



AGENDA
Committee of the Whole
Monday, June 25, 2018 5:00 p.m. (NOTE TIME)
City Council Chambers, City Hall 10th Floor
UPDATED 6.22.2018 a.m.

Council Member Wood, Chairperson
Council Member Washington, Vice Chairperson

- 1. Call to Order**
- 2. Roll Call**
- 3. Minutes**
 - June 11, 2018
- 4. Public Comment on Agenda Items (Up to 3 Minutes)**
- 5. Presentation:**
 - Corridor Façade Grants Implementation Area & Requirements
 - SRF Project Plan for Wet Weather Control Program Phase II
- 6. Discussion/Action:**
 - A.) **DISCUSSION/RESOLUTION** – Corridor Façade Grant Area Implementation Area & Requirements
 - B.) **RESOLUTION** – SRF Project Plan for Wet Weather Control Program Phase II
 - C.) **RESOLUTION** – Revocation of Liquor License for Binni's Bar & Grill Inc., 820 W Miller
 - D.) **RESOLUTION** - Set the Public Hearing for the Amended & Restated Real Estate Purchase & Development Agreement; Ferguson/Continental Lansing, LLC
 - E.) **RESOLUTION** - FY2018 Budget Amendment
 - F.) **RESOLUTION** – Introduction & Set the Public Hearing; Amend Chapter 245; Repeal Section 245.01
 - G.) **RESOLUTION** – Introduction & Set the Public Hearing; Amend Chapter 1034; Eliminate Section 1034.01—1034.09



COMMITTEE OF THE WHOLE

Please print

Mary E Reynolds

{Closed Session}

- Pursuant to MCL 15.268 (e) to consult with City Attorney on active litigation regarding trial or settlement strategy for Let Lansing Vote v Chris Swope.

{Reconvene}

{Closed Session}

- Closed Session – Pursuant to MCL 15.268 (h) to consider material exempt from discussion or disclosure by State or Federal statute to review written privileged and confidential legal opinion relative to the Lansing Housing Commission.

{Reconvene}

H.) **RESOLUTION** –Relative to the Lansing Housing Commission

7. **Other**

8. **Adjourn**

The City of Lansing's Mission is to ensure quality of life by:

- I. Promoting a vibrant, safe, healthy and inclusive community that provides opportunity for personal and economic growth for residents, businesses and visitors
- II. Securing short and long term financial stability through prudent management of city resources.
- III. Providing reliable, efficient and quality services that are responsive to the needs of residents and businesses.
- IV. Adopting sustainable practices that protect and enhance our cultural, natural and historical resources.
- V. Facilitating regional collaboration and connecting communities



MINUTES
Committee of the Whole
Monday, June 11, 2018 @ 5:30 p.m.
City Council Chambers, City Hall 10th Floor

CALL TO ORDER

Council President Wood called the meeting to order at 5:33 p.m.

PRESENT

Councilmember Kathie Dunbar
Councilmember Jeremy A. Garza
Councilmember Adam Hussain
Council Member Brian T. Jackson - excused
Councilmember Peter Spadafore- excused
Councilmember Patricia Spitzley - excused
Councilmember Jody Washington
Councilmember Carol Wood

OTHERS PRESENT

Sherrie Boak, Council Staff
Jim Smiertka, City Attorney
Samantha Harkins, Mayor's Executive Assistant
Eric Brewer, Council Internal Auditor
Deb Parrish
Kathy Miles
Mary Reynolds
Elaine Womboldt
Scott Duimstra, CADL Executive Director
CADL Board Members
Michelle Brussow, CADL
Melissa Cole, CADL
Jean Bolley, CADL
Dick Peffley, LBWL
George Stojacic, LBWL
Marge Bossenberry, CADL
Liz Roxberry, Fenner Conservancy and Nature Center
Debra Bloomquist, CADL
Vern Johnson, CADL
Brett Kaschinske, Parks and Recreation Director
Dominic Cochran, City TV
Lisa Hagen, Assistant City Attorney

Heather Sumner, Deputy City Attorney

Minutes

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE MINUTES FROM JUNE 4, 2018 AS PRESENTED. MOTION CARRIED 5-0.

Public Comment on Agenda Items

Ms. Parrish spoke in support of the CADL.

Ms. Mile spoke in support of the agreement with the Fenner Nature Center.

Ms. Reynolds spoke in support of the BWL and was encouraged by all their support for seniors

Ms. Womboldt spoke in support of the CADL.

Presentation

CADL Annual Reporting

Mr. Duimstra distributed their annual, and went out through new projects, stories for the field, and reading walks. Currently the millage is up for renewal, which was last done in 2014, and that millage of 1.56 since 2006.

Ms. Cole updated the Committee on the statistics on visits and checkouts. This included 12,000 who attended programs in 2017. One event is "Book a Librarian" which was over 400 in 2017. There have been 185,000 library sessions, with over half wireless.

Ms. Bolley stated collections in house and digital, providing informative events for all ages. All of these programs are at no cost to the participants. The Downtown branch had its grand reopening, the South Lansing held literacy programs, and at Foster there are adult book discussions.

Ms. Brussow spoke on the CADL outreach, which provides more information to the public including their hot spoke, story times at the school, and in 2017 they started "late start" and after school programs at the community centers. Other events CADL are involved include the Juneteenth event, Kids Connect and at the YMCA. Ms. Brussow concluded her portion of the presentation on the groups and organizations they partner with.

Council President Wood asked if all the locations have community rooms. Ms. Brussow confirmed the Downtown Lansing location does, the South Lansing branch has a location also. Council President Wood asked what other things, besides "hot spot" get loaned out. Scott, this year added 6 electric guitars. Metal detectors. Telescopes. Sewing machine, go-pro cameras, badminton set, and jing games. Council President Wood what the summer activities are. Ms. Cole outlined events including kid movies on Mondays, Fridays crafts dealing with exploring music, and on Wednesdays music performers at all locations. Lastly she encouraged all the public to sign up for the summer reading program, at www.cadl.org. Council President Wood asked Ms. Brussow to talk about the historical nature of the library. Ms. Brussow provided an example of the historical services they offer, and on the website a history tab where the public can get things online.

Lansing Board of Water and Light Strategic Plan

Lansing Board of Water and Light New Power Poles on the west side of Lansing

Mr. Peffley was present to address the items and was encouraged to make any comments on the proposed CIP that will be referred later.

Mr. Peffley informed the Committee that after the strategic plan was presented, the BWL staff now provide monthly updates, and quarterly updates to the Board members. In the strategic plan, Mr. Peffley stated the BWL plan is to be 30% clean by 2020, 40% by 2030 and to cut

carbon by 2025. Also in 2025 they will no longer be burning coal. The LBWL will continue to work on the West reinforcement, which is a 2 year process to hook the easements from Lansing and Delta Township. That project is \$33 million and will go live in a week, and is needed to help close Eckert power station. The 3rd project BWL is working on is the smart meters, which is in year 3 of a 5 year project, and the “skip” rate of the residents who do not want the meter is a fraction of the nation-wide “skip”.

Council President Wood noted that part of the strategic plan is dealing with the tree trimming and asked for an update. Mr. Peffley stated the BWL is in the 5th year of the 5 year cycle, concluding with Delta Township. Once that is done, they will begin the cycle in Lansing again, which will not be as intense twp. They will then start from the beginning area again, and deal with the minimal area of growth, and some area will not be large enough to be left behind but can be chipped. When they begin planning for areas in the City, he assured Council they would be given advanced notice.

Council Member Garza asked for more details on what the reduced rate would be for use of home electronics and appliance in the later hours of the day. Mr. Stojic admitted they will not have those figures until all the meters are out. It will be based on the savings and reduced peak hours, and plan to have those numbers at the end of 2019.

Discussion/Action

RESOLUTION – Introduction & Setting of Public Hearing; Eliminate the Cable Advisory Board

Council President Wood provided the history, which began when the City had their first vendor, and created the Board to address the funds that could be used for production, the facility as well as the cable provider was new and could be used to help connect the public with the providers. Since that time there have been changes as to how the City produces programs on public access and deals with the grant funding.

Ms. Harkins informed the Committee the reason they are introducing this is because in reviewing the vacancies on Boards and Commissions they found that the last meeting this Board held was in 2009.

Mr. Cochran recapped that the Board addressed the administering of equipment to inspire the public to create programming, but this did not create the consistency in programming they wished for. There was a grant program also that was reviewed by the Board, but that grant has since gone away, and the City has gone back to the original program. Lastly, he noted the Board used to field complaints, but now they staff directs all complaints to the State.

Council President Wood stated the action tonight would be to set the public hearing to eliminate the Board, allowing the public to provide their input.

After an inquiry into if the current serving Board members would be offered a position on another Board, Ms. Harkins acknowledged that Ms. Plummer in the Mayor’s office is working on the coordination.

MOTION BY COUNCIL MEMBER WASHINGTON TO SET THE PUBLIC HEARING FOR JULY 9TH FOR THE ELIMINATION OF THE CABLE BOARD. MOTION CARRIED 5-0.

RESOLUTION – Licensing Agreement; Fenner Conservancy for Fenner Nature Center

Mr. Kaschinske outlined the changes, which were the term of a 25 year license, going through 2042. The second changes was in Section 6 where it is noted the subsidy will go through 2019, and will then continue in a three (3) year increment. Mr. Smiertka confirmed those were the only changes in the license agreement. Mr. Kaschinske pointed out to the Committee that

Fenner Conservancy continues to seek sponsorship and funding lower the City subsidy, and the long extension of the license agreement would allow them to obtain long term commitments from the donors. Ms. Roxberry first acknowledged Council for the opportunity to speak on their license and plans for the conservancy. The Fenner Conservancy, per articles in 1980 were created to support, maintain and advance improvement to the Fenner Nature Center. The Nature Center offers festivals, educational programs, but when City decided not to fund the naturalist staff person, the Conservancy started working with taking on the charge. Currently the facility has 60,000 annual users, 3 staff, and 6 naturalists. With this license they can solicit ate private donors to assist with moving forward in the creation of additional space not just for public programing but a gathering space.

Council President Wood asked for the details on the funding amounts and uses it will support. Mr. Kaschinske stated that in 2017 the City support was \$35,000 in 2018 at \$30,000 and in 2019 at \$25,000. The City of Lansing commitment, in terms of cash, is being reduced and Fenner is growing reducing the tax dollar subsidy. The funds do not have to support City employees, but with the City elimination of the Naturalist position the Conservancy hired their owned and the subsidy funds to support operations, facilitate payroll, and assist in the administrative services for their non-profit status. Ms. Roxberry concluded by stating that their ultimate goal to see independent growth in the City.

MOTION BY COUNCIL MEMBER WASHINGTON APPROVE THE LICENSING AGREEMENT FOR FENNER CONSERVANCY FOR FENNER NATURE CENTER. MOTION CARRIED 5-0.

Council President Wood stated that action will be taken up at Council on July 9, 2018.

Boards/Commission Updates

No updates.

Council President Wood noted the start time for the June 25th meeting will be at 5:00 p.m. and the committee meeting on July 2, 2018 has been canceled.

ADJOURN

The meeting was adjourned 6:33 p.m.

Respectfully Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on

FY 2018/2019 - CITY OF LANSING
CORRIDOR FAÇADE PROGRAM

Do you own a building and/or business on one of Lansing's non-downtown commercial corridors? (see attached map)

Do you need assistance with:

1. Major Façade Work? (restoration, complete replacement, etc.)
2. Minor Façade Work? (painting, lighting, window/door repair, etc.)
3. Signage Work? (signs or awnings attached to the building)

Funding assistance is available for qualified applicants.
First come, first served. Apply today.

