- There is sanitary sewer on all sides of the property. Proposed sanitary flow needs to be provide in order to ascertain capacity issues, if any, and determine which sewer should be used.
- The south lot looks like it discharges storm sewer to Kalamazoo Street. The north lot looks like it sheet flows to Cedar Street. A catch basin system will be required for the new development.
- Compliance with stormwater ordinance is required.
- Public Service will need to know if the LBWL plans to discharge the "hot water" to the public sewers.
- The sewers on the north may not be in an easement, since they are located on LBWL property.
- Sanitary sewer adjoining the development are old and may need lining.

Lansing Assessor's Office

(Jennifer Czeiszperger, Director)

- We have done a work-up for an estimated true cash value:
 - Estimated building with land, land improvements, and specialty building items (i.e. generators etc) \$14,000,000
 - Personal property items (i.e. servers, routers etc) \$10,000,000

These values would result in an annual potential tax bill of \$560,363 for the real property and \$313,020 for the personal property. (\$873,383 total taxes for year – with City of Lansing portion being \$233,280 annually)

Lansing Fire Department:

- *(Jared Nisch, Fire Marshal)* No objection.

Parks and Recreation Department

- *(Brett Kaschinske, Director)* No objection.

EDP – Development Office

- *(Erin Buitendorp, Manager)* No objection.

STAFF RECOMMENDATION

Staff recommends approval of Act-7-2025, to return under-utilized property back to the tax rolls and to support redevelopment of underutilized city parking lots with the following conditions:

1. All exterior mechanical equipment, including roof-mounted equipment and any proposed or future back-up generators, shall be screened behind a ten-foot tall masonry screen wall and utilize noise-dampening materials or methods to mitigate noise pollution stemming from site operations.
2. Site operations shall not produce any nuisance impacts including noise, vibration, or fumes, on neighboring residential property.

**Respectfully submitted,
Andy Fedewa, Planner**

Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property - STAFF REPORT

Aerial:



Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property - STAFF REPORT

Zoning:



Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property - STAFF REPORT

Streetview: (looking northwest, July 2025)



Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property - STAFF REPORT

Site Plan:





Valbridge
PROPERTY ADVISORS

Appraisal Report

Parking Lot #49/49A
E Kalamazoo Street
Lansing, Ingham County, Michigan 48912

Report Date: March 7, 2023



FOR:

City of Lansing
Shelbi Frayer
Deputy Mayor/Chief Strategy Officer
124 West Michigan Avenue
Lansing, Michigan 48933

**Valbridge Property Advisors |
Southern Michigan**

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MI01-23-0040



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March 7, 2023

Shelbi Frayer
Deputy Mayor/Chief Strategy Officer
City of Lansing
124 West Michigan Avenue
Lansing, Michigan 48933

RE: Appraisal Report
Parking Lot #49/49A, E Kalamazoo Street, Lansing, Ingham County, Michigan 48912

Dear Ms. Frayer:

In accordance with your request, an appraisal of the above referenced property was performed. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to the value opinions. This letter of transmittal does not constitute an appraisal report and the rationale behind the value opinion(s) reported cannot be adequately understood without the accompanying appraisal report.

The subject property, as referenced above, is located the north side of Kalamazoo Street, between Larch and Cedar Streets and is further identified as tax parcel number 33-01-01-16-427-122 & -082. The subject site is a 2.23-acre or 96,921-square-foot parcel. The subject is a 2.23-acre or 96,921-square-foot site. Property is two parcels commonly known as parking lot #49 and #49A. Lot #49 is 1.217 acres and #49A is 1.008 acres per the City of Lansing Assessing records. Both sites are currently used as parking lots. The sites are irregular in shape and have access points from Cedar Street and Larch Street with frontage along Kalamazoo Street.

The analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of my client.

The client in this assignment is City of Lansing and the intended users of this report are City of Lansing and no others and no others. The intended use is to assist in internal decision-making purposes and no other use.. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certifications contained in this report.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- None

Hypothetical Conditions:

- None

Based on the analysis contained in the following report, my value conclusions are summarized as follows:

| Value Conclusion | |
|-------------------------|--------------------|
| Component | As Is |
| Value Type | Market Value |
| Real Property Interest | Fee Simple |
| Effective Date of Value | February 28, 2023 |
| Value Conclusion | \$1,450,000 |
| | \$14.96 psf |

Respectfully submitted,

VALBRIDGE PROPERTY ADVISORS | Southern Michigan



James T. Hartman, MAI, SGA, AI-GRS
 Certified General Real Estate Appraiser
 State of Michigan, License # 1205005950
jhartman@valbridge.com

JTH:BRD/mns
 File #MI01-23-0040

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Summary of Salient Facts

Property Identification

| | |
|----------------------|--|
| Property Name | Parking Lot #49/49A |
| Property Address | E Kalamazoo Street Lansing, Ingham County, Michigan 48912 |
| Latitude & Longitude | 42.73049, -84.545444 |
| Tax Parcel Numbers | 33-01-01-16-427-122 & -082 |
| Property Owners | City of Lansing |

Site

| | |
|--------------------|-------------------------|
| Zoning | Light Industrial (DT-2) |
| FEMA Flood Map No. | 26065C0131D |
| Flood Zone | Zone X or C |
| Gross Land Area | 96,921 square feet |
| Usable Land Area | 96,921 square feet |

Valuation Opinions

| | |
|----------------------------------|------------------------|
| Highest & Best Use - As Vacant | Hold for redevelopment |
| Highest & Best Use - As Improved | Redevelopment |
| Reasonable Exposure Time | 6 to 12 months |
| Reasonable Marketing Time | 6 to 12 months |

Value Indications

| Approach to Value | As Is |
|------------------------------|---------------|
| Sales Comparison - Land Only | \$1,450,000 |
| Cost | Not Developed |
| Income Capitalization | Not Developed |

Value Conclusion

| Component | As Is |
|-------------------------|--------------------|
| Value Type | Market Value |
| Real Property Interest | Fee Simple |
| Effective Date of Value | February 28, 2023 |
| Value Conclusion | \$1,450,000 |
| | \$14.96 psf |

Aerial and Front Views

AERIAL VIEW



FRONT VIEW



Location Map



Introduction

Client and Intended Users of the Appraisal

The client in this assignment is City of Lansing and the intended users of this report are City of Lansing and no others. Under no circumstances shall any of the following parties be entitled to use or rely on the appraisal or this appraisal report:

- i. The borrower(s) on any loans or financing relating to or secured by the subject property,
- ii. Any guarantor(s) of such loans or financing; or
- iii. Principals, shareholders, investors, members or partners in such borrower(s) or guarantors.

Intended Use of the Appraisal

The intended use of this report is to assist in internal decision-making purposes and no other use..

Real Estate Identification

The subject property is located at E Kalamazoo Street, Lansing, Ingham County, Michigan 48912. The subject property is further identified by the tax parcel number 33-01-01-16-427-122 & -082.

Legal Description

S 1/2 R OF E 1/2 LOT 5 & N 1.5 R OF E 1/2 LOT 6, BLOCK 241 ORIG PLAT, ALSO LOTS 1 THRU 7 INCL, JOHNS SUB REC L 1 P 51

LOT 8 JOHNS SUB, ALSO S 41.25 FT OF W 1/2 LOT 4, W 1/2 LOTS 5 & 6, AND S 57.75 FT OF N 132 FT OF E 1/2 LOT 5 EXC E 114.5 FT BLOCK 241 ORIG PLAT

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject was a parking lot.

Use of Real Estate as Reflected in this Appraisal

The as is opinion of value for the subject property reflects use as a parking lot.

Ownership of the Property

According to Public record, title to the subject property is vested in City of Lansing.

History of the Property

Ownership of the subject property has not changed within the past three years.

Active Listing/Offer/Contract

The subject property was not being marketed for sale and there were no unsolicited offers or pending contracts for sale.

Type and Definition of Value

The appraisal problem is to develop an opinion of the market value of the subject property. Market value is defined as the most probable price which a property should bring in a competitive and open market under all condition's requisite to a fair sale with the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *buyer and seller are typically motivated;*
- *both parties are well informed or well advised, and acting in what they consider their own best interest;*
- *a reasonable time is allowed for exposure in the open market;*
- *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale¹*

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Opinions of value for the subject property were developed under the following valuation scenarios:

| Valuation Scenario | Effective Date of Value |
|---|-------------------------|
| As Is Market Value of the Fee Simple Interest | February 28, 2023 |

Date of Report

The date of this report is March 7, 2023.

List of Items Requested but Not Provided

- None

Assumptions and Conditions of the Appraisal

This appraisal assignment and the opinions reported herein are subject to the General Assumptions and Limiting Conditions contained in the report and the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results.

Extraordinary Assumptions

- None

Hypothetical Conditions

- None

¹ FIRREA Code of Federal Regulations, Title 12, Part 34 Subpart C - 34.42, 1990; also Interagency Appraisal and Evaluation Guidelines, Federal Register / Vol.75, No. 237, 2010

Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the extent to which the subject property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via parcel number, address.
- Economic Characteristics - The subject property economic characteristics were identified via operating statements, market participant surveys, my company database, and/or third-party sources.
- Physical Characteristics - The subject property physical characteristics were identified via an appraisal inspection of the property.

Extent to Which the Property Was Inspected

An appraisal inspection of the subject property an appraisal inspection that consisted of exterior observations was completed on February 28, 2023. The improvements were not measured during the course of the inspection.

Type and Extent of Data Researched

The following data was researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. Professionals familiar with the subject market/property type were also interviewed.

Type and Extent of Analysis Applied (Valuation Methodology)

Surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations were observed in the process of concluding a highest and best use for the subject property. The subject property was then valued based on the highest and best use conclusion.

There are four primary methods available to develop a land value estimate: (1) sales comparison, (2) land residual method, (3) ground rent capitalization, and (4) subdivision development method (discounted cash flow). While other methods, such as extraction and allocation, are applicable under limited conditions, one or more of these approaches are used in most circumstances to derive an indication of land value.

- Sales Comparison Approach - In the sales comparison approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.

- Direct Capitalization: Land Residual Method - The land residual methodology involves estimating the residual net income to the land by deducting from total potential income the portion attributable to the improvements, assuming development of the site at its highest and best use. The residual income is capitalized at an appropriate rate, resulting in an indication of land value.
- Direct Capitalization: Ground Rent Capitalization – A market derived capitalization rate is applied to the net income resulting from a ground lease. This can represent the leased fee or fee simple interest, depending on whether the income potential is reflective of a lease in place or market rental rates.
- Yield Capitalization: Subdivision Development Method – Also known as discounted cash flow analysis (DCF), the methodology is most appropriate for land having multiple lot development in the near term as the highest and best use. The current site value is represented by discounting the anticipated cash flow to a present value, taking into consideration all necessary costs of development, maintenance, administration, and sales throughout the absorption period.

All of these approaches to value were considered. The availability of data and applicability of each approach to value within the context of the characteristics of the subject property, along with the needs and requirements of the client, were assessed. Based on this assessment, the sales comparison approach was developed. The Cost Approach was not used because market participants rarely employ the Cost Approach in their buy/sell decision making processes for properties like the subject. The Income Capitalization Approach was not used because sufficient market data was not available to generate a credible opinion of market value from this approach. Further discussion of the extent of my analysis and the methodology of each approach is provided later in the respective valuation sections.

Appraisal Conformity and Report Type

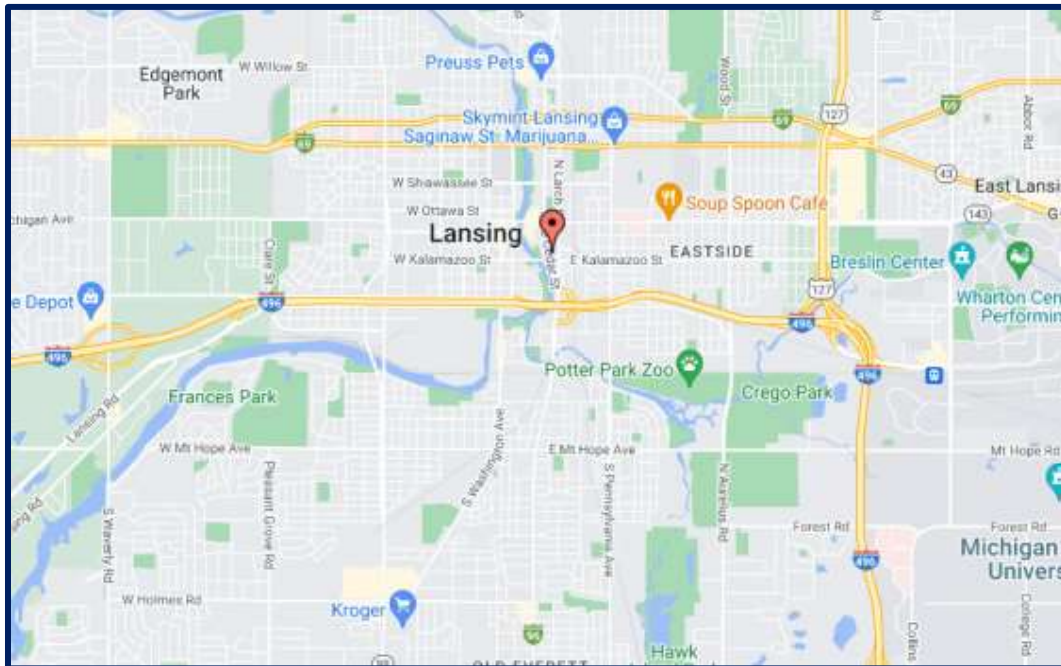
The analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of my client. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

Personal Property/FF&E

All items of non-realty are excluded from this analysis. The opinion of market value developed herein is reflective of real estate only.

Regional and Market Area Analysis

REGIONAL MAP



Overview

The subject is located in Lansing, in Ingham County. It is part of the Lansing-East Lansing MSA.

Population

Population characteristics relative to the subject property are presented in the following table.

Population

| Area | 2020 | Estimated 2022 | Annual Δ 2020 - 22 | Projected 2027 | Annual Δ 2022 - 27 |
|--------------------------------|-------------|----------------|--------------------|----------------|--------------------|
| United States | 331,449,281 | 335,707,897 | 0.6% | 339,902,796 | 0.2% |
| Michigan | 9,883,640 | 10,078,165 | 1.0% | 10,054,399 | 0.0% |
| Lansing-East Lansing, MI (MSA) | 534,684 | 540,938 | 0.6% | 540,199 | 0.0% |
| Ingham County | 280,895 | 284,951 | 0.7% | 284,623 | 0.0% |
| Lansing city | 110,163 | 108,183 | -0.9% | 108,074 | 0.0% |

Source: ESRI (ArcGIS)

Employment

Employment by Industry - Lansing-East Lansing, MI (MSA)

| Industry | 2022 Estimate | Percent of Employment |
|---|----------------|-----------------------|
| Agriculture/Forestry/Fishing/Hunting | 2,441 | 0.96% |
| Mining/Quarrying/Oil & Gas Extraction | 103 | 0.04% |
| Construction | 13,847 | 5.43% |
| Manufacturing | 30,458 | 11.94% |
| Wholesale Trade | 4,449 | 1.74% |
| Retail Trade | 25,996 | 10.19% |
| Transportation/Warehousing | 9,888 | 3.88% |
| Utilities | 2,106 | 0.83% |
| Information | 3,086 | 1.21% |
| Finance/Insurance | 13,782 | 5.40% |
| Real Estate/Rental/Leasing | 4,302 | 1.69% |
| Professional/Scientific/Tech Services | 15,089 | 5.92% |
| Management of Companies/Enterprises | 80 | 0.03% |
| Admin/Support/Waste Management Services | 8,244 | 3.23% |
| Educational Services | 34,671 | 13.60% |
| Health Care/Social Assistance | 32,866 | 12.89% |
| Arts/entertainment/Recreation | 3,825 | 1.50% |
| Accommodation/Food Services | 18,238 | 7.15% |
| Other Services (excl Public Administration) | 12,428 | 4.87% |
| Public Administration | 19,108 | 7.49% |
| Total | 255,007 | 100.0% |

Source: ESRI (ArcGIS)

Median Household Income

Total median household income for the region is presented in the following table. Overall, the subject's MSA and county compare unfavorably to the state and the country.

Median Household Income

| Area | Estimated 2022 | Projected 2027 | Annual Δ 2022 - 27 |
|--------------------------------|----------------|----------------|--------------------|
| United States | \$62,203 | \$67,325 | 1.6% |
| Michigan | \$63,818 | \$75,735 | 3.5% |
| Lansing-East Lansing, MI (MSA) | \$63,263 | \$75,381 | 3.6% |
| Ingham County | \$58,291 | \$69,439 | 3.6% |
| Lansing city | \$46,089 | \$52,980 | 2.8% |

Source: ESRI (ArcGIS)

Unemployment Rates

| Area | YE 2018 | YE 2019 | YE 2020 | YE 2021 | YE 2022 |
|--------------------------------|---------|---------|---------|---------|---------|
| United States | 3.9% | 3.7% | 8.1% | 5.3% | 3.6% |
| Michigan | 4.2% | 4.1% | 10.0% | 5.9% | 3.8% |
| Lansing-East Lansing, MI (MSA) | 3.6% | 3.5% | 7.7% | 5.3% | 3.6% |
| Ingham County, MI | 3.7% | 3.6% | 7.8% | 5.6% | 3.6% |
| Lansing city, MI | 5.2% | 5.1% | 11.0% | 7.9% | 5.2% |

Source: www.bls.gov

Job Losses/Gains

Michigan's employment peaked in June of 2000 and experienced a continuous declining trend throughout the past decade. The following table summarizes the job losses/gains in total employment and manufacturing employment over the 21½ +/- year period from June 2000 through 2021.

| STATE OF MICHIGAN EMPLOYMENT | | | | |
|--|---------------------------|----------------------|--------------------------|---------------------------|
| Year | Total Non-Farm Employment | Annual Job Loss/Gain | Manufacturing Employment | Annual Mfg. Job Loss/Gain |
| Jun-00 | 4,744,900 | | 911,200 | |
| 2000 | 4,676,400 | (68,500) | 896,699 | (14,501) |
| 2001 | 4,563,700 | (112,700) | 821,200 | (75,499) |
| 2002 | 4,486,900 | (76,800) | 761,400 | (59,800) |
| 2003 | 4,415,900 | (71,000) | 717,500 | (43,900) |
| 2004 | 4,399,000 | (16,900) | 698,300 | (19,200) |
| 2005 | 4,389,700 | (9,300) | 677,500 | (20,800) |
| 2006 | 4,326,500 | (63,200) | 648,200 | (29,300) |
| 2007 | 4,267,800 | (58,700) | 617,300 | (30,900) |
| 2008 | 4,162,100 | (105,700) | 562,700 | (54,600) |
| 2009 | 3,870,500 | (291,600) | 454,900 | (107,800) |
| 2010 | 3,863,300 | (7,200) | 466,000 | 11,100 |
| 2011 | 3,952,100 | 88,800 | 501,400 | 35,400 |
| 2012 | 4,033,700 | 81,600 | 529,200 | 27,800 |
| 2013 | 4,109,700 | 76,000 | 548,400 | 19,200 |
| 2014 | 4,182,000 | 72,300 | 574,200 | 25,800 |
| 2015 | 4,243,500 | 61,500 | 590,900 | 16,700 |
| 2016 | 4,319,100 | 75,600 | 604,500 | 13,600 |
| 2017 | 4,369,100 | 50,000 | 616,100 | 11,600 |
| 2018 | 4,417,700 | 48,600 | 628,600 | 12,500 |
| 2019 | 4,442,700 | 25,000 | 654,600 | 26,000 |
| 2020 | 4,039,300 | (403,400) | 556,800 | (97,800) |
| 2021 | 4,193,500 | 154,200 | 583,700 | 26,900 |
| Total Job Loss | | (551,400) | | (327,500) |
| % Decline over 20 1/2 +/- years | | (11.6%) | | (35.9%) |

Source: Michigan Labor Market Info ~ www.milmi.org

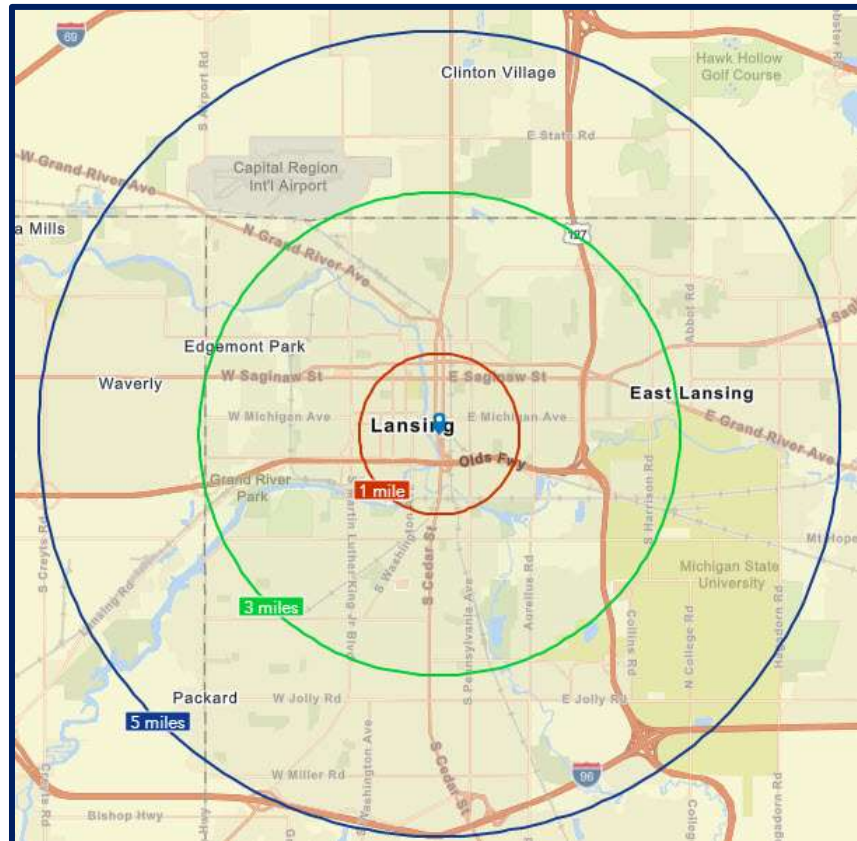
Unless noted, employment numbers are annualized

Peak employment levels within the state occurred in June of 2000 at 4,744,900 total non-farm jobs. Through 2009 a combined 881,600 jobs were lost, an 18.6% decline. Job losses have been particularly focused in the manufacturing sector. In June 2000 the manufacturing sector employed 911,200 persons, which declined through 2009 to 454,900, for a combined loss of 456,300 manufacturing jobs or a 50.1% decline. However, manufacturing in the state began to stabilize during 2010, finishing the year with a net gain of 11,100 jobs.

Prior to the pandemic, the continuing recovery in manufacturing has helped to turn overall non-farm employment in the State. The previous 5 years the State had added 260,700 jobs. According to MSU Center for Economic analysis, we see gross state product, a measure of all income generated in the state, to grow by 6.9 percent in 2023, down from 8.0 percent in 2022. Once adjusted for inflation, gross state product will only climb by 2.2 percent, down from 4.8 percent projected for 2022. We anticipate relatively strong growth in wages and salaries in 2023, driven largely by employment growth. Still, wage rates are expected to grow across all Michigan industries but is not anticipated to keep pace with inflation. Non-wage sources of income, like dividends, interest and rent are expected to rebound somewhat in 2023 from expected declines to growth of about 7.3 percent. This is assuming much of the stock valuation correction has already taken place in 2022.

City and Neighborhood Analysis

NEIGHBORHOOD MAP



Overview

The subject is located in Lansing in Ingham County.

Neighborhood Location and Boundaries

The subject neighborhood is located in the downtown section of Lansing. The area is urban in nature. The neighborhood is bounded by Interstate 69 to the north, Okemos Road to the east, Interstate 69 to the south, and Creyts Road to the west.

Transportation Access

Within the immediate area of the subject property, transportation access helps define the character of its development. Major travel and commuter routes within the area of the subject property include Interstate 496 and Cedar Street. Access to the area is considered good.

Demographics

The following table depicts the area demographics in Lansing within a one-, three-, and five-mile radius from the subject.

Neighborhood Demographics

| Radius (Miles) | 1 Mile | 3 Mile | 5 Mile |
|---|----------|----------|----------|
| Population Summary | | | |
| 2010 Population | 11,338 | 94,325 | 200,148 |
| 2022 Population Estimate | 11,513 | 91,985 | 198,833 |
| 2027 Population Projection | 11,544 | 92,057 | 198,586 |
| Annual % Change (2022 - 2027) | 0.1% | 0.0% | 0.0% |
| Housing Unit Summary | | | |
| 2010 Housing Units | 6,435 | 43,502 | 88,198 |
| % Owner Occupied | 23.5% | 48.1% | 46.0% |
| % Renter Occupied | 61.3% | 40.8% | 44.9% |
| 2022 Housing Units | 6,813 | 43,605 | 90,797 |
| % Owner Occupied | 19.6% | 45.9% | 44.6% |
| % Renter Occupied | 65.1% | 43.6% | 46.4% |
| 2027 Housing Units | 6,821 | 43,935 | 91,320 |
| % Owner Occupied | 20.1% | 46.4% | 45.2% |
| % Renter Occupied | 65.2% | 42.9% | 45.6% |
| Annual % Change (2022 - 2027) | 0.0% | 0.2% | 0.1% |
| Income Summary | | | |
| 2022 Median Household Income Estimate | \$36,977 | \$47,607 | \$48,528 |
| 2027 Median Household Income Projection | \$43,601 | \$54,582 | \$56,062 |
| Annual % Change | 3.4% | 2.8% | 2.9% |
| 2022 Per Capita Income Estimate | \$26,456 | \$27,926 | \$29,136 |
| 2027 Per Capita Income Projection | \$31,530 | \$33,200 | \$34,329 |
| Annual % Change | 3.6% | 3.5% | 3.3% |

Source: ESRI (ArcGIS)

(Lat: 42.73049, Lon: -84.545444)

Nuisances & External Obsolescence

Neighborhood properties have adequate levels of maintenance. No adverse or unfavorable factors were observed.

Conclusion

Most neighborhoods are classified as being in four stages: growth, stability, decline, and renewal. Overall, the subject neighborhood is in the stability stage of its life cycle.

Site Description

The subject site is located the north side of Kalamazoo Street, between Larch and Cedar Streets. The characteristics of the site are summarized as follows:

Site Characteristics

| | |
|--------------------------|--|
| Gross Land Area: | 2.23 Acres or 96,921 SF |
| Usable Land Area: | 2.23 Acres or 96,921 SF |
| Usable Land %: | 100.0% |
| Shape: | Irregular |
| Average Depth: | 400.00 feet |
| Topography: | Level |
| Drainage: | Appears adequate |
| Grade: | At street grade |
| Utilities: | All utilities |
| Off-Site Improvements: | Concrete sidewalks surrounding the site. |
| Interior or Corner: | Double Corner |
| Signalized Intersection: | Yes: - Traffic signal at the site that enhances access |

Street Frontage / Access

| Frontage Road | Primary | Secondary | Tertiary |
|------------------------|-----------------------|-----------------------|-----------------------|
| Street Name: | E Kalamazoo Street | Cedar Street | Larch Street |
| Street Type: | Industrial/Commercial | Industrial/Commercial | Commercial/Industrial |
| Frontage (Linear Ft.): | 220.00 | 400.00 | 270 |
| Number of Curb Cuts: | 0 | 4 | 1 |

Additional Access

| | |
|-----------------------|----|
| Alley Access: | No |
| Water or Port Access: | No |
| Rail Access: | No |

Flood Zone Data

| | |
|-------------------------------|-------------|
| Flood Map Panel/Number: | 26065C0131D |
| Flood Map Date: | 08-16-2011 |
| Portion in Flood Hazard Area: | 0.00% |
| Flood Zone: | Zone X or C |

Zones C and X are the flood insurance rate zones that correspond to areas outside the 1-percent annual chance floodplain, areas of 1-percent annual chance sheet flow flooding where average depths are less than 1 foot, areas of 1-percent annual chance stream flooding where the contributing drainage area is less than 1 square mile, or areas protected from the 1-percent annual chance flood by levees. No Base Flood Elevations or depths are shown within this zone. Insurance purchase is not required in these zones.

Other Site Conditions

| | |
|--------------------------|--|
| Soil Type: | Assumed to be stable. No soil report of the subject has been made available or reviewed; however, it is assumed that the soil is of sufficient load-bearing capacity to support the existing structure. No evidence to the contrary is known. |
| Environmental Issues: | The reader of this report is cautioned that the appraisers are not qualified environmental inspectors. It is recommended that any user obtain an environmental audit of the entire property to ascertain its status relative to these items. Also, it is assumed that no hazardous substance, past, present, or future exists on the subject property that would affect the subject's marketability or market value. |
| Easements/Encroachments: | None known that would adversely affect development |
| Earthquake Zone: | The site is not located in an earthquake zone. |
| Wetlands Classification: | None |

Adjacent Land Uses

| | |
|--------|-----------------------|
| North: | Commercial industrial |
| South: | Fast food restaurant |
| East: | Commercial industrial |
| West: | Industrial |

Site Ratings

| | |
|-------------|------|
| Access: | Good |
| Visibility: | Good |

Zoning Designation

| | |
|---------------------------|--|
| Zoning Jurisdiction: | City of Lansing |
| Zoning Classification: | DT-2, Urban Flex |
| General Plan Designation: | Parking lot |
| Permitted Uses: | A variety of uses |
| Zoning Comments: | The intent and purpose of the DT-2 Urban Flex District is to foster a mixture of residential, commercial, and industrial uses that complement the nearby Downtown Core and Mixed-Use Corridors. The urban flex districts generally are areas transitioning from older industrial and auto-oriented uses with pockets of residential to higher density modern infill and adaptive reuse. These areas are characterized by an eclectic mixture of entertainment, retail, residential, and lower intensity industrial uses in a warehouse setting. Along activity corridors, ground floor uses should be those that generate pedestrian activity along the street front through the location of doors, windows, and displays. |


Analysis/Comments on Site

Based on the characteristics above, the site is suitable for a variety of legal uses.

TAX PLAT



FLOOD MAP



RiskMeter

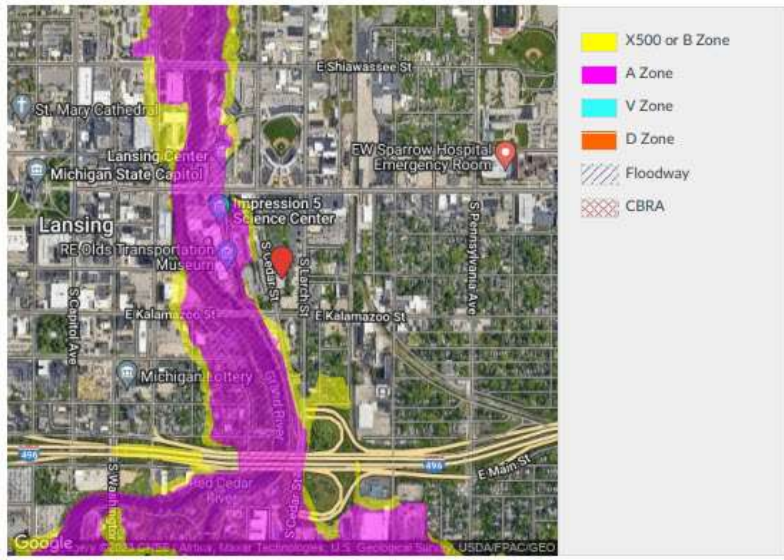
229 S CEDAR ST LANSING, MI 48912-1122

LOCATION ACCURACY: ✔ Excellent

Flood Zone Determination Report

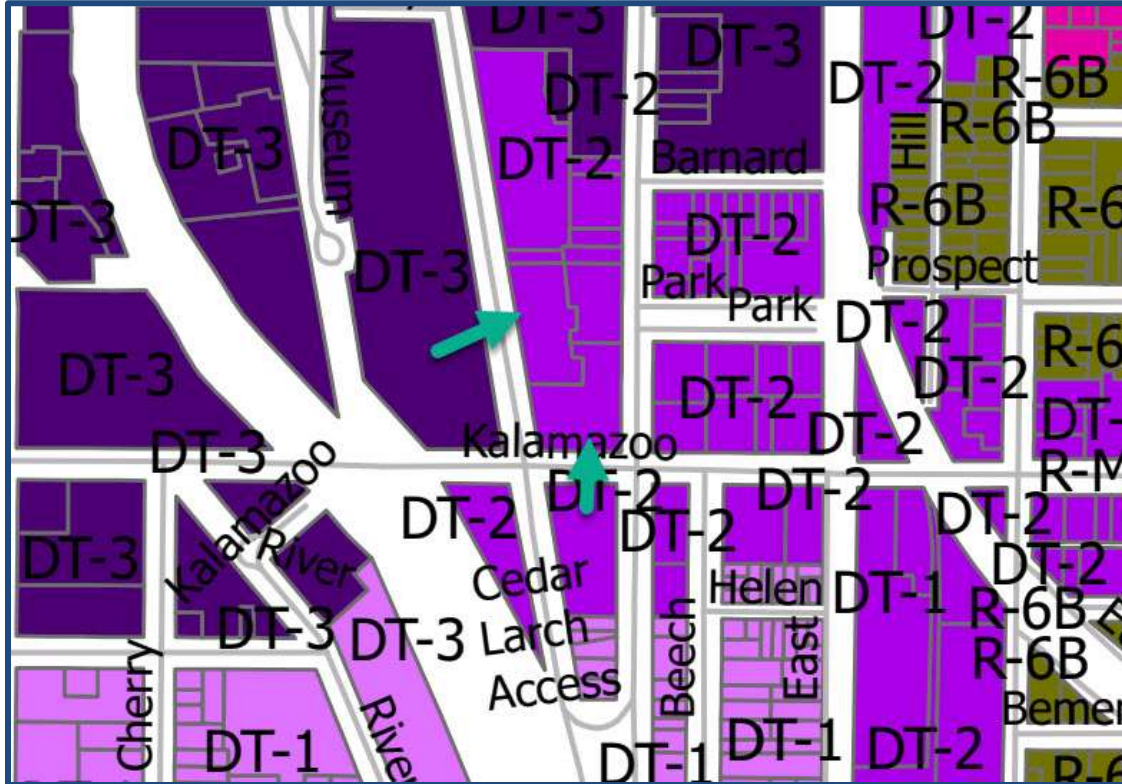
Flood Zone Determination: OUT

| | | | |
|------------|-----------------|------------|-------------|
| COMMUNITY | 260090 | PANEL | 0131D |
| PANEL DATE | August 16, 2011 | MAP NUMBER | 26065C0131D |



- X500 or B Zone
- A Zone
- V Zone
- D Zone
- Floodway
- CBRA

ZONING MAP



Legend

- | | | | |
|--------------------------------|-------------------------------------|--|-----------------------------------|
| ■ R-1 - Residential | ■ R-6B - Urban Residential | ■ MX-1 - Mixed-Use Neighborhood Center | ■ IND-1 - Suburban Industrial |
| ■ R-2 - Residential | ■ R-MX - Mixed Residential | ■ MX-2 - Mixed-Use Community Center | ■ IND-2 - General Industrial |
| ■ R-3 - Residential | ■ MFR - Multi-Family Residential | ■ MX-3 - Mixed-Use District Center | ■ IND-3 - Urban Industrial |
| ■ R-4 - Urban Edge Residential | ■ R-AR - Residential Adaptive Reuse | ■ DT-1 - Urban Edge | ■ INST-1 - Suburban Institutional |
| ■ R-5 - Urban Residential | ■ SC - Suburban Commercial | ■ DT-2 - Urban Flex | ■ INST-2 - Urban Institutional |
| ■ R-6A - Urban Residential | ■ MX-C - Mixed-Use Urban Corridor | ■ DT-3 - Downtown Core | |

Assessment and Tax Data

Assessment Methodology

Property assessments are initially established by the local assessor and are intended to reflect 50% of the “true cash value” (also known as market value) of the property on the Tax Day, December 31, of each year. The local assessment is then subject to equalization, which results in the property’s State Equalized Value (S. E. V.).

To determine the current year’s capped value, the assessor is required to multiply the prior year’s capped assessment by the CPI increase (inflation rate multiplier). The lesser of the S. E. V. and capped assessed value is the current year’s taxable value for that property. When a transfer of ownership occurs, the next year’s taxable value is generally based on the S.E.V. that had been calculated annually. The actual sale price must not be the sole basis of the new S.E.V. for that property.

Each property assessed for real estate tax purposes in the State of Michigan has a S.E.V., capped value, and a taxable value. Generally, the capped value is lower, reflecting long-term ownership. The S.E.V. is to represent 50% of true cash value. This appraisal has used the S.E.V. (assessed value) for calculating the real estate taxes. Real property taxes are determined on the basis of a tax rate per thousand dollars of S.E.V. (assessed value).

Assessed Values and Property Taxes

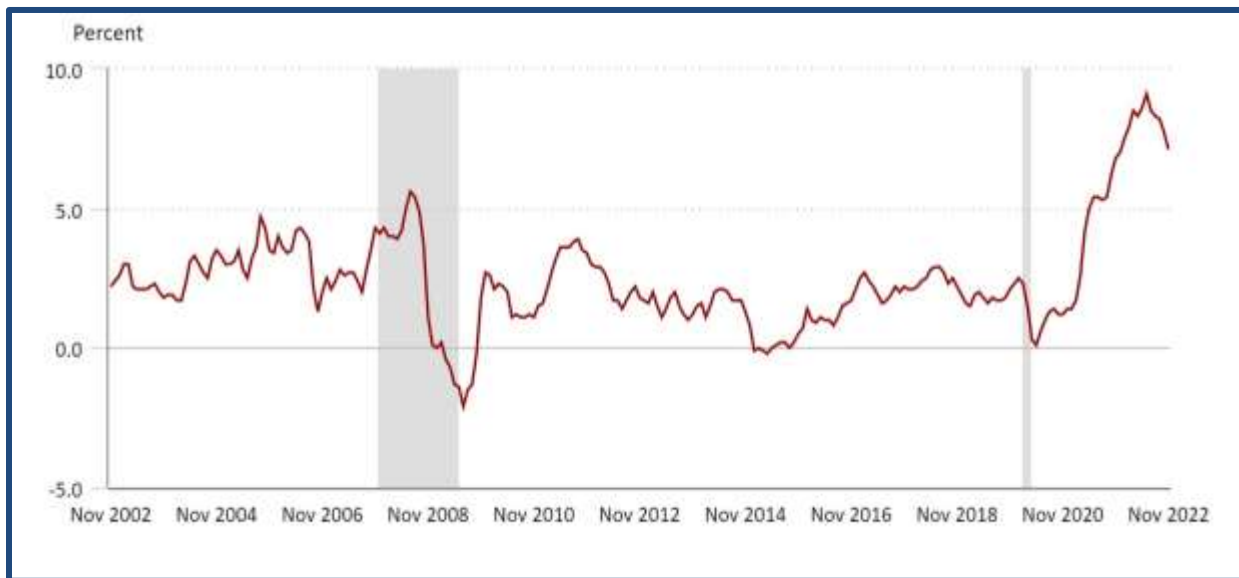
The property is owned by the city and is tax exempt.

Market Analysis

Inflation

Inflation is perhaps the biggest 2023 concern for CRE markets and investors. High inflation rates are being driven by both demand (stimulus, more businesses opening, high savings rates) and supply factors (labor shortages and supply chain disruptions). While at the highest rate in 30 years, inflation will likely stay high for the next year. The following table presents historical inflations rates:

ANNUAL CPI RATE OF CHANGE



Source: U.S. Bureau of Labor Statistics

The November 2022 CPI reading was an annual rate of 7.1%, down from the annual rate of 9.0% in June, a pace not seen since 1990. Because of the unique nature of the causes of this rate of inflation, the demand outlook does not point to accelerating inflation over the medium term, which is most important for the overall economic outlook and for decision makers at the Federal Reserve. Market participants anticipate that the Fed will continue to hike interest rates in early 2023 to combat inflation. The biggest risk is that unexpected runaway inflation would be damaging to the economy and negatively affect commercial property markets. However, this is not the expected scenario and elevated inflation can have a net positive impact on commercial property values.

Interest Rates

To combat inflation, the Federal Reserve raised the federal funds rate by 25 basis points in March 2022, reflecting the first increase since 2018. However, this increase had little to no impact in year over year inflation and the Federal Reserve raised rates by an additional 50 basis points in May 2022, followed by 75 basis points in June, July, September, and November 2022. Interest rate increases were moderated in December at 50 basis points in response to CPI rolling over.

Interest rate increases affect capital-intensive industries like real estate. As credit becomes more expensive, investor return requirements increase, which can lead to higher capitalization rates expectations. As inflation persists and the market anticipates additional rate hikes by the Fed, slower growth in CRE pricing and transactions is expected.

In general, nominal (non-inflation adjusted) real estate returns perform well under a variety of rate environments, while inflation-adjusted real estate returns are strongest during periods of stability, according to research done by Trepp. In a March 2022 report on interest rates and commercial real estate, moderate declines or slight increases (0 to 50 basis points) create the strongest returns, with median annual growth at 3.1%. Trepp outlined the following possible impacts of higher interest rates on major CRE sectors:

Multifamily

Issuance in this sector surged in the low-interest-rate environment of 2020 and 2021. Sharply higher interest rates put a dent in issuance in late 2022, as higher borrowing costs reduced demand for debt financing. In the long-term, issuance could rebound. Despite the current trend of declining unemployment and rising income, wage inflation is outpacing price inflation as of now. If this inflation trend continues, consumer demand could be pushed further toward rental properties.

However, the market is currently experiencing a shift away from renting. According to data from the United States Census Bureau, the homeownership rate increased to 65.5% in Q4 2021, a decline from the Q2 2020 peak of 67.9% (a rate height that has yet to be surpassed by those seen post-2008 financial crisis). Additionally, those between the ages of 25 to 29 have increased their homeownership share to 35.4%, up from 34.8% a year earlier, possibly suggesting that younger families are moving away from renting.

Office

The office sector also benefited from the low-interest-rate environment. However, rising interest rates have resulted in an overall drag on growth in 2022 with some companies reducing their projections for future office space needs. With that in mind, landlords have been more willing to lock in tenants at their current rates rather than risk losing them. However, firms are in the midst of the debate over hybrid, in-person, and fully remote expectations from employees, and some are choosing to offload their excess office spaces and either downsize or do away with their in-person spaces for good.

Additionally, rising rates have been problematic when it comes to refinancing. The office market is already in turmoil and rising interest rates are adding to the uncertainty in the market.

Retail

With rising interest rates and a slowing economy, some retailers may curtail plans for growth in response to an up-and-coming potential drop in disposable consumer income. This curtailment may make it more difficult to backfill vacant spaces and lead to consolidation by retailers. Investors could choose to approach 2023 with a more conservative view of retail occupancy going forward.

Lodging

The hotel industry faces challenges from both a supply and demand perspective. CMBS lenders abruptly stopped funding loans when the pandemic took effect in 2020, but, since then lodging loan issuance has picked up. While this seems like good news, the uptick in issuance could prove too fast and there is a potential for the supply to outpace demand. There may not be enough demand to absorb the new supply if consumers and businesses maintain and reduce their levels of spending.

Conclusions

Various market participants will feel the effects of rising interest rates. As highlighted above, each sector of the CRE space will react differently to these rising rates. Ultimately there was some volatility in late 2022 experience across most CRE sectors, which is expected to continue until interest rates moderate.

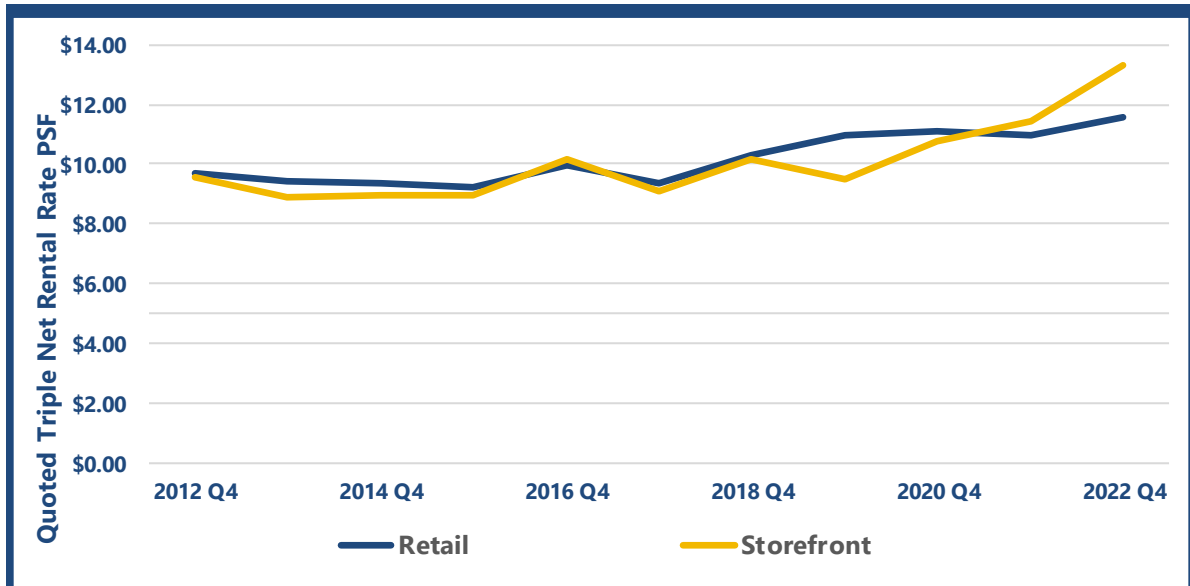
Local Market Performance

Market analysis is a study of market conditions for a specific property type. The following market analysis of the Lansing MSA Retail property market is based on data obtained from the CoStar Group, Inc., a leading provider of real estate information services. The analysis presents the subject property’s macro and micro markets and includes a breakdown of Storefront space. The following is the Lansing MSA retail market map, as presented by CoStar Group, Inc.:

COSTAR SUBMARKET MAP



LANSING MSA - QUOTED RENTAL RATE TRENDS



| Time Period | 2022 Q4 | 1-Year | 3-Year | 5-Year | 10-Year |
|---------------------------------|-------------|-------------|-------------|------------|------------|
| Lansing MSA - Retail | \$11.58 PSF | \$11.00 PSF | \$10.97 PSF | \$9.39 PSF | \$9.67 PSF |
| <i>Annual Growth Rate</i> | - | 5.3% | 1.8% | 4.3% | 1.8% |
| Lansing MSA - Storefront | \$13.33 PSF | \$11.45 PSF | \$9.48 PSF | \$9.08 PSF | \$9.56 PSF |
| <i>Annual Growth Rate</i> | - | 16.4% | 12.0% | 8.0% | 3.4% |

Source: CoStar Group, Inc.

Lansing MSA - Retail

The Lansing MSA had a 2022 4th Quarter average quoted rental rate of \$11.58 per square foot for Retail space, compared to \$11.00 in the 2021 4th Quarter, or a 5.3% increase over the prior year. This was higher than the long-term trend.

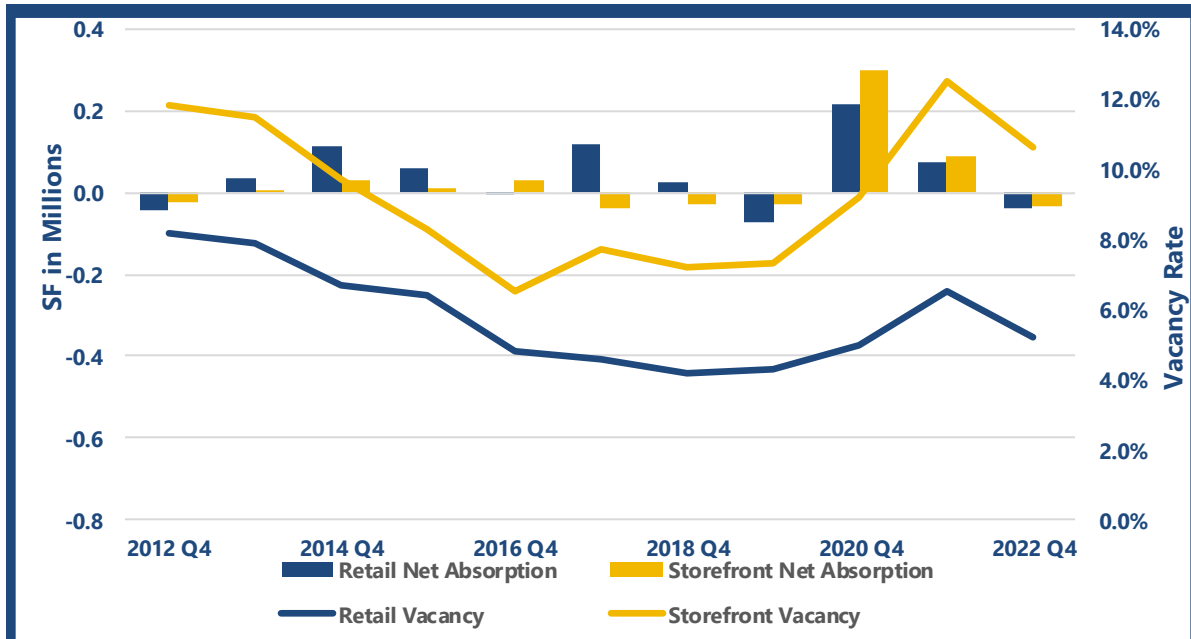
Lansing MSA - Storefront

The Lansing MSA had a 2022 4th Quarter average quoted rental rate of \$13.33 per square foot for Storefront space, compared to \$11.45 in the 2021 4th Quarter, or a 16.4% increase over the prior year. This was higher than the long-term trend.

Sector Comparison

The average quoted rental rate for Storefront space was 15.1% higher than Retail space and the long-term growth trend was higher.

LANSING MSA - VACANCY AND NET ABSORPTION TRENDS



| Time Period | 2022 Q4 | 1-Year | 3-Year | 5-Year | 10-Year |
|-----------------------------------|---------|--------|--------|--------|---------|
| Lansing MSA - Retail | 5.2% | 6.5% | 4.3% | 4.6% | 8.2% |
| <i>Avg. Annual Net Absorp. SF</i> | - | 392.1K | 55.5K | 71.1K | 169.2K |
| <i>Avg. Annual Deliveries SF</i> | - | 19.6K | 208K | 167.7K | 160.6K |
| Lansing MSA - Storefront | 10.6% | 12.5% | 7.3% | 7.7% | 11.8% |
| <i>Avg. Annual Net Absorp. SF</i> | - | 159.3K | 32.4K | 15.8K | 46.5K |
| <i>Avg. Annual Deliveries SF</i> | - | 3.5K | 134.7K | 82.7K | 53.1K |

Source: CoStar Group, Inc.

Lansing MSA - Retail

The Lansing MSA had a 2022 4th Quarter vacancy rate of 5.2% for Retail space. Net absorption was positive with 392,133 square feet absorbed in the prior year and 19,582 square feet delivered. This resulted in a vacancy rate decrease of 130 basis points.

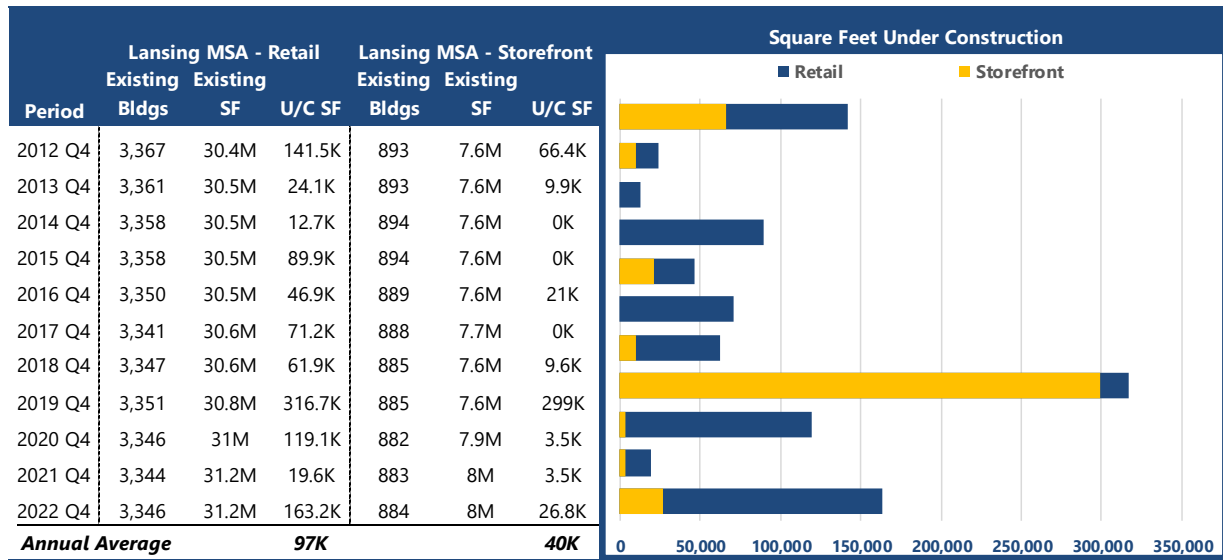
Lansing MSA - Storefront

The Lansing MSA had a 2022 4th Quarter vacancy rate of 10.6% for Storefront space. Net absorption was positive with 159,332 square feet absorbed in the prior year and 3,500 square feet delivered. This resulted in a vacancy rate decrease of 190 basis points.

Sector Comparison

The vacancy rate for Storefront space was higher than retail space. Both sectors had vacancy rates that were relatively consistent with the long-term trend.

LANSING MSA - EXISTING SUPPLY AND CONSTRUCTION TRENDS



Source: CoStar Group, Inc.

Lansing MSA - Retail

There were 3,346 buildings totaling 31.23 million square feet of Retail space in the Lansing MSA with 163,163 square feet under construction in the 2022 4th Quarter. New construction represented 0.5% of existing supply.

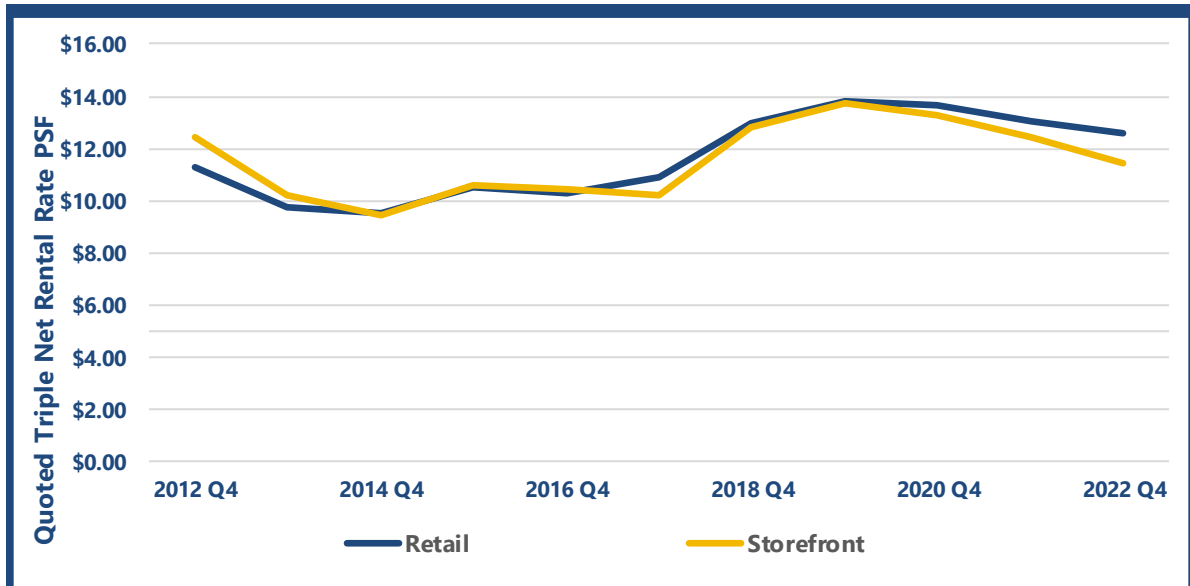
Lansing MSA - Storefront

There were 884 buildings totaling 8 million square feet of Storefront space in the Lansing MSA with 26,800 square feet under construction in the 2022 4th Quarter. New construction represented 0.3% of existing supply.

Sector Comparison

Storefront space represented 25.6% of existing supply and 16.4% of new construction in the 2022 4th Quarter.

CENTRAL LANSING - QUOTED RENTAL RATE TRENDS



| Time Period | 2022 Q4 | 1-Year | 3-Year | 5-Year | 10-Year |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Central Lansing - Retail | \$12.61 PSF | \$13.03 PSF | \$13.83 PSF | \$10.89 PSF | \$11.26 PSF |
| Annual Growth Rate | - | -3.2% | -3.0% | 3.0% | 1.1% |
| Central Lansing - Storefront | \$11.40 PSF | \$12.46 PSF | \$13.76 PSF | \$10.17 PSF | \$12.41 PSF |
| Annual Growth Rate | - | -8.5% | -6.1% | 2.3% | -0.8% |

Source: CoStar Group, Inc.

Central Lansing - Retail

The Central Lansing had a 2022 4th Quarter average quoted rental rate of \$12.61 per square foot for Retail space, compared to \$13.03 in the 2021 4th Quarter, or a 3.2% decrease over the prior year. This was lower than the long-term trend.

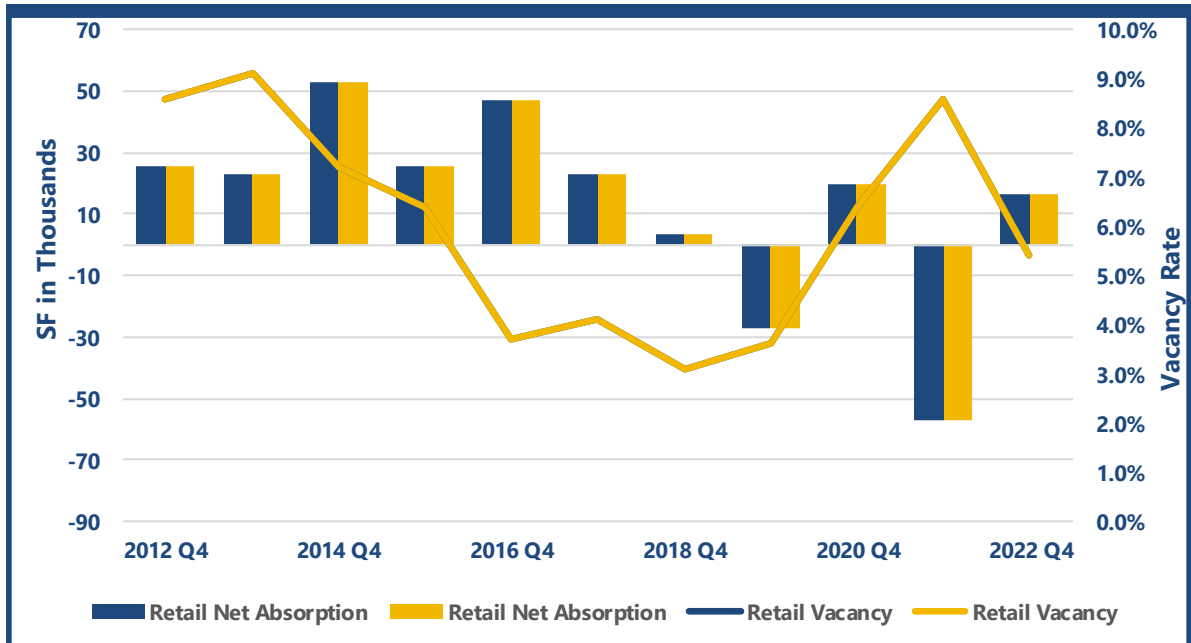
Central Lansing - Storefront

The Central Lansing had a 2022 4th Quarter average quoted rental rate of \$11.40 per square foot for Storefront space, compared to \$12.46 in the 2021 4th Quarter, or a 8.5% decrease over the prior year. This was lower than the long-term trend.

Sector Comparison

The average quoted rental rate for Storefront space was 9.6% lower than Retail space and the long-term growth trend was lower.

CENTRAL LANSING - VACANCY AND NET ABSORPTION TRENDS



| Time Period | 2022 Q4 | 1-Year | 3-Year | 5-Year | 10-Year |
|---------------------------------|---------|--------|--------|--------|---------|
| Central Lansing - Retail | 5.4% | 8.6% | 3.6% | 4.1% | 8.6% |
| <i>Avg. Annual Net Absorp.</i> | - | 228.3K | -38.4K | -10.1K | 34.4K |
| <i>Avg. Annual Deliveries</i> | - | 2K | 15.5K | 16.4K | 29.7K |
| Central Lansing - Retail | 5.4% | 8.6% | 3.6% | 4.1% | 8.6% |
| <i>Avg. Annual Net Absorp.</i> | - | 228.3K | -38.4K | -10.1K | 34.4K |
| <i>Avg. Annual Deliveries</i> | - | 2K | 15.5K | 16.4K | 29.7K |

Source: CoStar Group, Inc.

Central Lansing - Retail

The Central Lansing had a 2022 4th Quarter vacancy rate of 5.4% for Retail space. Net absorption was positive with 228,342 square feet absorbed in the prior year and 2,000 square feet delivered. This resulted in a vacancy rate decrease of 320 basis points.

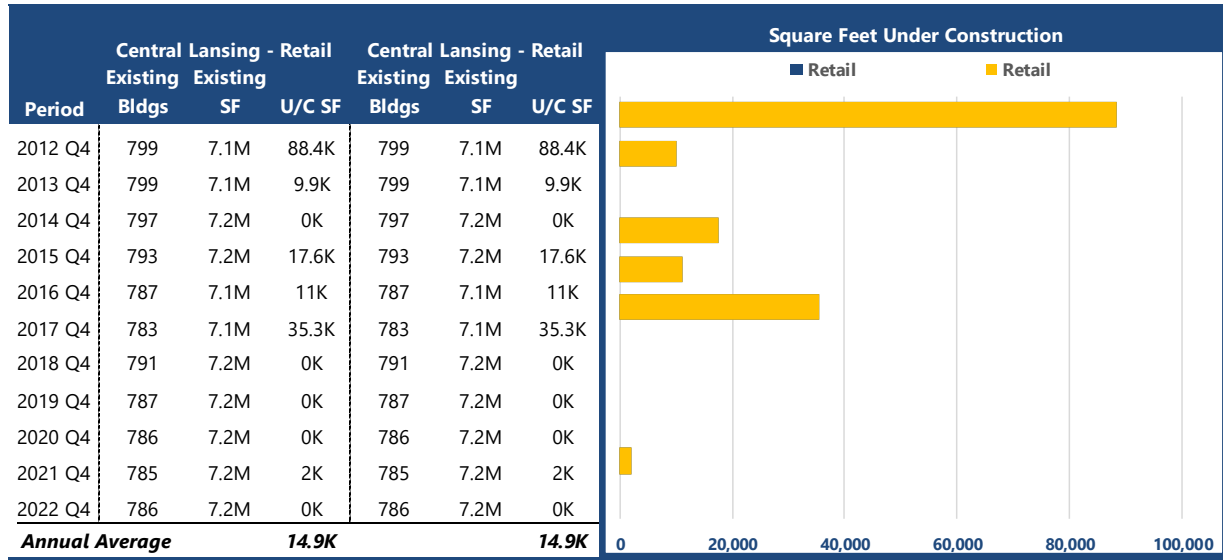
Central Lansing - Retail

The Central Lansing had a 2022 4th Quarter vacancy rate of 5.4% for Storefront space. Net absorption was positive with 228,342 square feet absorbed in the prior year with 2,000 square feet delivered. This resulted in a vacancy rate decrease of 320 basis points.

Sector Comparison

The vacancy rate for Storefront space was similar than retail space. Both sectors had vacancy rates that were relatively consistent with the long-term trend.

CENTRAL LANSING - EXISTING SUPPLY AND CONSTRUCTION TRENDS



Source: CoStar Group, Inc.

Central Lansing - Retail

There were 786 buildings totaling 7.2 million square feet of Retail space in the Central Lansing with 0 square feet under construction in the 2022 4th Quarter. No new construction was occurring.

Central Lansing - Retail

There were 786 buildings totaling 7.2 million square feet of Storefront space in the Central Lansing with 0 square feet under construction in the 2022 4th Quarter. No new construction was occurring.

Sector Comparison

Storefront space represented 100.0% of existing supply and no new construction in the 2022 4th Quarter.

Market Analysis Conclusions

The rental rate trends, vacancy rate and absorption trends, and existing supply and new construction levels indicate the market is in equilibrium.

Highest and Best Use Analysis

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Highest and Best Use As Vacant

The primary determinants of the highest and best use as vacant are (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

Legally Permissible

The subject site is zoned DT-2, Urban Flex I, which controls the general nature of permissible uses and is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general neighborhood. The location of the subject property is appropriate for the uses allowed, as noted previously, and a change in zoning is unlikely. There are no known easements, encroachments, covenants or other use restrictions that would unduly limit or impede development.

Physically Possible

The physical characteristics of the subject site are presented in the Site Description and allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences were considered. No physical attributes materially limit legally permissible and appropriate development. The most probable use of the site is for commercial/office/residential (mixed use) development, which conforms to the pattern of land use in the immediate area.

Financially Feasible

The probable use of the site for commercial/office/residential (mixed use) development conforms to the pattern of land use in the market area. A review of published yield, rental and occupancy rates suggest that there is a balanced supply and demand is insufficient to support construction costs and ensure timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is not financially feasible.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as vacant is to hold for development.

Highest and Best Use As Vacant Conclusion

The conclusion of the highest and best use as vacant is to hold for development.

Analysis of Highest and Best Use as Improved

The primary determinants of the highest and best use of the property As Though Vacant are the issues of (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

Legally Permissible

The subject site is zoned DT-2, Urban Flex which controls the general nature of permissible uses but is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general neighborhood. The location of the subject property is appropriate for the uses allowed, as noted previously, and a change in zoning is unlikely. There are no known easements, encroachments, covenants or other use restrictions that would unduly limit or impede development.

Physically Possible

The physical attributes allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences are described in the Site Description and have been considered. There are no items of a physical nature which would adversely impact development with the legal permitted uses. The subject currently is used as a surface parking lot.

Financially Feasible

The probable use of the site for redevelopment conforms to the pattern of land use in the market area. A review of published yield, rental and occupancy rates suggest that there is a balanced supply and demand is sufficient to support construction costs and ensure timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is financially feasible. The subject site has potential to be developed for a mixed-use building, commercial/residential/office. The location of the subject is attractive and would be able to command rates near the top of the market.

I was provided with historical income and expenses of the parking lot for the past three years. Looking at the options of continued use as a parking lot or redevelopment to office use, it was determined that it is not financially feasible to continue to use the subject as a parking lot.

The Gross Income for the subject the past three years was \$22,741 (2020), \$7,771 (2021), and \$5,143 (2022). Since covid began in 2020, the State of Michigan workers were no longer working in offices and still have not fully returned. This has eliminated the need for parking in the city of Lansing. The income numbers are on the decline and do not support the continued use of a parking lot.

I have considered the additional income the subject would generate during the time that it remains a parking lot (during planning/approval stage). I have decided that this would not contribute to the value of the property as the cost to raze the property would cancel out the additional income that the parking lot generates.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Looking at the options of continued use as a parking lot or redevelopment, it was determined that it would be maximally productive to redevelop the site. The value as vacant exceeds the value as improved. Considering these factors, the maximally productive use is for redevelopment. The maximally productive use is a mixed-use building with, commercial, and residential.

Conclusion of Highest and Best Use As Improved

The conclusion of the highest and best use As Though Vacant is for redevelopment.

Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is an investor.

Land Valuation

Methodology

Site Value is most often estimated using the sales comparison approach. This approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on the principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

Unit of Comparison

The unit of comparison selected depends on the appraisal problem and nature of the property and is intended to explain or mirror market behavior. The primary unit of comparison in the market and applied in this analysis is price per usable square foot.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location and (7) physical characteristics.

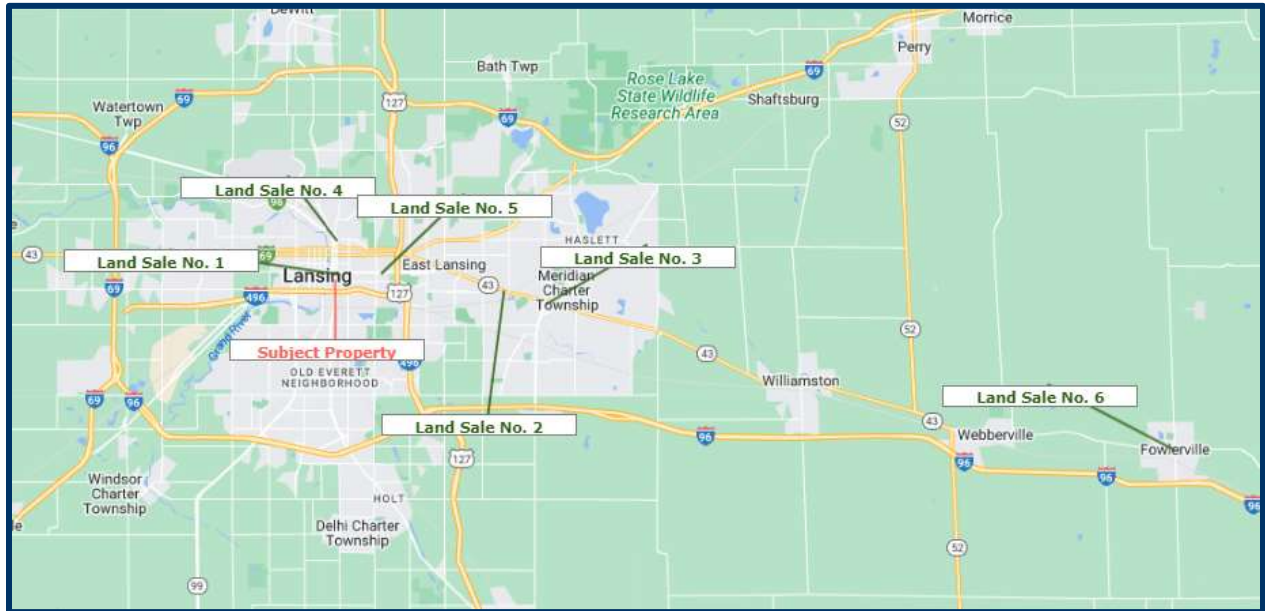
Comparable Sales Data

The market was studied to identify sales and listings of comparable properties with a focus on those that appeal to the most probable buyer of the subject site. These properties typically have similar locations and physical characteristics. Of these transactions, sufficient sales data was available for the following sale comparables, which were analyzed to estimate a unit value for the subject property. The following table summarizes the sale comparables utilized and a map illustrating the location of each in relation to the subject property follows. Details of each comparable follow the location map.

Land Sales Summary

| Comp. No. | Date of Sale | Usable | | Location | Zoning | Sales Price | |
|-----------|--------------|---------|--------------------------------|------------------------|--------|-------------|-------------|
| | | Sq. Ft. | Sq. Ft. | | | Actual | Per Sq. Ft. |
| 1 | May-18 | 79,323 | 636 East Michigan Avenue | Lansing, Michigan | G-1 | \$1,000,000 | \$12.61 |
| 2 | September-21 | 39,030 | 2703 E Grand River Ave | East Lansing, Michigan | C-2 | \$740,000 | \$18.96 |
| 3 | December-22 | 104,937 | 4800 Okemos Road | Okemos, Michigan | C-3 | \$1,775,000 | \$16.91 |
| 4 | November-20 | 27,770 | 526, 536 E Cesar Chavez Avenue | Lansing, Michigan | F-1 | \$185,000 | \$6.66 |
| 5 | September-16 | 20,125 | 2216-2224 E Michigan Avenue | Lansing, Michigan | C | \$380,000 | \$18.88 |
| 6 | June-21 | 12,153 | 130 West Grand River Avenue | Fowlerville, Michigan | BC | \$160,000 | \$13.17 |

COMPARABLE SALES MAP



LAND COMPARABLE 1



Property Identification

| | |
|---------------------------|--------------------------|
| Property/Sale ID | 10210090/534300 |
| Property Type | Commercial |
| Address | 636 East Michigan Avenue |
| City, State Zip | Lansing, Michigan 48912 |
| County | Ingham |
| MSA | Lansing-East Lansing |
| Latitude/Longitude | 42.732762/-84.543136 |
| Tax ID | 33-01-01-16-42-002 |

Transaction Data

| | | | |
|--------------------|------------------------------------|---------------------------|----------------|
| Sale Date | 05-07-2018 | Property Rights | Fee Simple |
| Sale Status | Closed | Financing | Cash to Seller |
| Grantor | Michigan Ave Development Co LLC | Conditions of Sale | Arms Length |
| Grantee | 600 E Michigan-Lansing LLC | Deed Book/Page | 2018-017550 |
| | | Sale Price | \$1,000,000 |
| | | Adjusted Price | \$1,000,000 |

Property Description

| | | | |
|------------------------|-----------------------|----------------------------|---|
| Gross Acres | 1.82 | Topography | Level |
| Gross SF | 79,323 | Utilities | public water, sewer gas and electricity |
| Usable Acres | 1.82 | Drainage | Appears adequate |
| Usable SF | 79,323 | Flood Hazard Zone | Zone X (unshaded) |
| Front Feet | 90.00 | Earthquake Zone | The site is not located in an Earthquake Zone. |
| No. of Lots | 1 | Zoning Jurisdiction | City of Lansing |
| Proposed Use | Mixed-Use Development | Zoning Code | G-1 |
| Street Access | Average | Zoning Description | Business District |
| Visibility | Average | | |
| Corner/Interior | Interior | | |
| Shape | Irregular | | |

Indicators

| | | | |
|-----------------------|-----------|---------------------|-------------|
| \$/Gross Acre | \$549,149 | \$/Usable SF | \$12.61 |
| \$/Gross SF | \$12.61 | \$/FF | \$11,111.11 |
| \$/Usable Acre | \$549,147 | \$/Lot | \$1,000,000 |

Verification

| | |
|--------------------------|---|
| Confirmed With | Assessment Records, Deed, Gillespie Group |
| Confirmed By | Jennifer Passmore |
| Confirmation Date | 08-23-2018 |

Remarks

City of Lansing Planning Department confirmed zoning was recently changed to G-1, Business District

There are no sales recorded in the three-year period preceding the transfer or thereafter.

Site was a surface parking lot at the time of sale. The Gillespie Group is the true buyer of the site. One of their representatives confirmed the site is in the process of a zoning change and the proposed use is for commercial development.