Complete the following form as completely as possible and submit it to:

Lansing Economic Area Partnership, 1000 S. Washington Ave., Ste 201, Lansing, MI 48910
or kris@purelansing.com
www.purelansing.com | (517) 702-3387

PRE-APPLICATION FORM

1. Applicant Information: Name: _____ Address: _____ _____ Phone: _____ Email: _____	2. Applicant is the (check one): ☐ Property Owner ☐ Renter/Tenant ☐ Other, explain here:
3. Property Owner Information: ☐ Check if same as Applicant Address <i>* If applicant is not the property owner, the owner must complete a <u>letter of permission</u> (template attached) and return it with this application.</i> Name: _____ Address: _____ _____ Phone: _____ Email: _____	

FY 2018/2019 - CITY OF LANSING
CORRIDOR FAÇADE PROGRAM

4. Property address where project will occur: <input style="margin-left: 10px;" type="checkbox"/> Check if same as Applicant Address _____ _____	
5. Describe the proposed improvements to your building façade: _____ _____ _____ _____ _____ _____	
Total estimated cost of improvements: \$	
<i>* If you have a detailed description, line-item budget, estimates, and a project schedule, please attach to this pre-application form.</i>	
6. What is the maximum amount you can commit to the façade project? \$	
<i>* Applicants are expected to contribute at least 50% of the total cost of improvements.</i>	
I understand that my submission of an application does not constitute a guarantee for funding under the Corridor Façade Program. I certify that all information is true and accurate to the best of my knowledge. 7. Applicant/Owner Signature: _____	8. Date _____

Submit completed form to:

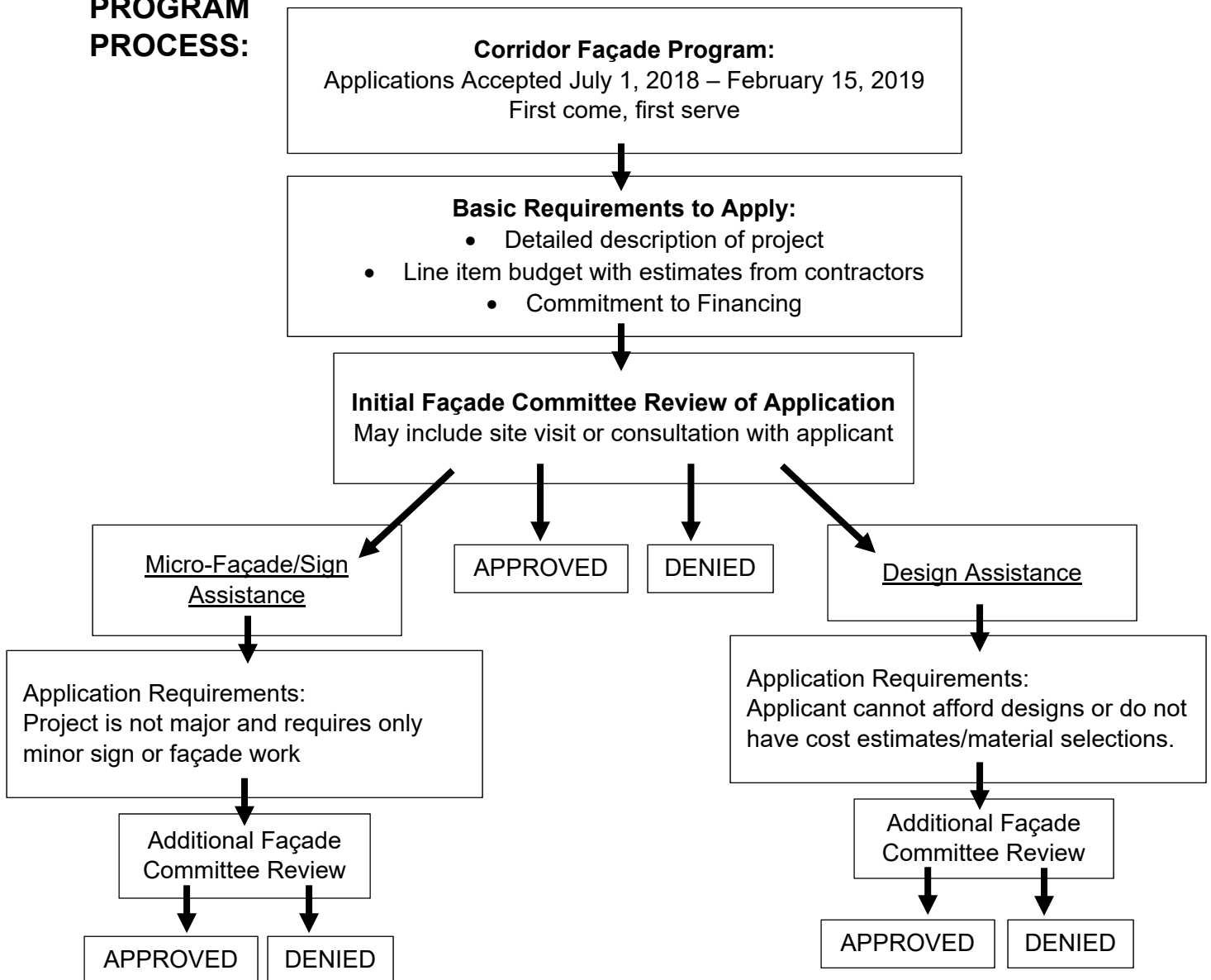
Lansing Economic Area Partnership (LEAP)
1000 S. Washington Ave., Suite 201, Lansing, MI 48910
or kris@purelansing.com
www.purelansing.com | (517) 702-3387

Your Pre-Application will be reviewed by the Façade Committee to:

1. Recommend your project for funding
2. Offer additional assistance/request additional information
3. Deny funding through the Corridor Façade Program

FY 2018/2019 - CITY OF LANSING
CORRIDOR FAÇADE PROGRAM

**PROGRAM
PROCESS:**



Please Note:

This document is only a general guide to the Corridor Façade Program and is subject to change.

FY 2018/2019 CITY OF LANSING - CORRIDOR FAÇADE PROGRAM ELIGIBLE PROJECT AREAS

ELIGIBLE AREAS

The program is directed at commercial, office, and mixed-use buildings adjacent to main corridors and neighborhood connectors & nodes. In general, buildings located within the City of Lansing and on the following street typologies can qualify:

- Arterial Corridors
- Suburban Corridors
- Activity Corridors
- - - Prime Connectors
- - - Neighborhood Connectors

NOT ELIGIBLE Core Downtown Area

Downtown Area defined as Shiawassee Street to the north; I-496 to the south; Martin Luther King Jr. Blvd. to the west; and Pere Marquette Dr. to the east

Please Note: This map is only a general guide to eligibility, please consult the Grant Guidelines for additional requirements.



SAMPLE LETTER OF PERMISSION

(Property owner must create this letter. Letter must be notarized)

(Date)

Lansing Economic Development Corporation (LEDC)
1000 S. Washington Ave., Suite 201
Lansing, MI 48910

RE: Application for Façade Grant

ATTN: Karl Dorshimer, Authorized Representative, LEDC

I, *(Your Name)*, hereby grant my permission to *(Applicant Name)* to make application under the FY 2018/2019 Corridor Façade Program. I understand that if the applicant is approved, I will be required to jointly (with the applicant) enter into a Grant and Design Agreement with the Lansing Economic Development Corporation. I further grant my permission to *(Applicant Name)* to complete the proposed improvements according to the Application for Grant Funding and Agreement. Furthermore, I certify that I have received a copy of the Application for Funding from the applicant and am fully aware of what is being proposed. I also certify that I am the legal owner of record and that I have the authority to grant this permission to *(Applicant Name)*.

Sincerely,

(Signature)

(Type Name Here)

FY 2018/2019 - CITY OF LANSING
CORRIDOR FAÇADE PROGRAM

FACT SHEET (FY 2018/2019 DRAFT Recommendations)

Summary

The intent of the Corridor Façade Program is to strengthen the economic viability of Lansing's non-downtown commercial corridors by providing targeted assistance for improving the appearance and structural conditions of building façades in highly visible and critical areas of the City. Projects will be assessed thoroughly and chosen primarily on need, impact, financial capacity, and their critical strategic location.

Eligibility

The program is directed at commercial, office, and mixed-use buildings adjacent to main corridors and neighborhood nodes within the City of Lansing that are outside of the downtown area (downtown defined as Shiawassee St. to the north; I-496 to the south; Martin Luther King Jr. Blvd. to the west; and Pere Marquette Dr. to the east.). Property owners and tenants are eligible to apply, but if a tenant applies, the building owner must support the improvements in writing.

Eligible activities are for a building façade only but may include windows, signage, lighting, and improvements to create barrier free and accessible entryways as part of the overall façade improvement. No activity will be eligible that is separate from an overall façade. For instance, landscaping/streetscaping and light poles are not eligible. All improvements must be fixed/permanent.

Awards

The Façade Grant Program offers three types of flexible grant awards. Applications are considered on a first come, first served basis.

Full Grant: For façade projects totaling \$10,000 and above, grant funds will provide a "dollar for dollar" match (50% of the total project cost) up to a maximum \$20,000 award. This award is for façade projects involving substantial restoration, rehabilitation, or replacement. The grant funds are provided on a reimbursement basis and offers no upfront money.

Micro-Façade/Sign Grant: For façade projects with a total cost under \$10,000, grant funds will provide a "dollar for dollar" match (50% of the total project cost) up to a maximum \$5,000 award. This award is for small façade projects or for projects that consist of limited improvements including signage, paint, window/door repair, lighting, entryways. The grant funds are provided on a reimbursement basis and offers no upfront money.

Design Program Award: For development of renderings/façade designs and material specifications to assist with the application of a matching grant award. Up to a \$2,000 award value per applicant (total of \$10,000 available in this category). Further architectural/engineering costs related to the façade that are beyond the award value are the responsibility of the applicant but may be approved as match for a future grant award. Pre-application and commitment to façade improvement is required.

Awardees must be approved and enter into a Grant and Design Agreement prior to the start of any work. Previous façade improvements and unapproved work will not be funded.

Timeline:

- Application Period Open: July 1st, 2018
- Application Period Closed: February 15th, 2019
- Project Completion and Reimbursement Submission Deadline: May 31st, 2019

How to Apply

Submit a Pre-Application Form, available at PURELANSING.COM/INCENTIVES

*See Program Guidelines, Design Guidelines, and Application Packet
For Full Program Rules and Requirements*

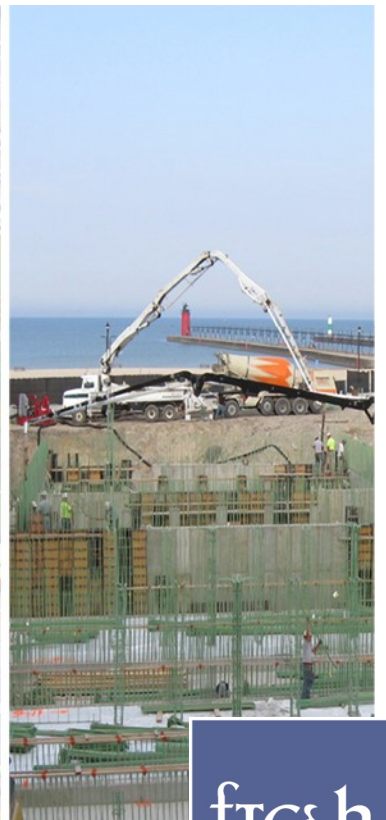
City of Lansing

Wet Weather Control Program Phase II
State Revolving Fund
Project Plan

For Period 2019-2023
Fiscal Year 2019

REVIEW DRAFT

Project No. 180593
April 30, 2018



Fishbeck, Thompson, Carr & Huber, Inc.
engineers | scientists | architects | constructors

ftc&h



City of Lansing

**Wet Weather Control Program Phase II
State Revolving Fund
Project Plan**

**For Period 2019-2023
Fiscal Year 2019**

**Prepared For:
City of Lansing
Lansing, Michigan**

**April 30, 2018
Project No. 180593**

Review Draft

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List of Abbreviations/Acronyms

ACO	Administrative Consent Order
CI	Central Interceptor
CIPP	Cured-in-place pipe (lining)
City	City of Lansing
CSO	combined sewer overflow
FDD	Footing Drain Disconnection
ft	feet
FTCH	Fishbeck, Thompson, Carr & Huber, Inc.
GLMA	Greater Lansing Metropolitan Area
H ₂ S	hydrogen sulfide
I/I	inflow and infiltration
LBWL	Lansing Board of Water and Light
LID	Low Impact Development
MDEQ	Michigan Department of Environmental Quality
MDNR	Michigan Department of Natural Resources

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MG	million gallons
MGD	million gallons per day
Mg/L	milligrams per liter
MHI	median household income
NPDES	National Pollutant Discharge Elimination System
PACP	Pipeline Assessment Certification Program
ROW(s)	right(s)-of-way
RTB	Retention Treatment Basin
SAW	Stormwater, Asset Management, and Wastewater (grant)
SHPO	State Historic Preservation Office
SLI	Sycamore Lindbergh Interceptor
SRF	State Revolving Fund
SSS	Sanitary System Evaluation Survey
SSO	sanitary sewer overflow
State	State of Michigan
TMDL	Total Maximum Daily Load
TRPS	Tecumseh River Pump Station
WWCP	Wet Weather Control Plan
WWTP	Wastewater Treatment Plant

1.0 Introduction

This Project Plan was prepared on behalf of the City of Lansing (City), Michigan to obtain a State Revolving Fund (SRF) loan from the Michigan Department of Environmental Quality (MDEQ) for construction of the upgrades outlined in the City's Part 31 Agreement for 2018-2023 Wet Weather Control Plan (WWCP) for Combined Sewer Overflow (CSO)/ Sanitary Sewer Overflow (SSO) control. Refer to Appendix 1 for a copy of the agreement. This SRF Project Plan will focus on the projects scheduled for construction in 2019-2023. These projects include:

1. CSO Separation of Subareas 034D, 034E, and 015S
2. Central Interceptor (CI)/ Sycamore-Lindbergh Interceptor (SLI) Rehabilitation

The estimated SRF eligible cost for the 2019-2023 projects is \$51.1 Million.

1.1 Combined Sewer Overflow Control

In May 1991, the City submitted a project plan for eliminating CSOs from their combined sewage collection system and for making improvements to the City's existing wastewater treatment plant (WWTP). A project plan is required by the State of Michigan (State) as part of the National Pollutant Discharge Elimination System (NPDES) permit (MI0023400) for the City. Submission of a project plan is also a requirement of the application process for low-interest financing through the SRF loan program.

On April 1, 1992, the Michigan Department of Natural Resources (MDNR) approved the original project plan for abatement of CSOs by sewer separation, and for WWTP improvements. Due to the large size and cost of the project, the selected alternative was divided into 6 phases, consisting of 27 segments. According to the NPDES permit for the City, all the combined sewer separation and the closure of the remaining overflow structures must be completed by December 31, 2019. The NPDES permit for the City expired in 2008. It was extended until October 1, 2012, but a new NPDES is still not in place. A new Part 31 Agreement was reached between the DEQ and the City of Lansing on December 28, 2017. This Agreement outlined that CSO regulators 015, 016, 019, 022, 026, and 034 will be eliminated by December 31, 2032. The remaining regulators will be completed using adaptive management.

The CSO Control Program began construction in 1992 and, as of November 2011, has effectively separated 5,009 acres – of 7,102 acres (70.5%) that remained tributary to combined sewers at the time the project began. The program has abandoned 21 of the original 41 CSO structures and has reduced annual overflow volume from approximately 1,650 million gallons (MG) to 698 MG (952 MG, 58% reduction). The total construction and program costs for SRF eligible work to date are more than \$175 and \$226 million, respectively.

1.2 Sanitary Sewer Overflow Control

The City has been improving performance and reliability of its original separate sanitary sewer system via a series of inflow and infiltration (I/I) investigation/removal/sewer rehabilitation projects beginning with the I/I Analysis and Sewer System Evaluation Survey (SSES) studies in the late 1970s and early 1980s. As a result of these and subsequent studies and construction, the City has removed more than 432 catch basins, and private inflow sources at more than 500 properties. The City has also abandoned all known Sanitary Sewer Overflow (SSO) structures, with the exception of the manually operated bypasses available at the Frances Park and Lansing Avenue Pump Stations and the Harton Street Equalization Basin. The City has spent more than \$100 million in its separate sanitary sewer system and at the WWTP to significantly improve system performance and reliability.

Despite all the work completed to date, the existing sanitary sewer system provides variable wet weather performance; with portions of the system, particularly trunk and interceptor sewers, subject to surcharging and isolated basement flooding, and SSOs during rainfall events less than the 25-year rainfall.

In 2000, the MDEQ announced an initiative to identify and eliminate SSOs throughout the State for rainfall events less than the 25-year, 24-hour rainfall. In the period between 2003 to 2006, the City completed comprehensive flow monitoring, modeling, and alternative analyses as part of the Sanitary Sewer System Master Plan Study to identify sewer system deficiencies and develop recommendations to meet the MDEQ policy. In 2004, the City entered into an Administrative Consent Order (ACO) (ACO-SW02-030, 1/9/2004) to prevent growing season SSOs by December 31, 2020. The City will be updating their system model in the next few years as they are undertaking system wide flow monitoring and modeling. It is anticipated that a new ACO will be issued with the new Part 31 agreement. The agreement outlines that the SSO correction program will be completed by December 31, 2035.

1.3 Proposed Program

The long-term recommended WWCP focuses on cost-effective improvements to prevent basement flooding, minimize combined and sanitary sewage overflows, and protect water quality.

The recommended long-term WWCP contains a blend of projects that will:

- Continue to make improvements to the existing sewer system, pump stations, and WWTP in order for them to run efficiently.
- Provide temporary storage of peak flows.
- Remove sources of wet weather flow through combined sewer separation and footing drain disconnection (FDD).
- Continue installation of new sewers that will allow the sewer system to convey high wet weather flow during heavy rainfall to prevent basement backups.
- Recognize the importance and effectiveness of stormwater projects and watershed management planning as part of the schedule and project priorities.

The following table presents a summary of the recommended WWCP measures. The estimated costs are total project costs and include both SRF eligible and ineligible work.

CSO Areas	
Separation	\$198,600,000
Retention/Treatment Basins	52,600,000
SSO Areas	
Sewer System Capacity Improvements	57,000,000
Siphon Improvements	9,300,000
Pump Station Improvements	20,100,000
Equalization Basin Improvements	30,700,000
FDD/ Basement Disconnection	2,000,000
WWTP	35,700,000
Emergency Bypasses	5,000,000
Stormwater	10,000,000
Total	\$421,000,000

This SRF Project Plan will focus on the projects scheduled for construction in 2019-2023. These projects include:

1. CSO Separation of Subareas 034D, 034E, and 015S
2. CI/ SLI Rehabilitation

The estimated SRF eligible cost for the 2019-2023 projects is \$51.1 Million.

1.4 Need for Project

The proposed improvements will mitigate basement backups and eliminate or treat CSOs and SSOs for the design condition. The CSO Separation of Subareas 034D, 034E, and 015S will finish the separation of the 034 and 015 Regulators and will allow for these Regulators to be abandoned. The CI/ SLI rehabilitation will restore the structural integrity of the interceptor and prevent a collapse due to its present condition. Without these projects and the WWCP, the existing untreated CSO discharges and periodic basement backups will continue to occur, and the City will be in non-compliance with the requirements of its current wastewater NPDES permit and ACO. Ultimately, the water quality in the Grand and Red Cedar Rivers would continue to be degraded by discharges of untreated sewage if the program is not implemented.

2.0 Project Background

2.1 Study Area Characteristics

2.1.1 Delineation of Study Area

The study area for the City's WWCP includes the entire City sewer service area tributary to the WWTP. The total sewer service area of approximately 28,300 acres includes 26,210 acres of separate sewer service area, and 2,090 acres of remaining combined sewer area. The City sewer service area generally corresponds with the City's corporate limits, with some exceptions in adjoining township areas outside the corporate limits. Figure 1 illustrates the City limits and adjoining township and county boundaries. The City lies within the Grand River Drainage Basin, and includes areas tributary to the Red Cedar and The Looking Glass Rivers, Sycamore Creek, and other local City and County drains.

Figure 1 – Study Area

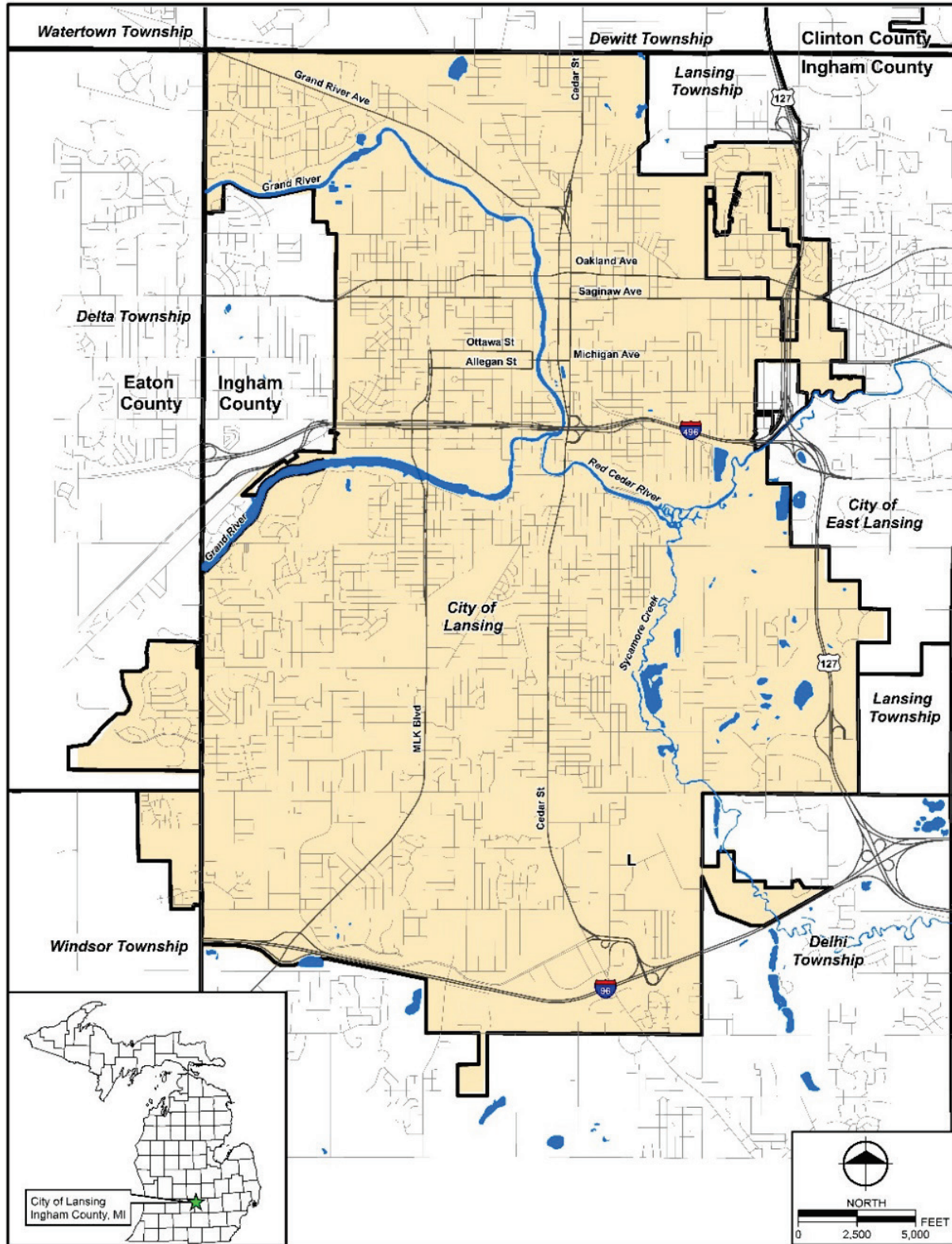
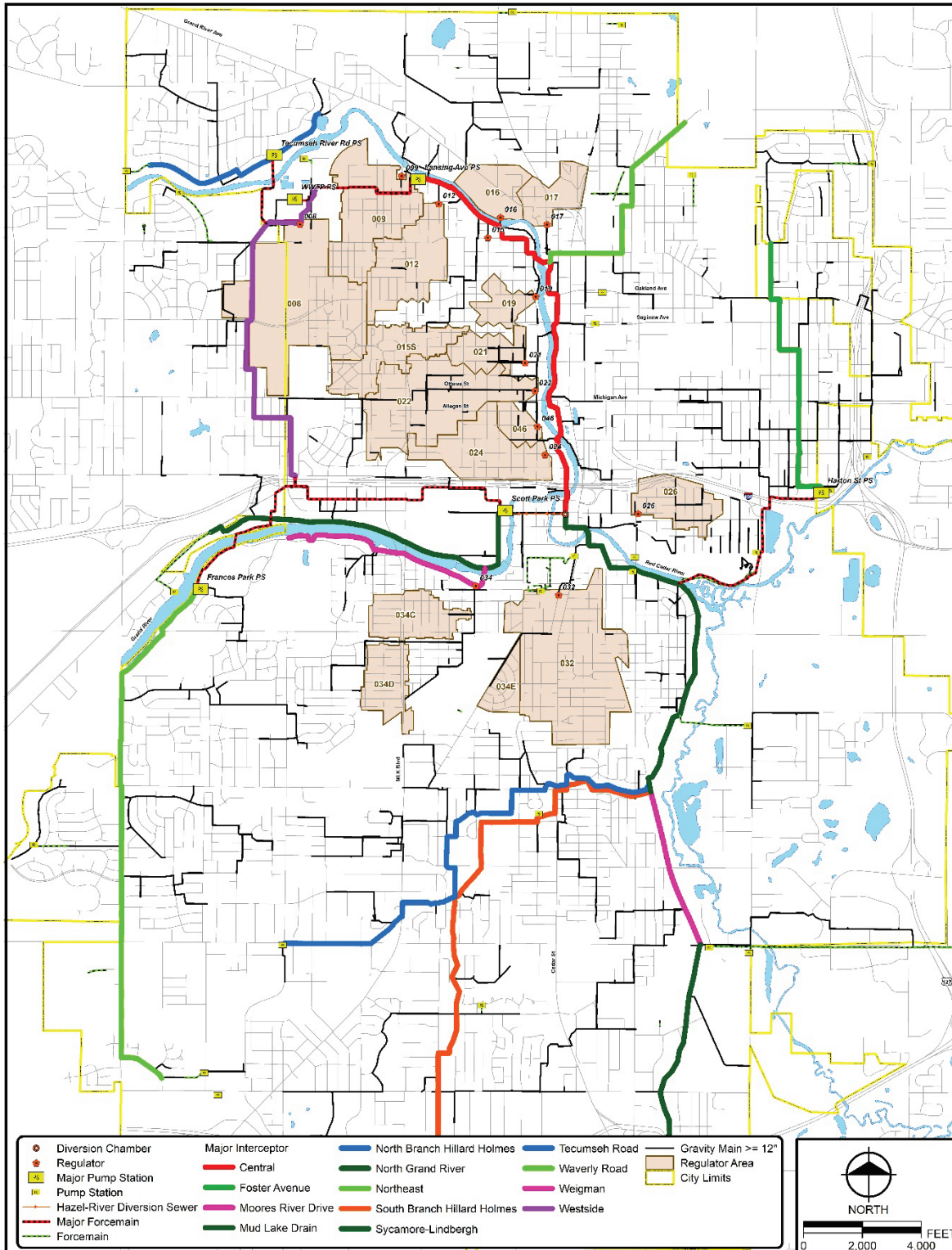


Figure 2 presents the major sanitary sewer system components, including pump stations and the WWTP.

Figure 2 – Major Sewer Components



2.1.2 Land Use in Study Area

The City metropolitan area is the industrial, commercial, and institutional center for central Michigan. Major existing commercial areas are located along arterial roadways including Cedar Street, Martin Luther King Jr Boulevard, Pennsylvania, Washington, and Michigan Avenues, and in the Central Business District. Industrial areas are located along South Washington Avenue, east of Pennsylvania Avenue in southeast Lansing, between I-496 and the Grand River, along Sunset Avenue and North Grand River Avenue, and along the Larch/Cedar Streets corridor from the Grand River north to the corporate limits.

Public and institutional properties are distributed across the City, with a concentration in the core downtown area. Single and multifamily residential properties and parks fill out most of the remaining areas. Appendix 2 taken from the Design Lansing 2012 Comprehensive Plan, adopted by the City Council on April 9, 2012, shows existing land use. The Design Lansing 2012 Comprehensive Plan is available on the City's web site at:

http://www.lansingmi.gov/pnd/planning/design_lansing.jsp

Future land use and development is generally expected to parallel existing use, while moving toward implementation of Smart Growth principles such as: development of existing communities, mixed land uses, walkable neighborhoods, and preservation of open space. Appendix 2 provides the Future Land Use Plan as well.