LAND COMPARABLE 2



Property Identification

| | |
|---------------------------|------------------------------|
| Property/Sale ID | 10209401/1621052 |
| Property Type | Commercial |
| Property Name | O'Reilly Auto Parts |
| Address | 2703 E Grand River Ave |
| City, State Zip | East Lansing, Michigan 48823 |
| County | Ingham |
| MSA | Lansing-East Lansing |
| Latitude/Longitude | 42.725905/-84.450669 |
| Tax ID | 33-02-02-20-203-012 |

Transaction Data

| | | | |
|------------------------|-------------------------------|-----------------------------|----------------|
| Sale Date | 09-03-2021 | Financing | Cash to Seller |
| Sale Status | Closed | Conditions of Sale | Arms Length |
| Grantor | O'Reilly Auto Enterprises LLC | Deed Book/Page | 2021-042237 |
| Grantee | EROP LLC | Sale Price | \$740,000 |
| Property Rights | Fee Simple | Sale Conditions Adj. | \$30,000 |
| | | Adjusted Price | \$770,000 |

Property Description

| | | | |
|--------------------------|----------|----------------------------|--|
| Gross Acres | 0.90 | Visibility | Good |
| Gross SF | 39,030 | Corner/Interior | Corner |
| Usable Acres | 0.90 | Shape | Irregular |
| Usable SF | 39,030 | Topography | Level |
| Front Feet | 196.00 | Earthquake Zone | The site is not located in an Earthquake Zone. |
| Depth | 239.00 | Zoning Jurisdiction | Meridian Charter Township |
| No. of Lots | 1 | Zoning Code | C-2 |
| Street Access | Adequate | Zoning Description | Commercial |
| Rail Access | No | | |
| Water/Port Access | No | | |

Indicators

| | | | |
|-----------------------|-----------|---------------------|------------|
| \$/Gross Acre | \$859,375 | \$/Usable SF | \$19.73 |
| \$/Gross SF | \$19.73 | \$/FF | \$3,928.57 |
| \$/Usable Acre | \$859,365 | \$/Lot | \$770,000 |

Verification

| | |
|--------------------------|-------------------|
| Confirmed With | Assessing records |
| Confirmed By | James T. Hartman |
| Confirmation Date | 11-11-2022 |

Remarks

I have estimated the teardown costs to be \$30,000.

Sale includes a 2,783 square foot restaurant which the buyer plans to demolish.

LAND COMPARABLE 3



Property Identification

| | |
|---------------------------|------------------------|
| Property/Sale ID | 11119986/1517664 |
| Property Type | Commercial |
| Property Name | Retail Building |
| Address | 4800 Okemos Road |
| City, State Zip | Okemos, Michigan 48864 |
| County | Ingham |
| MSA | Lansing-East Lansing |
| Latitude/Longitude | 42.720538/-84.426595 |
| Tax ID | 33-02-02-21-276-012 |

Transaction Data

| | | | |
|------------------------|------------------------------|---------------------------|----------------|
| Sale Date | 12-14-2022 | Financing | Cash to Seller |
| Sale Status | Closed | Conditions of Sale | Arms Length |
| Grantor | JOHN HOLDINGS LLC | Sale Price | \$1,775,000 |
| Grantee | OKEMOS CONSOLIDATED DRAIN | Post Sale Expenses | \$100,000 |
| Property Rights | Fee Simple | Adjusted Price | \$1,875,000 |

Property Description

| | | | |
|--------------------------|----------|----------------------------|--------------------------------|
| Gross Acres | 2.65 | Shape | Slightly Irregular |
| Gross SF | 115,434 | Topography | Level |
| Usable Acres | 2.41 | Utilities | All customary utilities |
| Usable SF | 104,937 | Drainage | Appears adequate |
| Front Feet | 318.09 | Flood Hazard Zone | A and B |
| Depth | 335.00 | Earthquake Zone | Not located in Earthquake zone |
| No. of Lots | 1 | Use Designation | Commercial |
| Street Access | Good | Zoning Jurisdiction | Meridian Township |
| Rail Access | No | Zoning Code | C-3 |
| Water/Port Access | No | Zoning Description | Commercial |
| Visibility | Average | | |
| Corner/Interior | Interior | | |

Indicators

| | | | |
|-----------------------|-----------|---------------------|-------------|
| \$/Gross Acre | \$707,547 | \$/Usable SF | \$17.87 |
| \$/Gross SF | \$16.24 | \$/FF | \$5,894.56 |
| \$/Usable Acre | \$778,325 | \$/Lot | \$1,875,000 |

Verification

| | |
|--------------------------|-------------------------------|
| Confirmed With | Sales contract, public record |
| Confirmed By | Blake Damerow |
| Confirmation Date | 01-28-2021 |

Remarks

Property is currently improved with a 13,567 square foot furniture store that was constructed in 1976. The broker indicated that the buyer, intends to raze the existing building. Demolition costs have been estimated at \$7.00, which totals \$94,969, rounded to \$100,000.

Site is located on a parcel bordering Meijer parking lot. The site has restrictions from Meijer for Drug Stores, Discount (Dollar stores), Grocery Store, Coffee Shop, liquor Store, Bar or Tavern, Gas station, car wash, massage parlors and other noxious uses.

LAND COMPARABLE 4



Property Identification

| | |
|---------------------------|--------------------------------|
| Property/Sale ID | 11209997/1573802 |
| Property Type | Commercial |
| Address | 526, 536 E Cesar Chavez Avenue |
| City, State Zip | Lansing, Michigan 48906 |
| County | ingham |
| MSA | Lansing-East Lansing |
| Latitude/Longitude | 42.747185/-84.544906 |
| Tax ID | 33-01-01-09-427-041 & 051 |

Transaction Data

| | | | |
|------------------------|-----------------------|---------------------------|----------------|
| Sale Date | 11-06-2020 | Financing | Cash to Seller |
| Sale Status | Closed | Conditions of Sale | Arms Length |
| Grantor | Bell David W & Jill L | Sale Price | \$185,000 |
| Grantee | 526 Chavez LLC | Adjusted Price | \$185,000 |
| Property Rights | Fee Simple | | |

Property Description

| | | | |
|--------------------------|----------|----------------------------|------------------|
| Gross Acres | 0.64 | Shape | Rectangular |
| Gross SF | 27,770 | Topography | Level |
| Usable Acres | 0.64 | Utilities | All Available |
| Usable SF | 27,770 | Drainage | Assumed adequate |
| No. of Lots | 1 | Flood Hazard Zone | None |
| Street Access | Good | Earthquake Zone | None |
| Rail Access | No | Zoning Jurisdiction | City of Lansing |
| Water/Port Access | No | Zoning Code | F-1 |
| Visibility | Average | Zoning Description | Commercial |
| Corner/Interior | Interior | | |

Indicators

| | | | |
|-----------------------|-----------|---------------------|-----------|
| \$/Gross Acre | \$290,192 | \$/Usable SF | \$6.66 |
| \$/Gross SF | \$6.66 | \$/Lot | \$185,000 |
| \$/Usable Acre | \$290,192 | | |

Verification

| | |
|--------------------------|-------------------------------|
| Confirmed With | Assessing records & Jill Bell |
| Confirmed By | Cameron Clark |
| Confirmation Date | 01-25-2022 |

Remarks

At the time of sale, The building was in poor condition. The highest and best use is for future development. One building vacant and boarded up. To raise the building would be paid for from rent and salvage of the buildings. the land area is 27,770 square feet and the sale price per square foot is \$6.66.

Sale is confirmed by Terry Oetzel

LAND COMPARABLE 5



Property Identification

| | |
|---------------------------|--|
| Property/Sale ID | 10936301/1407087 |
| Property Type | Mixed Use Land |
| Address | 2216-2224 E Michigan Avenue |
| City, State Zip | Lansing, Michigan 48912 |
| County | Ingham |
| MSA | Lansing-East Lansing |
| Latitude/Longitude | 42.733332/-84.519393 |
| Tax ID | 33-01-01-14-304-391, 33-01-01-14-304-401 |

Transaction Data

| | | | |
|------------------------|----------------|---------------------------|----------------|
| Sale Date | 09-23-2016 | Financing | Cash to Seller |
| Sale Status | Closed | Conditions of Sale | Arms Length |
| Grantor | AB Group | Sale Price | \$380,000 |
| Grantee | 2200 Block INC | Adjusted Price | \$380,000 |
| Property Rights | Fee Simple | | |

Property Description

| | | | |
|------------------------|---------|----------------------------|---|
| Gross Acres | 0.46 | Shape | Rectangular |
| Gross SF | 20,125 | Topography | Level |
| Usable Acres | 0.46 | Utilities | Public water and sewer, natural gas, and electricity. |
| Usable SF | 20,125 | Zoning Jurisdiction | City of Lansing |
| Front Feet | 160.00 | Zoning Code | C |
| Visibility | Average | | |
| Corner/Interior | Corner | | |

Indicators

| | | | |
|-----------------------|-----------|---------------------|------------|
| \$/Gross Acre | \$822,511 | \$/Usable SF | \$18.88 |
| \$/Gross SF | \$18.88 | \$/FF | \$2,375.00 |
| \$/Usable Acre | \$822,499 | | |

Verification

Confirmed With Assessing records
Confirmed By Cameron Clark
Confirmation Date 06-07-2019

Remarks

Tear-down for new mixed use development

LAND COMPARABLE 6



Property Identification

| | |
|---------------------------|-----------------------------|
| Property/Sale ID | 11186525/1558659 |
| Property Type | Commercial |
| Address | 130 West Grand River Avenue |
| City, State Zip | Fowlerville, Michigan 48836 |
| County | Livingston |
| MSA | Ann Arbor |
| Latitude/Longitude | 42.660832/-84.074070 |
| Tax ID | 4705-10-201-067 |

Transaction Data

| | | | |
|------------------------|--------------------|---------------------------|----------------|
| Sale Date | 06-28-2021 | Financing | Cash to Seller |
| Sale Status | Closed | Conditions of Sale | Arms Length |
| Grantor | FXS PROPERTIES LLC | Deed Book/Page | 2021-028053 |
| Grantee | COOKE CAPITAL LLC | Sale Price | \$160,000 |
| Property Rights | Fee Simple | Adjusted Price | \$160,000 |

Property Description

| | | | |
|--------------------------|-----------|----------------------------|-------------------------|
| Gross Acres | 0.28 | Visibility | Average |
| Gross SF | 12,153 | Corner/Interior | Corner |
| Usable Acres | 0.28 | Shape | Rectangular |
| Usable SF | 12,153 | Topography | Level |
| Front Feet | 118.00 | Utilities | All customary utilities |
| Depth | 103.00 | Drainage | Appears adequate |
| No. of Lots | 1 | Flood Hazard Zone | Zone X |
| Proposed Use | Mixed use | Use Designation | Mixed Use |
| Street Access | Average | Zoning Jurisdiction | Village of Fowlerville |
| Rail Access | No | Zoning Code | BC |
| Water/Port Access | No | Zoning Description | Business Center |

Indicators

| | | | |
|-----------------------|-----------|---------------------|------------|
| \$/Gross Acre | \$573,477 | \$/Usable SF | \$13.17 |
| \$/Gross SF | \$13.17 | \$/FF | \$1,355.93 |
| \$/Usable Acre | \$573,477 | \$/Lot | \$160,000 |

Verification

Confirmed With public record, closing statement
Confirmed By Blake Damerow

Remarks

The owner will be construction a two-story mixed-use building containing retail and residential space.

Land Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, a negative adjustment was applied. Conversely, a positive adjustment was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sales prices and must be considered when analyzing a sale comparable. The property rights appraised reflect the fee simple interest. All of the sale comparables conveyed the same interest; therefore, no adjustments were required.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. All of the sale comparables involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property's for-sale listing price, which usually reflects the upper limit of value. Comparable 2 required and upward adjustment of 4.1%

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, and/or costs to remediate environmental contamination. The details of each adjustment are in the remarks of the respective sales profile.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

Discussions with market participants and a review of market data indicated overall market conditions for vacant land properties have been improving with recent transactions confirming this trend. An annual adjustment factor of 2.00% was applied to each comparable to account for changes in market conditions.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after transaction and market conditions adjustments. The reasoning for the property adjustments made to each sale comparable follows. The discussion analyzes each adjustment category deemed applicable to the subject property.

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, proximity to major thoroughfares, proximity to employment centers and amenities, neighboring properties, and accessibility. The subject site is located the north side of Kalamazoo Street, between Larch and Cedar Streets with good access and good visibility. Comparables were adjusted upward for being in inferior locations. Comparables were adjusted downward for being in more desirable locations.

Size

The size adjustment addresses variance in the physical size of the comparables and that of the subject, as a larger parcel typically commands a lower price per unit than a smaller parcel. This inverse relationship is due, in part, to the principle of "economies of scale." Larger comparables are adjusted upward and smaller comparables are adjusted downward.

Corner Exposure

Tracts with major corner exposure typically command higher prices in the marketplace, as opposed to mid-block or interior locations. For retail users, the hard corner of an intersection may be marketed to a fairly large pool of small users (e.g. service stations, fast food restaurants, etc.) for sale. Interior parcels were adjusted upward 10%

Zoning

The highest and best use of sale comparables should be very similar to that of the subject property. When comparables with the same zoning as the subject are lacking or scarce, parcels with slightly different zoning, but a highest and use similar to that of the subject may be used as comparables. These comparables may require an adjustment for differences in utility if the market supports such adjustment. No adjustments were required.

Summary of Adjustments

A summary of the adjustments made to the sale comparables is presented in the following table:

LAND SALES ADJUSTMENT GRID

| Subject | Sale # 1 | Sale # 2 | Sale # 3 | Sale # 4 | Sale # 5 | Sale # 6 | |
|--|---------------------------|--------------------------|------------------------|-----------------------|--------------------------------|-----------------------------|-----------------------------|
| Sale ID | 534300 | 1621052 | 1517664 | 1573802 | 1407087 | 1558659 | |
| Date of Value & Sale | February-23 | May-18 | September-21 | December-22 | November-20 | September-16 | June-21 |
| Unadjusted Sales Price | \$1,000,000 | \$740,000 | \$1,775,000 | \$185,000 | \$380,000 | \$160,000 | |
| Usable Square Feet | 96,921 | 79,323 | 39,030 | 104,937 | 27,770 | 20,125 | 12,153 |
| Unadjusted Sales Price per Usable Sq. Ft. | \$12.61 | \$18.96 | \$16.91 | \$6.66 | \$18.88 | \$13.17 | |
| Transactional Adjustments | | | | | | | |
| Property Rights Conveyed | <i>Fee Simple</i> | <i>Fee Simple</i> | <i>Fee Simple</i> | <i>Fee Simple</i> | <i>Fee Simple</i> | <i>Fee Simple</i> | |
| Adjusted Sales Price | \$12.61 | \$18.96 | \$16.91 | \$6.66 | \$18.88 | \$13.17 | |
| Financing Terms | <i>Cash to Seller</i> | <i>Cash to Seller</i> | <i>Cash to Seller</i> | <i>Cash to Seller</i> | <i>Cash to Seller</i> | <i>Cash to Seller</i> | |
| Adjusted Sales Price | \$12.61 | \$18.96 | \$16.91 | \$6.66 | \$18.88 | \$13.17 | |
| Conditions of Sale | <i>Typical</i> | <i>Arms Length</i> | <i>Arms Length</i> | <i>Arms Length</i> | <i>Arms Length</i> | <i>Arms Length</i> | |
| Adjustment | - | 4.1% | - | - | - | - | |
| Adjusted Sales Price | \$12.61 | \$19.73 | \$16.91 | \$6.66 | \$18.88 | \$13.17 | |
| Expenditures after Sale | | | \$100,000 | | | | |
| Adjustment | - | - | 5.6% | - | - | - | |
| Adjusted Sales Price | \$12.61 | \$19.73 | \$17.87 | \$6.66 | \$18.88 | \$13.17 | |
| Market Conditions Adjustments | | | | | | | |
| Elapsed Time from Date of Value | 4.82 years | 1.49 years | 0.21 years | 2.31 years | 6.44 years | 1.67 years | |
| Market Trend Through | February-23 | 9.6% | 3.0% | 0.4% | 4.6% | 12.9% | 3.3% |
| Analyzed Sales Price | \$13.82 | \$20.32 | \$17.94 | \$6.97 | \$21.31 | \$13.61 | |
| Physical Adjustments | | | | | | | |
| Location | <i>E Kalamazoo Street</i> | 636 East Michigan Avenue | 2703 E Grand River Ave | 4800 Okemos Road | 526, 536 E Cesar Chavez Avenue | 2216-2224 E Michigan Avenue | 130 West Grand River Avenue |
| | <i>Lansing, Michigan</i> | Lansing, Michigan | East Lansing, Michigan | Okemos, Michigan | Lansing, Michigan | Lansing, Michigan | Fowlerville, Michigan |
| Adjustment | - | -10.0% | -20.0% | -15.0% | - | -10.0% | 5.0% |
| Size | 96,921 sf | 79,323 sf | 39,030 sf | 104,937 sf | 27,770 sf | 20,125 sf | 12,153 sf |
| Adjustment | - | - | -10.0% | - | -10.0% | -10.0% | -10.0% |
| Corner Exposure | <i>Double Corner</i> | <i>Interior</i> | <i>Corner</i> | <i>Interior</i> | <i>Interior</i> | <i>Corner</i> | <i>Corner</i> |
| Adjustment | - | 10.0% | - | 10.0% | 10.0% | - | - |
| Zoning | <i>DT-2</i> | <i>G-1</i> | <i>C-2</i> | <i>C-3</i> | <i>F-1</i> | <i>C</i> | <i>BC</i> |
| Adjustment | - | - | - | - | - | - | - |
| Net Physical Adjustment | - | - | -30.0% | -5.0% | - | -20.0% | -5.0% |
| Adjusted Sales Price per Usable Square Foot | \$13.82 | \$14.22 | \$17.05 | \$6.97 | \$17.05 | \$12.93 | |

Conclusion

The land comparables were adjusted based on pertinent elements of comparison with the unadjusted and adjusted unit sales prices presented in the following table:

Land Sale Statistics

| Metric | Unadjusted | Analyzed | Adjusted |
|---|------------|----------|----------|
| Min. Sales Price per Usable Square Foot | \$6.66 | \$6.97 | \$6.97 |
| Max. Sales Price per Usable Square Foot | \$18.96 | \$21.31 | \$17.05 |
| Median Sales Price per Usable Square Foot | \$15.04 | \$15.88 | \$14.02 |
| Mean Sales Price per Usable Square Foot | \$14.53 | \$15.66 | \$13.67 |

Comparable 4 was considered an outlier and given less weight. Based on the adjusted prices, a unit value near the upper middle of the adjusted range, or \$15.00 per usable square foot, was estimated for the subject site. Applying this to the subject land area resulted in a market value of \$1,450,000. (Rounded)

Based on this analysis, the land value indication is summarized as follows:

| Land Value Conclusion | | | |
|--------------------------------------|---|--------------------|----------------------|
| Reasonable Adjusted Comparable Range | | | |
| 96,921 square feet | x | \$14.00 psf | = \$1,356,894 |
| 96,921 square feet | x | \$16.00 psf | = \$1,550,736 |
| Market Value Opinion | | | (Rounded) |
| 96,921 square feet | x | \$15.00 psf | = \$1,450,000 |

Reconciliation

Summary of Value Indications

The indicated values from the approaches used and my concluded market values for the subject property are summarized in the following table.

| Value Indications | |
|------------------------------|--------------------|
| Approach to Value | As Is |
| Sales Comparison - Land Only | \$1,450,000 |
| Cost | Not Developed |
| Income Capitalization | Not Developed |
| Value Conclusion | |
| Component | As Is |
| Value Type | Market Value |
| Real Property Interest | Fee Simple |
| Effective Date of Value | February 28, 2023 |
| Value Conclusion | \$1,450,000 |
| | \$14.96 psf |

To reach a final opinion of value, the reliability and relevance of each value indication was considered based upon the quality of the data and applicability of the assumptions underlying each approach. Given the availability and reliability of data within the Sales Comparison Approach, this approach was given primary weight in reconciling to the final value conclusions. Furthermore, retail properties such as the subject property are typically purchased by investors, who primarily rely upon the methods employed by the Sales Comparison Approach.

Exposure Time and Marketing Period

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of 6 to 12 months and 6 to 12 months, respectively, are considered reasonable and appropriate for the subject property.

General Assumptions and Limiting Conditions

This appraisal is subject to the following general assumptions and limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Southern Michigan will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Southern Michigan is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Southern Michigan and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors |Southern Michigan.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, upon request of the client, the appraiser will submit a revised report for an additional fee.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.

28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and Valbridge Property Advisors | Southern Michigan both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Southern Michigan and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | Southern Michigan or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Southern Michigan for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | Southern Michigan shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Southern Michigan. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Southern Michigan and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Southern Michigan harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Southern Michigan in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Southern Michigan. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.
41. The global outbreak of a "novel coronavirus" (known as COVID-19) was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.

Certification

In Michigan, appraisers are required to be licensed/certified and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, Michigan 48909. James T. Hartman, MAI, SGA, AI-GRS is currently licensed as a Certified General Real Estate Appraiser with the State of Michigan, Number 1205005950. Mr. Hartman is also licensed in the State of Indiana, the State of Ohio, and the State of Illinois.

James T. Hartman, MAI, SGA, AI-GRS is a member of the Society of Golf Appraisers (SGA). The Society of Golf Appraisers is an organization of real estate appraisers and consultants specializing in the valuation, market analysis, and feasibility analysis of golf courses and golf related properties.

The undersigned does hereby certify that to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- As of the date of this report, James T. Hartman, MAI, SGA, AI-GRS has completed the continuing education program for Designated Members of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- A thorough research project whose objective has been the discovery, confirmation, inspection, and analysis of data pertinent to this valuation situation has been completed.

Blake R. Damerow, limited real estate appraiser with the State of Michigan, License Number 1201076491, provided significant real property appraisal assistance to the person signing this certification. Mr. Damerow assisted in the subject property inspection and description, neighborhood analysis and description, research and verification of comparable sales, approaches to value, and final reconciliation.

- The reported analyses, opinion, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.
- The appraiser signing this report is competent to complete the assignment. The appraiser has the knowledge and experience to complete the assignment competently or has disclosed the lack of knowledge and/or experience to the client, taken all steps necessary or appropriate to complete the assignment competently and has described in the report the lack of knowledge and/or experience and the steps taken to complete the assignment competently.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with Title XI of the Federal Financial Institutions Reform Recovery, and Enforcement Act of 1989 (FIRREA) and its regulations, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Appraisal Institute. This report is intended to comply with the above requirements. The definition of market value is intended to follow the market value definition as per F.D.I.C.'s final rule of FIRREA - 12 C.F.R., § 323.2.

This appraisal is not to be used by the addressee or any recipient as a part of a presentation of a real estate syndicate.

A real estate syndicate means a general or limited partnership, joint venture, unincorporated association or similar organization formed for the purpose of, and engaged in, investment for gain from an interest in real property, including but not limited to, a sale, exchange, trade or development of real property, on behalf of others, or, which is required to be registered with the United States Securities and Exchange Commission or any state regulatory agency, which regulates investments made as a public offering.



James T. Hartman, MAI, SGA, AI-GRS
Certified General Real Estate Appraiser
State of Michigan, License # 1205005950
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JTH:BRD/mns
File #MI01-23-0040

Addenda

Glossary

Subject Photographs

Assessment Records

Excerpts from Zoning Ordinance

Letter of Engagement

Qualifications of Appraisers

Information on Valbridge Property Advisors

Office Locations

Glossary

Definitions are taken from the Dictionary of Real Estate Appraisal, 5th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP) and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Additional Rent

Any amounts due under a lease that is in addition to base rent. Most common form is operating expense increases. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base (Shell) Building

The existing shell condition of a building prior to the installation of tenant improvements. This condition varies from building to building, landlord to landlord, and generally involves the level of finish above the ceiling grid. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

The areas of the building that provide services to building tenants but which are not included in the rentable area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common areas are; floor common areas, parking spaces, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)

A statement issued by a local government verifying that a newly constructed building is in compliance with all codes and may be occupied.

Common Area (Public) Factor

In a lease, the common area (public) factor is the multiplier to a tenant's useable space that accounts for the tenant's proportionate share of the common area (restrooms, elevator lobby, mechanical rooms, etc.). The public factor is usually expressed as a percentage and ranges from a low of 5 percent for a full tenant to as high as 15 percent or more for a multi-tenant floor. Subtracting one (1) from the quotient of the rentable area divided by the useable area yields the load (public) factor. At times confused with the "loss factor" which is the total rentable area of the full floor less the useable area divided by the rentable area. (BOMA)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.

CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings. CAM can refer to all operating expenses.

CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative load. An example would be a 15 percent addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee. (Dictionary)

Condominium

A form of ownership in which each owner possesses the exclusive right to use and occupy an allotted unit plus an undivided interest in common areas.

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement

An interest in real property restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature to continue, subject to the easement. In some locations, a conservation easement may be referred to as a conservation restriction. (Dictionary)

Contributory Value

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprivation value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability to a property to meet its debt service out of net operating income. Also called Debt Service Coverage Ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

- 1) In appraising, the loss in a property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2) In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method. (Dictionary)

Disposition Value

The most probable price that a specified interest in real property is likely to bring under the following conditions:

- Consummation of a sale within a exposure time specified by the client;
- The property is subjected to market conditions prevailing as of the date of valuation;

- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time specified by the client;
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

The date at which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real property after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

The rental rate net of financial concessions such as periods of no rent during the lease term and above- or below-market tenant improvements (TIs). (Dictionary)

EPDM

Ethylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called an expense recovery clause or stop clause. (Dictionary)

Estoppel Certificate

A statement of material factors or conditions of which another person can rely because it cannot be denied at a later date. In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an estoppel letter. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. (Dictionary)

Exposure Time

1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

Floor Common Area

Areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a full-service lease. (Dictionary)

Going Concern Value

- The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern.
- The value of an operating business enterprise. Goodwill may be separately measured but is an integral

component of going-concern value when it exists and is recognizable. (Dictionary)

Gross Building Area

The total constructed area of a building. It is generally not used for leasing purposes (BOMA)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of the same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expense in income-producing properties when less than 100 percent occupancy is assumed. The gross up method approximates the actual expense of providing services to the rentable area of a building given a specified rate of occupancy. (Dictionary)

Gross Retail Sellout

The sum of the appraised values of the individual units in a subdivision, as if all of the units were completed and available for retail sale, as of the date of the appraisal. The sum of the retail sales includes an allowance for lot premiums, if applicable, but excludes all allowances for carrying costs. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning. A general term encompassing any system designed to heat and cool a building in its entirety.

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are 1) legal permissibility, 2) physical possibility, 3) financial feasibility, and 4) maximally profitability. Alternatively, the probable use of land or improved –specific

with respect to the user and timing of the use—that is adequately supported and results in the highest present value. (Dictionary)

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary)

Industrial Gross Lease

A lease of industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real estate taxes as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value

A type of value for insurance purposes. (Dictionary)
(Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees).

Investment Value

The value of a property interest to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position as he or she would be if the property had not been taken. (Dictionary)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary)

Leasehold Interest

The tenant's possessory interest created by a lease. (Dictionary)

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

- Consummation of a sale within a short period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Loan to Value Ratio (LTV)

The amount of money borrowed in relation to the total market value of a property. Expressed as a percentage of the loan amount divided by the property value. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement including permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the

consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Market Value As If Complete

Market value as if complete means the market value of the property with all proposed construction, conversion or rehabilitation hypothetically completed or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value shall reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value As If Stabilized

Market value as if stabilized means the market value of the property at a current point and time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary)

Master Lease

A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses

varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., OER = 1 – NIR (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the optionee) to buy, sell, or lease real property for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole (a fractional interest). (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real estate taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to real property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Future Value Upon Completion

Market value "upon completion" is a prospective future value estimate of a property at a point in time when all of its improvements are fully completed. It assumes all proposed construction, conversion, or rehabilitation is hypothetically complete as of a future date when such effort is projected to occur. The projected completion date and the value estimate must reflect the market value of the property in its projected condition, i.e., completely vacant or partially occupied. The cash flow must reflect lease-up costs, required tenant improvements and leasing commissions on all areas not leased and occupied.

Prospective Future Value Upon Stabilization

Market value "upon stabilization" is a prospective future value estimate of a property at a point in time when stabilized occupancy has been achieved. The projected stabilization date and the value estimate must reflect the absorption period required to achieve stabilization. In addition, the cash flows must reflect lease-up costs, required tenant improvements and leasing commissions on all unleased areas.

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the original lessee when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee (i.e., the tenant) leases part or all of the property to another party and thereby becomes a lessor. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

Substantial Completion

Generally used in reference to the construction of tenant improvements (TIs). The tenant's premises are typically deemed to be substantially completed when all of the TIs for the premises have been completed in accordance with the plans and specifications previously approved by the tenant. Sometimes used to define the commencement date of a lease.

Surplus Land

Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Triple Net (Net Net Net) Lease

A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN, triple net lease, or fully net lease. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area or building common area on a floor. The total of all the usable areas or a floor shall equal floor usable area of that same floor. The amount of floor usable area can vary over the life of a building as corridors expand and contract and as floors are remodeled. (BOMA)

Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)

Photographs of Subject Property









Assessment Records

S CEDAR ST LANSING, MI 48912 (Property Address)
Parcel Number: 33-01-01-16-427-082



Property Owner: CITY OF LANSING

Summary Information

- > Assessed Value: \$0 | Taxable Value: \$0
- > 2 Building Department records found
- > Property Tax information found
- > 13 Invoices Found, Amount Due: 0.00

Item 1 of 2 2 Images / 0 Sketches

Owner and Taxpayer Information

| | | | |
|--------------|---|-----------------|-----------------------|
| Owner | CITY OF LANSING PLANNING & DEVELOPMENT 316 N CAPITOL AVE STE D1 LANSING, MI 48933-1200 | Taxpayer | SEE OWNER INFORMATION |
|--------------|---|-----------------|-----------------------|

General Information for Tax Year 2022

| | | | |
|----------------------------|----------------------------|---------------------------------|-----------------------------|
| Property Class | 202 COMMERCIAL-VACANT | Unit | 33 CITY OF LANSING - INGHAM |
| School District | LANSING PUBLIC SCHOOL DIST | Assessed Value | \$0 |
| MAP # | B -0241 -0032 | Taxable Value | \$0 |
| TOP TEN | Not Available | State Equalized Value | \$0 |
| NEW PERMITS | Not Available | Date of Last Name Change | 09/05/2018 |
| USER ALPHA 3 | Not Available | Notes | Not Available |
| Historical District | Not Available | Census Block Group | Not Available |
| TYPE CODE | Not Available | Exemption | No Data to Display |

Principal Residence Exemption Information

Homestead Date 12/30/1997

| Principal Residence Exemption | June 1st | Final |
|-------------------------------|----------|----------|
| 2022 | 0.0000 % | 0.0000 % |

Previous Year Information

| Year | MBOR Assessed | Final SEV | Final Taxable |
|------|---------------|-----------|---------------|
| 2021 | \$0 | \$0 | \$0 |
| 2020 | \$0 | \$0 | \$0 |
| 2019 | \$0 | \$0 | \$0 |

Land Information

| | | | |
|--------------------------------|-------------------------------|---|--------------------|
| Zoning Code | H LT IN | Total Acres | 1.008 |
| Land Value | \$0 | Land Improvements | \$0 |
| Renaissance Zone | No | Renaissance Zone Expiration Date | No Data to Display |
| ECF Neighborhood | W215 - EAST - WAREHOUSES | Mortgage Code | No Data to Display |
| Lot Dimensions/Comments | 309.82X133.3, 25.5X66.6, MORE | Neighborhood Enterprise Zone | No |

| Lot(s) | Frontage | Depth |
|--------------------------------|----------|-------------------------------|
| No lots found. | | |
| Total Frontage: 0.00 ft | | Average Depth: 0.00 ft |

Legal Description

LOT 8 JOHN'S SUB, ALSO S 41.25 FT OF W 1/2 LOT 4, W 1/2 LOTS 5 & 6, AND S 57.75 FT OF N 132 FT OF E 1/2 LOT 5 EXC E 114.5 FT BLOCK 241 ORIG PLAT

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| Sale Date | Sale Price | Instrument | Grantor | Grantee | Terms of Sale | Liber/Page |
|------------|--------------|------------|-------------------------------------|-------------------------------------|---------------------|------------|
| 12/15/2010 | \$350,000.00 | WD | REUTTER JIM & FORREST/BEWERSDORFF R | CITY OF LANSING PLANNING & DEVELOP | 21-NOT USED/OTHER | L3406-P532 |
| 08/31/2007 | \$0.00 | WD | CONKLIN FLOYD H & LINDA S | REUTTER JAMES L & FORREST A & ET AL | 03-ARM'S LENGTH | L3280-P690 |
| 02/19/1992 | \$0.00 | QC | BEWERSDORR RONALD-TRUSTEE OF TRUST | BEWERSDORFF RONALD S & CYNTHIA J | 33-TO BE DETERMINED | L3406-P531 |
| 01/02/1987 | \$153,000.00 | PTA | BDJ COMPANY | REUTTER JAMES L ET AL | 33-TO BE DETERMINED | |

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Excerpts from Zoning Ordinance

1243.10. - DT-2 Urban Flex.

Figure 36



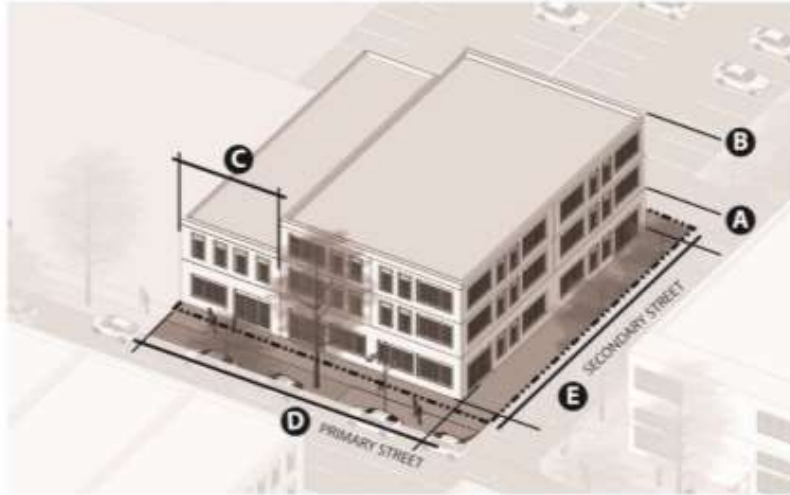
1243.10.01. - DT-2 intent.

The intent and purpose of the DT-2 Urban Flex District is to foster a mixture of residential, commercial, and industrial uses that complement the nearby Downtown Core and Mixed-Use Corridors. The urban flex districts generally are areas transitioning from older industrial and auto-oriented uses with pockets of residential to higher density modern infill and adaptive reuse. These areas are characterized by an eclectic mixture of entertainment, retail, residential, and lower intensity industrial uses in a warehouse setting. Along activity corridors, ground floor uses should be those that generate pedestrian activity along the street front through the location of doors, windows, and displays.

(Ord. No. 1295, § 1, 11-29-21)

1243.10.02. - DT-2 site layout requirements.

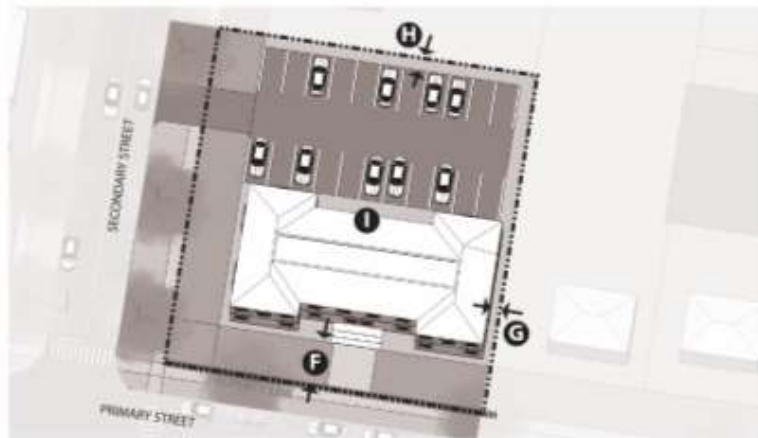
Figure 37



| (a) BUILDING MASSING | | |
|---|---|-----------|
| A. Minimum height | 25' | 1 story |
| B. Maximum height: Arterial corridor Activity corridor | 80' | 6 stories |
| Prime connector | 55' | 4 stories |
| Local street | 40' | 4 stories |
| <i>See Section 1250.03.02 for height exceptions</i> | | |
| C. Required upper floor step-backs—When adjacent to R-1 through R-6 districts | For the elevation adjacent to a residential district, the floors above the second story shall be tiered back so that the highest point of the building is setback from the adjacent residential district a distance at least equal to the height of the building. | |

| | |
|--------------------------------|---|
| <p>Required corner massing</p> | <p>When site is a corner lot, the primary and secondary frontages at the corner must be occupied by building elevations for the first 20 feet of each frontage from the corner.</p> |
|--------------------------------|---|

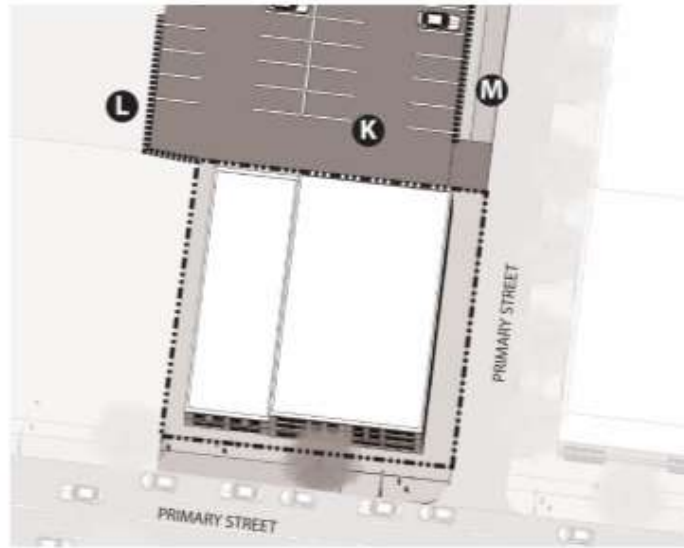
Figure 38



(b) BUILDING PLACEMENT

| | |
|---|--|
| <p>D. Build-to-line</p> | <p>Five feet as measured from the property line or rear edge of the front parking lot.</p> <p>The Zoning Administrator may approve:</p> <ol style="list-style-type: none"> 1. A setback of ten feet from the property line, provided that the additional space is dedicated to outdoor seating and/or public art. 2. A setback of zero feet from the inside edge of the sidewalk, provided that the existing or proposed sidewalk is at least ten feet in width. 3. A setback equal to the average setback of the buildings to be retained within the block face of the more active street type. The applicant shall provide a map with those measurements. |
| <p>E. Minimum side setback</p> | <p>0' when adjacent to another DT-2 parcel, otherwise 10'</p> |
| <p>F. Minimum rear setback</p> | <p>10' building</p> |
| <p>G. Maximum lot coverage</p> | <p>75%</p> |
| <p>Minimum setback from adjacent residential districts</p> | <p>10'</p> |
| <p><i>See Section 1250.04.01 for placement of accessory buildings</i></p> | |

Figure 39



| | |
|--|--|
| (c) PARKING | |
| H. Allowed surface parking locations | On-street parking On-site: Side or rear yard. Front yard parking limited to one single-loaded bay |
| I. Front parking lot setback/screening J. Side and rear parking lot setback/screening | Property and parking lot setback/screening per <u>Chapter 1252</u> |
| Required parking spaces | 50% of parking required per <u>Chapter 1254</u> ; <u>Section 1254.01.04</u> for parking reductions |

(Ord. No. 1295, § 1, 11-29-21)

Letter of Engagement

From: Frayer, Shelbi
Sent: Thursday, February 9, 2023 5:21 PM
To: James T. Hartman
Subject: Re: Appraisal Estimates

Thanks for the quick reply! Please get started, let me know if you need anything.