2.1.3 Surface and Ground Waters

2.1.3.1 Ground Water

The primary source of raw water for potable water supplies in the study area is from groundwater wells drawing from the Saginaw formation of the Mississippian Aquifer, the primary bedrock aquifer in the region. The primary aquifer recharge areas in the Tri-County Region are the surficial glacial deposited sand and gravel material, eskers, valley outwashes, and outwash plains. The MDEQ Wellhead Protection Program website provides detailed information regarding wellhead protection areas and existing and abandoned wells. The Lansing Board of Water and Light (LBWL) withdraws raw water for treatment and distribution from the Saginaw Aquifer using 128 local wells ranging from 100- to 500-feet (ft)-deep. Well records indicate the aquifer levels have remained steady. Shallow groundwater levels in the City typically vary from less than five to more than 20 ft below grade.

Private septic systems remain in areas of the City where sanitary sewer service is not readily available; however, there are no known groundwater supply issues resulting from septic system failure.

2.1.3.2 Surface Waters

The primary surface waters in the study area include the Grand and Red Cedar Rivers and Sycamore Creek as presented in Figure 1. All surface waters in the study area are designated as warm water fisheries and are required by the State to be protected for designated uses, including full body contact during the period May 1 – October 31, and for partial body contact during the remainder of the year.

The MDEQ completed a Total Maximum Daily Load (TMDL) analysis for *E. coli* in portions of the Grand and Red Cedar Rivers and Sycamore Creek in July 2012. Results of this study are summarized in Section 2.5.3 of this report.

2.2 Economic Characteristics

The median household income (MHI) in the City in 2016 is \$36,851, with an error margin of approximately \$1,000 (U.S. Census Bureau, QuickFacts). This is down from the 2011 MHI of \$37,528.

The four largest employers in the Greater Lansing Metropolitan Area (GLMA) include the State of Michigan, Michigan State University, Sparrow Health System, and General Motors. The total 2018 employment in the

GLMA was 236,358, which was up from the 2010, 2009, and 2008 values of 219,147, 213,650 and 220,300, respectively.

2.3 Existing Facilities

The City sewage collection and treatment system includes combined and sanitary sewers, 29 sewage pump stations, and the City WWTP. This section summarizes the existing system. Since passage of the Clean Water Act in 1977, the State and the City have been national leaders in addressing water pollution caused by sewage bypasses and inadequate treatment.

2.3.1 Sewage Collection System

The City sewer service area comprises approximately 28,300 acres, including approximately 22,100 acres within the City and 6,200 acres outside the corporate limits in township areas as summarized in Figure 1. Approximately 26,210 acres (93%) are served by separate sanitary and storm sewer systems and 2,093 acres (7%) continue to be served by combined sewers. Portions of the separate sewer areas remain unsewered.

The City sewer system was originally constructed to discharge combined sewage directly to the river system. As the City expanded, a sewage interceptor system was constructed along the river to transport dry weather sewage flows downstream of populated areas. CSO regulators were also constructed to allow wet weather flows to bypass to the river. In the 1930s, the City's first WWTP was constructed at the site of the current WWTP with a design flow rate of 9 million gallons per day (MGD) to provide primary treatment for dry weather sewage flows.

After approximately 1950, the City discontinued construction of new combined sewers in the older core portion of the City. Construction of separate sanitary and storm sewers began for new development areas in the 1940s. As the number of tributary parcels increased, and the original system began to deteriorate, many of the separate sewer areas began experiencing basement flooding and SSOs due to excessive wet weather flows. During the late 1970s and early 1980s, the City conducted an I/I analysis and subsequent SSES to identify I/I sources tributary to the sanitary sewer system that would be cost-effective to remove. In the 1980s, the City removed thousands of sanitary sewer system I/I sources on public and private property, and constructed over \$70 million in sanitary sewer system and WWTP improvements during the U.S. Environmental Protection Agency (USEPA) Grants Program.

Also in the 1980s, the original float-and-gate mechanical CSO regulators were moved upstream above the 10-year river level and were reconstructed to function without the troublesome float and gate mechanisms. The new design, known as a leaping orifice regulator, combined with the higher weir elevations dramatically reduced dry weather overflows to the river and intrusion of river water to the sanitary interceptor system during elevated river levels.

2.3.2 Combined Sewer System

The City has been separating combined sewer areas since the early 1980s. During the period between 1984 and 1989, approximately 4,150 acres were separated, or otherwise removed from the combined sewer system via a series of projects including the regulator relocation project.

The City's official CSO Control Program was developed in 1990, and was approved by the MDEQ on April 1, 1992. Due to the scope and cost of the program, the selected alternative (sewer separation) was divided into six phases, consisting of 27 segments (28 years of construction). The program began construction in 1992, and has effectively separated an additional 5,009 of 7,102 acres (70.5%) that remained tributary to combined sewers at the time the program began. The program has abandoned 25 of the original 41 CSO structures, and has reduced annual overflow volume from approximately 1,650 MG to 698 MG (952 MG, 58% reduction). The total construction and program costs for SRF eligible work to date are more than \$175 million and \$226 million,

respectively. Table 1 and Appendix 3 summarize the City CSO Control Program progress to date and combined sewer areas remaining to be completed.

Table 1 – Lansing CSO Control Program Progress to Date

Construction Status	CSO Phase & Segment	CSO Subarea Name	Total Area (GIS) to be Removed from Overflow (Acres)	Annual Overflow Volume Reduction (MG)	Lansing Public Service Number	Substantial Completion Date
Construction Complete	Ph I Seg 1	028, 029, 030, 031, 039, 040	113	27	00004	12/4/1993
	Ph I Seg 1	035, 036 N, 038 N	112	**	35049	9/28/1993
	Ph I Seg 1	036 S, 038 S	77	39	45039	11/16/1993
	Ph I Seg 2	043	60	**	38060	6/2/1994
	Ph II Seg 1	Foster S	Separated Area	**	00009	1/25/1996
	Ph II Seg 1	Pere Marquette	**	**	00009	
	Ph II Seg 2	Foster N	43	**	38062	6/25/1996
	Ph II Seg 2	041	106	25	37061	6/25/1996
	Ph II Seg 3	I, J	114	**	38066	9/3/1997
	Ph II Seg 3	Tollgate	541	**	28042, 28043	10/31/1997
	Ph II Seg 4	022 W	239	45	35056	12/1/1998
	Ph II Seg 5	Area K Interceptor	23	**	27061	10/18/2002
	Ph III Seg 1	G, H	253	**	37066	11/1/2001
	Ph III Seg 1	NEI	174	**	27059	6/17/2002
	Ph III Seg 2	MPTS	37	**	46115	8/1/2001
	Ph III Seg 2	Area K 042	324	266	27061	7/25/2002
	Ph III Seg 3	013 South A/B, 100 Block N Washington Sq	206	**	16071, 16072	10/29/2002 (013 A), 4/8/2003 (013 B)
	Ph III Seg 4	037 A/B	296	99	55050, 55051	12/18/2003
	Ph III Seg 5	044	77	19	38072	8/30/2004
	Ph IV Seg 1	Capitol Loop	113	**	36303	12/15/2006
	Ph IV Seg 1	018 E, 025	223	23	27064, 37073	10/17/2005 (018 E), 7/11/2005 (025)
	Ph IV Seg 2	018 N A/B, St. Joe	270	**	17043, 17044	12/13/2006 (018 N-A), 9/1/2006 (018 N-B)
	Ph IV Seg 3	023, Dumpster Alley, 013 W	319	15	36309, 16077	11/15/2007 (023), 9/28/2007 (013 W)
	Ph IV Seg 4	Kalamazoo, Seymour, Washington	19	**	36315, 36316	11/14/2007
	Ph IV Seg 4	018 SE, 020, 013 NW	315	27	27067, 37076, 15088	6/25/2008 (020), 8/8/2008 (013 NW)
	Ph IV Seg 5	Walnut, Grand	19	**	36317	8/27/2009

Table 1 – Lansing CSO Control Program Progress to Date

Construction Status	CSO Phase & Segment	CSO Subarea Name	Total Area (GIS) to be Removed from Overflow (Acres)	Annual Overflow Volume Reduction (MG)	Lansing Public Service Number	Substantial Completion Date
	Ph IV Seg 5	018 SW, 045, 013 NE	487	367	26072, 37078, 16079	10/16/009 (018SW), 11/13/09 (045), 10/28/09 (13NE)
	Ph IV Seg 5	034 A	67	**	55054	10/2/2009
	Ph V Seg 1	034 B	168	**	56066	11/30/2010
	Ph V Seg 1	Allegan, Chestnut	9	**	36318	7/16/2010
	Ph V Seg 1	014, 015 N	205	**	26073	12/26/2011
Subtotals			5,009	952		
Design Complete	Ph V Seg 2	032 TS, 034 C	262	**	56068, 45046	
	Ph V Seg 2	Washington Sq, Ottawa	10	**	36321	
Future	Ph V Seg 3	015 S, 034 D	209	79		
	Ph V Seg 3	Shiawassee	44	**		
	Ph V Seg 4	032, 034 E	263	248		
	Ph V Seg 4	Capitol	28	**		
	Ph V Seg 5	009, 010, 021	233	68		
	Ph V Seg 5	South Washington	12	**		
	Ph VI Seg 1	Kalamazoo, Townsend	36	**		
	Ph VI Seg 1	011, 012, 019	187	53		
	Ph VI Seg 2	Washtenaw	2	**		
	Ph VI Seg 2	Walnut, Lenawee	10	**		
	Ph VI Seg 2	017, 026	122	51		
	Ph VI Seg 3	Pine, Chestnut	31	**		
	Ph VI Seg 3	008	339	58		
	Ph VI Seg 4	Ionia	23	**		
	Ph VI Seg 4	016, 022 E North	89	11		
	Ph VI Seg 5	Misc. streets (completes 024, 046, 047 separation work)	23	36		
	Ph VI Seg 5	022 E South	104	74		
	Ph VI Seg 5	033	66	22		
Subtotals			2,093	700		
Totals			7,102	1,652		

Percentage of Total CSO Area Separated: 70%

** Overflow volume included with other subareas

2.3.3 Separate Sewer System and Sewage Pump Stations

The City's separate sanitary sewer system includes older portions of the system that were originally constructed as a separated system, and new portions that have been constructed in the CSO sewer separation projects since 1992. The primary components include local sewage collector sewers, intermediate trunk sewers, interceptor sewers, sewage pump stations, and pump station force mains. Figure 2 provides information regarding the sanitary sewer system areas and primary components.

The CSO separation projects have constructed more than 66 miles of collector, trunk, and interceptor sanitary sewers ranging from 8- to 42-inches-diameter. The program has also:

- Rehabilitated more than 21 miles of existing sewers to remain as sanitary or storm sewers.
- Constructed two new sanitary sewage pump stations (80 MGD Lansing Avenue and 0.3 MGD Fayette Street Pump Station).
- Decommissioned two old sewage pump stations (Lake Lansing Road and Shubel Street Pump Stations).
- Upgraded Frances Park Pump Station from 12.7 MGD to 16 MGD.
- Upgraded Siphon 11 from 33 MGD to 44 MGD.
- Inspected more than 13,500 private properties for inflow sources leading to over 98% of all CSO program properties being free of inflow sources connected to the sanitary sewer system.

The City has also been improving performance and reliability in its original separate sanitary sewer system via a series of I/I investigation/removal/sewer rehabilitation projects beginning with the I/I analysis and SSES studies in the late 1970s and early 1980s. As a result of these and subsequent studies and construction, the City has removed more than 432 catch basins and private inflow sources at more than 500 properties. The City has also abandoned all known SSO structures, except manually operated bypasses available at the Frances Park and Lansing Avenue Pump Stations and Harton Street Equalization Basin.

Despite the work completed to date, the existing sanitary sewer system provides variable wet weather performance; with portions of the system, particularly trunk and interceptor sewers, subject to surcharging and isolated basement flooding and SSOs during rainfall events less than the 25-year rainfall. Figure 3, based on the latest modeling effort, summarizes projected performance of the existing system for the 25-year growing season event. Table 2, taken from the WWCP, summarizes the existing system capacities and project peak 25-year, unrestricted system flow rates for major elements of the system.

Figure 3 – Projected Sewer System Performance for 25-Year Design Event

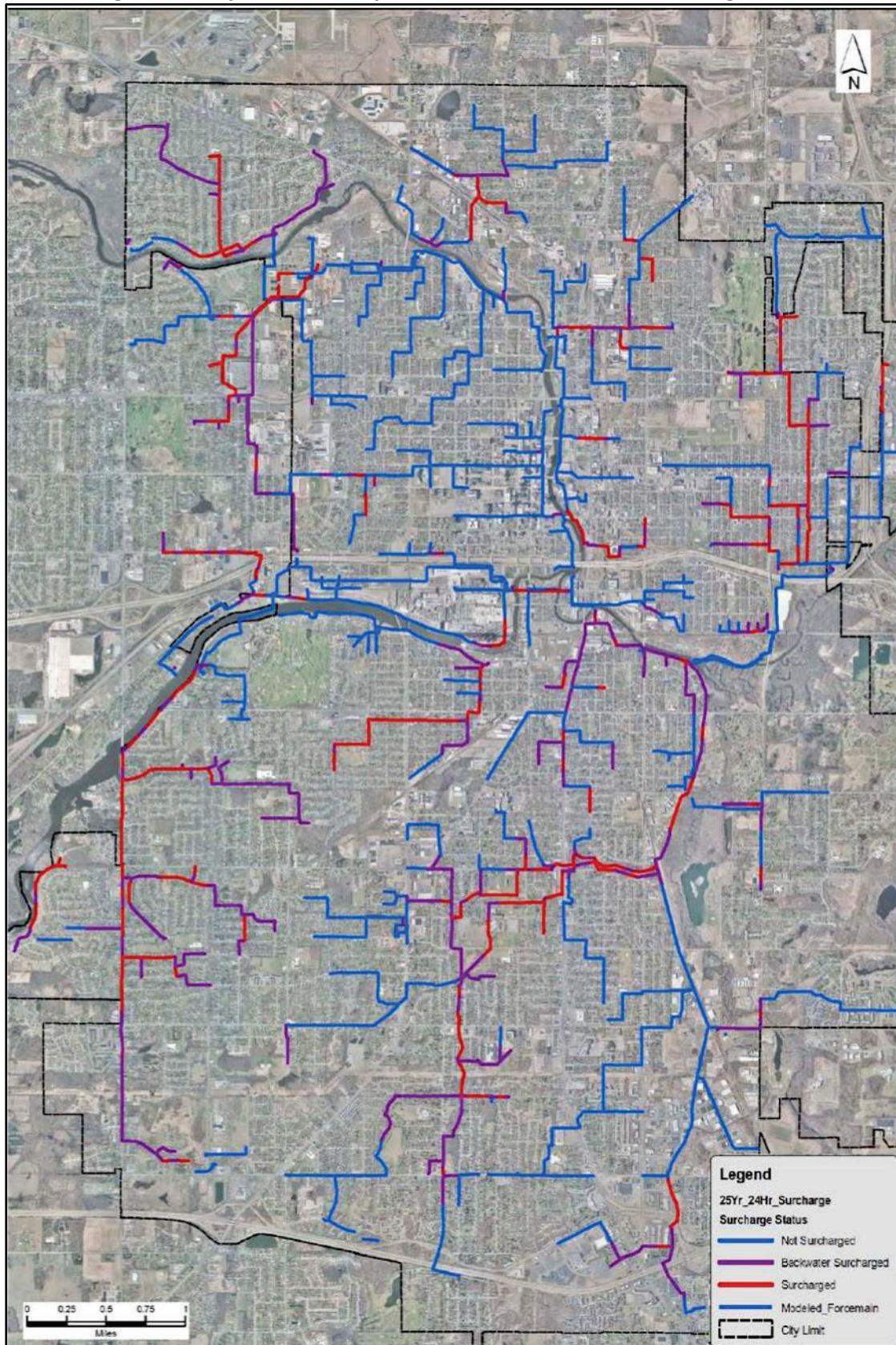


Table 2 – System Capacities and Unrestricted 25-Year Peak Flow Rates

Major System Element	Capacity (MGD)	Peak 25-year Flow Rate 2010 Model (MGD)
WWTP	100	189.1
Lansing Avenue Pump Station (LAPS)	66.5	93.4
Scott Park Pump Station (SPPS)		
Westside Interceptor (WSI)	65	81.8
Frances Park Pump Station (FPPS)*	12.7	29.9
WWTP Pump Station	8.7	15.8
Tecumseh River Pump Station (TRPS)	4.8	8.8
Harton Street Pump Station (HSPS)	27.3	33.6
Siphon 3	51.1	67.8
Siphon 11*	33.3	60.9
Siphon 12	7.6	16.8
HH North	8	13.8
HH South	11.4	12.6

*The Frances Park Pump Station has new pumps and Siphon 11 has been replaced.

Table 2 will be updated with the WWCP prior to the next SRF Project Plan.

2.3.4 Wastewater Treatment Plant

The City's WWTP is located on Sunset Avenue in northwest Lansing as illustrated in Figure 2. The WWTP was originally constructed in 1938, and last underwent major expansion and renovation in the mid-1980s. The plant is the largest tertiary plant in Michigan, serving a population of approximately 125,000, and includes the following major processes/components:

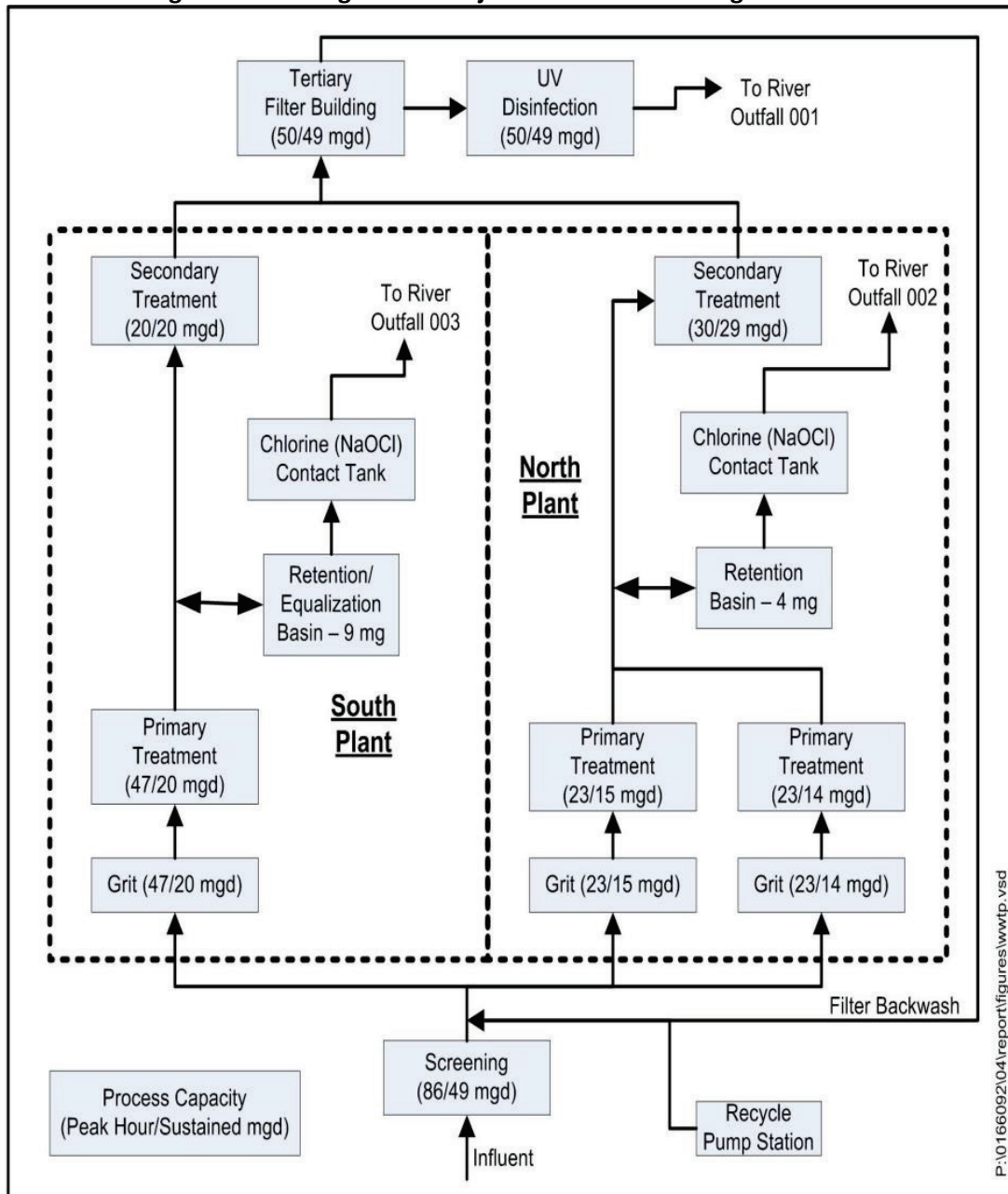
- Combined flow metering, fine screening, and compaction, flow splitting to North and South Plants: peak hourly flow of 86 MGD and sustained capacity of 49 MGD.
- North and South Plant grit removal, primary settling, and scum removal for a combined peak hourly flow of 93 MGD and sustained capacity of 49 MGD.
- North Retention Basin (4 MG) and South Equalization/Retention Basin (9 MG) both with disinfection and flow metering of discharge through Outfalls 002 and 003, respectively.
- North and South Plant single stage nitrification activated sludge, clarification, scum removal for a combined peak hourly flow of 50 MGD and sustained capacity of 49 MGD.
- Combined mixed media filtration, ultraviolet disinfection, and flow metering with a combined peak hourly flow of 50 MGD and sustained capacity of 49 MGD.
- Solids handling includes waste activated sludge co-settled with the primary sludge, then lime stabilized to Class B, stored and injected into farm fields, or dewatered with a belt filter press and hauled to a landfill that recovers methane gas for electricity generation.

The WWTP is authorized to discharge fully treated effluent to the Grand River through Outfall 001 to meet the requirements of the NPDES Permit MI0023400. Refer to Appendix 4 for a copy of the current permit. It also provides for the discharge of partially treated sewage from Outfalls 002 and 003 following screening, grit removal, primary sedimentation, retention basin settling, and disinfection. The retention basins are authorized to discharge after the full treatment effluent flow has reached 35 MGD (average daily design flow) and the plant

influent flow exceeds 50 MGD (peak hourly design flow for secondary treatment through discharge). Figure 4 summarizes the plant components and flow rates.

The City's sewage flows have declined over the last 20 years, due to loss of industrial process flows and some reductions in commercial and residential flows. Average daily flows are now approximately 16 MGD. It has been challenging to maintain proper operation of the biological treatment process necessary to achieve an effluent quality of 4.0 milligrams per liter (mg/L) of Carbonaceous Biochemical Oxygen Demand and 0.5 mg/L of ammonia nitrogen, while running significantly less than the design average daily flow of 35 MGD. Furthermore, the plant must respond to wet weather flows that can more than quadruple the average flow. With the split primary/secondary treatment units into the North and South Plants, both must be kept in service during dry weather flows so that they can be operational during wet weather high flow conditions.

Figure 4 – Lansing WWTP Major Processes and Design Flow Rates



2.4 Fiscal Sustainability Plan

2.4.1 Inventory of Critical Assets

2.4.1.1 CSO Subarea 034D Sewer Separation

The 034D project is generally bounded by Pattengill Avenue on the west, Cooper Avenue on the north, Martin Luther King Jr Boulevard on the east, and Dunlap Street on the south. 034D will separate approximately 157 acres and eliminate approximately 16,900 ft of combined sewer. Refer to Appendix 9 for the location of this project area.

Regulator Area 034D

Diameter (in)	Length (ft)
unknown	576
8	222
10	8,932
12	2,175
15	1,192
18	1,359
21	295
24	865
36	875
42	49
45	372
Total	16,912

of Manholes – 90

2.4.1.2 CSO Subarea 034E Sewer Separation

The 034E project is generally bounded by South Washington Avenue on the west, Mount Hope Avenue on the north, Forest Avenue on the east, and Greenlawn Avenue on the south. 034E will separate approximately 31 acres and eliminate 7,600 ft of combined sewer. Refer to Appendix 9 for the location of this project area.

Regulator Area 034E

Diameter (in)	Length (ft)
8	3,047
10	1,987
12	414
15	884
20	257
24	402
30	196
36	444
Total	7,631

of Manholes – 62

2.4.1.3 CSO Subarea 015S Sewer Separation

The 015S project is generally bounded by Saginaw Street to the north, Sycamore Street to the east, Ottawa Street to the south, and Verlinden Avenue to the west. 015S will separate approximately 136 acres and eliminate 26,700 ft of combined sewer. Refer to Appendix 9 for the location of the project area.

Regulator Area 015S

Diameter (in)	Length (ft)
8	6,818
10	4,093
12	2,343
15	2,260
18	2,816
20	212
21	218
24	1,347
27	395
32	233
36	206
40	449
42	282
48	2,583
54	1,167
66	1,125
77	203
Total	26,749

of Manholes – 121

2.4.1.4 CI/ SLI Rehabilitation Project

The CI and the SLI project areas include approximately 20,000 ft of pipe ranging in size from 36 to 66-inch round and 48 x 76-inch horizontal elliptical pipe. The CI and SLI were constructed with reinforced concrete pipe in the late 1920s through the mid-1980s. Refer to Appendix 10 for the location of the interceptors.

CI Rehabilitation Project

Diameter (in)	Length (ft)
42	267
48	4,274
54	2,656
60	509
66	10,970
Total	18,676

of Manholes – 63

2.4.2 Condition Assessment of Critical Assets

2.4.2.1 CSO Subareas 034D, 034E, and 015S Sewer Separation

The sewers within the three CSO areas are still operationally sound, though they have reached or are nearing their life expectancy. However, the City has an agreement with the MDEQ to separate their CSO areas. Subarea 034D was televised in 2010 for the Basis of Design. The condition of the existing combined sewers can be seen in Appendix 9. Subarea 034E has not been televised yet to determine the condition of the existing sewers. An addendum will be released once this work has been completed. Subarea 015S was also televised in 2010 for the Basis of Design. The condition of the existing combined sewers can be seen in Appendix 9.

2.4.2.2 CI/ SLI Rehabilitation Project

The Central and Sycamore-Lindbergh Interceptors were built in the late 1920s and the mid-1980s. No major structural rehabilitation has been performed on these interceptors since the original construction. Condition assessments were performed in 2007-2008 and indicated advanced levels of structural degradation in some reaches due to hydrogen sulfide (H₂S) corrosion. The condition assessment of the interceptors can be seen in Appendix 10 in the Basis of Design report.

2.4.3 Water and Energy Conservation

The water and energy conservation certificate will be included with the Part III SRF application. Water and Energy conservation was evaluated as part of the project.