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From: James T. Hartman <jhartman@valbridge.com>
Sent: Thursday, February 9, 2023 4:47:03 PM
To: Frayer, Shelbi <Shelbi.Frayer@lansingmi.gov>
Subject: RE: [EXTERNAL] Appraisal Estimates

The fee and timing to appraise each of these three properties is:

- 23-0040 • Parking Lot 49/49a \$3,000 and 25 days (old file # 18-0121e)
- 23-0041 • City Hall \$4,000 and 25 days (old file # 21-0321)
- 23-0042 • Lot 1 (behind baryames) Grand Ave/Lenawee \$3,000 and 25 days. (old file # 17-0084)

Thanks
Jim



James T. Hartman, MAI, SGA, AI-GRS
Senior Managing Director,
Valbridge Property Advisors | Southern Michigan

2127 University Park Dr., Ste. 390
Okemos, MI 48864
Office: 517-336-0001 ext 308

| | |
|--|---|
| Detroit office: 1420 Washington Blvd. Detroit, Michigan 48226 Office 313-986-3313 | Grand Rapids office: 109 E. Main Street Zeeland, Michigan 49464 Office: 616-550-9882 |
|--|---|



National Coverage. Local Knowledge. Valuation Independence
Sent from [Mail](#) for Windows 10

From: [Frayer, Shelbi](#)
Sent: Thursday, February 9, 2023 2:32 PM
To: [James T. Hartman](#)
Subject: Appraisal Estimates

Hi James,

I have several appraisals that need "refreshing." I have attached copies of the old ones for your reference.

Could you give me a cost estimate for you to reappraise the following properties?

- Parking Lot 49/49a
- 520 S Washington - 22-0172
- City Hall
- Lot 1 (behind baryames) Grand Ave/Lenawee

Also, do you have a time estimate to complete these? Thanks for your help!

Shelbi Frayer
Deputy Mayor/Chief Strategy Officer
City of Lansing – Office of Mayor Andy Schor
124 W. Michigan Ave. | Lansing, MI 48933
C: 517-881-3410 | E: Shelbi.Frayer@lansingmi.gov
For scheduling assistance: Dana.Smith@lansingmi.gov
[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#)



Qualifications of Appraisers

James T. Hartman, MAI, SGA, AI-GRS
Senior Managing Director
Valbridge Property Advisors | Southern Michigan

Education:

Bachelor of Arts Degree
College of Business
Financial Administration
Michigan State University, East Lansing, MI

License:

In Michigan, appraisers are required to be licensed/certified and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, Michigan 48909. James T. Hartman is currently licensed as a Certified General Real Estate Appraiser with the State of Michigan, License #1205005950, with the State of Indiana, License #CG40600034, with the State of Ohio, License #2007005970, and with the State of Illinois, License #553.002225.

Real Estate Appraisal Curriculum, Appraisal Institute:

Classes:

- Basic Valuation
- Real Estate Appraisal Principles
- Residential Valuation
- Standards of Professional Practice, Part A
- Standards of Professional Practice, Part B
- Standards of Professional Practice, Part C
- Income Capitalization, Part A
- Income Capitalization, Part B
- Case Studies in Real Estate Valuation
- Report Writing and Valuation Analysis
- Highest & Best Use and market Analysis
- Business Practices and Ethics
- 7-Hour National USPAP Update Course
- Valuation of Conservation Easements
- Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets
- Review Theory – General
- Supervisory Appraiser/Trainee Course
- Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications

Scope of Work: Expanding your Range of Services

Seminars: Demonstration Appraisal Report Writing
Regulation of Financial Information Sharing & Information Brokering
REITS and the Role of the Real Estate Professional
Partial Interest Valuation – Divided
Appraisal Symposium – Real Estate Underwriting
Still Standing – The US Real Estate Market
Michigan Appraising Licensing Law and Rules
Appraisal Consulting: A Solutions Approach for Professionals
Supervising Appraisal Trainees
Land Valuation Adjustments Workshop
Analyzing Distressed Real Estate
Market Analysis and the Site to Do Business
Valuation & Litigations Services SIG Kick-Off – SIG2006
Fair Housing
Introduction to International Valuation Standards
Environmental Solutions for Commercial RE Transactions
Spotlight on USPAP: Common Errors and Issues
Michigan Economy 2009
Appraising Convenience Stores
Michigan Economy 2010
Spotlight on USPAP – Appraisal Review
Analyzing Distressed Real Estate
Spotlight on USPAP: Agreement for Services-Instructions
Loss Prevention program for Real Estate Appraisers
Liability Issues for Appraisers Performing Litigation & Other Non-Lender Work
Small Hotel/Motel Valuation
Government and the Housing Market
Introduction to Green Buildings: Principles & Concepts
Appraising Automobile Dealerships

Other Seminars/Courses:

Historic Preservation Conference: Incentives for Historic Preservation in Detroit - IPED
Michigan Tax Tribunal Contemporary Issues – Oakland University
LEED for New Construction and Major Renovations Technical Review Workshop - USGBC
Understanding the Impact of the Interagency Appraisal and Evaluation Guidelines for Appraisers and Lenders
Advanced Computer Applications for Appraisers – Valbridge Property Advisors
Fractional Interest Valuation – Valbridge Property Advisors

Appraisal Assignments:

Performed a variety of appraisal assignments including appraisals of vacant land, subdivisions, industrial buildings, hotels, golf courses, resorts, shopping centers, bowling/family entertainment centers, manufactured home communities, elderly care facilities, condominium construction and conversion, restaurants, and office buildings.

Counseling Services:

Economic feasibility and market studies for golf courses, hotels, apartments, multi-tenant office buildings, multi-tenant shopping centers and elderly care facilities.

Professional Recognition:

| | |
|---------|--|
| 2000-1 | Advisory Board, West Michigan Branch, Great Lakes Chapter, Appraisal Institute |
| 2001 | Awarded MAI designation by the Appraisal Institute |
| 2002 | Vice-Chair, West Michigan Branch, Great Lakes Chapter, Appraisal Institute |
| 2002 | Public Relations Committee, Great Lakes Chapter, Appraisal Institute |
| 2002 | General Comprehensive Exam Subcommittee, Standard Setting Panel, Appraisal Institute |
| 2003 | Chair, West Michigan Branch, Great Lakes Chapter, Appraisal Institute |
| 2003 | Region III Representative Alternate, Great Lakes Chapter, Appraisal Institute |
| 2004 | Director, Great Lakes Chapter, Appraisal Institute |
| 2004-22 | General Comprehensive Exam Subcommittee, Appraisal Institute |
| 2004 | Real Estate Appraiser Exam Content Expert, Bureau of Commercial Services Department of Labor & Economic Growth, State of Michigan |
| 2006 | Secretary, Great Lakes Chapter, Appraisal Institute |
| 2007 | Treasurer, Great Lakes Chapter, Appraisal Institute |
| 2008 | Awarded SGA designation from The Society of Golf Appraisers |
| 2008 | Vice President, Great Lakes Chapter, Appraisal Institute |
| 2008-9 | Region III Representative, Great Lakes Chapter, Appraisal Institute |
| 2009 | President, Great Lakes Chapter, Appraisal Institute |
| 2009-10 | Vice Chair, General Comprehensive Exam Panel, Appraisal Institute |
| 2009 | Awarded MRICS designation from the Royal Institution of Chartered Surveyors |
| 2010 | Past President (Board of Directors) Great Lakes Chapter, Appraisal Institute |
| 2010 | Region III Representative, Great Lakes Chapter, Appraisal Institute |
| 2011-14 | Chair, General Comprehensive Exam Panel, Appraisal Institute |
| 2014-15 | Secretary, The Society of Golf Appraisers |
| 2014 | Awarded AI-GRS designation from Appraisal Institute |
| 2014-22 | Member, State of Michigan Board of Real Estate Appraisers |
| 2016-17 | President, Society of Golf Appraisers |
| 2015-19 | Vice Chair, General Comprehensive Exam Panel, Appraisal Institute |
| 2016-21 | Vice Chair, State of Michigan Board of Real Estate Appraisers |
| 2021-22 | Chair, State of Michigan Board of Real Estate Appraisers |



Blake R. Damerow

Appraiser

Valbridge Property Advisors | Southern Michigan

Education:

Davenport University
Bachelor of Business Administration

License:

In Michigan, appraisers are required to be licensed/certified and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, Michigan 48909. Blake R. Damerow is currently licensed as a Limited Real Estate Appraiser with the State of Michigan, License #1201076491.

Appraisal Assignments:

A variety of appraisal assignments including appraisals of residential, commercial, industrial, and mixed-use properties for federally related mortgage transactions, private estates, and tax purposes.

Types of Assignments:

| | |
|---------------------------------|----------------------------|
| Single Family Residences | Apartments |
| 2-4 Family Residences | Assisted Living Facilities |
| Convenience Stores/Gas Stations | Golf Courses |
| Industrial/Warehouse | Hotels/Motels |
| Office Buildings | Retail Buildings |
| Residential Subdivisions | Shopping Centers |
| Vacant Land | Going Concern |



Valbridge

PROPERTY ADVISORS



FAST FACTS

COMPANY INFORMATION

- Valbridge is the largest independent commercial property valuation and advisory service firm in North America.
 - Total number of MAI-designated appraisers (200+ on staff)
 - Total number of office locations (80+ across the U.S.)
 - Total number of staff (675+ strong)
- Valbridge covers the entire U.S. from coast to coast.
- Valbridge specializes in appraising all types of real property.
- Valbridge provides independent valuation services. We are NOT owned by a brokerage firm or investment company.
- Every Valbridge office is overseen by a senior managing director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by local offices.
- Valbridge welcomes single-property assignments as well as portfolio, multi-market, and other bulk-property engagements.

Valbridge Property Advisors, Inc.

2240 Venetian Court
Naples, FL 34109
Phone: 888.981.2029



valbridge.com



Valbridge

PROPERTY ADVISORS

INDEPENDENT VALUATIONS
FOR A VARIABLE WORLD

ALABAMA

3100 Lorna Rd., Ste. 201
Birmingham, AL 35216
(205) 440-2998

4732 Woodmere Blvd.
Montgomery, AL 36106
(334) 277-5077

ARIZONA

6061 E. Grant Rd.
Tucson, AZ 85712
(520) 321-0000

CALIFORNIA

4915 Calloway Dr., Ste. 101
Bakersfield, CA 93312
(661) 587-1010

1306 Higuera St.
San Luis Obispo, CA 93401
(805) 544-2472

2813 Coffee Rd., Ste. E-2
Modesto, CA 95355
(209) 569-0450

825 Colorado Blvd., Ste. 243
Los Angeles, CA 90041
(626) 486-9327

1370 N. Brea Blvd., Ste. 255
Fullerton, CA 92835
(714) 449-0852

99 S. Lake Ave., Ste. 21
Pasadena, CA 91101
(626) 744-0428

3090 Fite Cir., Ste. 202
Sacramento, CA 95872
(916) 361-2509

55 South Market St., Ste. 1210
San Jose, CA 95113
(408) 279-1520

3160 Crow Canyon Pl.
San Ramon, CA 94583
(925) 327-1660

COLORADO

23272 Two Rivers Rd., Ste. 101
Basalt, CO 81621
(970) 340-1016

COLORADO (CONT'D)

5345 Arapahoe Ave., Ste. 7
Boulder, CO 80303
(303) 867-1935

7445 E. Peakview Ave.
Centennial, CO 80111
(303) 867-1933

1099 Main Avenue, Ste. 311
Durango, CO 81301
(970) 340-1016

CONNECTICUT

17 Covewood Dr.
Norwalk, CT 06853
(860) 246-4606

15 Concord St.
Glastonbury, CT 06033
(860) 246-4606

FLORIDA

10950 San Jose Blvd.
Jacksonville, FL 32223
(904) 608-2948

301 Almeria Ave., Ste. 350
Coral Gables, FL 33134
(305) 639-8029

734 Rugby St.
Orlando, FL 32804
(407) 493-6426

2711 Poinsettia Ave.
West Palm Beach, FL 33407
(561) 833-5331

2240 Venetian Ct.
Naples, FL 34109
(239) 514-4646

2601 West Horatio St. Unit 6
Tampa, FL 33609
(321) 228-6488

GEORGIA

2675 Paces Ferry Rd., Ste. 145
Atlanta, GA 30339
(404) 354-2331

IDAHO

1875 N. Lakewood Dr., Ste. 100
Coeur d'Alene, ID 83814
(208) 292-2965

IDAHO (CONT'D)

1459 Tyrrell Ln., Ste. B
Boise, ID 83706
(208) 336-1097

ILLINOIS

566 W. Lake St., Ste. 240
Chicago, IL 60661
(312) 429-0132

INDIANA

820 Fort Wayne Ave.
Indianapolis, IN 46204
(317) 687-2747

KANSAS

10990 Quivira Rd., Ste. 100
Overland Park, KS 66210
(913) 451-1451

KENTUCKY

9000 Wessex Pl., Ste. 306
Louisville, KY 40222
(502) 585-3651

LOUISIANA

2030 Dickory Ave., Ste. 200
Elmwood, LA 70123
(504) 541-5100

MARYLAND

11100 Dovedale Ct.
Marriottsville, MD 21104
(443) 333-5525

MASSACHUSETTS

260 Bear Hill Rd., Ste. 106
Waltham, MA 02451
(781) 790-5645

MICHIGAN

1420 Washington Blvd.
Detroit, MI 48226
(313) 986-3313

2127 University Park Dr.
Okemos, MI 48864
(517) 336-0001

MINNESOTA

255 E. Kellogg Blvd., Ste. 102A
St. Paul, MN 55101
(651) 370-1475

CORPORATE OFFICE

2240 Venetian Court, Naples, FL 34109
Phone: (239) 325-8234 | Fax: (239) 325-8356

Each Valbridge office is independently owned and operated.



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Summer 2021

MISSISSIPPI

1010 Ford St.
Gulfport, MS 39507
(228) 604-1900

224 Avalon Cir., Ste. C
Brandon, MS 39047
(601) 853-0736

501 Highway 12 W., Ste. 150-M
Starkville, MS 39759
(662) 617-2350

MISSOURI

1118 Hampton Ave., Ste. 208
St. Louis, MO 63139
(314) 255-1323

NEVADA

3034 S. Durango Dr., #100
Las Vegas, NV 89117
(702) 242-9369

6490 S. McCarran Blvd., #51
Reno, NV 89509
(775) 204-4100

NEW JERSEY

2740 Route 10 West, Ste. 204
Morris Plains, NJ 07950
(973) 970-9333

3500 Route 9 South, Ste. 202
Howell, NJ 07731
(732) 807-3113

NEW YORK

325 West 38th St. Ste. 702
New York, NY 10018
(212) 268-1113

NORTH CAROLINA

5950 Fairview Rd., Ste. 405
Charlotte, NC 28210
(704) 376-5400

412 E. Chatham St.
Cary, NC 27511
(919) 859-2666

OHIO

1655 W. Market St., Ste. 130
Akron, OH 44313
(330) 899-9900

8291 Beechmont Ave., Ste. B
Cincinnati, OH 45255
(513) 785-0820

1422 Euclid Ave., Ste. 616
Cleveland, OH 44115
(216) 367-9690

OKLAHOMA

6666 S. Sheridan Rd., Ste. 104
Tulsa, OK 74133
(918) 712-9992

5909 NW Expy., Ste. 104
Oklahoma City, OK 73132
(405) 603-1553

PENNSYLVANIA

150 S. Warner Rd., Ste. 440
King of Prussia, PA 19406
(215) 545-1900

4701 Baptist Rd., Ste. 304
Pittsburgh, PA 15227
(412) 881-6080

SOUTH CAROLINA

1250 Fairmont Ave.
Mt. Pleasant, SC 29464
(843) 884-1266

11 Cleveland Ct.
Greenville, SC 29607
(864) 233-6277

920 Bay St., Ste. 26
Beaufort, SC 29902
(843) 884-1266

TENNESSEE

3500 Ringgold Rd., Ste. 3
Chattanooga, TN 37412
(423) 206-2677

213 Fox Rd.
Knoxville, TN 37922
(865) 522-2424

756 Ridge Lake Blvd., Ste. 225
Memphis, TN 38120
(901) 753-6977

5205 Maryland Way, Ste. 300
Brentwood, TN 37027
(615) 369-0670

TEXAS

2731 81st St.
Lubbock, TX 79423
(806) 744-1188

901 Mopac Expy. S., Bldg. 1, Ste. 300
Austin, TX 78746
(737) 242-8585

10210 North Central Expy., Ste. 115
Dallas, TX 75231
(214) 446-1611

974 Campbell Rd., Ste. 204
Houston, TX 77024
(713) 467-5858

TEXAS (CONT'D)

9901 IH-10 West, Ste. 1035
San Antonio, TX 78230
(210) 227-6229

UTAH

527 E. Pioneer Rd., Ste. 240
Draper, Utah 84020
(801) 262-3388

20 North Main
St. George, UT 84770
(435) 773-6300

321 N. County Blvd., Ste. D
American Fork, UT 84003
(801) 492-0000

VIRGINIA

656 Independence Pkwy., Ste. 220
Chesapeake, VA 23320
(757) 410-1222

4914 Fitzhugh Ave.
Richmond, VA 23230
(757) 345-0010

5107 Center St., Ste. 2B
Williamsburg, VA 23188
(757) 345-0010

WASHINGTON

8378 W. Grandridge Blvd., Ste. 110-D
Kennewick, WA 99336
(509) 221-1540

25923 Washington Blvd., NE., Ste. 300
Kingston, WA 98346
(360) 649-7300

324 N. Mullan Rd.
Spokane Valley, WA 99206
(509) 747-0999

WISCONSIN

12660 W. North Ave.
Brookfield, WI 53005
(262) 782-7990

BUY-SELL AGREEMENT

This Buy-Sell Agreement is made as of _____, 2025, between Deep Green Technologies USA LLC, a Delaware limited liability company licensed to do business in Michigan, whose address is 1007 N. Orange Street, 4th Floor, Suite 1382, Wilmington Delaware 19801 (the “Purchaser”), and the City of Lansing, a Michigan municipal corporation, whose principal business address is 124 West Michigan Avenue, Lansing, MI 48933 (the “Seller”).

NOV14'25 3PNDLERK

RECITALS

A. The Seller owns the real property located at 229 South Cedar Street, Lansing, Michigan, including surrounding properties that are located on East Kalamazoo Street, between Cedar and Larch Streets, commonly known as Parking Lot #49/49A, Parcel Numbers 33-01-01-16-427-082, 33-01-01-16-427-122, and 33-01-01-16-427-051 consisting of approximately 2.5 acres, as legally described on the attached Exhibit A (the “Property”). The Property shall be deemed to include all improvements and appurtenances now or hereafter on the land. The legal description of the Property described on Exhibit A shall be verified by the Survey, if any, prepared in accordance with Section 5 below and amended, if necessary.

B. The Seller desires to sell to the Purchaser, and the Purchaser desires to purchase from the Seller, the Property, in accordance with the terms and conditions of this Agreement.

TERMS AND CONDITIONS

In exchange for the consideration in and referred to by this Agreement, the parties agree as follows:

1. Property Conveyance and Acquisition. The Seller agrees to sell and convey to the Purchaser, and the Purchaser agrees to purchase and acquire from the Seller, the Property. The sale and conveyance of the Property under this Agreement shall include the existing surface parking lot improvements located on the Property. The sale and conveyance of the Property to the Purchaser is subject to the terms and conditions of this Agreement, and unless waived or acceptable to Purchaser in Purchaser’s sole discretion: all (i) applicable building and use restrictions, (ii) zoning ordinances, and (iii) utility easements of record, including any easements held by the Lansing Board of Water and Light.

2. Property Development. After closing, and unless otherwise agreed upon by the parties, the Purchaser shall develop the Property for use as a data center together with any supportive office space, which shall be designed and constructed with the following criteria (collectively, “Minimum Criteria”): (i) any structures shall be compliant with dimensional requirements for the DT-3 zoning district as reflected in the final site plan for the Project (as defined below) as approved by Seller; (ii) the development must have adequate screening including facades or other structures, for any industrial structures on the Property; (iii) the architectural standards and exterior materials used for any buildings, structures, screening, or other massing on the Property shall be in compliance with the requirements of the DT-3 zoning district as reflected in the final site plan for the Project as approved by Seller; (iv) the Purchaser agrees that no portion of the Property shall be used for any purpose other than a data center, supportive office space and other ancillary uses (collectively, the “Project”); (v) total private investment in the Project, including the cost of the Property, shall be a minimum of Five Million and 00/100 Dollars (\$5,000,000.00) per megawatt (“MW”) of total utility load (by way of example and not limitation, if the completed Project uses 24 MW, then the total private investment in the Project will be One Hundred Twenty Million and

00/100 Dollars (\$120,000,000.00); and (vi) within twelve (12) months following completion of construction, the Project will create a minimum of fifteen (15) full-time jobs, inclusive of full-time jobs created by Purchaser and any tenants of the Project. The development, construction and ongoing maintenance of the Project shall be conducted in accordance with all applicable laws and ordinances. The Purchaser acknowledges and agrees that the development and use of the Property in accordance with this paragraph is a material part of the consideration to the Seller for this Agreement and the sale of the Property.

3. Consideration. The purchase price for the Property is One Million Four Hundred Thousand and 00/100 Dollars (\$1,400,000.00) (the "Purchase Price"). The Purchase Price shall be payable by wire transfer of immediately available funds by Purchaser at closing.

4. Deposit. As of the signing of this Agreement Purchaser has deposited Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) with First American Title Insurance Company (the "Title Company"), which shall serve as and become the earnest money deposit under this Agreement (the "Deposit"). The Deposit shall be applied to the Purchase Price at closing, or otherwise distributed in accordance with the terms of this Agreement. The Parties shall enter into an escrow agreement regarding the Deposit, using a form substantially similar to the standard escrow agreement utilized by the Title Company, within five (5) days of the signing of this Agreement.

5. Survey. The Purchaser may provide, at its sole cost and expense, a survey of the Property, prepared by a licensed Michigan land surveyor or civil engineer, containing an accurate metes and bounds description and certification of the acreage of the Property, and showing all improvements, encroachments, easements, rights-of-way, and the locations of all utility lines on the Property (the "Survey"). The Survey shall be certified to the Purchaser, the Seller and the Title Company. The results of the Survey must be determined by the Purchaser during the Inspection Period specified in paragraph 7 below to be acceptable to the Purchaser, in the Purchaser's sole discretion, or the Purchaser shall not be required to close.

6. Title Insurance. At the Purchaser's sole cost and expense, the Title Company shall provide a standard ALTA owner's policy of title insurance, without standard exceptions (other than any exceptions regarding survey, which shall be the Purchaser's obligation to provide the necessary survey), in the amount of the Purchase Price effective as of the date of closing. At closing, the Seller shall deliver to the Title Company an owner's affidavit and such other documents reasonably required by the Title Company to enable the Title Company to delete its standard exceptions (other than any exceptions regarding survey, which shall be the Purchaser's obligation to provide the necessary survey) and to provide a "marked-up" title commitment, dated as of the closing date. The "marked-up" title commitment shall reflect the Purchaser as the owner of the Property and the insured under said title commitment. A commitment to issue such policy insuring marketable title vested in the Purchaser, including a tax status report, and copies of all exceptions to title disclosed therein, will be obtained by the Purchaser for the Seller's inspection within fifteen (15) days after the Purchaser's final acceptance of this Agreement. Said commitment and policy shall be issued by the Title Company. The status of the Seller's title must be marketable and any easements, reservations, or exceptions that will continue after closing must be acceptable to the Purchaser, or the Purchaser shall not be required to close.

If the Purchaser, within twenty (20) days of the receipt of the title insurance commitment and copies of all exceptions to title disclosed therein, makes a written objection to the Seller as to the

marketability of the Seller's title (the "Title Objection"), the Seller shall have thirty (30) days to cure the Title Objection. In the event the Seller is unable or unwilling to cure the Title Objection defect, then such defect may be waived by the Purchaser. If the Purchaser is unwilling to waive the Title Objection, then the Purchaser or the Seller may declare this Agreement terminated, in which event the Deposit shall be returned to the Purchaser, and the parties shall have no further obligation or liability to each other.

If, during the Inspection Period, the Seller discovers a title exception, marketable title defect, unrecorded document, legal right of another, or Title Objection (collectively, "Title Defect") that the Seller determines in its sole discretion will expose the Seller to: (i) a claim of breach of obligation or duty of the Seller to a third party; or (ii) a claim for damages, and the Seller is unable or unwilling to cure the Title Defect, and notifies Purchaser in writing within ten (10) business days of the discovery thereof, then the Purchaser or the Seller may declare this Agreement terminated by written notice to the other party. In the event of such termination, this Agreement shall be deemed null and void and no longer in effect, the Deposit shall be returned to the Purchaser, and the parties shall have no further obligation or liability to each other.

7. Access; Inspections. Within one hundred eighty (180) days from the date of this Agreement (the "Inspection Period"), the Purchaser may enter the Property with one (1) business day advance notice to the Seller to make any inspections, examinations, tests or studies that the Purchaser deems necessary, provided such activities shall not interfere with the possessory rights of the Seller and the Seller's use of the Property. The Purchaser shall be solely responsible for all costs and expenses incurred in doing so and, if this transaction does not close, it will reasonably restore the affected property to the substantially same condition it was in prior to its entry on the Property. The Purchaser agrees to indemnify and hold the Seller, its employees, officers, and agents, free and harmless from any cost, expense, damage, liability, or claim arising out of or in connection with the exercise by the Purchaser of the rights conferred by this paragraph.

If during the Inspection Period, the Purchaser is not, for any reason or no reason, satisfied with the results of the inspections, examinations, tests or studies, in the Purchaser's sole discretion, the Purchaser may notify the Seller in writing prior to the expiration of the Inspection Period of the Purchaser's desire to terminate this Agreement. If the Purchaser notifies the Seller in writing of its desire to terminate this Agreement prior to the expiration of the Inspection Period, the Deposit shall be returned to the Purchaser and this Agreement shall be deemed null and void. If no notice is received by the Seller from the Purchaser within the Inspection Period, the Purchaser shall have been deemed to accept the inspection results of the Property.

Notwithstanding anything to the contrary contained in this Agreement, and as conditions precedent to the Purchaser's and Seller's obligations to close on the purchase and sale of the Property, during the Inspection Period all of the following must be completed/performed:

- (a) The City of Lansing Planning Board completing and placing on file with the Lansing City Council ("Council") a review pursuant to the Michigan Planning Enabling Act (P.A. 33 of 2008 as amended).
- (b) Lansing City Council approving this Agreement by resolution. Council has full and independent authority to approve or reject this Agreement for whatever reason; a rejection by the Council will not be deemed an act of breach or default of this Agreement.

- (c) The Purchaser completing any and all due diligence activities and reviews, to Purchaser's sole satisfaction, to determine if the Property is suitable for Purchaser's Intended Use.
- (d) The Purchaser having obtained from the City of Lansing and all governmental agencies having jurisdiction over the Property all necessary rezoning, site plan approvals, and other governmental approvals, as determined by the Purchaser in its sole discretion, allowing the Purchaser to develop the Project (collectively, the "Governmental Approvals").
- (e) The Purchaser having obtained from the City of Lansing and all governmental agencies having jurisdiction over the Property all necessary permits for the Purchaser to commence construction of the infrastructure on the Property, and the Purchaser, the City of Lansing, and all governmental agencies having jurisdiction over the Property have completed the "pre-construction" meeting allowing the Purchaser to commence construction of the Project (collectively, the "Permit Approvals").
- (f) The Purchaser obtaining a firm, written commitment for financing for the Project, which shall be in an amount and upon terms that are acceptable to Purchaser in its sole discretion, and an appraisal, both of which are satisfactory to Purchaser's lender and/or other financing sources to allow the Purchaser to facilitate the acquisition, construction, and completion of the Project (collectively, the "Financing Approval").

If during the Inspection Period, Purchaser accepts the physical condition of the Property, but Purchaser has not obtained, each in a condition satisfactory to Purchaser, in Purchaser's sole discretion, the Governmental Approvals, the Permit Approvals, and the Financing Approval only, the Purchaser shall have the right to extend the term of the Inspection Period for an additional ninety (90) days in order to obtain satisfactory Governmental Approvals, the Permit Approvals, and the Financing Approval, as the case may be (the "Extended Inspection Period"), by providing the Seller with written notice prior to the expiration of the Inspection Period.

Within the Extended Inspection Period, as soon as Purchaser obtains the Governmental Approvals, the Permit Approvals, and the Financing Approval, the Purchaser shall notify the Seller in writing that Purchaser is prepared to proceed to Closing. If during the Extended Inspection Period, the Purchaser has not obtained the Governmental Approvals, the Permit Approvals, and the Financing Approval, then the Deposit shall be turned over to the Seller and this Agreement shall automatically terminate without any further action of the parties. If the Purchaser notifies the Seller in writing of its desire to terminate this Agreement prior to the expiration of the Extended Inspection Period, for any reason, the Deposit shall be turned over to the Seller and this Agreement shall be deemed null and void without any further action of the parties. If no notice of any kind is received by the Seller from the Purchaser upon conclusion of the Extended Inspection Period, the

Deposit shall be turned over to the Seller and this Agreement shall be deemed null and void without the need for any further action by the parties.

The Purchaser agrees that the Purchaser is not relying on any representation or statement made by the Seller regarding any aspect of the Property, except as may be expressly set forth in this Agreement. Accordingly, the Purchaser agrees to accept the Property as expressly provided in this Agreement and set forth in the closing documents agreed to by both Parties.

8. Disclosures; Release. The Seller shall provide or make available to the Purchaser, within ten (10) days after the date of this Agreement, complete copies of all existing environmental reports, asbestos surveys, audits, building inspection reports, structural analysis, engineering reports, surveys, construction drawings, architectural plans and specifications, utility plans and specifications, and investigations for or affecting the Property which are in the Seller's possession or control and that the Seller is able to locate. In addition, the Purchaser and/or its agents shall be authorized to review any public records of the Property on file with the municipal authority having jurisdiction.

If the Purchaser does not terminate this Agreement and closes on the Property, the Purchaser agrees that it shall have unconditionally released the Seller from and against any and all liability to the Purchaser, both known and unknown, present and future, for "environmental damage," degradation, response, remediation and clean-up costs to the Property arising out of applicable environmental laws or the presence of hazardous substances on, under, or about the Property at the date of closing.

9. Warranties of Seller. Except as otherwise provided or acknowledged in this Agreement, the Seller will represent and warrant to the Purchaser at closing, which representations and warranties shall survive closing, as follows:

- a. Marketable title to the Property shall be transferred to the Purchaser on the closing date, free from liens, encumbrances, claims of others, unless otherwise specified herein or in the Covenant Deed given and accepted at closing.
- b. Performance of the obligations of the Seller under this Agreement will not violate any contract, indenture, statute, ordinance, judicial or administrative order or judgment applicable to the Seller or the Property.
- c. There is no litigation or proceeding pending, or to the Seller's knowledge threatened, against or involving the Seller or the Property, and the Seller does not know of any ground for any such litigation or proceeding, which could have a material adverse impact on the Purchaser or the Purchaser's title to the Property.
- d. The Seller shall continue its current insurance of the improvements on the Property and maintain the Property in its current condition during the interim period between the acceptance of this Agreement and the closing date.
- e. The Seller is not aware of any latent defects on the Property not disclosed to Purchaser.

10. Warranties of Purchaser. Except as otherwise provided or acknowledged in this Agreement, the Purchaser will represent and warrant to the Seller at closing, which representations and warranties shall survive closing, as follows:

- a. The performance of the obligations of the Purchaser under this Agreement will not violate any contract, indenture, judicial or administrative order or judgment applicable to the Purchaser.
- b. There is no litigation or proceeding pending against or involving the Purchaser, and the Purchaser does not know of any ground for any such litigation or proceeding, which could have an adverse impact on the Seller or the Seller's interest under this Agreement.
- c. Except as otherwise provided or acknowledged in this Agreement or any documents executed at closing, after the Purchaser completes the Purchaser's due diligence in accordance with paragraph 7 of this Agreement, the Purchaser acknowledges that if the Purchaser proceeds to closing the Purchaser is purchasing the Property, and any and all buildings and improvements located on the Property that are included in the sale, "as is" in its current physical condition and "where is" as to location.
- d. The development and use of the Property shall be completed in accordance with paragraph 2 of this Agreement.
- e. Neither Purchaser, nor any of its principals, are in debt or default of any outside agreement or condition, to the City of Lansing.

11. Damage to Property. If between the date of this Agreement and the closing date, all or any part of the Property is damaged by hazard or natural elements or other causes beyond the Seller's control which cannot be repaired prior to the closing date, Seller shall immediately notify the Purchaser of such occurrence. The Purchaser may elect to terminate this Agreement by written notice to the Seller within thirty (30) days after receipt of notice of the damage from the Seller. If the Purchaser exercises the right to terminate this Agreement, the Deposit shall be returned to the Purchaser and this Agreement shall be null and void. If the Purchaser does not elect to terminate this Agreement, there shall be no reduction of the Purchase Price and at closing, and the Seller shall assign, if permitted by the insurance contract, to the Purchaser whatever rights the Seller may have with respect to any insurance proceeds.

12. Property Taxes, Special Assessments and Utilities. The Purchaser shall be responsible to pay all taxes, special assessments and utility rates or charges levied or assessed against the Property after closing. Seller shall pay or otherwise obtain a waiver of all taxes, special assessments and utility rates or charges levied or assessed against the Property prior to closing and as of the closing date.

The Purchaser acknowledges and agrees that future tax revenue from the development and ownership of the Property is a material part of the consideration to the Seller for this Agreement and the sale of the Property. The Purchaser agrees not to transfer or close on the sale of all or part of the Property to an entity that will result in the Property becoming tax exempt. The Purchaser agrees that the Property will be placed on the tax rolls and remain on the tax rolls for a period of not less than twenty (20) years commencing with the date of closing. In the event the Property is removed from the tax rolls after the commencement of the twenty (20) year taxing period for the Property, but prior to the expiration of such period, then the Purchaser or the then current owner of the Property will reimburse the City for an amount equal to the taxable value of the improved Property in the year before it is no longer taxed (the "Base Value") times nineteen and 44/100 (19.44) mills, which shall equal the "Annual Amount" for each year remaining up to and including the final year of the twenty (20) year period.

The amount payable to the Seller will be either paid on an annual basis or in one lump sum. If the Purchaser or the then current owner of the Property elects to make annual payments, the Base Value shall be increased each year over the prior year's Base Value by the rate promulgated annually by the State Tax Commission to cap taxable value. If the Purchaser or the then current owner of the Property elects to make a lump sum payment, the lump sum payment shall be calculated by increasing the Annual Amount by three percent (3.0%) for each year remaining and discounting back at five percent (5.0%), equaling the net present value. The lump sum is due and payable on or before the Purchaser closes on the transfer or sale of the Property to the State of Michigan or other agency or entity that results in the Property becoming tax exempt or unless the Purchaser or the then current owner of the Property elects to make annual payments. The annual payments shall be due and payable on or before June 15th, commencing in the year the Property is no longer taxed and continuing on June 15th of each year for the remaining time.

Notwithstanding the foregoing, if the Property is taken off the tax rolls through eminent domain, condemnation, or any other governmental taking, whatsoever, the Purchaser or the then current owner of the Property shall not be obligated to reimburse the Seller for the taxable value under this paragraph.

13. Closing. The closing (the "Closing") will take place as soon as possible following the satisfaction of all conditions precedent specified in this Agreement, and in no event later than sixty (60) days following the earlier of: (i) the expiration of the Inspection Period, or Extended Inspection Period, as the case may be; or (ii) the date the Purchaser obtains all of the Governmental Approvals, the Permit Approvals, and the Financing Approval, and the conditions precedent in Section 7 met or deemed waived if applicable. The Closing will occur at the offices of the Title Company, at a time mutually agreed upon by the Purchaser and the Seller, or at another location as mutually agreed upon by the parties. The Purchaser shall pay the recording fees and any costs associated with any financing the Purchaser may obtain, the title commitment, and the title policy. Each party shall pay its own attorneys' fees and costs.

At the Closing, the Seller shall deliver the following to the Purchaser or the Title Company, as indicated:

- a. A Covenant Deed, as specified in this Agreement;
- b. Copies of the Seller's organizational and authority documents sufficient to establish to the Purchaser and the Title Company, the Seller's authority to enter into and to consummate this transaction;
- c. Any other documents required by this Agreement to be delivered by the Seller.