2.4.3.1 CSO Subareas 034D, 034E, and 015S Sewer Separation

The City of Lansing will begin the sewer separation by installing new sanitary sewers and converting the combined sewer system to a storm system. Portions of the combined sewer system that will remain in service will need to be rehabilitated to ensure the structural integrity of the system. The new sanitary sewer will tighten the system and eliminate I/I. This will ultimately reduce flows to the WWTP. Reduced flows result in reduced run times on equipment.

2.4.3.2 CI/ SLI Rehabilitation Project

Similar to the CSO sewer separation projects, the rehabilitation of the Central and Sycamore-Lindbergh Interceptors will restore structural integrity of the pipe and reduce I/I in the system. This will ultimately reduce flows to the WWTP. Reduced flows result in reduced run times on equipment.

2.4.4 Funding Plan

The City has a plan in place for maintaining, repairing, funding, and replacing their system. They are currently working on their rate model based on the proposed improvements in this SRF Plan along with the asset management planning that they are currently working on through their Stormwater, Asset Management, and Wastewater (SAW) Grant.

2.5 Need for the Project

2.5.1 Compliance Status

The City is currently operating under Wastewater NPDES Permit MI0023400 issued September 24, 2008. This permit is attached as Appendix 4. The City is partner to an ACO (ACO-SW02-030) issued on January 9, 2004, for control of SSOs. The ACO is attached in Appendix 5. The City is also permitted under the Michigan NPDES Stormwater Permit Program under the State's General Permit MIG610101.

2.5.1.1 CSO Control

The City is in compliance with its NPDES permit requirement to have completed construction through CSO Control Phase IV before December 31, 2009. Due to the 2008 recession, the City suspended its CSO Control Program after completion of Phase V, Segment 1. The City's WWCP addresses the remaining CSO control needs. The City came to an agreement with the MDEQ to separate 95% of remaining CSO volume by December 31, 2032. The remaining CSO Phasing schedule will be revised with the update to the WWCP in the next few years.

2.5.1.2 SSO Control

In accordance with the City's ACO, the City has submitted planning documentation for control of SSOs. However, due in large part to the 2008 recession, the City has only partially completed short-term SSO control measures in areas of known SSOs, including the Tecumseh River Pump Station (TRPS) area, Sycamore-Lindbergh Interceptor areas, Frances Park Pump Station, and the replacement of Siphon 11. The City's WWCP addresses remaining SSO control needs.

2.5.1.3 Stormwater Management

The City is in compliance with its stormwater NPDES permit.

2.5.2 Orders

In 2000, the MDEQ announced an initiative to identify and eliminate SSOs throughout the State for rainfall events less than the 25-year, 24-hour rainfall. In the period between 2003 and 2006, the City completed comprehensive flow monitoring, modeling, and alternative analyses as part of the *Sanitary Sewer System Master Plan Study* to identify sewer system deficiencies and develop recommendations to meet the MDEQ policy. In 2004, the City entered into ACO-SW02-030, January 9, 2004, to prevent growing season SSOs by December 31, 2020. The City's WWCP addresses remaining SSO control needs; however, is expected to extend beyond 2020 due to the program cost and the City's continuing economic situation. A Part 31 agreement was reached with the MDEQ on December 28, 2017. The City agreed to address remaining SSO control needs by December 31, 2035. It is expected that a new ACO will be issued due to the new Part 31 agreement.

2.5.3 Water Quality Problems

The primary water quality problems in the Grand and Red Cedar Rivers, during wet weather events, include high pathogen concentrations (*E. coli*) and dissolved oxygen sags due to agricultural runoff and combined/sanitary sewer overflows. Suspended solids and nutrient loadings primarily due to stormwater runoff are also problematic during wet weather. Low flow conditions worsen the effects by limiting dilution of the contaminants.

The MDEQ completed a TMDL Analysis for *E. coli* in portions of the Grand and Red Cedar watersheds near Lansing in July 2012. Quoting from the TMDL Section 1.3 on page 3:

For the TMDL, the water quality standards (WQS) of 130 E. coli per 100 mL as a 30-day geometric mean and 300 E. coli per 100 mL as a daily maximum to protect the total body contact (TBC) use are the target levels for the TMDL reach from May 1 through October 31, and 1,000 E. coli per 100 mL as a daily maximum year-round to protect the partial body contact (PBC) use. The 2009 monitoring data indicated daily maximum and 30-day geometric mean WQS exceedances at all sites.

Appendix 6 provides *E. coli* levels and locations from the TMDL study area.

2.5.4 Projected Needs

Wastewater flows in the City service area will be affected by three primary elements, including population increase/development, CSO sewer separation, and I/I reduction efforts. Over the last several years, the trend for the City wastewater flows has been a reduction in both average dry weather and peak wet weather flow rates.

Over the last three decades, the City has seen a significant decrease in both residential population and a reduction in commercial/industrial flows as heavy water users have improved processes to use less water. The City has also significantly reduced I/I flows by continuously identifying and removing sources of I/I. As the City's sewer system continues to age, it will be important for the City to continue investigations and I/I removal efforts to continue improving performance. Continuous execution and improvement of the City's ongoing asset management efforts will help maintain the trend of reducing peak wet weather and infiltration flow rates.

CSO sewer separation is expected to decrease average dry weather flows to the plant because the new sanitary sewer system is more watertight than the existing combined sewer system. Because of remaining footing drain connections, however, some CSO separation areas may cause an increase in peak wet weather flows because all flow will be tributary to the sanitary sewer system due to elimination of the CSO overflows.

During the 20-year planning period, the City's sanitary sewer service area population is expected to increase at a modest rate of approximately 0.4% per year, rising from the 2010 current value of approximately 123,600 to approximately 138,427 by 2040. The City is also vigorously encouraging commercial/ industrial development.

Based on the planned system improvements, projected population increase, and expected commercial/ industrial development, the average flow rate at the WWTP is expected to increase modestly from 16.0 MGD. Peak wet weather flow rates are expected to continue to decline, particularly with the inclusion of proposed storage basins in selected sewer system subareas.

2.6 Future Environment Without the Proposed Project

The proposed improvements will mitigate basement backups and eliminate or treat CSOs and SSOs for the design condition. Without the WWCP, the existing untreated CSO discharges and periodic basement backups will continue to occur, and the City will be in non-compliance with the requirements of its wastewater NPDES permit and ACO. Ultimately, the water quality in the Grand and Red Cedar Rivers would continue to be degraded by discharges of untreated sewage if the program is not implemented.

2.7 Population Data

The City's 2010 population was reported at 114,297 by the U.S Census Bureau. This was down approximately 4% from 119,100 recorded in the 2000 census, and down by just over 10% compared to the 127,321 population recorded in the 1990 census. Michigan is projected to gain population at a modest rate of approximately 0.1% per year during the period 2010-2040 (*The Economic and Demographic Outlook for Michigan*, March 2012, Institute for Research on Labor, Employment and the Economy, University of Michigan), and Ingham County is expected to slightly exceed Michigan's projected growth rate. The Tri-Country Regional Transportation Plan estimates an annual growth rate of 0.4% for the City during the same 2010-2040 period. The projections in Table 3 use the trend projections from the *Tri-County Regional Planning 2035 Regional Plan*, updated based on 2010 Census counts.

Table 3 – Lansing Sewer Service Area Population Projections

Unit of Government	Sewer Service Area (acres)	2010 Census Population within Lansing Sewer Service Area	Project Population 30-year Planning Period (2010-2040)
City of Lansing	22,090	114,297	128,007
Alaiedon Township	403	22	25
Delhi Township	74	74	83
Delta Township	590	590	685
General Motors Plant in Delta Township	1,080	NA	NA
Dewitt Township	60	60	74
Lansing Township	2,470	8,220	9,206
Meridian Township	285	41	41
Watertown Township	52	0	0
Windsor Township	1,080	304	306
Capital Region Airport	1,200	NA	NA
Total	29,384	123,608	138,427

2.8 Environmental Setting

2.8.1 Cultural Setting

The City is dedicated to discovery and protection of historical sites, and is working closely with the State Historic Preservation Office (SHPO) to identify any areas of concern. The project area is located largely within City rights-of-ways (ROW), and has been previously reviewed in detail for the City CSO Control Program. Table 4 includes the historical sites in the City which are on the National Registry.

Table 4 – Historical Sites in the Lansing Study Area (National Registry List 2013)

Site	Date listed	Location
Arbaugh's Department Store Building	July 20, 2007	401 South Washington
Capital Bank Tower	December 6, 2005	124 West Allegan Street
Central Methodist Episcopal Church	September 17, 1980	215 North Capital Avenue
Emery House	December 10, 1993	320-328 West Ottawa
Federal Building	September 17, 1980	315 West Allegan Street
First Baptist Church	September 17, 1980	227 North Capital Avenue
Grand Trunk Western Rail Station	July 3, 1980	1203 South Washington Avenue
J.W. Knapp Company Building	May 21, 1983	300 South Washington Avenue
Lansing Woman's Club Building	September 17, 1980	118 West Ottawa Street
Masonic Temple Building	September 17, 1980	217 South Capitol Avenue
Michigan Millers Mutual Fire Insurance Building	September 17, 1980	120-122 West Ottawa Street
Michigan State Capitol	January 25, 1971	Capitol and Michigan
Darius B. Moon House	November 30, 1982	216 Huron Street
J.H. Moores Memorial Natatorium	January 14, 1985	2700 Moores River Drive
Mutual Building	September 17, 1980	208 North Capitol Avenue
North Lansing Historic Commercial District	April 30, 1976	East Grand River Avenue
Ottawa Street Power Station	November 26, 2008	217 East Ottawa Street
Prudden Wheel Company Building	May 30, 2007	707 Prudden Street

Table 4 – Historical Sites in the Lansing Study Area (National Registry List 2013)

Site	Date listed	Location
St. Mary Cathedral	November 2, 1990	229 Seymour Street
State Office Building	May 17, 1984	316 South Walnut Street
Strand Theatre and Arcade	September 17, 1980	211-219 South Washington
Union Depot	July 21, 1995	637 East Michigan Avenue

2.8.2 Natural Environment

2.8.2.1 Climate

The proposed work will not significantly affect the climate, and will be designed to operate in the prevailing climate/environment.

2.8.2.2 Air Quality

The proposed work will have no significant effect on the local air quality. Heavy equipment used for construction will temporarily increase emissions in work areas, but is not expected to produce a significant or lasting effect.

2.8.2.3 Wetlands

Most of the project area has been urbanized, and only small scattered wetlands remain. These are not significant in size, and are not directly associated with the major surface water bodies. There are no wetlands in the proposed project work areas.

2.8.2.4 Coastal Zones

There are no coastal zones in the project area.

2.8.2.5 Floodplains

A map illustrating the 100-year floodplain along the local rivers is included in Appendix 7. Proposed work in or near floodplain areas include improvements to the SLI. All work proposed in floodplain areas will be completed in accordance with MDEQ/U.S. Army Corps of Engineers permitting requirements.

2.8.2.6 Natural or Wild and Scenic Rivers

There are no State designated wild or scenic rivers in the project area.

2.8.2.7 Major Surface Waters

Figure 1 presents the overall study area and major surface waters, including the Grand and Red Cedar Rivers, and Sycamore Creek.

2.8.2.8 Recreational Facilities

Figure 5 illustrates locations of the City and other regional parks and major recreational facilities. Where opportunities arise, improvements to local parks and facilities may be considered in conjunction with the proposed work.

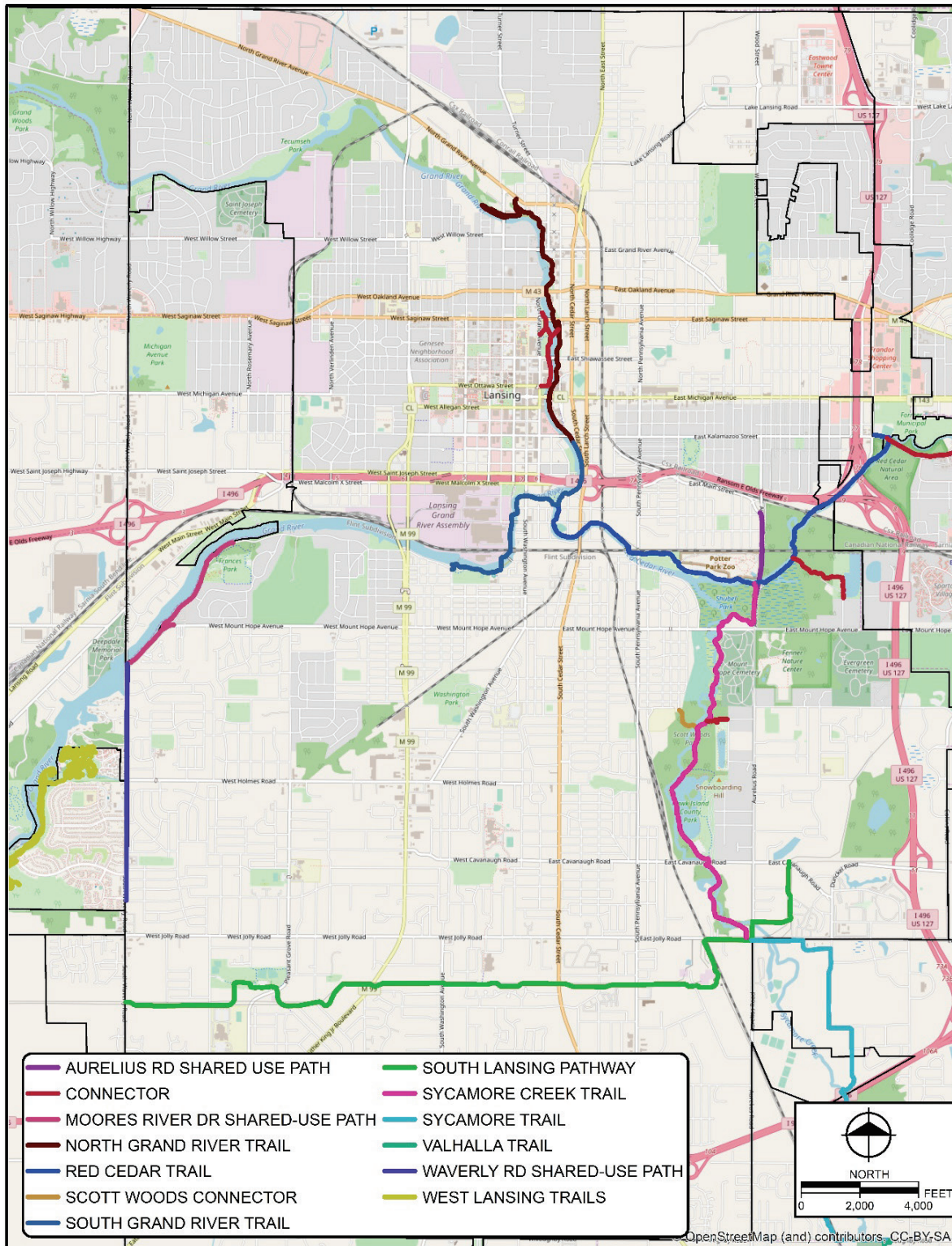
2.8.2.9 Topography

The City topography is characterized by flat and gentle rolling terrain. The surface grades seldom exceed 5%, except near the river, and are not expected to have a significant impact on the proposed work.