At the Closing, the Purchaser shall deliver the following:

- a. To the Seller, the Purchase Price specified in paragraph 3 above, less the Deposit, in the form of U.S. currency, by wire transfer of immediately available funds, as adjusted by the apportionments and assignments in accordance with this Agreement;
- b. Copies of Purchaser's organizational and authority documents, sufficient to establish to Seller and the Title Company, the Purchaser's authority to enter into and consummate this transaction;
- c. Any other documents required by this Agreement to be delivered by the Purchaser.

14. Statement of Lack of Necessity. Pursuant to Lansing City Charter 8-403 and the real property disposition ordinances promulgated thereunder, the real property to be disposed of in this Agreement, or any other agreements referenced or required herein, is not necessary for public purposes.

15. Brokers. Each party represents and warrants that there are no brokers', finders' or similar fees or commissions in connection with this transaction, except that Purchaser has engaged Martin Commercial Properties ("Martin") as its commercial broker, which commission Purchaser will pay pursuant to its separate agreement with Martin.

16. Assignment. The Purchaser may not assign this Agreement without the prior written consent of the Seller, which consent shall not be unreasonably withheld, conditioned or delayed. If consented to by Seller, any assignee(s) shall be subject to all of the conditions of this Agreement as if they were an original party thereto.

17. Breach and Remedies. In the event of default by the Purchaser under this Agreement prior to the Closing, the Seller's sole remedy at law or equity shall be to declare forfeiture and obtain the entire Deposit as liquidated damages, in full termination of this Agreement. In the event of a default by the Seller, the Purchaser may, at its option, elect to: (i) specifically enforce the terms of this Agreement, in which event, the Purchaser shall be entitled to recover from the Seller the court costs and reasonable attorneys' fees incurred by the Purchaser in specifically enforcing this Agreement; or (ii) demand and be entitled to an immediate refund of the entire Deposit in full termination of this Agreement. In the event of default by the Purchaser under this Agreement after Closing, Seller may seek all rights and remedies available at law, in equity, or in this Agreement to enforce all its rights and Purchaser's obligations under this Agreement. To the extent permitted by law, the parties agree that the jurisdiction and venue for any action brought to enforce rights or obligations under this Agreement shall be solely in the State Courts in Ingham County, Michigan and that the applicable laws, should any choice of law arise, shall be those of the State of Michigan.

18. Notices. Any notice required or permitted by this Agreement shall be sufficient if in writing and either delivered personally or by regular mail addressed to the parties at their addresses specified below, and any notices given by mail shall be deemed to have been given as of the next business day following the date of posting.

In case of the Seller, addressed to or delivered personally to:

Rawley Van Fossen
Director, Department of Economic Development and Planning
316 North Capitol Avenue
Lansing, MI 48933

and with a copy mailed or delivered to:

Lansing City Attorney
124 West Michigan Avenue
City Hall-5th Floor
Lansing, MI 48933

In case of the Purchaser, addressed to or delivered personally to:

Deep Green Technologies USA LLC
1007 N. Orange Street
4th Floor, Suite 1382
Wilmington Delaware 19801

and with a copy mailed or delivered to:

Michell D. Goldsmith, Esq.
Taft Stettinius & Hollister
111 E. Wacker Drive, Suite 2600
Chicago, Illinois 60601-4208

Either party may change its address for notices, from time to time, by designating the new address in writing and forwarding it to the other party as provided in this paragraph.

19. Miscellaneous.

a. This is the entire agreement between the parties regarding its subject matter. This Agreement supersedes any and all other agreements, either oral or written, between the parties with respect to the subject matter of this Agreement. This Agreement may not be modified or amended except in writing executed by both parties. The captions are for reference only and shall not affect the interpretation of this Agreement. More than one copy of this Agreement may be signed, but all constitute but one agreement. A facsimile or electronically transmitted signature by any party to this Agreement shall constitute a binding signature to this Agreement.

b. This Agreement shall be binding upon the parties and their subrogees, successors, and assigns. Time is deemed to be of the essence of all undertakings and agreements of the parties hereto.

c. Whenever this Agreement requires that something be done within a specified period of days, that period shall (i) not include the day from which the period commences, (ii) include the day upon which the period expires, (iii) expire at 5:00 p.m. U.S. Eastern time on the day upon which the period expires, and (iv) be construed to mean calendar days; provided, that if the final day of the period falls on a Saturday, Sunday or City of Lansing holiday, the period shall extend to the first business day thereafter.

d. Purchaser shall have possession of the Property from and after the Closing, free and clear of any rights or claims of possession by any third party or the Seller.

e. Purchaser agrees that in the event construction of the Project has not commenced, which is defined as vertical construction of a permanent structure on the Property (as evidenced by work done beyond demolition and groundbreaking, pursuant to a Building Permit issued consistent with the approved site plan), within two (2) years from the date of closing (the "Outside Commencement Deadline"), then Seller shall have the right, but not the obligation, within ninety (90) days from the Outside Commencement Deadline, to purchase the Property back from Purchaser for an amount equal to the Purchase Price, plus any state and county transfer taxes, title insurance, and all closing costs and recording fees (the "Right of Reacquisition"). Notwithstanding anything to the contrary in the foregoing, if Purchaser's

failure to timely commence construction of the Project is due to Seller's action or failure to act, then the Outside Commencement Deadline shall be extended by the number of days that Seller's action or failure to act caused any delay in the commencement of the construction of the Project. If Seller exercises its Right of Reacquisition, it must do so only in accordance with this Paragraph 19e, and shall provide written notice of such exercise to Purchaser; however, provided Seller is not otherwise in breach of its obligations under this Agreement, Purchaser shall not have any right to cure or contest the Reacquisition.

f. The Covenant Deed from Seller to Purchaser shall be in the form attached hereto as Exhibit B.

g. A Memorandum of Development Agreement, in the form attached hereto as Exhibit C, shall be recorded at the time of closing.

[SIGNATURES OF THE PARTIES ON THE NEXT PAGE]

The parties have signed this Agreement as of the date first above written.

CITY OF LANSING

PURCHASER

By: _____
Andy Schor, Mayor

Deep Green Technologies USA LLC

By:  _____
Mark Lee

Its: Director

By: _____
Chris Swope, Clerk

Approved as to form:

By: _____
Gregory Venker, City Attorney

[Signature Page of that certain Buy-Sell Agreement between [Deep Green Technologies USA LLC as the Purchaser, and the City of Lansing, a Michigan municipal corporation, as the Seller]

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B
FORM OF COVENANT DEED

EXHIBIT C
FORM OF MEMORANDUM OF DEVELOPMENT AGREEMENT

BUY-SELL AGREEMENT

This Buy-Sell Agreement is made as of _____, 2025, between Deep Green Technologies USA LLC, a Delaware limited liability company licensed to do business in Michigan, whose address is 1007 N. Orange Street, 4th Floor, Suite 1382, Wilmington Delaware 19801 (the “Purchaser”), and the City of Lansing, a Michigan municipal corporation, whose principal business address is 124 West Michigan Avenue, Lansing, MI 48933 (the “Seller”).

NOV14'25 3PNCLERK

RECITALS

A. The Seller owns the real property located at 229 South Cedar Street, Lansing, Michigan, including surrounding properties that are located on East Kalamazoo Street, between Cedar and Larch Streets, commonly known as Parking Lot #49/49A, Parcel Numbers 33-01-01-16-427-082, 33-01-01-16-427-122, and 33-01-01-16-427-051 consisting of approximately 2.5 acres, as legally described on the attached Exhibit A (the “Property”). The Property shall be deemed to include all improvements and appurtenances now or hereafter on the land. The legal description of the Property described on Exhibit A shall be verified by the Survey, if any, prepared in accordance with Section 5 below and amended, if necessary.

B. The Seller desires to sell to the Purchaser, and the Purchaser desires to purchase from the Seller, the Property, in accordance with the terms and conditions of this Agreement.

TERMS AND CONDITIONS

In exchange for the consideration in and referred to by this Agreement, the parties agree as follows:

1. Property Conveyance and Acquisition. The Seller agrees to sell and convey to the Purchaser, and the Purchaser agrees to purchase and acquire from the Seller, the Property. The sale and conveyance of the Property under this Agreement shall include the existing surface parking lot improvements located on the Property. The sale and conveyance of the Property to the Purchaser is subject to the terms and conditions of this Agreement, and unless waived or acceptable to Purchaser in Purchaser’s sole discretion: all (i) applicable building and use restrictions, (ii) zoning ordinances, and (iii) utility easements of record, including any easements held by the Lansing Board of Water and Light.

2. Property Development. After closing, and unless otherwise agreed upon by the parties, the Purchaser shall develop the Property for use as a data center together with any supportive office space, which shall be designed and constructed with the following criteria (collectively, “Minimum Criteria”): (i) any structures shall be compliant with dimensional requirements for the DT-3 zoning district as reflected in the final site plan for the Project (as defined below) as approved by Seller; (ii) the development must have adequate screening including facades or other structures, for any industrial structures on the Property; (iii) the architectural standards and exterior materials used for any buildings, structures, screening, or other massing on the Property shall be in compliance with the requirements of the DT-3 zoning district as reflected in the final site plan for the Project as approved by Seller; (iv) the Purchaser agrees that no portion of the Property shall be used for any purpose other than a data center, supportive office space and other ancillary uses (collectively, the “Project”); (v) total private investment in the Project, including the cost of the Property, shall be a minimum of Five Million and 00/100 Dollars (\$5,000,000.00) per megawatt (“MW”) of total utility load (by way of example and not limitation, if the completed Project uses 24 MW, then the total private investment in the Project will be One Hundred Twenty Million and

00/100 Dollars (\$120,000,000.00); and (vi) within twelve (12) months following completion of construction, the Project will create a minimum of fifteen (15) full-time jobs, inclusive of full-time jobs created by Purchaser and any tenants of the Project. The development, construction and ongoing maintenance of the Project shall be conducted in accordance with all applicable laws and ordinances. The Purchaser acknowledges and agrees that the development and use of the Property in accordance with this paragraph is a material part of the consideration to the Seller for this Agreement and the sale of the Property.

3. Consideration. The purchase price for the Property is One Million Four Hundred Thousand and 00/100 Dollars (\$1,400,000.00) (the "Purchase Price"). The Purchase Price shall be payable by wire transfer of immediately available funds by Purchaser at closing.

4. Deposit. As of the signing of this Agreement Purchaser has deposited Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) with First American Title Insurance Company (the "Title Company"), which shall serve as and become the earnest money deposit under this Agreement (the "Deposit"). The Deposit shall be applied to the Purchase Price at closing, or otherwise distributed in accordance with the terms of this Agreement. The Parties shall enter into an escrow agreement regarding the Deposit, using a form substantially similar to the standard escrow agreement utilized by the Title Company, within five (5) days of the signing of this Agreement.

5. Survey. The Purchaser may provide, at its sole cost and expense, a survey of the Property, prepared by a licensed Michigan land surveyor or civil engineer, containing an accurate metes and bounds description and certification of the acreage of the Property, and showing all improvements, encroachments, easements, rights-of-way, and the locations of all utility lines on the Property (the "Survey"). The Survey shall be certified to the Purchaser, the Seller and the Title Company. The results of the Survey must be determined by the Purchaser during the Inspection Period specified in paragraph 7 below to be acceptable to the Purchaser, in the Purchaser's sole discretion, or the Purchaser shall not be required to close.

6. Title Insurance. At the Purchaser's sole cost and expense, the Title Company shall provide a standard ALTA owner's policy of title insurance, without standard exceptions (other than any exceptions regarding survey, which shall be the Purchaser's obligation to provide the necessary survey), in the amount of the Purchase Price effective as of the date of closing. At closing, the Seller shall deliver to the Title Company an owner's affidavit and such other documents reasonably required by the Title Company to enable the Title Company to delete its standard exceptions (other than any exceptions regarding survey, which shall be the Purchaser's obligation to provide the necessary survey) and to provide a "marked-up" title commitment, dated as of the closing date. The "marked-up" title commitment shall reflect the Purchaser as the owner of the Property and the insured under said title commitment. A commitment to issue such policy insuring marketable title vested in the Purchaser, including a tax status report, and copies of all exceptions to title disclosed therein, will be obtained by the Purchaser for the Seller's inspection within fifteen (15) days after the Purchaser's final acceptance of this Agreement. Said commitment and policy shall be issued by the Title Company. The status of the Seller's title must be marketable and any easements, reservations, or exceptions that will continue after closing must be acceptable to the Purchaser, or the Purchaser shall not be required to close.

If the Purchaser, within twenty (20) days of the receipt of the title insurance commitment and copies of all exceptions to title disclosed therein, makes a written objection to the Seller as to the

marketability of the Seller's title (the "Title Objection"), the Seller shall have thirty (30) days to cure the Title Objection. In the event the Seller is unable or unwilling to cure the Title Objection defect, then such defect may be waived by the Purchaser. If the Purchaser is unwilling to waive the Title Objection, then the Purchaser or the Seller may declare this Agreement terminated, in which event the Deposit shall be returned to the Purchaser, and the parties shall have no further obligation or liability to each other.

If, during the Inspection Period, the Seller discovers a title exception, marketable title defect, unrecorded document, legal right of another, or Title Objection (collectively, "Title Defect") that the Seller determines in its sole discretion will expose the Seller to: (i) a claim of breach of obligation or duty of the Seller to a third party; or (ii) a claim for damages, and the Seller is unable or unwilling to cure the Title Defect, and notifies Purchaser in writing within ten (10) business days of the discovery thereof, then the Purchaser or the Seller may declare this Agreement terminated by written notice to the other party. In the event of such termination, this Agreement shall be deemed null and void and no longer in effect, the Deposit shall be returned to the Purchaser, and the parties shall have no further obligation or liability to each other.

7. Access; Inspections. Within one hundred eighty (180) days from the date of this Agreement (the "Inspection Period"), the Purchaser may enter the Property with one (1) business day advance notice to the Seller to make any inspections, examinations, tests or studies that the Purchaser deems necessary, provided such activities shall not interfere with the possessory rights of the Seller and the Seller's use of the Property. The Purchaser shall be solely responsible for all costs and expenses incurred in doing so and, if this transaction does not close, it will reasonably restore the affected property to the substantially same condition it was in prior to its entry on the Property. The Purchaser agrees to indemnify and hold the Seller, its employees, officers, and agents, free and harmless from any cost, expense, damage, liability, or claim arising out of or in connection with the exercise by the Purchaser of the rights conferred by this paragraph.

If during the Inspection Period, the Purchaser is not, for any reason or no reason, satisfied with the results of the inspections, examinations, tests or studies, in the Purchaser's sole discretion, the Purchaser may notify the Seller in writing prior to the expiration of the Inspection Period of the Purchaser's desire to terminate this Agreement. If the Purchaser notifies the Seller in writing of its desire to terminate this Agreement prior to the expiration of the Inspection Period, the Deposit shall be returned to the Purchaser and this Agreement shall be deemed null and void. If no notice is received by the Seller from the Purchaser within the Inspection Period, the Purchaser shall have been deemed to accept the inspection results of the Property.

Notwithstanding anything to the contrary contained in this Agreement, and as conditions precedent to the Purchaser's and Seller's obligations to close on the purchase and sale of the Property, during the Inspection Period all of the following must be completed/performed:

- (a) The City of Lansing Planning Board completing and placing on file with the Lansing City Council ("Council") a review pursuant to the Michigan Planning Enabling Act (P.A. 33 of 2008 as amended).
- (b) Lansing City Council approving this Agreement by resolution. Council has full and independent authority to approve or reject this Agreement for whatever reason; a rejection by the Council will not be deemed an act of breach or default of this Agreement.

- (c) The Purchaser completing any and all due diligence activities and reviews, to Purchaser's sole satisfaction, to determine if the Property is suitable for Purchaser's Intended Use.
- (d) The Purchaser having obtained from the City of Lansing and all governmental agencies having jurisdiction over the Property all necessary rezoning, site plan approvals, and other governmental approvals, as determined by the Purchaser in its sole discretion, allowing the Purchaser to develop the Project (collectively, the "Governmental Approvals").
- (e) The Purchaser having obtained from the City of Lansing and all governmental agencies having jurisdiction over the Property all necessary permits for the Purchaser to commence construction of the infrastructure on the Property, and the Purchaser, the City of Lansing, and all governmental agencies having jurisdiction over the Property have completed the "pre-construction" meeting allowing the Purchaser to commence construction of the Project (collectively, the "Permit Approvals").
- (f) The Purchaser obtaining a firm, written commitment for financing for the Project, which shall be in an amount and upon terms that are acceptable to Purchaser in its sole discretion, and an appraisal, both of which are satisfactory to Purchaser's lender and/or other financing sources to allow the Purchaser to facilitate the acquisition, construction, and completion of the Project (collectively, the "Financing Approval").

If during the Inspection Period, Purchaser accepts the physical condition of the Property, but Purchaser has not obtained, each in a condition satisfactory to Purchaser, in Purchaser's sole discretion, the Governmental Approvals, the Permit Approvals, and the Financing Approval only, the Purchaser shall have the right to extend the term of the Inspection Period for an additional ninety (90) days in order to obtain satisfactory Governmental Approvals, the Permit Approvals, and the Financing Approval, as the case may be (the "Extended Inspection Period"), by providing the Seller with written notice prior to the expiration of the Inspection Period.

Within the Extended Inspection Period, as soon as Purchaser obtains the Governmental Approvals, the Permit Approvals, and the Financing Approval, the Purchaser shall notify the Seller in writing that Purchaser is prepared to proceed to Closing. If during the Extended Inspection Period, the Purchaser has not obtained the Governmental Approvals, the Permit Approvals, and the Financing Approval, then the Deposit shall be turned over to the Seller and this Agreement shall automatically terminate without any further action of the parties. If the Purchaser notifies the Seller in writing of its desire to terminate this Agreement prior to the expiration of the Extended Inspection Period, for any reason, the Deposit shall be turned over to the Seller and this Agreement shall be deemed null and void without any further action of the parties. If no notice of any kind is received by the Seller from the Purchaser upon conclusion of the Extended Inspection Period, the

Deposit shall be turned over to the Seller and this Agreement shall be deemed null and void without the need for any further action by the parties.

The Purchaser agrees that the Purchaser is not relying on any representation or statement made by the Seller regarding any aspect of the Property, except as may be expressly set forth in this Agreement. Accordingly, the Purchaser agrees to accept the Property as expressly provided in this Agreement and set forth in the closing documents agreed to by both Parties.

8. Disclosures; Release. The Seller shall provide or make available to the Purchaser, within ten (10) days after the date of this Agreement, complete copies of all existing environmental reports, asbestos surveys, audits, building inspection reports, structural analysis, engineering reports, surveys, construction drawings, architectural plans and specifications, utility plans and specifications, and investigations for or affecting the Property which are in the Seller's possession or control and that the Seller is able to locate. In addition, the Purchaser and/or its agents shall be authorized to review any public records of the Property on file with the municipal authority having jurisdiction.

If the Purchaser does not terminate this Agreement and closes on the Property, the Purchaser agrees that it shall have unconditionally released the Seller from and against any and all liability to the Purchaser, both known and unknown, present and future, for "environmental damage," degradation, response, remediation and clean-up costs to the Property arising out of applicable environmental laws or the presence of hazardous substances on, under, or about the Property at the date of closing.

9. Warranties of Seller. Except as otherwise provided or acknowledged in this Agreement, the Seller will represent and warrant to the Purchaser at closing, which representations and warranties shall survive closing, as follows:

- a. Marketable title to the Property shall be transferred to the Purchaser on the closing date, free from liens, encumbrances, claims of others, unless otherwise specified herein or in the Covenant Deed given and accepted at closing.
- b. Performance of the obligations of the Seller under this Agreement will not violate any contract, indenture, statute, ordinance, judicial or administrative order or judgment applicable to the Seller or the Property.
- c. There is no litigation or proceeding pending, or to the Seller's knowledge threatened, against or involving the Seller or the Property, and the Seller does not know of any ground for any such litigation or proceeding, which could have a material adverse impact on the Purchaser or the Purchaser's title to the Property.
- d. The Seller shall continue its current insurance of the improvements on the Property and maintain the Property in its current condition during the interim period between the acceptance of this Agreement and the closing date.
- e. The Seller is not aware of any latent defects on the Property not disclosed to Purchaser.

10. Warranties of Purchaser. Except as otherwise provided or acknowledged in this Agreement, the Purchaser will represent and warrant to the Seller at closing, which representations and warranties shall survive closing, as follows:

- a. The performance of the obligations of the Purchaser under this Agreement will not violate any contract, indenture, judicial or administrative order or judgment applicable to the Purchaser.
- b. There is no litigation or proceeding pending against or involving the Purchaser, and the Purchaser does not know of any ground for any such litigation or proceeding, which could have an adverse impact on the Seller or the Seller's interest under this Agreement.
- c. Except as otherwise provided or acknowledged in this Agreement or any documents executed at closing, after the Purchaser completes the Purchaser's due diligence in accordance with paragraph 7 of this Agreement, the Purchaser acknowledges that if the Purchaser proceeds to closing the Purchaser is purchasing the Property, and any and all buildings and improvements located on the Property that are included in the sale, "as is" in its current physical condition and "where is" as to location.
- d. The development and use of the Property shall be completed in accordance with paragraph 2 of this Agreement.
- e. Neither Purchaser, nor any of its principals, are in debt or default of any outside agreement or condition, to the City of Lansing.

11. Damage to Property. If between the date of this Agreement and the closing date, all or any part of the Property is damaged by hazard or natural elements or other causes beyond the Seller's control which cannot be repaired prior to the closing date, Seller shall immediately notify the Purchaser of such occurrence. The Purchaser may elect to terminate this Agreement by written notice to the Seller within thirty (30) days after receipt of notice of the damage from the Seller. If the Purchaser exercises the right to terminate this Agreement, the Deposit shall be returned to the Purchaser and this Agreement shall be null and void. If the Purchaser does not elect to terminate this Agreement, there shall be no reduction of the Purchase Price and at closing, and the Seller shall assign, if permitted by the insurance contract, to the Purchaser whatever rights the Seller may have with respect to any insurance proceeds.

12. Property Taxes, Special Assessments and Utilities. The Purchaser shall be responsible to pay all taxes, special assessments and utility rates or charges levied or assessed against the Property after closing. Seller shall pay or otherwise obtain a waiver of all taxes, special assessments and utility rates or charges levied or assessed against the Property prior to closing and as of the closing date.

The Purchaser acknowledges and agrees that future tax revenue from the development and ownership of the Property is a material part of the consideration to the Seller for this Agreement and the sale of the Property. The Purchaser agrees not to transfer or close on the sale of all or part of the Property to an entity that will result in the Property becoming tax exempt. The Purchaser agrees that the Property will be placed on the tax rolls and remain on the tax rolls for a period of not less than twenty (20) years commencing with the date of closing. In the event the Property is removed from the tax rolls after the commencement of the twenty (20) year taxing period for the Property, but prior to the expiration of such period, then the Purchaser or the then current owner of the Property will reimburse the City for an amount equal to the taxable value of the improved Property in the year before it is no longer taxed (the "Base Value") times nineteen and 44/100 (19.44) mills, which shall equal the "Annual Amount" for each year remaining up to and including the final year of the twenty (20) year period.

The amount payable to the Seller will be either paid on an annual basis or in one lump sum. If the Purchaser or the then current owner of the Property elects to make annual payments, the Base Value shall be increased each year over the prior year's Base Value by the rate promulgated annually by the State Tax Commission to cap taxable value. If the Purchaser or the then current owner of the Property elects to make a lump sum payment, the lump sum payment shall be calculated by increasing the Annual Amount by three percent (3.0%) for each year remaining and discounting back at five percent (5.0%), equaling the net present value. The lump sum is due and payable on or before the Purchaser closes on the transfer or sale of the Property to the State of Michigan or other agency or entity that results in the Property becoming tax exempt or unless the Purchaser or the then current owner of the Property elects to make annual payments. The annual payments shall be due and payable on or before June 15th, commencing in the year the Property is no longer taxed and continuing on June 15th of each year for the remaining time.

Notwithstanding the foregoing, if the Property is taken off the tax rolls through eminent domain, condemnation, or any other governmental taking, whatsoever, the Purchaser or the then current owner of the Property shall not be obligated to reimburse the Seller for the taxable value under this paragraph.

13. Closing. The closing (the "Closing") will take place as soon as possible following the satisfaction of all conditions precedent specified in this Agreement, and in no event later than sixty (60) days following the earlier of: (i) the expiration of the Inspection Period, or Extended Inspection Period, as the case may be; or (ii) the date the Purchaser obtains all of the Governmental Approvals, the Permit Approvals, and the Financing Approval, and the conditions precedent in Section 7 met or deemed waived if applicable. The Closing will occur at the offices of the Title Company, at a time mutually agreed upon by the Purchaser and the Seller, or at another location as mutually agreed upon by the parties. The Purchaser shall pay the recording fees and any costs associated with any financing the Purchaser may obtain, the title commitment, and the title policy. Each party shall pay its own attorneys' fees and costs.

At the Closing, the Seller shall deliver the following to the Purchaser or the Title Company, as indicated:

- a. A Covenant Deed, as specified in this Agreement;
- b. Copies of the Seller's organizational and authority documents sufficient to establish to the Purchaser and the Title Company, the Seller's authority to enter into and to consummate this transaction;
- c. Any other documents required by this Agreement to be delivered by the Seller.

At the Closing, the Purchaser shall deliver the following:

- a. To the Seller, the Purchase Price specified in paragraph 3 above, less the Deposit, in the form of U.S. currency, by wire transfer of immediately available funds, as adjusted by the apportionments and assignments in accordance with this Agreement;
- b. Copies of Purchaser's organizational and authority documents, sufficient to establish to Seller and the Title Company, the Purchaser's authority to enter into and consummate this transaction;
- c. Any other documents required by this Agreement to be delivered by the Purchaser.

14. Statement of Lack of Necessity. Pursuant to Lansing City Charter 8-403 and the real property disposition ordinances promulgated thereunder, the real property to be disposed of in this Agreement, or any other agreements referenced or required herein, is not necessary for public purposes.

15. Brokers. Each party represents and warrants that there are no brokers', finders' or similar fees or commissions in connection with this transaction, except that Purchaser has engaged Martin Commercial Properties ("Martin") as its commercial broker, which commission Purchaser will pay pursuant to its separate agreement with Martin.

16. Assignment. The Purchaser may not assign this Agreement without the prior written consent of the Seller, which consent shall not be unreasonably withheld, conditioned or delayed. If consented to by Seller, any assignee(s) shall be subject to all of the conditions of this Agreement as if they were an original party thereto.

17. Breach and Remedies. In the event of default by the Purchaser under this Agreement prior to the Closing, the Seller's sole remedy at law or equity shall be to declare forfeiture and obtain the entire Deposit as liquidated damages, in full termination of this Agreement. In the event of a default by the Seller, the Purchaser may, at its option, elect to: (i) specifically enforce the terms of this Agreement, in which event, the Purchaser shall be entitled to recover from the Seller the court costs and reasonable attorneys' fees incurred by the Purchaser in specifically enforcing this Agreement; or (ii) demand and be entitled to an immediate refund of the entire Deposit in full termination of this Agreement. In the event of default by the Purchaser under this Agreement after Closing, Seller may seek all rights and remedies available at law, in equity, or in this Agreement to enforce all its rights and Purchaser's obligations under this Agreement. To the extent permitted by law, the parties agree that the jurisdiction and venue for any action brought to enforce rights or obligations under this Agreement shall be solely in the State Courts in Ingham County, Michigan and that the applicable laws, should any choice of law arise, shall be those of the State of Michigan.

18. Notices. Any notice required or permitted by this Agreement shall be sufficient if in writing and either delivered personally or by regular mail addressed to the parties at their addresses specified below, and any notices given by mail shall be deemed to have been given as of the next business day following the date of posting.

In case of the Seller, addressed to or delivered personally to:

Rawley Van Fossen
Director, Department of Economic Development and Planning
316 North Capitol Avenue
Lansing, MI 48933

and with a copy mailed or delivered to:

Lansing City Attorney
124 West Michigan Avenue
City Hall-5th Floor
Lansing, MI 48933

In case of the Purchaser, addressed to or delivered personally to:

Deep Green Technologies USA LLC
1007 N. Orange Street
4th Floor, Suite 1382
Wilmington Delaware 19801

and with a copy mailed or delivered to:

Michell D. Goldsmith, Esq.
Taft Stettinius & Hollister
111 E. Wacker Drive, Suite 2600
Chicago, Illinois 60601-4208

Either party may change its address for notices, from time to time, by designating the new address in writing and forwarding it to the other party as provided in this paragraph.

19. Miscellaneous.

a. This is the entire agreement between the parties regarding its subject matter. This Agreement supersedes any and all other agreements, either oral or written, between the parties with respect to the subject matter of this Agreement. This Agreement may not be modified or amended except in writing executed by both parties. The captions are for reference only and shall not affect the interpretation of this Agreement. More than one copy of this Agreement may be signed, but all constitute but one agreement. A facsimile or electronically transmitted signature by any party to this Agreement shall constitute a binding signature to this Agreement.

b. This Agreement shall be binding upon the parties and their subrogees, successors, and assigns. Time is deemed to be of the essence of all undertakings and agreements of the parties hereto.

c. Whenever this Agreement requires that something be done within a specified period of days, that period shall (i) not include the day from which the period commences, (ii) include the day upon which the period expires, (iii) expire at 5:00 p.m. U.S. Eastern time on the day upon which the period expires, and (iv) be construed to mean calendar days; provided, that if the final day of the period falls on a Saturday, Sunday or City of Lansing holiday, the period shall extend to the first business day thereafter.

d. Purchaser shall have possession of the Property from and after the Closing, free and clear of any rights or claims of possession by any third party or the Seller.

e. Purchaser agrees that in the event construction of the Project has not commenced, which is defined as vertical construction of a permanent structure on the Property (as evidenced by work done beyond demolition and groundbreaking, pursuant to a Building Permit issued consistent with the approved site plan), within two (2) years from the date of closing (the "Outside Commencement Deadline"), then Seller shall have the right, but not the obligation, within ninety (90) days from the Outside Commencement Deadline, to purchase the Property back from Purchaser for an amount equal to the Purchase Price, plus any state and county transfer taxes, title insurance, and all closing costs and recording fees (the "Right of Reacquisition"). Notwithstanding anything to the contrary in the foregoing, if Purchaser's

failure to timely commence construction of the Project is due to Seller's action or failure to act, then the Outside Commencement Deadline shall be extended by the number of days that Seller's action or failure to act caused any delay in the commencement of the construction of the Project. If Seller exercises its Right of Reacquisition, it must do so only in accordance with this Paragraph 19e, and shall provide written notice of such exercise to Purchaser; however, provided Seller is not otherwise in breach of its obligations under this Agreement, Purchaser shall not have any right to cure or contest the Reacquisition.

f. The Covenant Deed from Seller to Purchaser shall be in the form attached hereto as Exhibit B.

g. A Memorandum of Development Agreement, in the form attached hereto as Exhibit C, shall be recorded at the time of closing.

[SIGNATURES OF THE PARTIES ON THE NEXT PAGE]

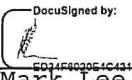
The parties have signed this Agreement as of the date first above written.

CITY OF LANSING

PURCHASER

By: _____
Andy Schor, Mayor

Deep Green Technologies USA LLC

By:  _____
Mark Lee

Its: Director

By: _____
Chris Swope, Clerk

Approved as to form:

By: _____
Gregory Venker, City Attorney

[Signature Page of that certain Buy-Sell Agreement between [Deep Green Technologies USA LLC as the Purchaser, and the City of Lansing, a Michigan municipal corporation, as the Seller]

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B
FORM OF COVENANT DEED

EXHIBIT C
FORM OF MEMORANDUM OF DEVELOPMENT AGREEMENT

stated it is a low-power FM radio station, and that it is an allowable accessory use. There are other zoning requirements for communication towers and antennas that are being met with this request.

Mr. Klont opened the public hearing.

Stephen Monte (sp) stated that allowing a church will result in property tax revenue for the City and encouraged the City to enforce parking requirements.

Seeing no one else wishing to speak, Mr. Klont closed the public hearing.

Ms. Alexander made a motion, seconded by Mr. Jackson, to recommend approval of SLU-2-2025, 4220 S Martin Luther King Jr. Blvd., Special Land Use Permit – Place of Worship.

On a voice vote the motion carried unanimously (7-0).

5. COMMENTS FROM THE AUDIENCE

Brad Clark spoke in support of Z-2-2025 and stated that the anticipated utility and energy use has been said to be within the capabilities of the Lansing Board of Water and Light (BWL).

Nichole Biber spoke in opposition of Z-2-2025 and stated that the proposed use is not appropriate for the downtown area. Ms. Biber stated that only 15 full time jobs would be created and the operations would necessitate the continued use of fossil fuels.

Lisa Lee spoke on the negative public health effects of BWL and Consumers Energy operations.

Kendall Uckele spoke in support of Z-2-2025 and the sale of property Act-7-2025. Ms. Uckele stated that the water usage is said to be comparable to a fast food restaurant and that any public health effects will be minor compared to a major manufacturing or industrial user moving in. Ms. Uckele supported the proposed savings for the downtown hot water system.

Jack Pressman, representative for the applicant, spoke on the low-scale operations of the proposed data center compared to mega-sites being proposed on greenspace and farmland, the expected energy use, the expected number of jobs and yearly tax income, and the purchase price for the City.

Sam Nelson spoke in opposition of Z-2-2025 and his opinion that data centers are a speculative business.

Marshall Clabeaux spoke in opposition of Z-2-2025 and claimed that large energy users and natural gas plant development will cause BWL to miss its clean energy targets.

Tim Daman, Lansing Regional Chamber of Commerce, spoke in support of Z-2-2025 and about the need for new tech jobs for the Lansing area.

Elizabeth Chiaravalli spoke on need for other land uses for the Downtown and riverfront area, her opposition to living next to nuisance side effects, and in opposition of Z-2-2025.

Ariana Brown spoke on the possible fire hazard of the data center with battery storage. Ms. Brown spoke on the lack of public outreach by the applicant and in opposition of Z-2-2025.

Stephen Monte (sp) spoke in opposition of Z-2-2025.

Sarah Evans spoke in opposition of Z-2-2025.

Yolanda Pope stated her wish for the Planning Commission to review rules on transitional housing and the definition of ‘functional family’ and to recommend changes that would allow more adults to occupy a single-family residence.

Emma Bostwick, Lansing Economic Area Partnership, spoke in support of Z-2-2025 and Act-7-2025.

Rawley Van Fossen, Director of the Economic Development and Planning Department (EDP), spoke on the ongoing Deep Green engagement with City staff, and that both applications have the Mayor’s support. Mr. Van Fossen stated that the Parking Services Office is a division within EDP that has supported the sale of the parking lots. Mr. Van Fossen stated that the lots have received no other real offers.

Josh Hovey, Bellwether Public Relations, public relations for Deep Green, spoke on the appropriateness of the rezoning request in relation to the light industrial uses of BWL next door and adjacent to the east, as well as marijuana operations another block over. Mr. Hovey stated that the operations of Deep Green would result in less ambient noise than BWL’s REO Town operations and that they will utilize mitigation techniques.

Sheila Contreras, spoke on her lack of trust in BWL, her public health concerns with a data center, and in opposition of Z-2-2025.

Michael Robertson spoke in support of previous comments regarding changes to zoning rules on transitional housing and the definition of ‘functional family’. Mr. Robertson spoke the lack of federal and state regulation of data centers and stated that data centers should utilize brownfields.

Shantel Rodriguez spoke in opposition of Z-2-2025 and Act-7-2025.

Seeing no one else wishing to speak, Mr. Klont closed the public hearing.

6. RECESS

Mr. Jackson made a motion, seconded by Mr. O’Dell to take a five-minute recess. On a voice vote the motion carried unanimously.

Mr. Klont called the meeting back to order at 7:48.

7. BUSINESS

A. Consent Items

- (1) Minutes for approval: November 5, 2025
The minutes from the November 5, 2025, Planning Commission meeting were approved without objection.

B. Old Business –

- (1) **Z-2-2025, 200 blocks of S Cedar Street and S Larch Street, Conditional rezoning from DT-3 Downtown Core to IND-1 Industrial.**

Mr. O’Dell made a motion, seconded by Mr. Muchmore to approve Z-2-2025, 200 blocks of S Cedar Street and S Larch Street, Conditional rezoning from DT-3 Downtown Core to IND-1 Industrial.

Mr. O’Dell stated his appreciation for those who made public comments and attended both meetings. Mr. O’Dell reiterated comments made by former Councilmember James Blair about the original purpose of the City holding these properties for parking, but having a long-term vision for redevelopment. Mr. O’Dell stated the fact that no development has taken place in those 35 years so he supports this redevelopment proposal.

Mr. Ruge spoke on his concerns for the proposed land use conflicting with the vision of the Stadium District. He spoke on the long history of redeveloping the 500 block of E Michigan into the baseball stadium and the mixed-use building on land which included a city-owned maintenance garage. Mr. Ruge stated his belief that redevelopment may spread north and south now that the main corridor has been redeveloped.

Mr. Muchmore reiterated Mr. O’Dell’s comments and stated his support due to the long-term vacancy of the parcels.

Ms. Alexander agreed with Mr. Ruge’s comments and stated her desire that any building be oriented toward the streetscape and not have any blank facades.

Mr. Klont told the audience that Planning Commission’s schedules are established at the end of previous years and have been held the first Tuesday at 6:30 PM of each month for years. There was no intention to conflict with any other public meeting.

On a roll call vote the motion failed 3-4. Mr. Jackson, Ms. Alexander, Mr. Ruge, and Mr. Lippert cast the dissenting votes.

Mr. Ruge asked a question about voting procedure and if a motion to table the request could have been taken.