The U.S Department of Agriculture, Soil Conservation Service has conducted soil surveys in Ingham County. The predominant soil type is known as Urban land-Marlette complex, and is characterized by sandy to clay loams to a depth of approximately 5 ft. The City soils are generally poorly drained, and can require over excavation in

areas to achieve adequate structural strength for new facilities and underground infrastructure. This has been encountered in many CSO control projects completed to date. Dewatering has not typically been a significant concern at depths less than 15 ft, unless construction is near the river.

Figure 5 – Recreational Facilities Map



2.8.2.10 Agricultural Resources

There are no prime agricultural resources in areas of proposed work.

2.8.2.11 Fauna and Flora

According to the U.S. Fish and Wildlife Service website, the Indiana Bat is the only possible endangered species in the project area. Indiana Bats are found over most of the eastern half of the United States. Almost half of them hibernate in caves in southern Indiana. They hibernate during winter in caves or, occasionally, in abandoned mines. During summer, they roost under the peeling bark of dead and dying trees. Indiana Bats eat a variety of flying insects found along rivers or lakes and in uplands.

The Northern long-eared bat is a possible threatened species in the project area. Northern long-eared bats hibernate in caves and mines. They swarm in surrounding wooded areas in autumn. The bats roost and forage in upland forests during spring and summer.

The Eastern Massasagua Rattlesnake is a candidate for listing as an endangered species and may exist in the project area. It is a small, thick-bodied rattlesnake that lives in shallow wetlands and adjacent uplands in portions of Illinois, Indiana, Iowa, Michigan, Minnesota, New York, Ohio, Pennsylvania, Wisconsin, and Ontario.

The proposed project includes sewer and facilities work in established road ROWs and developed urban areas as well as a sewer river crossing. Refer to Section 4.1.7 of this report for additional information on the effect of the proposed project on the local fauna and flora.

2.8.2.12 Unique Features

There are no known unique features in the project area.

3.0 Analysis of Alternatives

3.1 Identification of Possible Alternatives

3.1.1 No Action

The “No Action” alternative is unacceptable. The current system does not meet the requirements of the NPDES permits or the ACO. Also, a “no action” means that the collection system will continue to deteriorate, allowing more CSOs, SSOs, and basement backups to occur without any treatment.

3.1.2 Regional Alternative

There is no viable regional alternative. The City’s sewer system is the largest regional system in the area. There is no other system to which the City can connect.

3.1.3 Optimum Performance of Existing Facilities

Improving the performance of the existing facilities will not meet the requirements of the NPDES Permit or the ACO. The existing system does not have capacity to transport and treat flows generated during a large rain event without overflows occurring. The long term WWCP includes removing bottlenecks in conveyance capacity at existing pump stations and siphons in order to maximize transport of wastewater to the WWTP during wet weather events.

3.1.4 Remaining CSO and SSO Control Programs Alternative

This alternative is the continuation of the existing CSO Control Program as presented in the original 1991 Project Plan and last amended in 2013 under Amendment 4 of the Project Plan. The program focuses on separation of the combined sewers into sanitary and storm sewers. The remaining work includes: Phase V, Segments 2 through 5; and Phase VI, Segments 1 through 5.

Figure 6 illustrates the areas with combined sewers that would be separated as part of this alternative. Table 5 provides a summary of the sewer separation projects.

Figure 6 – Remaining Combined Sewersheds

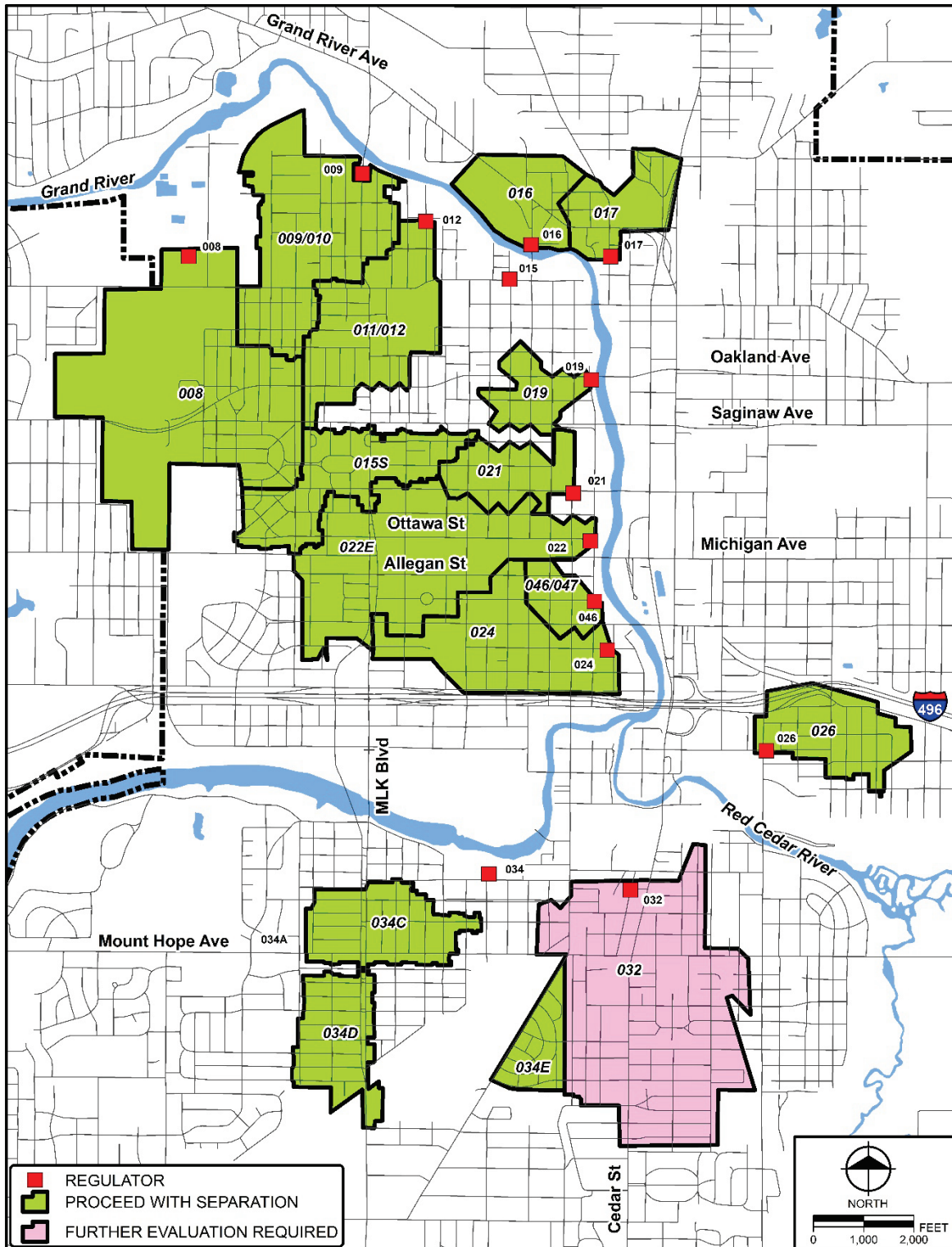


Table 5 – Remaining CSO Control Program Projects

Phase	Segment	Description
V	2	Separation of Subareas 034C*, 032 Trunk, and Downtown
	3	Separation of Subareas 015S (014), 034D, and Downtown
	4	Separation of Subareas 034E, 032 Local, and Downtown
	5	Separation of Subareas 009 (010) and Downtown
VI	1-5	Separation of Subareas 008, 012 (011) 016, 017, 019, 026, and 033 and completion of downtown separation for Subareas 021, 022E, 024, and 046 (047), Lansing Avenue Retention Basin, Improvements to WWTP

*Subarea 034C begins construction in April 2018

This alternative also includes a separate SSO control program as documented in the *City Sanitary Sewer Master Plan* (2003) to control SSOs and basement flooding.

The SSO control program consists primarily of disconnecting footing drains at up to 26,000 homes and adding an additional 1 MG of storage at the WWTP. Additional capacity for footing drain flows would be provided in conjunction with future combined sewer separation projects and some pump station and sewer capacity upgrades would be provided in the separated sewer area.

3.1.5 2012 Wet Weather Control Plan Alternative

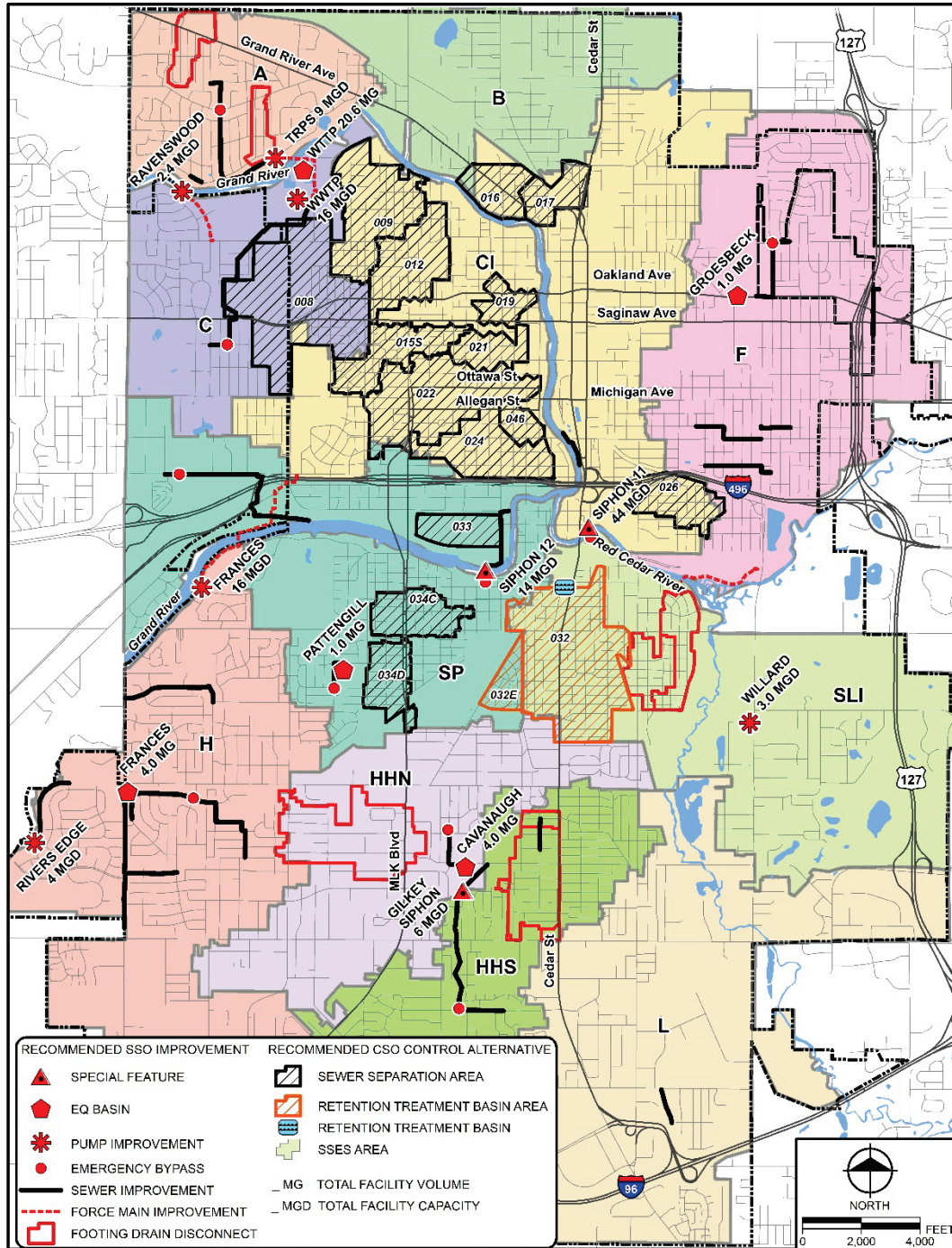
The City developed a new WWCP to join all three unfunded mandates of the Federal Clean Water Act (CSO, SSO, and Stormwater Programs) into a coordinated approach. This WWCP allows for **ALL** costs for these programs to be spent in a responsible way that prioritizes public health and continues to protect the rivers and lakes using the same federal requirements. By joining the three wet weather programs into one plan, it allows and encourages a plan that will work for all three programs.