C. New Business

- (1) **Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property**

Mr. Fedewa presented the request from Deep Green Industries USA LLC to purchase three parcels of real property from the City. As stated by Ms. Stachowiak and the Z-2-2025 case, these properties are commonly referred to as Lot 49, along E Kalamazoo St. and Lot 49a, along S Cedar St. Mr. Fedewa

stated Lot 49 was acquired in 1990 for \$600,000 and Lot 49a was purchased in 2010 for \$350,000.

Mr. Fedewa reviewed the known history of the sites stating that the old motel buildings were razed in the 1990s to make way for Lot 49. In 2007 the City attempted to swap the E Kalamazoo property for the one along S Cedar St. to help facilitate the development of a mixed-use building that ultimately did not happen due to the Great Recession. The City eventually followed through its own purchase of what would become Lot 49a, with a long-term vision for dense, multi-use development. These properties were also part of a 2007 rezoning attempt, from "H" Light Industrial to "G-1" Business, that was recommended for approval by that Planning Board, but was withdrawn before the City Council vote.

Mr. Fedewa stated that there are 145 total parking spaces used by a few permit holders as well as event parking for Lansing Lugnuts games, Lansing Center events, and Choose Lansing. In 2023, there were only eight permit holders. All users have been notified of the proposed sale and the City is conducting ongoing talks with each to identify alternative locations based on individual needs. No user has objected or expressed a concern for their respective needs next year.

Mr. Fedewa referenced a table and chart in the agenda packet showing parking revenue FY 2021-2025. Although numbers were not available at the time of printing, staff now knows in the five years prior to the Covid-19 pandemic the lots were averaging \$80,000 to \$100,000 in annual revenue. In the last five years the lots made only \$43,000 total. The Parking Services Office does not expect pre-Covid numbers to recover. In the 2023 Parking Study, these lots were identified as assets for sale. A 2023 appraisal valued the two lot properties at \$1,450,000. Also in 2023 the Lansing Economic Development Corporation in partnership with the City released an request for proposals. Only one firm responded with an offer for a multi-family residential development, however that fell through. Deep Green has been the only other firm to submit a purchase offer in this time period.

Mr. Fedewa reviewed a section of the 2012 Comprehensive Plan that discusses this area. The Plan envisioned a transition from industrial and heavy commercial to a mix of office, retail, entertainment, arts/culture live-work, and residential uses and to build off the main E Michigan Avenue redevelopment. However, the Plan does concede that light industry can continue to be part of the mixed-use area if external impacts such as outdoor storage, noise, and truck traffic are minimized and buildings and parking are sited in-line with the urban, pedestrian-friendly vision of the area.

Mr. Fedewa stated that although the proposed data center does not meet the dynamic, mixed-use vision the Plan or prior City Councils had hoped for, he personally recognizes that redevelopment has so far failed to extend to the 500-600 block of E Kalamazoo St. even with major projects such as Block 600 on E Michigan Ave. This area is still dominated by infrastructure/utility, motor

vehicle, and light industrial uses, or worse vacancies. There are four other major vacant parcels just across the street that have been on the market for years, showing the difficulty in redeveloping this intersection.

Mr. Fedewa stated with the drop in parking lot usage, the major decline in revenue, the lack of alternative proposals, it is staff's opinion that sale of the properties is in the City's best interest. These properties are under-utilized and not needed for parking services or other city operations. Mr. Fedewa recommended approval of Act-7-2025.

Mr. Jackson asked staff why the area has lacked redevelopment even with the zoning change to allow it. Ms. Stachowiak stated that the major reason is the one-way State trunklines, as well as the BWL uses, and legacy industrial businesses. Because there are major vacant expanses there is noticeable vehicle speeding along these sections. Without street redesign to slow down traffic or a major catalyst to start bringing a critical mass of new buildings closer to the sidewalks as required in the zoning ordinance, the perception of the area will continue. Part of the sale agreement will require the proposed data center to adhere to the DT-3 site layout requirements and architectural standards instead of those for IND-1 or industrial buildings, meaning the building will be sited at the corner of E Kalamazoo St. and S Larch St., and will appear as a normal commercial building rather than a warehouse.

Mr. Jackson stated that he believes future development can extend further north and south from the main E Michigan Ave. core.

Mr. Ruge made a motion, seconded by Mr. O'Dell to recommend approval of Act-7-2025, 200 block S Cedar Street, Sale of Property.

On a roll call vote the motion carried 5-2. Ms. Alexander and Mr. Jackson cast the dissenting votes.

8. REPORT FROM PLANNING & ZONING OFFICE – None

9. COMMENTS FROM THE CHAIRPERSON – None

10. COMMENTS FROM COMMISSION MEMBERS

Ms. Alexander reminded everyone in attendance to review Consolidated Plan materials and to leave comments with the City to help allocate major federal funds.

Mr. Muchmore wished to thank members of the public for attending and staff for their time in preparing materials for the meeting.

11. PENDING ITEMS: FUTURE ACTION REQUIRED – None

12. ADJOURNMENT – The meeting was adjourned at 8:22 p.m.

CITY OF LANSING
NOTICE OF PUBLIC HEARING

Act-7-2025, Parking Lot #49/49A, 200 block S Cedar St., Sale of Real Property

The Lansing City Council will hold a public hearing on Monday, February 9, 2026 at 7:00 p.m. in the Tony Benavides Lansing City Council Chambers, 10th Floor, Lansing City Hall, 124 W. Michigan Avenue, Lansing, Michigan to consider Act-7-2025 a request to sell three parcels of real property, Parking Lot #49/49A; (33-01-01-16-427-082, 33-01-01-16-427-122, 33-01-01-16-427-051) to Deep Green Technologies USA LLC. The sale agreement is on file with the City Clerk for public review.

For more information, please call Lansing City Council at 517-483-4177. If you are interested in this matter, please attend the public hearing or send a representative. Written comments will be accepted between 8 a.m. and 5 p.m. on City business days if received before 5 p.m., Monday, February 9, 2026 at the City Clerk's Office, Ninth Floor, City Hall, 124 West Michigan Ave., Lansing, MI 48933 or email city.clerk@lansingmi.gov.

Chris Swope, City Clerk, MMC/CMMC
www.lansingmi.gov/Clerk
www.facebook.com/LansingClerkSwope

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolved by the City Council of the City of Lansing that a public hearing be set for Monday, February 9, 2026 at 7:00 p.m. in the Tony Benavides Lansing City Council Chambers, 10th Floor, Lansing City Hall, 124 W Michigan Avenue, Lansing, Michigan, for the purpose of approving and/or opposing the sale of Parking Lot #49/49A; three parcels (33-01-01-16-427-082, 33-01-01-16-427-122, 33-01-01-16-427-051) of City property to Deep Green Technologies USA LLC:

Act-7-2025, Parking Lot #49/49A, 200 block S Cedar St, Sale of Real Property
Parcels 33-01-01-16-427-082, 33-01-01-16-427-122, 33-01-01-16-427-051

GENERAL INFORMATION

APPLICANT: Deep Green Technologies, LLC
1007 N. Orange Street, 4th Floor, Suite 1382
Wilmington, DE 19801

OWNERS: 220 S. Larch Street: :
220 S. Larch, LLC
330 S. Marshall St, Ste 100
Lansing, MI 48912

E. Kalamazoo Parcel & S. Cedar Parcels:
City of Lansing
124 W. Michigan Avenue
Lansing, MI 48933

REQUESTED ACTIONS: Conditional rezone from “DT-3” Urban core to “IND-1” Industrial

EXISTING LAND USES: 220 S. Larch Street: Automobile Repair
E. Kalamazoo Street: City parking lot
S. Cedar Street 1: City parking lot
S. Cedar Street 2: Vacant

PROPERTY SIZE: 117,800 +/- square feet – 2.7 acres – All 4 parcels combined

SURROUNDING LAND USE: N: Board of Water & Light solar array farm & parking lots
S: Wendy’s Restaurant
E: Valvoline Oil Change, vehicle sales & vehicle repair
W: Board of Water & Light Water Treatment Plant

SURROUNDING ZONING: N: “DT-3” Urban Core
S: “DT-2” Urban Flex
E: “DT-3” Urban Core
W: “DT-3” Urban Core

MASTER PLAN: The Design Lansing Master Plan designates the subject property for “Downtown Mixed-Use Center: Core”. E. Kalamazoo Street is designated as a prime connector. S. Larch Street is designated as an arterial corridor and S. Cedar Street is designated as an activity corridor.

DESCRIPTION:

This is a request to conditionally rezone four contiguous parcels (33-01-01-16-427-122, 33-01-01-16-427-082, 33-01-01-16-427-051, and 33-01-01-16-427-192) located on the north side of E. Kalamazoo Street between S. Cedar Street and S. Larch Street (see attached site plan and maps) from “DT-3” Urban core to “IND-1” Industrial. The purpose of the rezoning is to permit a 24-megawatt

data center that combines computing capacity with an approach to carbon-neutral heat recovery for sustainable technology and clean energy innovation. The Board of Water & Light will be providing power to Deep Green for the proposed data center. In return, the center will provide free, carbon-neutral heat directly into the BWL’s hot water system, reducing natural gas demand for the system and carbon emissions. A more detailed description of the data center operations is attached to this report. This is a conditional rezoning request wherein, if approved, the only allowable use of the properties would be the data center.

REZONING ANALYSIS

COMPATIBILITY WITH SURROUNDING LAND USE:

The proposed data center will be compatible with the surrounding industrial and heavy commercial land uses. The previous zoning of the property, prior to adoption of the form-based code was “H” Light Industrial which permitted the surrounding industrial uses and would have permitted the proposed data center as a matter of right. There is a Board of Water & Light (BWL) water treatment plant to the west, a BWL solar array farm to the north and various automobile service and sales facilities to the east. To the south is a fast-food restaurant, a office building, and a parking lot. While the property is zoned “DT-3” Urban Core, the area does not share the same characteristics as the majority of the downtown which is primarily comprised of commercial, and office uses in a pedestrian-friendly environment and in close proximity to employment centers and dense residential uses. The subject property, by contrast, is surrounded by 3 major streets that generate a high volume of traffic, is located in an area that is dominated by industrial and automobile-oriented businesses and is not conveniently located near residential, office and commercial uses that draw a level of pedestrian traffic to the area needed to support most uses permitted under the existing “DT-3” zoning.

The proposed “IND-1” zoning permits several uses that would not be appropriate for the subject property such as storage facilities, manufacturing and recycling operations. To prevent the types of uses that would not be compatible with the surrounding area, the applicant has offered this request as a conditional rezoning wherein the allowable use will be restricted to the data center only.

A preliminary rendering of the proposed building is attached to this report. The building facades will be a mix of brick and decorative concrete and at least 25 feet in height, as required by the existing and proposed zoning designations. The scale and design of the building will be compatible will the BWL water conditioning plant to the west and will be of higher quality and design than many of the other existing buildings in the area.

The attached, preliminary site plan demonstrates compliance with the basic development requirements of both the proposed “IND-1” zoning district and the existing “DT-3” zoning district. The building will be located at the required 5-foot setback line at the northwest corner of N. Larch Street and E. Kalamazoo Street so that the building, rather than the parking lot will become the dominant feature of the site along those roadways, consistent with the intent of the zoning ordinance and the master plan as described in more detail in the following section of this report. The outdoor equipment/generators will be enclosed by a screen wall, the site will be surrounded by a wrought-iron fence for safety and security, and landscaping, including new trees in the right-of-way along all three roadways will be provided. These changes will dramatically improve the appearance of the site from how it currently exists. The final site plan will need to be substantially consistent with the attached preliminary site plan.

The applicant has provided the following statements with respect to impact of the data center operations on the surrounding area:

“The facility is hyper-efficient and near silent. It will not be any louder than any other nearby land uses, and it will not produce any vibrations. There are no residential properties located adjacent to this facility. The main source of potential noise odor will be the backup power generators. These will need to run for a short time once a month, and the odor is similar to that of french fries. Outside of regular testing, these will only be used in rare instances of power failure. The generators will be housed in acoustic shells and comply with the maximum permitted noise levels set by the relevant city building codes.”

The subject property is not located near residential or low impact non-residential uses that could be negatively impacted by the potential effects of the facility as described above.

COMPLIANCE WITH MASTER PLAN:

The Design Lansing Master Plan designates the subject property for “Downtown Mixed-Use Center: Core”. While the proposed data center does not comply with future land use being advanced in the master plan, it is consistent with several of its goals and objections as well as the basic principles of planning and zoning in general. These include permitting uses in areas where they are compatible with existing uses, eliminating surface parking lots along major road frontages and constructing buildings near front property lines so that they, as opposed to parking lots, become the dominant feature of the site. Buildings along roadways with parking located to the side or rear have the effect of reducing speeds, creating a more pedestrian friendly environment and improving the appearance of the streetscapes.

IMPACT ON VEHICULAR AND PEDESTRIAN TRAFFIC:

The proposed data center will have no negative impacts on vehicular or pedestrian traffic in the area. The center will not be open to the general public and there will be a maximum of 15 employees stationed on the site when it is operating at full capacity. The proposed traffic, therefore, will be minimal and less than what is generated by the existing City owned parking lot.

The site will be accessed via the existing driveways, with some modifications. The site has frontage on three streets, all of which are designed and intended to accommodate a high volume of traffic and have the necessary traffic control systems in place to ensure pedestrians’ safety.

IMPACT ON PUBLIC FACILITIES:

The site plan for the proposed development will require administrative site review and approval, during which a stormwater management plan and the adequacy of the utility systems necessary to serve the data center will be evaluated.

ENVIRONMENTAL IMPACT:

The proposed data center will have no negative impacts on the physical environment as there will be very little if any increase in impervious surface. With respect to the environment in general, the purpose of the data center is to accelerate the decarbonization of heat for the purpose of energy efficient computerization intended to protect and improve the environment.

IMPACT ON FUTURE PATTERNS OF DEVELOPMENT:

The circumstances surrounding this request are unique and thus will not set a negative precedent for future requests to rezone property in the area for industrial purposes. This is a conditional rezoning wherein the allowable use will be restricted to the proposed data center. The proposed use is low impact and will result in improvements to the site that will bring it further into compliance with the intent and purpose of the master plan and the zoning ordinance as described in the preceding sections of the report.

OTHER

The four parcels that comprise the site must be combined into one parcel before any permits can be issued for new construction. This is an administrative process that can be approved once all four parcels are under the exact same ownership.

The conditional rezoning request will need to be put into proper format and signed and notarized before final approval of the rezoning. The Planning Office will provide a template.

SUMMARY

This is a request to rezone four contiguous parcels located on the north side of E. Kalamazoo Street between S. Cedar Street and S. Larch Street from “DT-3” Urban core to “IND-1” Industrial, with the condition that use of subject properties will be restricted to the proposed data center as described in the attachments provided by the applicant.

The purpose of the rezoning is to permit a 24-megawatt data center that combines computing capacity with an approach to carbon-neutral heat recovery for sustainable technology and clean energy innovation. The Board of Water & Light will be providing power to Deep Green for the proposed data center. In return, the center will provide free, carbon-neutral heat directly into the BWL’s hot water system, reducing natural gas demand for the system and carbon emissions.

The findings of fact as described in this staff report support a positive recommendation for the request. The proposed rezoning will have no negative impacts on traffic, public services, the environment, or future patterns of development in the area. In addition, the proposed data center will be compatible with the surrounding land uses and will be consistent with the intent and purpose of the zoning ordinance and the master plan.

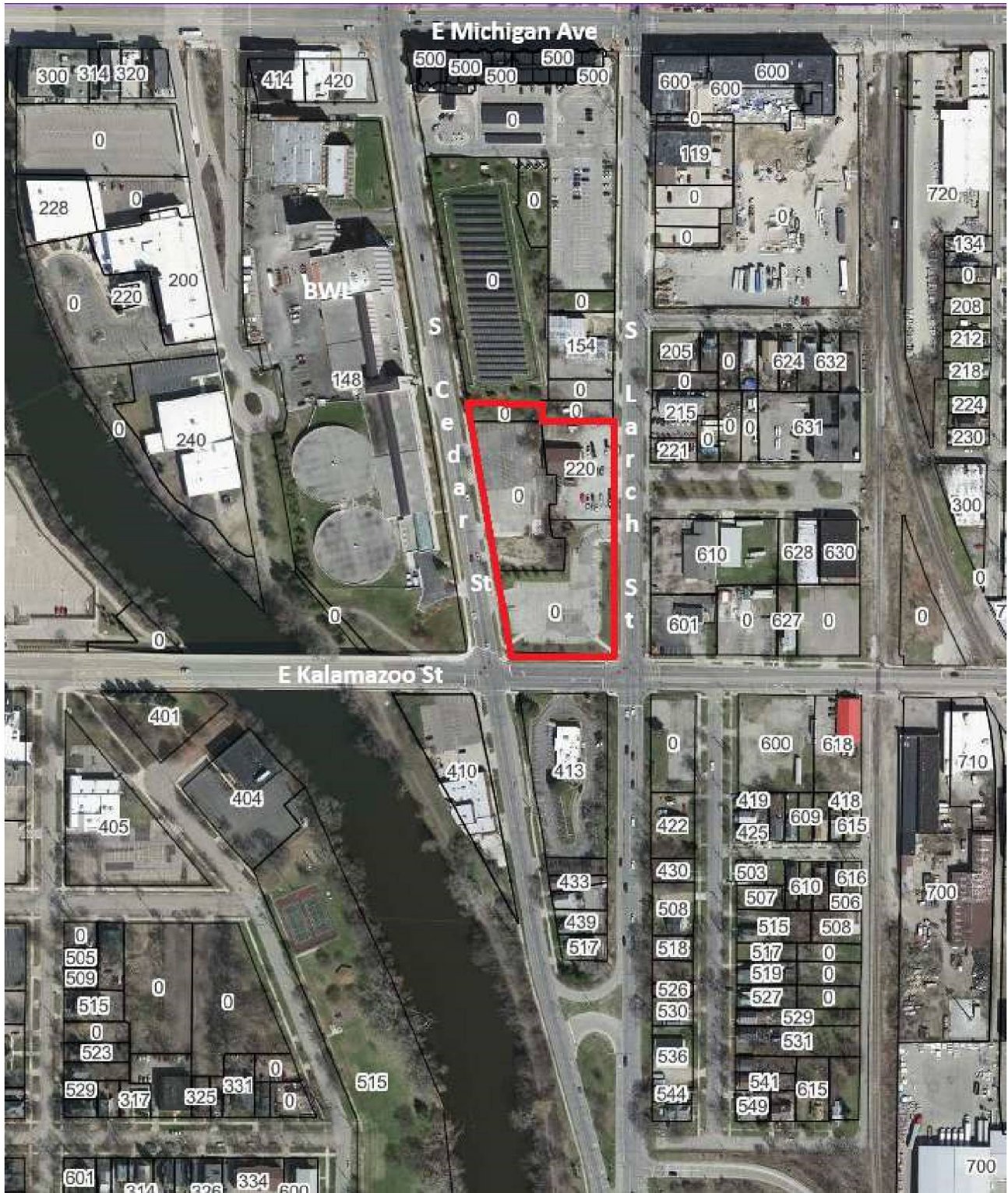
RECOMMENDATION

Pursuant to the findings described above, the following motion is offered for the Planning Commission’s consideration:

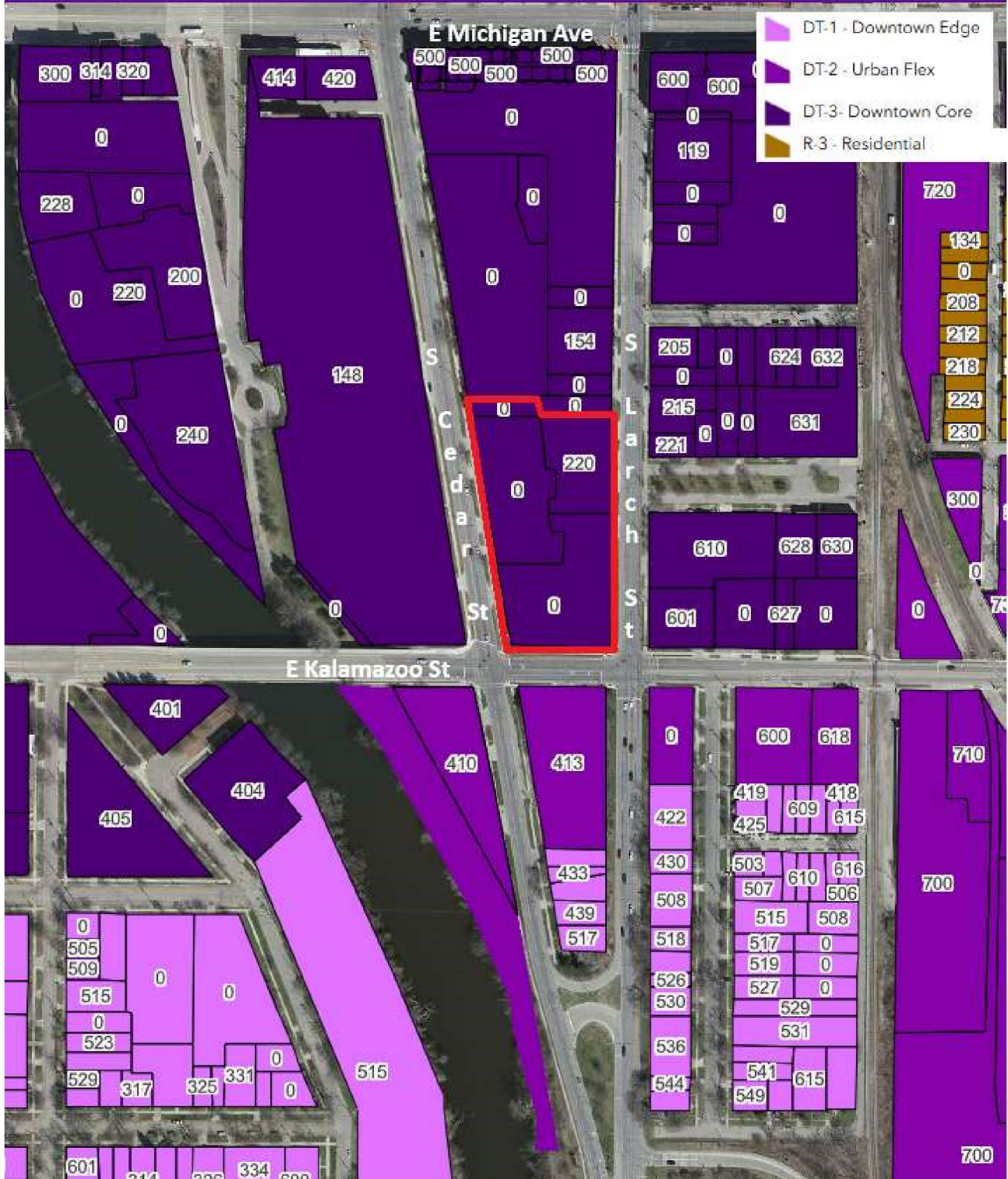
“I make a motion to recommend that the City Council approve the request (Z-2-2025) to rezone parcels 33-01-01-16-427-122, 33-01-01-16-427-082, 33-01-01-16-427-051, and 33-01-01-16-427-192 from “DT-3” Downtown Urban Core to “IND-1” Industrial, with the condition that the future use of the parcels will be limited to a data center as depicted and described in the documents provided by the applicant.”

**Respectfully Submitted,
Susan Stachowiak
Zoning Administrator**

Aerial:



Zoning:





Andy Schor, Mayor

PETITION FOR RE-ZONING

CITY OF LANSING
PLANNING OFFICE

Reset Form

Print

FILE NUMBER: _____

DATE SUBMITTED: _____

To the Honorable Mayor and City Council:

The undersigned do hereby petition for approval to rezone the following described property:

Real property and improvements commonly known as 229 S Cedar St and 220 S. Larch Street (see the legal descriptions below)

Street address, including zip code, of property to be rezoned

From DT-3 district to IND-1 district.

Legal description:

229 S. CEDAR: S 1/2 R OF E 1/2 LOT 5 & N 1.5 R OF E 1/2 LOT 6, BLOCK 241 ORIG PLAT, ALSO LOTS 1 THRU 7 INCL, JOHNS SUB REC L 1 P 51, LOT 8 JOHNS SUB, ALSO S 41.25 FT OF W 1/2 LOT 4, W 1/2 LOTS 5 & 6, AND S 57.75 FT OF N 132 FT OF E 1/2 LOT 5 EXC E 114.5 FT BLOCK 241 ORIG PLAT, S 2 R OF N 8 R OF W 1/2 LOT 4 BLOCK 241 ORIG PLAT.
220 S. LARCH STREET: S 41.25 FT OF E 1/2 LOT 4, ALSO E 1/2 LOT 5 EXC S 8.25 FT AND EXC COM 99 FT N & 136.55 FT W OF SE COR LOT 5, TH E 22.05 FT, S. 57.75 FT., W. 17.18 FT., NWLY 58 FT +/- TO BEG; BLOCK 241 ORIG PLAT

Applicant: Deep Green Technologies USA, LLC

Address (including zip code): 1007 N. Orange Street, 4th Floor, Suite 1382, Wilmington, DE 19801

Phone number(s): (248) 727-1617

Fax number: (248) 351-3082 Email: _____

Name of owner: City of Lansing (229 S. Cedar)/ 220 S. Larch, LLC (220 S. Larch)

Address (including zip code): 219 N Grand Ave, Lansing, MI 48933-1307/330 Marshall Street, Ste. 100, Lansing, MI 48912

Phone number: (517) 483-4320/ (517) 319-9262

Interest in Property (please check one):

- Option to buy, Owner, Lessee, Represent owner

Other (please specify): Applicant has a Buy-Sell Agreement with the City of Lansing, pending council approval, and a Buy-Sell Agreement with 220 S. Larch LLC to purchase the subject parcels.

IF MORE SPACE IS NEEDED FOR THE ITEMS LISTED BELOW, PLEASE ATTACH EXTRA SHEETS

Do you have a specific plan for using this property? Yes No

If so, describe and / or explain the specific land use proposed for this property:

The proposed use for the subject property is a data center with 24 MW of electric power provided by the Lansing Board of Water & Light (LBWL).

Please answer the following:

Check here if residential

| Number of bedrooms: | <u>Bedrooms</u> | <u># of Units</u> | <u>Total Bedrooms</u> |
|---------------------|-----------------|-------------------|-----------------------|
| Efficiency | | _____ | _____ |
| One bedroom | | _____ | _____ |
| Two bedrooms | | _____ | _____ |
| Three bedrooms | | _____ | _____ |
| TOTAL UNITS | | _____ | |

of accessible onsite parking spaces: _____

Check here if non-residential

Number of employees (largest shift): TBD

Number of accessible onsite parking spaces: TBD

Hours and days / week of operation: The data center will have continuous 24/7 operations.

Explain what changes or changing conditions make the passage of this rezoning necessary:

The Project will include the new construction and operation of a data center. The current DT-3 zoning designation of the subject property does not expressly permit this use. The proposed rezoning designation of IND-1 allows power plants as a principal permitted use.

Comment on other circumstances which justify the amendment:

A key component of this Project is the reuse by the LBWL of the "waste" heat that will be produced by the proposed data center. LBWL's hot water loop is currently limited to a narrow geographic area in and around downtown Lansing. The subject parcels are ideally situated to both benefit from their proximity to the hot water loop, and to provide immeasurable benefits to the LBWL and the citizens and businesses served by LBWL from the LBWL's efficient reuse of the "waste" heat. The requested rezoning will allow the Project to be constructed in accordance with certain desirable features of the DT-3 designation, while providing the flexibility of the required, expanded use of the IND-1 zoning designation.

A site plan is always helpful in analyzing the petition to rezone land.

A site plan, if appropriate at this time, should be attached to each copy of not less than 1" = 100', identifying the land which would be affected by the rezoning, the existing zoning classification of all abutting land within 300 feet, all public and private rights-of-way and easements. also, show the proposed development on the land with setbacks, access points, locations of accessory structures, trash receptacles, and parking spaces. A Landscape Screening and Buffering plan must be submitted in accordance with Chapter 1290.

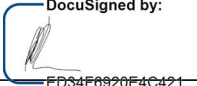
If exhibits are to be furnished late, please indicate date of submittal: _____

If exhibits are not submitted in a timely manner, the petition may be tabled or the process delayed.

FEES:

Consolidated Rate: \$1,100.00

Please have the petition reviewed by and filed with the Planning Office. The Planning Office will transmit it to the City Clerk for official submission.

Signature of applicant:  _____

Name: Mark Lee _____

For assistance, please contact:

PLANNING OFFICE
316 N. CAPITOL AVE., SUITE D-1
LANSING, MI 48933-1236
(517) 483-4066
FAX: (517) 483-6036



Mark Lee (Deep Green, CEO)

Conditional Zoning for 229 S. Cedar, Lansing, MI and 220 S. Larch, Lansing, MI

Date: 17th October 2025

The undersigned, Mark Lee, on behalf of Deep Green Technologies USA, LLC, being the prospective purchasers of 229 S. Cedar, Lansing, MI and 220 S. Larch, Lansing, MI and the applicants for a request to rezone said property from "DT-3" Commercial district to "IND-1" Industrial district, represents, offers, agrees and consents to a condition prohibiting the property from being used for any purpose other than data center operations and supporting facilities, which condition shall run with the land and be binding upon the successor owners of the land upon approval of the rezoning request by the Lansing City Council.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Mark Lee

Planning Commission FAQ

Q: What is Deep Green proposing for Lansing?

Answer: Deep Green proposes to build a first-of-its-kind 24-megawatt (MW) hyper-local, ultra-efficient data center in downtown Lansing. The \$120+ million project combines powerful computing capacity with a groundbreaking approach to carbon-neutral heat recovery, making Lansing a national model for sustainable technology and clean energy innovation.

Q: Why is a rezoning of the site appropriate?

Answer: This site is located on the edge of downtown and is currently used as a parking lot. Several other similar uses, including the Lansing BWL Dye Water Conditioning Plant, a solar array, and two vehicle service centers, already surround it.

This is a conditional zoning. This means that if the property changes ownership, *the only* use for this property can be for a data center; otherwise, it will revert back to its original downtown zoning.

Q: What is the proposed building height?

Answer: (basing this off the rendering) The proposed facility design is two stories, totaling over 25' in compliance with current DT-3 zoning minimums. The scale and design of the project will fit in with adjacent properties like the BWL water conditioning plant across the street.

Q: What are the proposed building materials?

Answer: The external cladding of the proposed building will be designed to integrate with the surrounding buildings and the City's aesthetic. The rendering submitted to the city shows a mix of concrete and brick facade. However, Deep Green is happy to be flexible in this regard and will present options (e.g. brick facade, concrete, metal) if the city wishes to see other designs.

Q: How many employees will be stationed at the site at any one given time?

Answer: We anticipate up to 15 employees when operating at full capacity.

Q: How many parcels are included in this rezoning request? There are four parcels that are included in the site plan application, noted in the attached graphic. The parcels included in the rezoning are: 33-01-01-16-427-122, 33-01-01-16-427-082, 33-01-01-16-427-051, and 33-01-01-16-427-192

Q: What type of fencing is proposed?

Answer: The site will be well-secured with a combination of decorative wrought iron fencing and concrete walls. There will be landscaping between the street/sidewalk and the concrete walls. We are also creating opportunities for murals and/or other public art. As with the external walls, Deep Green is happy to be flexible in regard to materials and aesthetic and will consult with the City to ensure that the project aligns with other local buildings.

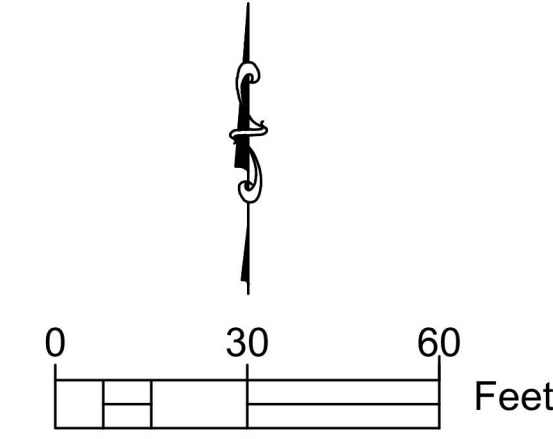
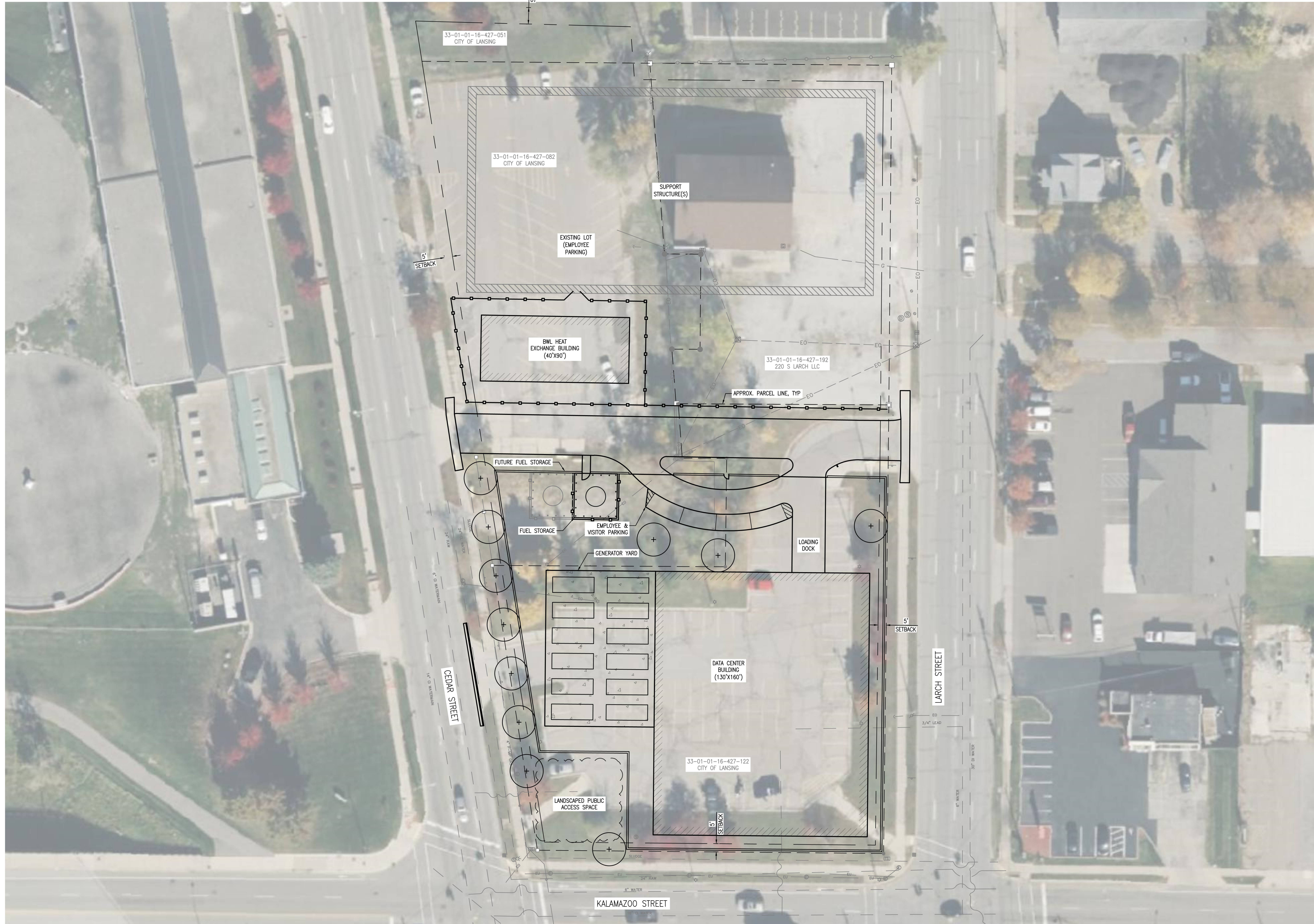
Q: Will the proposed land use generate any noise, vibrations or odors?

Answer: Deep Green builds its data centers with community integration top of mind. The facility is hyper-efficient and near-silent. It will not be any louder than any other nearby land uses, and it will not produce any vibrations. There are no residential properties located adjacent to this facility.

The main source of potential noise odor will be the backup power generators. These will need to run for a short time once a month, and the odor is similar to that of french fries. Outside of regular testing, these will only be used in rare instances of power failure. The generators will be housed in acoustic shells and comply with the maximum permitted noise levels set by the relevant city building codes.

Q: What is Deep Green's association with the BWL as regards this project?

Answer: BWL will be providing power to Deep Green for the proposed data center. In return, we will supply free, carbon-neutral heat directly into BWL's hot water system, reducing natural gas demand for the system, cutting carbon emissions and creating lasting community benefits.



(866) 454-3923 | WWW.C2AE.COM

CONCEPTUAL SITE PLAN

MARTIN DEEP GREEN PROJECT
INGHAM COUNTY, MI

PHASE

CONCEPT

ISSUANCES

| # | DESCRIPTION | DATE |
|---|-------------|------------|
| 1 | CONCEPT | 10/16/2025 |

PROJ. #: 25-0108
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ALL RIGHTS RESERVED





**DEEP
GREEN**

Powering Progress.
Supporting Community.

October 2025



**WE'RE READY TO
SERVE LANSING**

Who are Deep Green?

Data centers are the critical infrastructure that underpin the technologies we all rely on day-to-day as well as unlocking the next wave of technological innovation and growth.

We are a data center developer and operator delivering next-gen digital infrastructure to harness the power of AI & HPC (Artificial Intelligence & High Performance Compute).

Deep Green's heat reuse data center model will provide computing power and carbon-free heat to Lansing's district energy heating system.

We are backed by Octopus Energy Generation, one of Europe's largest renewable energy infrastructure investors.



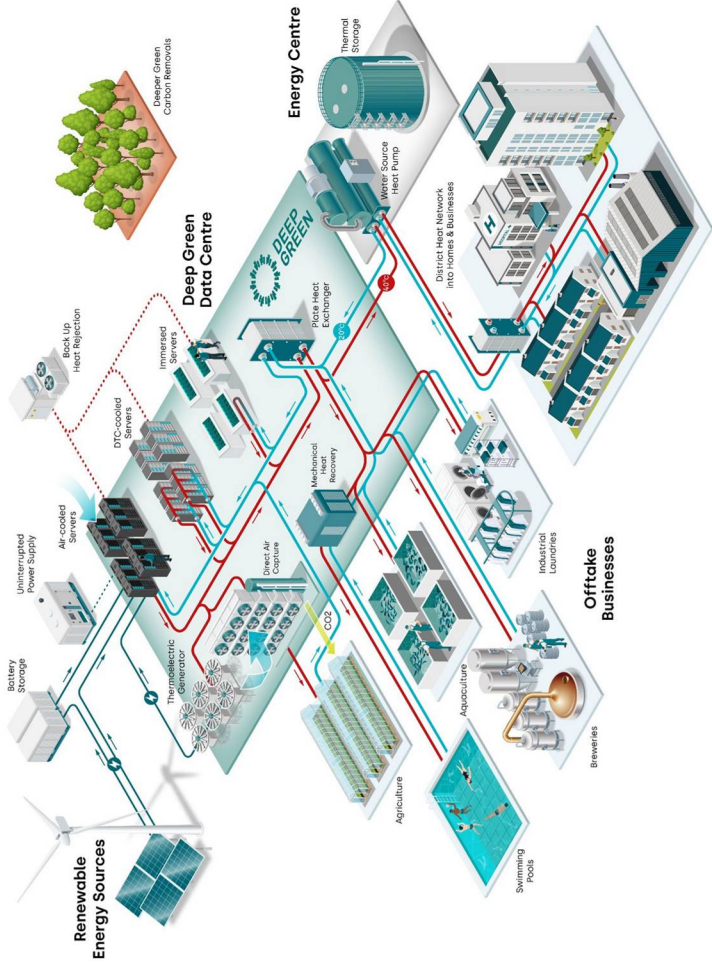
Deep Green Data Centers

We capture the **zero carbon** heat energy generated by our data centers and give it to the communities we operate in.

Unlike large scale hyperscalers, we build smaller **colocation data centers** that operate within the communities we serve. These offer **local services** for state and regional businesses for their everyday compute requirements.

Our Mission: to accelerate the decarbonisation of heat, for the benefit of people and the planet.

Our promise: to unlock economic growth, energy efficiency, and community benefit, by building infrastructure that serves both the digital and physical needs of the communities we operate in.

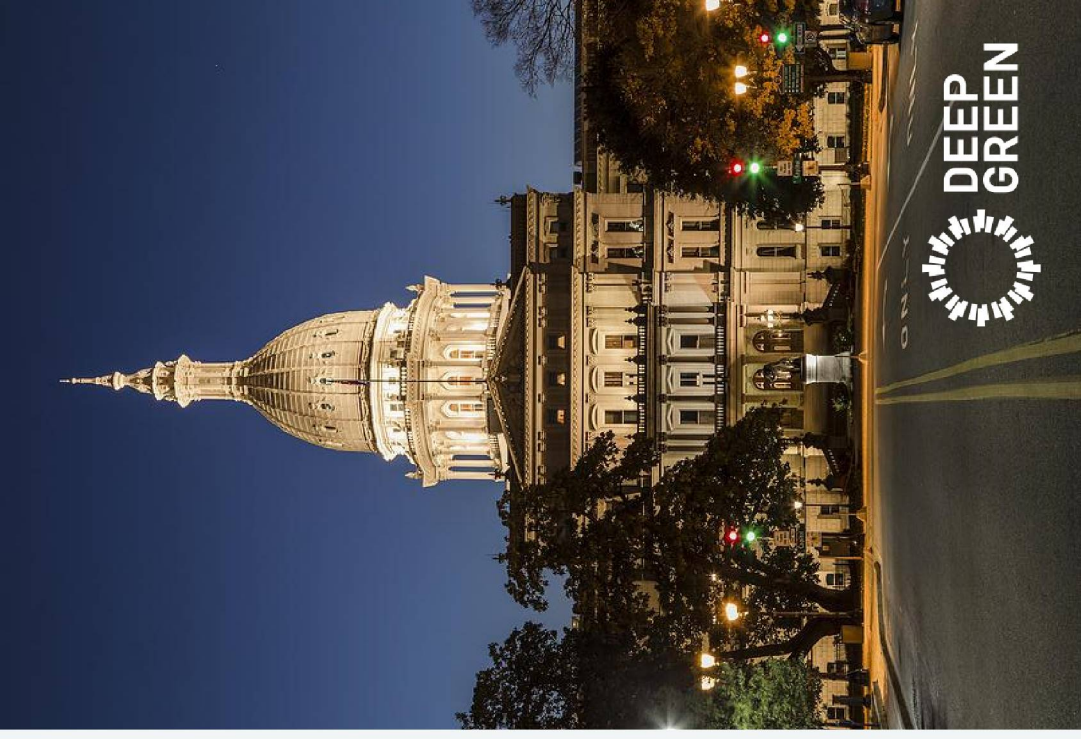


Our Vision: Lansing as a Lighthouse.

By turning digital infrastructure into a source of clean, usable heat, Lansing can lead the way in showing how technology and community benefit go hand in hand.

A first-of-its-kind heat-reuse data center, built for Lansing, inspiring cities everywhere:

- 20MW sustainable data center powering tomorrow's technologies
- Carbon free heat reused for Lansing's district energy heating system
- Dozens of new local jobs and long-term economic impact
- Aligned with Lansing's climate and innovation goals



Not just another data center

Deep Green's unique heat reuse design means we build the most efficient, ESG-aligned data centers on Earth.

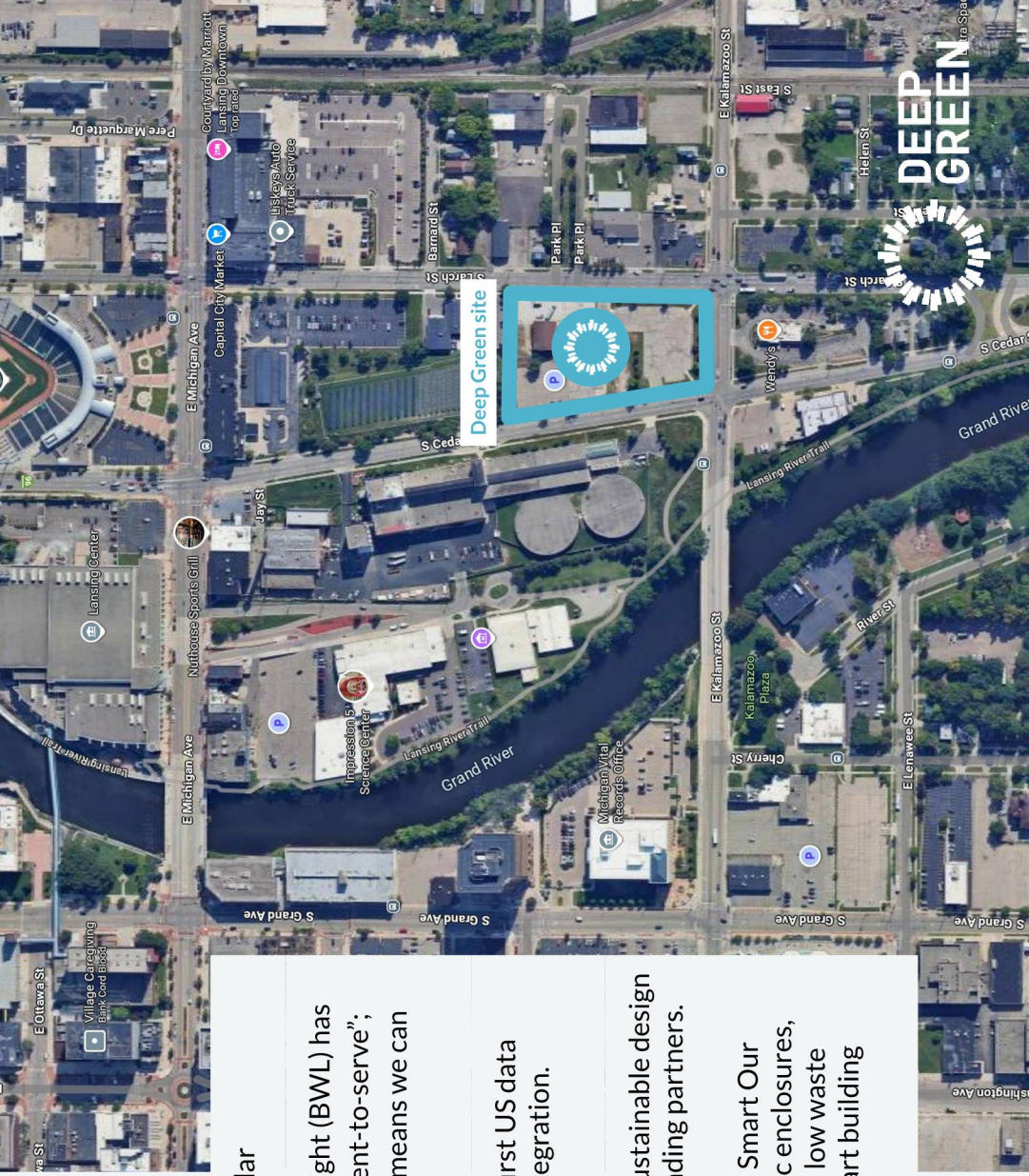
What makes a Deep Green data center different:

- Hyper power efficient
- Heat capture and reuse
- Negligible water use
- 100% clean energy

| | Deep Green | Conventional DC |
|---|-------------|-----------------|
| Rack Density | Up to 600kW | <50kW |
| Time to Deploy | 6-12 months | 3-6 years |
| Power Usage Effectiveness (PUE) Total incoming power vs useful IT power | 1.03-1.17 | 1.2-1.5 |
| Energy Reuse Factor (ERF) Energy reused vs total energy consumed. | 0.82-0.93 | 0 |
| Water Usage Effectiveness (WUE) Litres of water used per kWh of IT consumption. | <0.01 | 0.3-0.8 |
| Renewable Energy Factor (REF) Renewable energy used vs total energy used. | 1 | <0.5 |
| Cooling Efficiency Ratio (CER) Heat removed vs energy used to remove the heat. | 2+ | <1 |

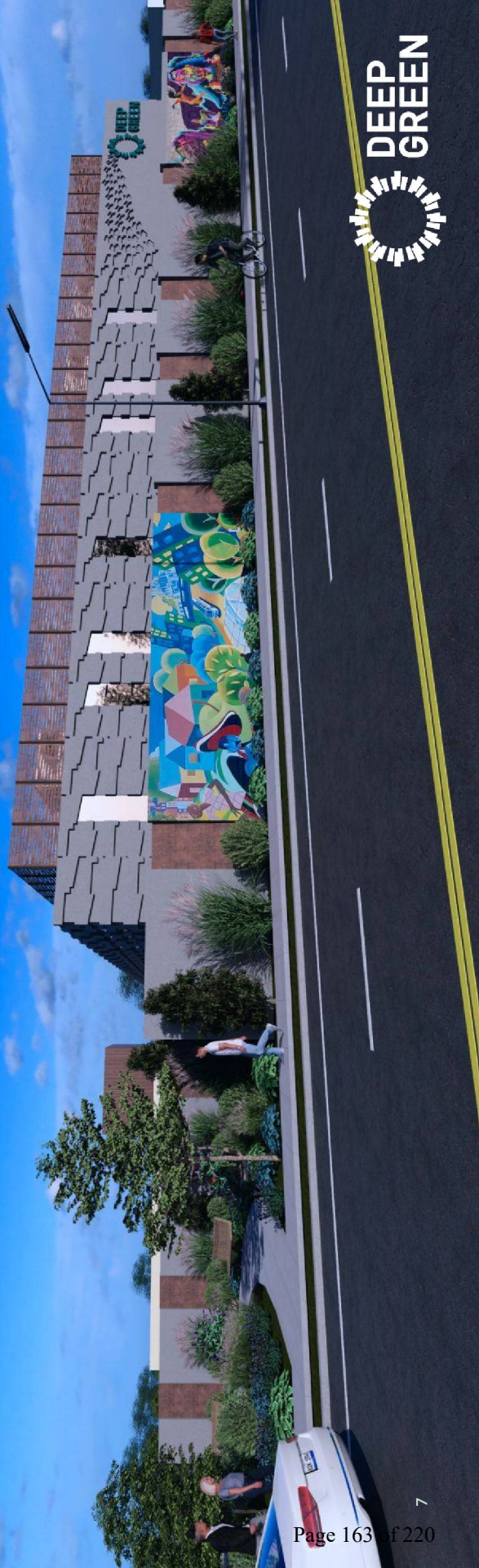
The Proposal

- Location:** Lansing, Kalamazoo & S Cedar
- Capacity:** Lansing Board of Water & Light (BWL) has issued a 24 MVA “commitment-to-serve”; spare transformer capacity means we can energize within 12 months.
- Heat recovery:** Opportunity to deploy the first US data center and heat network integration.
- Sustainable design:** Low-visibility facility with sustainable design developed with industry-leading partners.
- Environmentally conscious:** Quiet, Safe, Sustainable and Smart Our facility incorporates acoustic enclosures, redundant safety measures, low waste modular materials, with smart building controls and sensors.



Rendering

Deep Green will work with the City of Lansing to ensure aesthetic aligns with local buildings.



The community benefits of heat reuse

The heat generated by Deep Green data centers is transferred to BWL's hot water system. Deep Green will not charge BWL for this heat**.

This heat will directly reduce the gas demand required to run BWL's hot water network.

The reduced gas demand mean carbon savings by utilizing waste heat.

Every year

265k ^{MMBtu}

Data center heat generated for the City of Lansing, every year

\$1.1m

Estimated annual savings in BWL gas costs*

310k ^{MCF}

Annual reduction in natural gas demand for BWL

14.1k ^{tCO₂}

Annual BWL carbon savings

*Based on offsetting 310k MCF at a gas price of \$3.50/MCF.

**Note BWL will require additional electricity for heat pumps to boost data centre heat to operating temperature.

Turning heat into community warmth

Community programmes

- Deep Green operate community programmes in every city we operate in
- These equate to \$500/MW of contracted data center space. Once fully contracted, this equates to **\$120,000 per year** donated to Lansing charities.
- Deep Green will work with the City to identify the most impactful use of these funds

Investing in East Lansing's economy

- **50+** jobs during construction and operations
- Long-term skilled employment: technicians, engineers, administrators
- Local contracts and services: landscaping, security, maintenance

9 ©2025 Deep Green

Example programmes that could be supported



Lansing initiatives:

- Capital Area Housing Partnership
- City Rescue Mission of Lansing
- Capital Area United Way
- Greater Lansing Food Bank



Pennies for Power (BWL)

Help families in need in the Lansing area pay their utility bills



LCC Foundation:

- Supporting community through LCC Cares
- Workforce Development through grants

Deep Green are looking forward to working with the City to identify high impact causes.



People love to
share good news.
It could be yours.

BBC

computing

Evening Standard

techradar



REUTERS

THE TIMES

green
BUSINESS JOURNAL

the guardian

BusinessGreen

BRIGHTER
SIDE OF NEWS

DevonLive

elemental
Advancing technologies in heat, water, air and energy

ICIBSE
JOURNAL

VIRGIN RADIO UK

capacity

TECHMONITOR



itv

NewsHub.

Sample of Deep Green TV, radio & press 2023, with total audience reach of 30 million+

Thank you

A win-win for Lansing

Clean technology + jobs + community benefits

= A proven model, ready to deliver

We welcome your questions, input, and partnership

For enquiries, please contact:

Mark Lee

CEO

mlee@deepgreen.energy

+44 (0) 75 5705 5818

Olly Jones

Chief of Staff

ojones@deepgreen.energy

+44 (0) 79 2003 7994



**GOOD
FOR
NOTHING**

**DATA CENTRES THAT
GENERATE FREE HEAT**



**DOES
YOUR
DATA
CENTRE
DO THIS?**

**DATA CENTRES THAT
GENERATE FREE HEAT**



**IT'S ONLY
WASTE
IF YOU
WASTE IT**

**DATA CENTRES THAT
GENERATE FREE HEAT**



City Parking Lot – E. Kalamazoo Street



City Parking Lot – S. Cedar Street



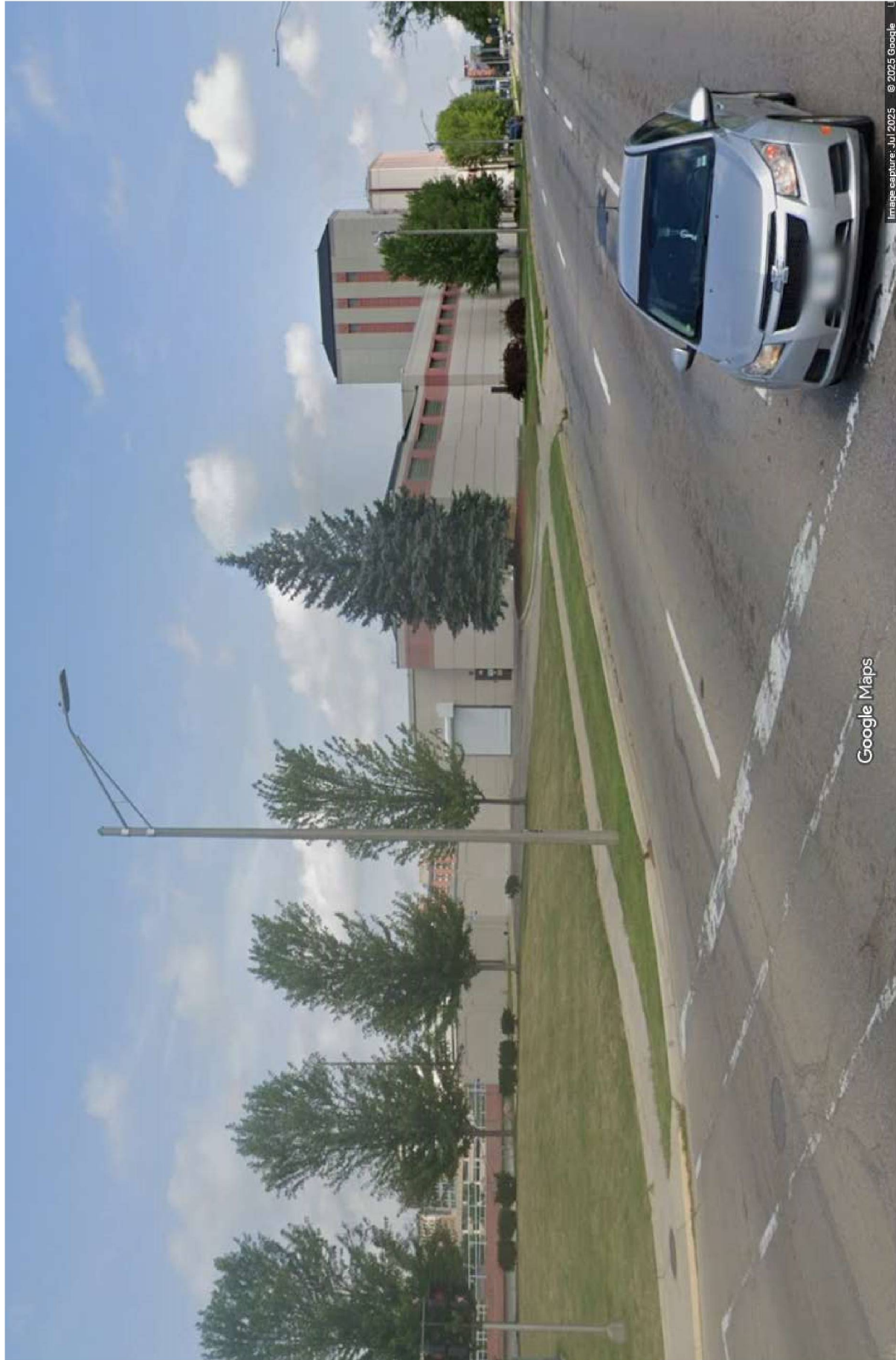
Vacant City Lot – S. Cedar Street



220 S. Larch Street



BWL Plant– E. Kalamazoo Street & S. Cedar Street



**Z-2-2025, 200 blocks of S Cedar St. and S Larch St.
Rezoning from DT-3 “Downtown Core” to IND-1 “Industrial”**

This is a request to rezone parcels 33-01-01-16-427-122, 33-01-01-16-427-082, 33-01-01-16-427-051, and 33-01-01-16-427-192, located on the north side of E. Kalamazoo Street between S. Cedar Street and S. Larch Street from “DT-3” Urban Core to “IND-1” Industrial with the condition that the use of the property will be restricted to a data center and its supporting facilities. The purpose of the rezoning is to permit a 24-megawatt data center that combines computing capacity with an approach to carbon-neutral heat recovery for sustainable technology and clean energy innovation. The Board of Water & Light will be providing power to Deep Green for the proposed data center. In return, the center will provide free, carbon-neutral heat directly into the BWL’s hot water system, reducing natural gas demand for the system and carbon emissions.

The staff recommendation is to approve the rezoning based upon a finding that the proposed data center will be consistent with the intent and purpose of the zoning ordinance and the master plan, as described in the staff report.

At the public hearing held by the Planning Commission on November 4, 2025, the applicant’s representatives and three other individuals spoke in favor, and 16 individuals spoke in opposition to the request.

At its meeting held on December 2, 2025, a motion to approve the request failed by a vote of 3-4.

stated it is a low-power FM radio station, and that it is an allowable accessory use. There are other zoning requirements for communication towers and antennas that are being met with this request.

Mr. Klont opened the public hearing.

Stephen Monte (sp) stated that allowing a church will result in property tax revenue for the City and encouraged the City to enforce parking requirements.

Seeing no one else wishing to speak, Mr. Klont closed the public hearing.

Ms. Alexander made a motion, seconded by Mr. Jackson, to recommend approval of SLU-2-2025, 4220 S Martin Luther King Jr. Blvd., Special Land Use Permit – Place of Worship.

On a voice vote the motion carried unanimously (7-0).

5. COMMENTS FROM THE AUDIENCE

Brad Clark spoke in support of Z-2-2025 and stated that the anticipated utility and energy use has been said to be within the capabilities of the Lansing Board of Water and Light (BWL).

Nichole Biber spoke in opposition of Z-2-2025 and stated that the proposed use is not appropriate for the downtown area. Ms. Biber stated that only 15 full time jobs would be created and the operations would necessitate the continued use of fossil fuels.

Lisa Lee spoke on the negative public health effects of BWL and Consumers Energy operations.

Kendall Uckele spoke in support of Z-2-2025 and the sale of property Act-7-2025. Ms. Uckele stated that the water usage is said to be comparable to a fast food restaurant and that any public health effects will be minor compared to a major manufacturing or industrial user moving in. Ms. Uckele supported the proposed savings for the downtown hot water system.

Jack Pressman, representative for the applicant, spoke on the low-scale operations of the proposed data center compared to mega-sites being proposed on greenspace and farmland, the expected energy use, the expected number of jobs and yearly tax income, and the purchase price for the City.

Sam Nelson spoke in opposition of Z-2-2025 and his opinion that data centers are a speculative business.

Marshall Clabeaux spoke in opposition of Z-2-2025 and claimed that large energy users and natural gas plant development will cause BWL to miss its clean energy targets.

Tim Daman, Lansing Regional Chamber of Commerce, spoke in support of Z-2-2025 and about the need for new tech jobs for the Lansing area.

Elizabeth Chiaravalli spoke on need for other land uses for the Downtown and riverfront area, her opposition to living next to nuisance side effects, and in opposition of Z-2-2025.

Ariana Brown spoke on the possible fire hazard of the data center with battery storage. Ms. Brown spoke on the lack of public outreach by the applicant and in opposition of Z-2-2025.

Stephen Monte (sp) spoke in opposition of Z-2-2025.

Sarah Evans spoke in opposition of Z-2-2025.

Yolanda Pope stated her wish for the Planning Commission to review rules on transitional housing and the definition of 'functional family' and to recommend changes that would allow more adults to occupy a single-family residence.

Emma Bostwick, Lansing Economic Area Partnership, spoke in support of Z-2-2025 and Act-7-2025.

Rawley Van Fossen, Director of the Economic Development and Planning Department (EDP), spoke on the ongoing Deep Green engagement with City staff, and that both applications have the Mayor's support. Mr. Van Fossen stated that the Parking Services Office is a division within EDP that has supported the sale of the parking lots. Mr. Van Fossen stated that the lots have received no other real offers.

Josh Hovey, Bellwether Public Relations, public relations for Deep Green, spoke on the appropriateness of the rezoning request in relation to the light industrial uses of BWL next door and adjacent to the east, as well as marijuana operations another block over. Mr. Hovey stated that the operations of Deep Green would result in less ambient noise than BWL's REO Town operations and that they will utilize mitigation techniques.

Sheila Contreras, spoke on her lack of trust in BWL, her public health concerns with a data center, and in opposition of Z-2-2025.

Michael Robertson spoke in support of previous comments regarding changes to zoning rules on transitional housing and the definition of 'functional family'. Mr. Robertson spoke the lack of federal and state regulation of data centers and stated that data centers should utilize brownfields.

Shantel Rodriguez spoke in opposition of Z-2-2025 and Act-7-2025.

Seeing no one else wishing to speak, Mr. Klont closed the public hearing.

6. RECESS

Mr. Jackson made a motion, seconded by Mr. O'Dell to take a five-minute recess. On a voice vote the motion carried unanimously.

Mr. Klont called the meeting back to order at 7:48.

7. BUSINESS

A. Consent Items

- (1) Minutes for approval: November 5, 2025
The minutes from the November 5, 2025, Planning Commission meeting were approved without objection.

B. Old Business –

- (1) **Z-2-2025, 200 blocks of S Cedar Street and S Larch Street, Conditional rezoning from DT-3 Downtown Core to IND-1 Industrial.**

Mr. O’Dell made a motion, seconded by Mr. Muchmore to approve Z-2-2025, 200 blocks of S Cedar Street and S Larch Street, Conditional rezoning from DT-3 Downtown Core to IND-1 Industrial.

Mr. O’Dell stated his appreciation for those who made public comments and attended both meetings. Mr. O’Dell reiterated comments made by former Councilmember James Blair about the original purpose of the City holding these properties for parking, but having a long-term vision for redevelopment. Mr. O’Dell stated the fact that no development has taken place in those 35 years so he supports this redevelopment proposal.

Mr. Ruge spoke on his concerns for the proposed land use conflicting with the vision of the Stadium District. He spoke on the long history of redeveloping the 500 block of E Michigan into the baseball stadium and the mixed-use building on land which included a city-owned maintenance garage. Mr. Ruge stated his belief that redevelopment may spread north and south now that the main corridor has been redeveloped.

Mr. Muchmore reiterated Mr. O’Dell’s comments and stated his support due to the long-term vacancy of the parcels.

Ms. Alexander agreed with Mr. Ruge’s comments and stated her desire that any building be oriented toward the streetscape and not have any blank facades.

Mr. Klont told the audience that Planning Commission’s schedules are established at the end of previous years and have been held the first Tuesday at 6:30 PM of each month for years. There was no intention to conflict with any other public meeting.

On a roll call vote the motion failed 3-4. Mr. Jackson, Ms. Alexander, Mr. Ruge, and Mr. Lippert cast the dissenting votes.

Mr. Ruge asked a question about voting procedure and if a motion to table the request could have been taken.

C. New Business

- (1) **Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property**

Mr. Fedewa presented the request from Deep Green Industries USA LLC to purchase three parcels of real property from the City. As stated by Ms. Stachowiak and the Z-2-2025 case, these properties are commonly referred to as Lot 49, along E Kalamazoo St. and Lot 49a, along S Cedar St. Mr. Fedewa

stated Lot 49 was acquired in 1990 for \$600,000 and Lot 49a was purchased in 2010 for \$350,000.

Mr. Fedewa reviewed the known history of the sites stating that the old motel buildings were razed in the 1990s to make way for Lot 49. In 2007 the City attempted to swap the E Kalamazoo property for the one along S Cedar St. to help facilitate the development of a mixed-use building that ultimately did not happen due to the Great Recession. The City eventually followed through its own purchase of what would become Lot 49a, with a long-term vision for dense, multi-use development. These properties were also part of a 2007 rezoning attempt, from "H" Light Industrial to "G-1" Business, that was recommended for approval by that Planning Board, but was withdrawn before the City Council vote.

Mr. Fedewa stated that there are 145 total parking spaces used by a few permit holders as well as event parking for Lansing Lugnuts games, Lansing Center events, and Choose Lansing. In 2023, there were only eight permit holders. All users have been notified of the proposed sale and the City is conducting ongoing talks with each to identify alternative locations based on individual needs. No user has objected or expressed a concern for their respective needs next year.

Mr. Fedewa referenced a table and chart in the agenda packet showing parking revenue FY 2021-2025. Although numbers were not available at the time of printing, staff now knows in the five years prior to the Covid-19 pandemic the lots were averaging \$80,000 to \$100,000 in annual revenue. In the last five years the lots made only \$43,000 total. The Parking Services Office does not expect pre-Covid numbers to recover. In the 2023 Parking Study, these lots were identified as assets for sale. A 2023 appraisal valued the two lot properties at \$1,450,000. Also in 2023 the Lansing Economic Development Corporation in partnership with the City released an request for proposals. Only one firm responded with an offer for a multi-family residential development, however that fell through. Deep Green has been the only other firm to submit a purchase offer in this time period.

Mr. Fedewa reviewed a section of the 2012 Comprehensive Plan that discusses this area. The Plan envisioned a transition from industrial and heavy commercial to a mix of office, retail, entertainment, arts/culture live-work, and residential uses and to build off the main E Michigan Avenue redevelopment. However, the Plan does concede that light industry can continue to be part of the mixed-use area if external impacts such as outdoor storage, noise, and truck traffic are minimized and buildings and parking are sited in-line with the urban, pedestrian-friendly vision of the area.

Mr. Fedewa stated that although the proposed data center does not meet the dynamic, mixed-use vision the Plan or prior City Councils had hoped for, he personally recognizes that redevelopment has so far failed to extend to the 500-600 block of E Kalamazoo St. even with major projects such as Block 600 on E Michigan Ave. This area is still dominated by infrastructure/utility, motor

vehicle, and light industrial uses, or worse vacancies. There are four other major vacant parcels just across the street that have been on the market for years, showing the difficulty in redeveloping this intersection.

Mr. Fedewa stated with the drop in parking lot usage, the major decline in revenue, the lack of alternative proposals, it is staff's opinion that sale of the properties is in the City's best interest. These properties are under-utilized and not needed for parking services or other city operations. Mr. Fedewa recommended approval of Act-7-2025.

Mr. Jackson asked staff why the area has lacked redevelopment even with the zoning change to allow it. Ms. Stachowiak stated that the major reason is the one-way State trunklines, as well as the BWL uses, and legacy industrial businesses. Because there are major vacant expanses there is noticeable vehicle speeding along these sections. Without street redesign to slow down traffic or a major catalyst to start bringing a critical mass of new buildings closer to the sidewalks as required in the zoning ordinance, the perception of the area will continue. Part of the sale agreement will require the proposed data center to adhere to the DT-3 site layout requirements and architectural standards instead of those for IND-1 or industrial buildings, meaning the building will be sited at the corner of E Kalamazoo St. and S Larch St., and will appear as a normal commercial building rather than a warehouse.

Mr. Jackson stated that he believes future development can extend further north and south from the main E Michigan Ave. core.

Mr. Ruge made a motion, seconded by Mr. O'Dell to recommend approval of Act-7-2025, 200 block S Cedar Street, Sale of Property.

On a roll call vote the motion carried 5-2. Ms. Alexander and Mr. Jackson cast the dissenting votes.

8. REPORT FROM PLANNING & ZONING OFFICE – None

9. COMMENTS FROM THE CHAIRPERSON – None

10. COMMENTS FROM COMMISSION MEMBERS

Ms. Alexander reminded everyone in attendance to review Consolidated Plan materials and to leave comments with the City to help allocate major federal funds.

Mr. Muchmore wished to thank members of the public for attending and staff for their time in preparing materials for the meeting.

11. PENDING ITEMS: FUTURE ACTION REQUIRED – None

12. ADJOURNMENT – The meeting was adjourned at 8:22 p.m.

From: Dr. Chris Sovey <chris@healthyconsumerpt.com>
Sent: Thursday, November 6, 2025 8:19 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] Proposed Data Center In Lansing

Hello Ms. Stachowiak,

My name is Dr. Chris Sovey. I'm writing as a Lansing resident to express serious concern about the proposed downtown Deep Green data center project recently featured in *Lansing City Pulse*. While I understand the appeal of economic development, I believe this project presents significant environmental and community risks that must be fully reviewed before any approval or rezoning is granted.

My primary concerns include:

1. Water Usage and Supply Risk

- Data centers use substantial amounts of water for cooling — often millions of gallons annually per megawatt of power demand.
- Lansing's municipal water system already supports residential, commercial, and industrial users; additional draw could strain infrastructure and raise long-term costs for residents.
- Public transparency is needed regarding the projected annual water consumption, source (potable vs. non-potable), and potential impact on local supply or aquifer levels.

2. Thermal and Chemical Discharge

- Cooling systems generate heated and mineral-laden discharge ("blowdown") that can affect local water bodies if not properly managed.
- The city should require full environmental disclosure and a plan for closed-loop or reclaimed-water systems before approval.

3. Energy Consumption and Air Quality

- AI-grade data centers are among the most energy-intensive facilities per square foot.
- Lansing's grid would need to accommodate constant 24/7 load; if fossil-fuel backup generators are included, emissions and noise could harm local air quality and nearby neighborhoods.

4. Transparency and Community Oversight

- Most data-center operators do not publicly disclose real-time data on water and energy use.
- Any approval should include strict public reporting requirements for water withdrawal, discharge quality, and energy sourcing.

5. Land Use and Neighborhood Impact

- A facility of this scale changes the character of the downtown corridor.
- Increased traffic, waste heat, and noise from cooling towers could degrade nearby property values and quality of life.

6. Precedent and Environmental Justice

- Once a heavy-infrastructure use is approved downtown, it sets a precedent for similar high-impact facilities in the urban core rather than industrial zones.
- Residents in older neighborhoods near downtown already face environmental burdens — this project risks compounding them.

I respectfully request:

- That no site plan or rezoning be approved until a full environmental impact study is completed.
- That all projected water, energy, and emissions data be made public.
- That residents be given adequate notice and opportunity for input before any final vote.

I would appreciate being informed of upcoming public hearings related to this project.

Lansing deserves development that supports long-term sustainability without compromising public resources or neighborhood well-being.

Thank you for your attention to these concerns.

--

Chris Sovey, DPT, RN, BSN

<http://www.healthyconsumerpt.com>

<http://www.youtube.com/sovchr>

<http://www.facebook.com/hconsumerpt>

Phone: 517-245-1445

Fax: [833-352-3618](tel:833-352-3618)

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THIS IS OUR COMMON GROUND.

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GRAND RAPIDS MI 493

As my representative, I expect you to use your influence in Congress to advance these positions. The majority of Americans stand with me.

Do not allow Data Centers to endanger our environment & our Great Lakes.

They are bad for communities
Do Not sell out to Big Tech

AI will Fail.

48933-160510

-Rathrune

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As my representative, I expect you to use your influence in Congress to advance these positions. The majority of Americans stand with me.

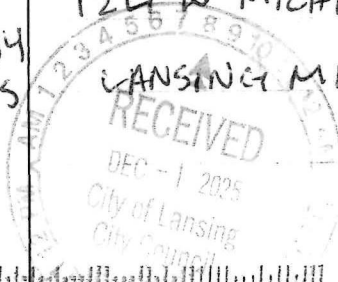
15 jobs, destroying our environment, and making Lansing unlivable. Financially is not worth keeping up with technology when it means allowing companies to erect a data center that will destroy our city.

48933-160510



1775 ★ 0123

LANSING CITY COUNCIL
124 W MICHIGAN AVE
LANSING MI 48933



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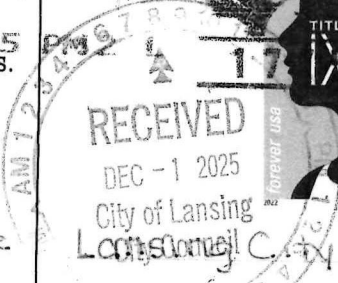
As my representative, I expect you to use your influence in Congress to advance these positions. The majority of Americans stand with me.

Do NOT allow the Deep Green data Center to pass! Communities across the globe are grossly impacted by AI data Centers in the most negative ways. Not every drop of minuscule Prosperity needs to be drained from our communities for the sake of a hazardous food, padding millionaire & billionaire pockets and will only affect Every Person

48933-160510



1775 ★ 0123



LANSING CITY COUNCIL
Lansing City Council
City Hall
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Lansing, MI 48933



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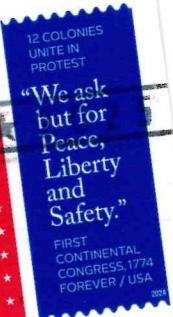
26 NOV 2025 PM 4

As my representative, I expect you to use your influence in Congress to advance these positions. The majority of Americans stand with me.

NO DATA CENTER
in Stadium District

We don't want it!

**RESISTING. PERSISTING.
INSISTING ON CHANGE.**



Lansing City Council
City Hall
124 W. Michigan Ave
Lansing, MI 48933



Print FREE at: SignsofJustice.com/mail

From: Sunny <faithsaeerah@protonmail.com>
Sent: Wednesday, November 5, 2025 1:48 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] NO to Deep Green Data Center

Hello,

I am unable to make the zoning meeting tonight and wanted to write about the proposed Deep Green data center in downtown Lansing. I am a homeowner and urban farmer in Lansing and am writing to express my strong disagreement for the building and running of this data center in our community. Across the United States communities have been feeling the negative effects of data centers including excessive water and energy usage and the prioritization of corporations over residents. Globally, we are already hurtling past climate tipping points which the proliferation of AI has contributed to. We need to be consuming fewer resources as a community and a nation, and prioritizing investments in actually sustainable solutions, not just ones that are so-called "carbon neutral." An MSU professor Doug Besette said "A data center will never be sustainable. It will always require more energy to run than it could ever produce. So they're arguing that it's sustainable because it's almost carbon-netural and they're prodcing heat the BWL needs anyway--well, yeah, but you also have to power the data center." The number of jobs this data center would bring in no way outweighs the negatives that data centers have been seen to bring to communities across the nation. Please do not rezone the proposed area, where myself and many of my loved ones live and grow food close to, from urban core to industrial.

Thank you,
Faith Bradley

From: Henry Fessler <fesslerhenry@gmail.com>
Sent: Wednesday, November 5, 2025 1:43 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] Expressing Disapproval of Redistricting for a Data Center

Hello Ms. Stachowiak,

My name is Henry, and I live in Ward 1 over by Sparrow. Today, you will be discussing redistricting to allow Deep Green to build a data center in downtown Lansing. I wanted to write to express my disapproval for this project.

While Deep Green and BWL make promises about the center being a positive impact on our electricity grid that will lower prices, that isn't how I've seen these projects play out in other communities. Atlanta communities can track 70% of price increases back to data centers, and Carnegie Mellon found data centers could drive 8% or even 25% rate increases.

When nearly half of Michigan is spending 10% of their income on energy, we as a community can't afford to be anything less than completely confident in our initiatives.

Deep Green, even in name, is promoting this center as a green initiative, but it could majorly set back our climate initiatives as well. I and many of your constituents don't buy that these centers are a foregone conclusion. These centers take energy to make heat, just like we do today. Without plans to power the center in a clean way, this heat isn't free. We'll pay for it with environmental and health outcomes.

I'm firmly against this redistricting, and I hope you will consider pushing back against it.

Thank you for hearing the opinions of your residents.
Henry

From: Janice Heebsh <janice.ebeling@gmail.com>
Sent: Wednesday, November 5, 2025 12:44 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] Absolutely No Data Center in Lansing.

Good Afternoon,

I am writing you as a resident of East Lansing-in support of my neighbors in Lansing- to oppose the zoning approval for the proposed data center on Kalamazoo Avenue.

As people struggle with their bills, and winter comes, the news of a new possible data center is chilling. While the news and the BWL cites the cost savings and the wattage surplus they are capable of, this will be a devastating blow for those struggling to afford and keep the electricity on in their own homes.

Nationwide, data centers cause the cost of electricity to increase 5% on average, and some locations experienced an appalling 257% increase to their bills. While Lansing struggles to house, feed and warm their constituents, approval of the data center sends the message that the people of Lansing and neighboring cities' are expected to carry more burdens for corporate interests benefit.

Data centers are fed though either a powerful burden on electricity or a powerful drain on water to cool their equipment. The promise of 50 jobs is not significant enough to compensate for the environmental impact, the impact on resident's pockets, and the impact on neighboring cities.

Additionally, data centers are not industries that produce high impact products. They are a repository of information on internet users who do not have rights to their privacy. Approving this when thousands of people in Lansing are homeless, and going hungry as winter sets in is ghoulish.

If the city truly wishes for more "High Tech" and "Environmentally Green" jobs and industry in their city, they should welcome solar, wind and battery technology factories whose products promise a renewable and energy-independent future for Lansing, and Michigan as a whole, and whose pollution is offset by large volumes of quality jobs.

Thank you for hearing me out, and I look forward to your response

Janice Heebsh



November 5, 2025

Lansing City Planning Commission
Neighborhood Empowerment Center
600 W Maple Street
Lansing MI 48906

RE: Support for Item 4 B Z 2 2025 Conditional Rezoning 200 Blocks of S Cedar and S Larch Streets

Dear Chair and Members of the Planning Commission:

On behalf of the Lansing Regional Chamber of Commerce, I write to express strong support for Item 4 B Z 2 2025, the request to conditionally rezone the property located in the 200 blocks of South Cedar Street and South Larch Street from “DT 3” Downtown Core to “IND 1” Industrial.

As the leading regional voice for the business community and a long-standing partner in Lansing’s economic growth, the Chamber is committed to advancing opportunities that strengthen our economy, create jobs, and support the continued vitality of our capital city. Deep Green’s proposed development represents a major investment in Lansing’s future and aligns directly with our region’s strategic focus on innovation, sustainability, and advanced technology infrastructure.

This 120-million-dollar project transforms underutilized city owned land into a productive, revenue generating, high value use that will support economic growth for decades to come. What is today a surface parking lot generating no property tax revenue will become a world class data center facility that brings meaningful economic activity, local business opportunities, and new jobs to our region.

The scale and design of the project will fit well with adjacent properties including the Lansing Board of Water and Light water conditioning plant located across the street. Several similar uses, such as the existing solar array and two vehicle service centers that surround the site, establish a compatible context for this development. In addition, this is a conditional zoning request, ensuring that if the property ever changes ownership, the only permitted use will remain as a data center. This provides long term certainty and alignment with the community’s vision for the corridor.

Deep Green’s sustainable model, including the ability to reuse waste heat to support nearby buildings, represents one of the most forward thinking and environmentally responsible data center approaches in the country. This development builds on the Lansing Board of Water and Light’s legacy of innovative, sustainable energy investments and complements ongoing corridor revitalization efforts that extend from REO Town into the Stadium District and downtown core.



LANSING REGIONAL CHAMBER

*We Work Relentlessly to Help Businesses **Connect, Grow and Thrive.***

As we look toward the future, communities that lead in digital infrastructure, energy innovation, and sustainable technology will be positioned to attract the next generation of employers and talent. This project strengthens our competitive position, supports the development of an innovation corridor, and sets the stage for continued high tech investment.

For these reasons, I respectfully encourage your support of this conditional rezoning request. This project reflects forward looking economic development that benefits both the business community and Lansing residents, and it advances our shared goal of building a strong, vibrant, and innovative regional economy.

Thank you for your consideration and for your continued service to the City of Lansing.

Sincerely,

Tim Daman
President & CEO
Lansing Regional Chamber of Commerce

From: Maggie McConnaha <maggiemcconnaha@gmail.com>
Sent: Wednesday, November 5, 2025 2:37 PM
To: City Council <City.Council@lansingmi.gov>
Subject: [EXTERNAL] Data center

Dear Lansing City Council,

I do not want a data center in Lansing, no matter how "green" it is! This is absolutely not where our energy should be going.

I am positive you all can come up with a more prosocial use of that space that would be environmentally friendly, create more than 50 jobs (honestly, that's not that many), and make use of this incredible surplus of energy BWL has. Keep Lansing OUT of this AI bubble. We do not need any of that nonsense. We need housing, green spaces, safe spaces for our children, and places to access affordable healthcare.

I propose that space instead be developed into a literacy-focused garden, a la Bookworm Gardens in Sheboygan, WI. Please contact me at 920-698-0830 if you'd like to work with me on this idea.

All the best,
Maggie McConnaha
Ingham County Resident

From: Maggie McConnaha <maggiemcconnaha@gmail.com>
Sent: Wednesday, November 5, 2025 2:31 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] Data Center

Dear Ms. Stachowiak,

I do **not** want a data center in Lansing, no matter how "green" it is!

All the best,
Maggie McConnaha
Ingham County resident

From: Marcie Alling <marciejalling@gmail.com>

Sent: Tuesday, November 18, 2025 1:32 PM

To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>

Subject: [EXTERNAL] Comments to Lansing Planning Commission: Conditional Rezoning of Proposed Data Center

Good afternoon -

I'm writing in strong support of Deep Green Technologies, LLC's proposed new data center and I urge the Lansing Planning Commission to approve the necessary conditional rezoning. The project offers so many benefits including offering a highly appropriate re-use of this particular property given its location and surroundings. From everything I've read and heard about the project, this seems to be a data center proposed to be "done right." In fact, it could well serve as an exemplar for other urban areas that might be considering data centers. It's also exciting to know that Lansing will be welcoming a new international business partner.

I'll be unable to attend the December meeting when the vote will be taken, so I would appreciate having my email shared with the LPC members prior to the meeting. Thank you for the opportunity to offer public comment.

Sincerely,
Marcie Alling

From: Mercuri Rose <therapy@mercurirose.com>
Sent: Wednesday, November 5, 2025 2:08 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] No to the data center

Do not allow the data center to be built. I am deeply concerned about the economic and environmental impact this data center will have on my community. The fact that the press wasn't released about this until right before the zoning meeting tonight I think only speaks to the fact that this will not be an action in the interest of Lansing residents or it wouldn't have been kept from the press so long.

Our license plates literally say water winter wonder land... how can we allow for data center to be built when it will evaporate away the very water we say we love. Absolutely not.

Also the cost! I cannot have my electric bill increase over 200% in the next 5yrs. You think we have a housing crisis in our city now? Just think what that inflation will do to families already struggling.

Just no!



Bloomberg.com
<https://www.bloomberg.com>



AI Data Centers Are Sending Power Bills Soaring

Sep 29, 2025 — Wholesale electricity costs as much as 267% more than it did five years ago in areas near data centers. That's being passed on to customers.



CNN
<https://www.cnn.com>



Is AI really making electricity bills higher? Here's what the experts say

Oct 17, 2025 — A Bloomberg News analysis found that areas near data centers saw an increase in electricity costs of as much as 267% compared to five years ago.



PBS
<https://www.pbs.org>



How data center power demand could help lower electricity prices

7 days ago — The latest Consumer Price Index shows that the average electric bill went up more than 5% from September 2024 to September 2025.



The Equation - Union of Concerned Scientists
<https://blog.ucs.org>



Data Centers Are Already Increasing Your Energy Bills. We Have the Receipts.

Sep 29, 2025 — Electric bills are going up around the country and some of those increases are due to an outdated practice that requires consumers to pay ...

Q energy rates go up for residents due to data center

Wishing you a gentle day,
Mercuri Rose LLC, LMSW-C

[they/ them/ theirs](#)

Website: firstplanettherapy.com

Email: therapy@mercurirose.com

Cell: 517-295-3723 (text preferred)

Address: 2450 Delhi Commerce Dr, Ste 6, Holt, MI 48842

From: Morgan Doherty <morganddoherty@proton.me>

Sent: Wednesday, November 5, 2025 12:15 PM

To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>

Subject: [EXTERNAL] public comment against Deep Green data center

Hello, I am a 40-year Lansing resident with expertise in community sustainability, writing to express my strong disagreement with the proposed Deep Green data center in downtown Lansing. This data centers entagles Lansing further with the unethical and unsustainable AI bubble that is further devastating not only our environment, but the social and intellectual fabric of our communities.

We need to be consuming fewer resources across the board. As MSU professor Doug Bessette said, “A data center will never be sustainable. It will always require more energy to run than it could ever produce. So they’re arguing that it’s sustainable because it’s almost carbon-neutral and they’re producing heat the BWL needs anyway — well, yeah, but you also have to power the data center.” Lansing will be failing its delicate and failing ecosystems, and the human and non-human citizens that rely on it, if we allow this proposed development to be built in our city.

Yours,

Morgan Doherty
423 N Francis
Ward 1

From: Savage, Spencer <savage27@msu.edu>
Sent: Wednesday, November 5, 2025 2:10 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] Deep Green data center

Hello-

I am a Lansing resident who would like to express concern and disagreement over the proposed Deep Green data center in downtown Lansing. While I am a proponent of diversifying the Lansing economy, I believe in doing so through investing in people and the future, not through a short term boost from an international company.

The amount of resources needed for a data center is not possible to be self-sufficient due to the amount of energy necessary, and the Midwest's precious water supply needs to be protected and used for sustaining communities, not used on short term, untested AI strategies for a quick profit that will not benefit the long term community.

Please reconsider this project and look towards more environmentally and socially sustainable uses for our city planning.

Thanks,
spencer savage
Ward 1

From: Stephanie Swart <slswart@gmail.com>
Sent: Wednesday, November 5, 2025 4:24 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] Lansing Planning Commission, Data Center

Hi Susan,

I am a resident and work in the city of Lansing. I rely on LBWL for power and water. I understand that not only do you have a surplus, but are also considering starting a data center in Lansing.

I am wholeheartedly against this idea. I would rather LBWL use its surplus to assist local citizens by lowering their rates or offering relief to those with shutoff notices. I do not want a data center in my community using our power, taking resources that could be distributed locally, and destroying the environment.

I am sure LBWL has done their research and understand the enormous amounts of water and energy data centers require. Not to mention that the benefits tend to go out of state while directly impacting the local population <https://www.smithsonianmag.com/science-nature/with-ai-on-the-rise-what-will-be-the-environmental-impacts-of-data-centers-180987379/>. This is not something that I want my payments to support.

Thank you for your consideration.

Stephanie Swart
1706 Osborn Road, 48915

From: Steve Japinga <sjapinga@lansingchamber.org>
Sent: Wednesday, November 5, 2025 11:01 AM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Cc: tdaman@lansingchamber.org; Van Fossen, Rawley <Rawley.VanFossen@lansingmi.gov>; Schor, Andy <Schor.Andy@lansingmi.gov>
Subject: [EXTERNAL] Letter of Support – Item 4 B Z 2 2025 (Deep Green Rezoning)

Dear Administrator Stachowiak and Members of the Lansing City Planning Commission, On behalf of the Lansing Regional Chamber of Commerce, please find the attached letter expressing our strong support for Item 4 B Z 2 2025 regarding the conditional rezoning of the 200 blocks of South Cedar Street and South Larch Street to accommodate the Deep Green data center project.

As outlined in our letter, this investment represents a significant economic and technological opportunity for our city, converting underutilized land into a high value, sustainable, and future focused development that aligns with Lansing’s long term growth strategy. Deep Green’s proposal strengthens our innovation and clean technology profile, supports local job creation, and enhances the energy resiliency and competitiveness of the region.

We respectfully encourage your support of this rezoning request and appreciate your thoughtful consideration of this important project for our community.

Please do not hesitate to reach out if you have any questions or would like additional information.

Thank you for your time and continued service to the City of Lansing.

Steve Japinga
Senior Vice President, Public Affairs
www.lansingchamber.org
[Twitter](#) | [LinkedIn](#) | [Facebook](#) | [Instagram](#) | [YouTube](#)

From: Tashmica Torok <tashmicatorok@gmail.com>
Sent: Wednesday, November 5, 2025 1:16 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] Data Center

Hi Susan,

I'm not sure where we are in the zoning process for the new data center but I'd like to share that I'd rather LBWL use its surplus to assist local citizens by lowering their rates or offering relief to those with shutoff notices. I do not want a data center in my community using our power, taking resources that could be distributed locally, and destroying the environment.

Can you share more about the timing and process?

Please let me know if this message should be forwarded elsewhere.

Thank you so much,

Tashmica Torok
Healing Justice Consultant



✉ tashmicatorok@gmail.com
🌐 <https://linktr.ee/tashmica>

From: Tiffany Harmon <tifferinah@hotmail.com>
Sent: Wednesday, November 5, 2025 12:44 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] Kalamazoo Ave Data Center

No! Absolutely not. I am directly downwind of this proposed data center and I and the citizens of Lansing do NOT WANT THIS, nor will we BENEFIT from this! I OWN my home and I pay taxes to live peacefully! Could lower my power rates? The direct translation for could = won't! Look at the comment section of every article on Facebook about this since the news hit this morning. Overwhelming NO. It could create 50 jobs? Again, could. Those jobs will be temporary because these centers are operated remotely.

Sue, have you done any research on data centers? The communities that allow this to happen regret their decisions. People are suffering negative health effects, lowered property values, water resources and utility grids strained. The noise that these centers create can cause a host of problems physically and mentally for neighbors. The people who live here will have to pay for the maintenance of strained grids. That won't save us anything.

Here are some links to information on why this should not be happening in our city and in our neighborhood!!

Look what what is happening in Memphis!

<https://www.politico.com/news/2025/05/06/elon-musk-xai-memphis-gas-turbines-air-pollution-permits-00317582>

Check the comments!!

<https://www.reddit.com/r/lansing/s/fHhpLo1M1n>

<https://www.pbs.org/video/americas-ai-data-center-boom-and-its-unseen-toll-uzcbcb/>

<https://www.bbc.com/news/articles/c93dnnxewdvo>

<https://arstechnica.com/health/2025/02/big-tech-data-center-buildouts-have-led-to-5-4-billion-in-public-health-costs/>

https://youtu.be/t-8TDOFqkQA?si=u_i30qlE_hlDkJOo

These are just a few examples out of THOUSANDS! You are just going to push this project through without any research or insight as to how this will affect our local community? The BWL says they will benefit so you are going to shove this down everyone's throats? The actual human beings that live in this city and will be affected by this don't even have a chance to come in and oppose it because it hits the news the same day as the planning meeting! Weird coincidence!

Shame on you.

From: stantontom1@gmail.com <stantontom1@gmail.com>
Sent: Wednesday, November 5, 2025 12:38 PM
To: city.council@lansingmi.gov
Subject: Regarding Data Centers Proposing to Locate in Mid-Michigan

Message for Lansing City Council, regarding any proposed data centers.

No additional public utility infrastructure should be constructed in the Lansing area without having a full discussion first about community benefits practices, procedures, policies, and legally binding agreements with both the utility companies that will provide energy, water, and any other relevant infrastructure, and the facilities themselves. PRIOR to any agreements with the utility companies and developers, both should be participating in comprehensive discussions with the area communities and local governments, to ascertain what community benefits shall be provided. This is an opportunity that should never again be neglected.

I am attaching some background materials regarding these issues.

You will find additional relevant information in these web sites:

- [Community Benefits Planning and Community Benefits Agreements](#)
- [Community Resilience Hubs](#)
- [Community Solar](#)
- [Energy Equity](#) (energy democracy, energy citizenship, community-based energy, energy communities)
- [Geospatial Energy Mapper](#) program ("GEM"), previously known as the [Energy Zones Mapping Tool](#).
- [Virtual Power Plants](#)

As always, I am available upon request to provide additional resources for the City.

Tom Stanton, 216 Huron St., Lansing 48915

From: Steve Japinga <sjapinga@lansingchamber.org>
Sent: Wednesday, November 5, 2025 11:01 AM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Cc: tdaman@lansingchamber.org; Van Fossen, Rawley <Rawley.VanFossen@lansingmi.gov>; Schor, Andy <Schor.Andy@lansingmi.gov>
Subject: [EXTERNAL] Letter of Support – Item 4 B Z 2 2025 (Deep Green Rezoning)

Dear Administrator Stachowiak and Members of the Lansing City Planning Commission, On behalf of the Lansing Regional Chamber of Commerce, please find the attached letter expressing our strong support for Item 4 B Z 2 2025 regarding the conditional rezoning of the 200 blocks of South Cedar Street and South Larch Street to accommodate the Deep Green data center project.

As outlined in our letter, this investment represents a significant economic and technological opportunity for our city, converting underutilized land into a high value, sustainable, and future focused development that aligns with Lansing’s long term growth strategy. Deep Green’s proposal strengthens our innovation and clean technology profile, supports local job creation, and enhances the energy resiliency and competitiveness of the region.

We respectfully encourage your support of this rezoning request and appreciate your thoughtful consideration of this important project for our community.

Please do not hesitate to reach out if you have any questions or would like additional information.

Thank you for your time and continued service to the City of Lansing.

Steve Japinga
Senior Vice President, Public Affairs
www.lansingchamber.org
[Twitter](#) | [LinkedIn](#) | [Facebook](#) | [Instagram](#) | [YouTube](#)



November 5, 2025

Lansing City Planning Commission
Neighborhood Empowerment Center
600 W Maple Street
Lansing MI 48906

RE: Support for Item 4 B Z 2 2025 Conditional Rezoning 200 Blocks of S Cedar and S Larch Streets

Dear Chair and Members of the Planning Commission:

On behalf of the Lansing Regional Chamber of Commerce, I write to express strong support for Item 4 B Z 2 2025, the request to conditionally rezone the property located in the 200 blocks of South Cedar Street and South Larch Street from “DT 3” Downtown Core to “IND 1” Industrial.

As the leading regional voice for the business community and a long-standing partner in Lansing’s economic growth, the Chamber is committed to advancing opportunities that strengthen our economy, create jobs, and support the continued vitality of our capital city. Deep Green’s proposed development represents a major investment in Lansing’s future and aligns directly with our region’s strategic focus on innovation, sustainability, and advanced technology infrastructure.

This 120-million-dollar project transforms underutilized city owned land into a productive, revenue generating, high value use that will support economic growth for decades to come. What is today a surface parking lot generating no property tax revenue will become a world class data center facility that brings meaningful economic activity, local business opportunities, and new jobs to our region.

The scale and design of the project will fit well with adjacent properties including the Lansing Board of Water and Light water conditioning plant located across the street. Several similar uses, such as the existing solar array and two vehicle service centers that surround the site, establish a compatible context for this development. In addition, this is a conditional zoning request, ensuring that if the property ever changes ownership, the only permitted use will remain as a data center. This provides long term certainty and alignment with the community’s vision for the corridor.

Deep Green’s sustainable model, including the ability to reuse waste heat to support nearby buildings, represents one of the most forward thinking and environmentally responsible data center approaches in the country. This development builds on the Lansing Board of Water and Light’s legacy of innovative, sustainable energy investments and complements ongoing corridor revitalization efforts that extend from REO Town into the Stadium District and downtown core.



LANSING REGIONAL CHAMBER

*We Work Relentlessly to Help Businesses **Connect, Grow and Thrive.***

As we look toward the future, communities that lead in digital infrastructure, energy innovation, and sustainable technology will be positioned to attract the next generation of employers and talent. This project strengthens our competitive position, supports the development of an innovation corridor, and sets the stage for continued high tech investment.

For these reasons, I respectfully encourage your support of this conditional rezoning request. This project reflects forward looking economic development that benefits both the business community and Lansing residents, and it advances our shared goal of building a strong, vibrant, and innovative regional economy.

Thank you for your consideration and for your continued service to the City of Lansing.

Sincerely,

Tim Daman
President & CEO
Lansing Regional Chamber of Commerce

From: Sunny <faithsaeerah@protonmail.com>
Sent: Wednesday, November 5, 2025 1:48 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] NO to Deep Green Data Center

Hello,

I am unable to make the zoning meeting tonight and wanted to write about the proposed Deep Green data center in downtown Lansing. I am a homeowner and urban farmer in Lansing and am writing to express my strong disagreement for the building and running of this data center in our community. Across the United States communities have been feeling the negative effects of data centers including excessive water and energy usage and the prioritization of corporations over residents. Globally, we are already hurtling past climate tipping points which the proliferation of AI has contributed to. We need to be consuming fewer resources as a community and a nation, and prioritizing investments in actually sustainable solutions, not just ones that are so-called "carbon neutral." An MSU professor Doug Besette said "A data center will never be sustainable. It will always require more energy to run than it could ever produce. So they're arguing that it's sustainable because it's almost carbon-neutral and they're producing heat the BWL needs anyway - well, yeah, but you also have to power the data center." The number of jobs this data center would bring in no way outweighs the negatives that data centers have been seen to bring to communities across the nation. Please do not rezone the proposed area, where myself and many of my loved ones live and grow food close to, from urban core to industrial.

Thank you,
Faith Bradley

From: Henry Fessler <fesslerhenry@gmail.com>
Sent: Wednesday, November 5, 2025 1:43 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] Expressing Disapproval of Redistricting for a Data Center

Hello Ms. Stachowiak,

My name is Henry, and I live in Ward 1 over by Sparrow. Today, you will be discussing redistricting to allow Deep Green to build a data center in downtown Lansing. I wanted to write to express my disapproval for this project.

While Deep Green and BWL make promises about the center being a positive impact on our electricity grid that will lower prices, that isn't how I've seen these projects play out in other communities. Atlanta communities can track 70% of price increases back to data centers, and Carnegie Mellon found data centers could drive 8% or even 25% rate increases.

When nearly half of Michigan is spending 10% of their income on energy, we as a community can't afford to be anything less than completely confident in our initiatives.

Deep Green, even in name, is promoting this center as a green initiative, but it could majorly set back our climate initiatives as well. I and many of your constituents don't buy that these centers are a foregone conclusion. These centers take energy to make heat, just like we do today. Without plans to power the center in a clean way, this heat isn't free. We'll pay for it with environmental and health outcomes.

I'm firmly against this redistricting, and I hope you will consider pushing back against it.

Thank you for hearing the opinions of your residents.
Henry

From: Janice Heebsh <janice.ebeling@gmail.com>
Sent: Wednesday, November 5, 2025 12:44 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] Absolutely No Data Center in Lansing.

Good Afternoon,

I am writing you as a resident of East Lansing-in support of my neighbors in Lansing- to oppose the zoning approval for the proposed data center on Kalamazoo Avenue.

As people struggle with their bills, and winter comes, the news of a new possible data center is chilling. While the news and the BWL cites the cost savings and the wattage surplus they are capable of, this will be a devastating blow for those struggling to afford and keep the electricity on in their own homes.

Nationwide, data centers cause the cost of electricity to increase 5% on average, and some locations experienced an appalling 257% increase to their bills. While Lansing struggles to house, feed and warm their constituents, approval of the data center sends the message that the people of Lansing and neighboring cities' are expected to carry more burdens for corporate interests benefit.

Data centers are fed though either a powerful burden on electricity or a powerful drain on water to cool their equipment. The promise of 50 jobs is not significant enough to compensate for the environmental impact, the impact on resident's pockets, and the impact on neighboring cities.

Additionally, data centers are not industries that produce high impact products. They are a repository of information on internet users who do not have rights to their privacy. Approving this when thousands of people in Lansing are homeless, and going hungry as winter sets in is ghoulish.

If the city truly wishes for more "High Tech" and "Environmentally Green" jobs and industry in their city, they should welcome solar, wind and battery technology factories whose products promise a renewable and energy-independent future for Lansing, and Michigan as a whole, and whose pollution is offset by large volumes of quality jobs.

Thank you for hearing me out, and I look forward to your response

Janice Heebsh

From: Maggie McConnaha <maggiemcconnaha@gmail.com>
Sent: Wednesday, November 5, 2025 2:31 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] Data Center

Dear Ms. Stachowiak,

I do **not** want a data center in Lansing, no matter how "green" it is!

All the best,
Maggie McConnaha
Ingham County resident

From: Mercuri Rose <therapy@mercurirose.com>
Sent: Wednesday, November 5, 2025 2:08 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] No to the data center

Do not allow the data center to be built. I am deeply concerned about the economic and environmental impact this data center will have on my community. The fact that the press wasn't released about this until right before the zoning meeting tonight I think only speaks to the fact that this will not be an action in the interest of Lansing residents or it wouldn't have been kept from the press so long.

Our license plates literally say water winter wonder land... how can we allow for data center to be built when it will evaporate away the very water we say we love. Absolutely not.

Also the cost! I cannot have my electric bill increase over 200% in the next 5yrs. You think we have a housing crisis in our city now? Just think what that inflation will do to families already struggling.

Just no!



Bloomberg.com
<https://www.bloomberg.com>



AI Data Centers Are Sending Power Bills Soaring

Sep 29, 2025 — Wholesale electricity costs as much as 267% more than it did five years ago in areas near data centers. That's being passed on to customers.



CNN
<https://www.cnn.com>



Is AI really making electricity bills higher? Here's what the experts say

Oct 17, 2025 — A Bloomberg News analysis found that areas near data centers saw an increase in electricity costs of as much as 267% compared to five years ago.



PBS
<https://www.pbs.org>



How data center power demand could help lower electricity prices

7 days ago — The latest Consumer Price Index shows that the average electric bill went up more than 5% from September 2024 to September 2025.



The Equation - Union of Concerned Scientists
<https://blog.ucs.org>



Data Centers Are Already Increasing Your Energy Bills. We Have the Receipts.

Sep 29, 2025 — Electric bills are going up around the country and some of those increases are due to an outdated practice that requires consumers to pay ...

Q energy rates go up for residents due to data center

Wishing you a gentle day,
Mercuri Rose LLC, LMSW-C

[they/ them/ theirs](#)

Website: firstplanettherapy.com

Email: therapy@mercurirose.com

Cell: 517-295-3723 (text preferred)

Address: 2450 Delhi Commerce Dr, Ste 6, Holt, MI 48842

From: Morgan Doherty <morganddoherty@proton.me>
Sent: Wednesday, November 5, 2025 12:15 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] public comment against Deep Green data center

Hello, I am a 40-year Lansing resident with expertise in community sustainability, writing to express my strong disagreement with the proposed Deep Green data center in downtown Lansing. This data centers entagles Lansing further with the unethical and unsustainable AI bubble that is further devastating not only our environment, but the social and intellectual fabric of our communities.

We need to be consuming fewer resources across the board. As MSU professor Doug Bessette said, “A data center will never be sustainable. It will always require more energy to run than it could ever produce. So they’re arguing that it’s sustainable because it’s almost carbon-neutral and they’re producing heat the BWL needs anyway — well, yeah, but you also have to power the data center.” Lansing will be failing its delicate and failing ecosystems, and the human and non-human citizens that rely on it, if we allow this proposed development to be built in our city.

Yours,

Morgan Doherty
423 N Francis
Ward 1

From: Savage, Spencer <savage27@msu.edu>
Sent: Wednesday, November 5, 2025 2:10 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] Deep Green data center

Hello-

I am a Lansing resident who would like to express concern and disagreement over the proposed Deep Green data center in downtown Lansing. While I am a proponent of diversifying the Lansing economy, I believe in doing so through investing in people and the future, not through a short term boost from an international company.

The amount of resources needed for a data center is not possible to be self-sufficient due to the amount of energy necessary, and the Midwest's precious water supply needs to be protected and used for sustaining communities, not used on short term, untested AI strategies for a quick profit that will not benefit the long term community.

Please reconsider this project and look towards more environmentally and socially sustainable uses for our city planning.

Thanks,
spencer savage
Ward 1

From: Tashmica Torok <tashmicatorok@gmail.com>
Sent: Wednesday, November 5, 2025 1:16 PM
To: Stachowiak, Susan <Susan.Stachowiak@lansingmi.gov>
Subject: [EXTERNAL] Data Center

Hi Susan,

I'm not sure where we are in the zoning process for the new data center but I'd like to share that I'd rather LBWL use its surplus to assist local citizens by lowering their rates or offering relief to those with shutoff notices. I do not want a data center in my community using our power, taking resources that could be distributed locally, and destroying the environment.

Can you share more about the timing and process?

Please let me know if this message should be forwarded elsewhere.

Thank you so much,

Tashmica Torok
Healing Justice Consultant



✉ tashmicatorok@gmail.com

🌐 <https://linktr.ee/tashmica>

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Subject: [EXTERNAL] Kalamazoo Ave Data Center

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<https://arstechnica.com/health/2025/02/big-tech-data-center-buildouts-have-led-to-5-4-billion-in-public-health-costs/>

https://youtu.be/t-8TDOFqkQA?si=u_i30qlE_hlDkJOo

These are just a few examples out of THOUSANDS! You are just going to push this project through without any research or insight as to how this will affect our local community? The BWL says they will benefit so you are going to shove this down everyone's throats? The actual human beings that live in this city and will be affected by this don't even have a chance to come in and oppose it because it hits the news the same day as the planning meeting! Weird coincidence!

Shame on you.

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Sent: Wednesday, November 5, 2025 12:38 PM

To: city.council@lansingmi.gov

Subject: Regarding Data Centers Proposing to Locate in Mid-Michigan

Message for Lansing City Council, regarding any proposed data centers.

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I am attaching some background materials regarding these issues.

You will find additional relevant information in these web sites:

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- [Energy Equity](#) (energy democracy, energy citizenship, community-based energy, energy communities)
- [Geospatial Energy Mapper](#) program ("GEM"), previously known as the [Energy Zones Mapping Tool](#).
- [Virtual Power Plants](#)

As always, I am available upon request to provide additional resources for the City.

Tom Stanton, 216 Huron St., Lansing 48915

ORDINANCE # _____

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, PROVIDING FOR THE REZONING OF FOUR PARCELS OF REAL PROPERTY LOCATED IN THE CITY OF LANSING, MICHIGAN AND FOR THE REVISION OF THE DISTRICT MAPS ADOPTED BY SECTION 1242.02 OF THE CODE OF ORDINANCES.

The City of Lansing ordains:

Section 1. That the district maps adopted by and incorporated as Section 1242.02 of the Code of Ordinances of the City of Lansing, Michigan be amended to provide as follows:

To change the zoning classification of the properties described as follows:

Case Number: Z-2-2025
Parcel Number: 33-01-01-16-427-051
Addresses: 0 S Cedar St.
Legal Descriptions: S 2 R OF N 8 R OF W 1/2 LOT 4 BLOCK 241 ORIG PLAT, from "DT-3" Downtown Core to "IND-1" Industrial

Case Number: Z-2-2025
Parcel Number: 33-01-01-16-427-082
Addresses: 0 S Cedar St.
Legal Descriptions: LOT 8 JOHNS SUB, ALSO S 41.25 FT OF W 1/2 LOT 4, W 1/2 LOTS 5 & 6, AND S 57.75 FT OF N 132 FT OF E 1/2 LOT 5 EXC E 114.5 FT BLOCK 241 ORIG PLAT, from "DT-3" Downtown Core to "IND-1" Industrial

Case Number: Z-2-2025
Parcel Number: 33-01-01-16-427-122
Addresses: 0 E Kalamazoo St.
Legal Descriptions: S 1/2 R OF E 1/2 LOT 5 & N 1.5 R OF E 1/2 LOT 6, BLOCK 241 ORIG PLAT, ALSO LOTS 1 THRU 7 INCL, JOHNS SUB REC L 1 P 51, from "DT-3" Downtown Core to "IND-1" Industrial

Case Number: Z-2-2025
Parcel Number: 33-01-01-16-427-192
Addresses: 220 S Larch St.
Legal Descriptions: S 41.25 FT OF E 1/2 LOT 4, ALSO E 1/2 LOT 5 EXC S 8.25 FT AND EXC COM 99 FT N & 136.55 FT W OF SE COR LOT 5, TH E 22.05 FT, S 57.75 FT, W 17.18 FT, NW'LY 58 FT +/- TO BEG; BLOCK 241 ORIG PLAT, from "DT-3" Downtown Core to "IND-1" Industrial

with the condition that the use of the property shall be restricted to a data center and its supporting facilities which shall run with the land and be binding upon all future owners thereof.

Section 2. All ordinances or parts of ordinances inconsistent with the provisions hereof are hereby repealed.

Section 3. This ordinance was duly adopted by the Lansing City Council on _____, 2026, and a copy is available in the office of the Lansing City Clerk, 9th Floor, City Hall, 124 W. Michigan Avenue, Lansing, MI 48933.

Section 4. This ordinance shall take effect on the 14th day after enactment.

INTRODUCTION OF ORDINANCE

An ordinance of the City of Lansing, Michigan, providing for the rezoning of four parcels of real property located in the City of Lansing, Michigan, and for the revision of the district maps adopted by Section 1242.02 of the Code of Ordinances. Property located at:

Z-2-2025 Parcels 33-01-01-16-427-122, 33-01-01-16-427-082, 33-01-01-16-427-051, and 33-01-01-16-427-192, located on the north side of E. Kalamazoo Street between S. Cedar Street and S. Larch Street – Rezoning from “DT-3” Urban Core to “IND-1” Industrial with the condition that the use of the property is restricted to a data center and its supporting facilities.

The ordinance is read a first time by its title and referred to the Committee of the Whole.

CITY OF LANSING
NOTICE OF PUBLIC HEARING

**Z-2-2025, 200 blocks of S Cedar St. and S Larch St.
Rezoning from DT-3 “Downtown Core” to IND-1 “Industrial”**

The Lansing City Council will hold a public hearing on Monday, February 9, 2026 at 7:00 p.m. in the Tony Benavides Lansing Council Chambers, 10th Floor, Lansing City Hall, 124 W. Michigan Avenue, Lansing, Michigan to consider Z-2-2025 a request to rezone parcel’s 33-01-01-16-427-122, 33-01-01-16-427-082, 33-01-01-16-427-051, and 33-01-01-16-427-192, located on the north side of E. Kalamazoo Street between S. Cedar Street and S. Larch Street from “DT-3” Urban Core to “IND-1” Industrial with the condition that the use of the property will be restricted to a data center and its supporting facilities.

For more information, please call Lansing City Council at 517-483-4177. If you are interested in this matter, please attend the public hearing or send a representative. Written comments will be accepted between 8 a.m. and 5 p.m. on City business days if received before 5 p.m., Monday, February 9, 2026 at the City Clerk’s Office, Ninth Floor, City Hall, 124 West Michigan Ave., Lansing, MI 48933 or email city.clerk@lansingmi.gov.

Chris Swope, City Clerk

Resolution #2026-###

By the Committee of the Whole
Resolved by the City Council of the City of Lansing

Resolved by the City Council of the City of Lansing that a public hearing be set for Monday, February 9, 2026 at 7:00 p.m. in the Tony Benavides Lansing City Council Chambers, 10th Floor, Lansing City Hall, 124 W Michigan Avenue, Lansing, Michigan, for the purpose of approving and/or opposing the Ordinance for rezoning:

Z-2-2025 Parcels 33-01-01-16-427-122, 33-01-01-16-427-082, 33-01-01-16-427-051, and 33-01-01-16-427-192, located on the north side of E. Kalamazoo Street between S. Cedar Street and S. Larch Street – Rezoning from “DT-3” Urban Core to “IND-1” Industrial with the condition that the use of the property is restricted to a data center and its supporting facilities.