This plan focuses on cost-effective improvements to prevent basement flooding, minimize sewage overflows, and protect water quality. The overall projects included in the program are:

- CSO Control
 - Combined Sewer Separation
 - Retention Treatment Basins (RTBs) for Regulator 032
- SSO Areas
 - Sewer System Capacity Improvements
 - Siphon Improvements
 - Pump Station Improvements
 - Peak Flow Equalization
 - FDD/ Basement Protection
- WWTP
- Emergency Bypasses
- Stormwater

The WWCP Program was submitted to the MDEQ in June of 2011. Frances Park and Siphon 11 improvements have already been completed. Future improvements will be added when the Program is updated in 2020. Following is a brief description of each segment of the overall program from 2011. Refer to Figure 7 for locations of the improvements.

Figure 7 – 2012 Wet Weather Control Plan Improvements



3.1.5.1 CSO Control

The recommended CSO control program includes both combined sewer separation and installation of an RTB for CSO Regulator 032. The recommended CSO control approach and estimated cost is presented in Table 6. The recommended CSO control is based on the lowest cost for the City for the specific sewershed. As these projects are scheduled for final design, additional flow monitoring is recommended to refine the basis of design to verify the scope and budget for each project.

Table 6 – WWCP Recommended CSO Control Projects – Cost Summary

Regulator	Recommended Alternative	City Eligible Cost	City Capital Cost
REG-008	Sewer Separation	\$16,920,000	\$22,030,000
REG-009/012	Sewer Separation	\$31,885,000	\$41,515,000
REG-016/017	Sewer Separation	\$ 9,440,000	\$12,289,000
REG-024/046	Sewer Separation	\$26,030,000	\$38,280,000
REG-026	Sewer Separation	\$ 5,076,000	\$ 7,494,000
REG-032	RTB	\$45,280,000	\$52,549,000
REG-034C/034D	Sewer Separation	\$20,140,000	\$26,229,000
REG-015S	Sewer Separation	\$13,990,000	\$18,216,000
REG – 019	Sewer Separation	\$ 5,760,000	\$ 7,502,000
REG-021	Sewer Separation	\$ 5,550,000	\$ 7,224,000
REG-022	Sewer Separation	\$13,650,000	\$17,768,000

3.1.5.2 SSO Areas – Sewer System Capacity Improvements

Optimizing wastewater transport to the WWTP is primarily achieved through increasing the capacities of Siphons 11 and 12 and the pumping capacities of the Frances Park, Tecumseh River, and WWTP Pump Stations. Additional local sewer improvements are also identified to provide capacity to convey the 25-year growing season peak wet weather flow.

3.1.5.3 SSO Areas – Peak Flow Equalization

Peak flow equalization is proposed through the construction of storage facilities at the WWTP and at four regional locations within the collection system. Final sizing of the equalization basins will require additional flow monitoring and an assessment of the effectiveness of source removal through FDD prior to design.

3.1.5.4 SSO Areas – FDD

The initial task for the Phase 1 FDD program is to evaluate three candidate neighborhood areas where disconnection can achieve source control concurrent with protecting homes from basement flooding. For a variety of reasons, the FDD program will concentrate on groups of homes by sewershed rather than being scattered City-wide; the reasons include: the need for flow monitoring; the ability to document effectiveness results; and the opportunity to significantly reduce sanitary sewer capacity limitations.

A number of criteria will be used when analyzing the potential effectiveness of the Phase 1 FDD work, including:

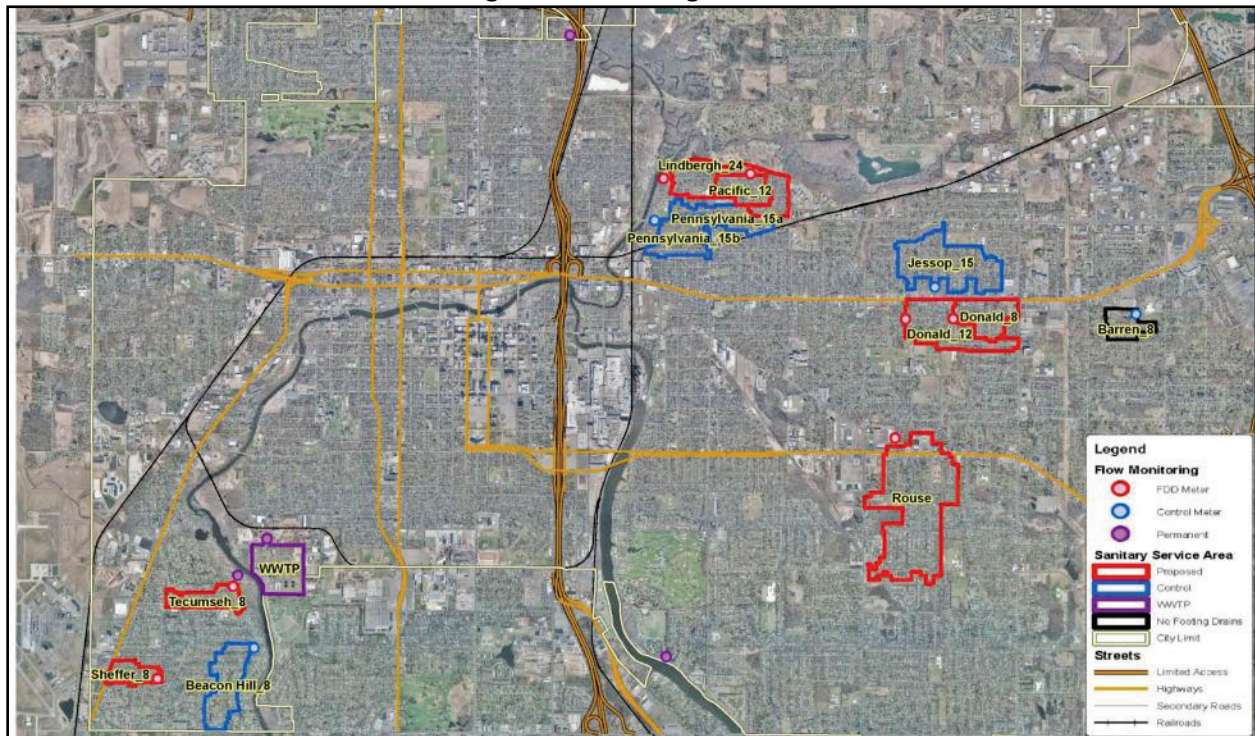
- Ability to accurately meter and analyze the existing neighborhood sewer system.
- History of basement flooding in the area.
- Known downstream sanitary sewer capacity deficiencies.
- Social and economic factors in each neighborhood.

- Typical age of homes and the availability of records related to home construction and the sanitary sewer lead.
- Types of stormwater drainage systems in the neighborhood and the need for improvements to the system.
- Soil types in the area.
- Influence of previous construction activities on the neighborhood.
- Potential for lining of the sewer service lateral.

The results of the flow monitoring, as presented in the 2003 *Sanitary Sewer System Master Plan Study* were cross-referenced with the SSO records from 1998 through 2005. Three possible candidate neighborhoods were identified based on the criteria stated above and are presented in Figure 8 (outlined in red where FDD will have the potential to succeed). The selected sewershed areas are listed as follows:

1. TRPS Area – located northwest
2. Donald and Vernon Area – located south central
3. Sunnyside and Pennsylvania Area – located east central

Figure 8 – FDD Target Areas



To ensure that results can be completed in a 5-year program, the target areas are smaller than previously metered sewersheds to more accurately determine the effectiveness of I/I removal. Each target area was delineated into two smaller sewershed areas and, depending on neighborhood surveys and voluntary participation; either area could be scheduled for the FDD program.

In addition, a control sewershed has been identified for each target FDD area to help determine I/I removal rates during post-construction conditions (i.e., allow flow comparisons for different seasons/years). These control basins were selected because I/I characteristics are expected to be similar to the target areas except footing drains will remain. For baseline comparisons, an area with no footing drains and newer construction (Barren 8) will be monitored to aid with the analysis. Barren 8 is outlined in **black** in Figure 8. Information from this meter is expected to help identify whether public I/I and/or leaky service laterals are significant in the FDD areas. This area was also monitored during the previous flow monitoring program.

3.1.5.5 Wastewater Treatment Plant

The recommended alternative for capacity improvements at the WWTP necessary for treatment of the 25-year, 24-hour storm is the 20.6 MG Equalization Basin alternative. That alternative includes improvements to WWTP treatment capacity and additional storage. This alternative will provide sufficient storage capacity and treatment to meet the current NPDES limits, including the limits for Total Suspended Solids, 5-day biochemical oxygen demand, and ammonia nitrogen.

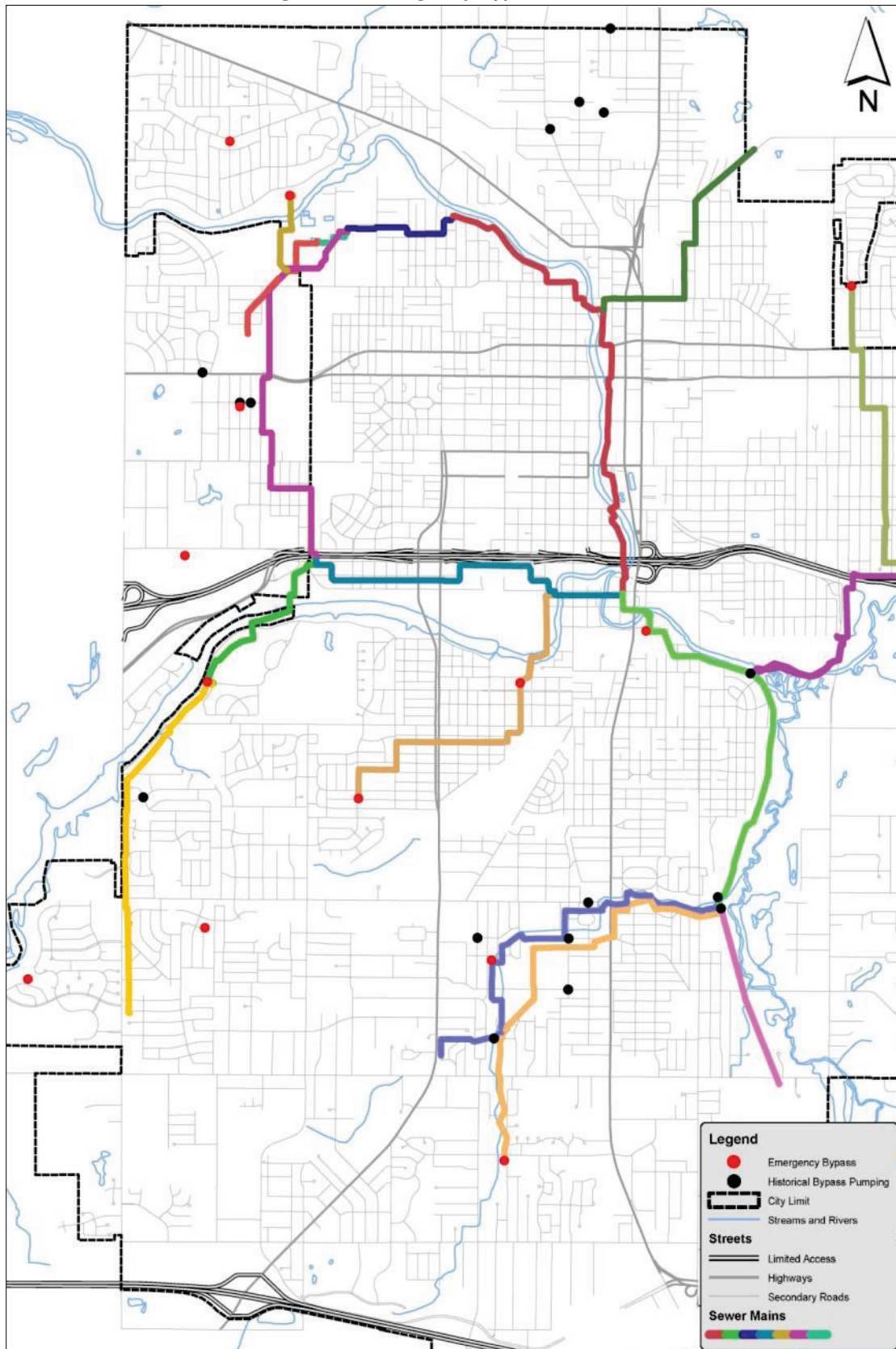
If the NPDES permit limits are changed in the future, before WWTP improvements and storage capacity are added, the proposed modifications should be re-evaluated based on the new permit limits. If blending of effluent from high rate treatments and the WWTP is allowed in the future, the alternatives and recommendations should also be re-evaluated. Sampling of plant influent and primary effluent during wet weather should be conducted to supplement the existing data and to verify the assumed conditions for blending of high rate treatments and secondary effluent.

3.1.5.6 Emergency Bypasses

Emergency bypasses are proposed to prevent basement flooding from sewer surcharging during extreme wet weather events. They are proposed in conjunction with other facilities, such as pumping stations and storage basins, for flows that exceed the available design capacity. Emergency bypasses have been identified on trunk sewers where adequate downstream capacity is unavailable and basement flooding is a significant risk. The need for emergency bypasses will be evaluated as each 5-year plan is developed. In some instances, the emergency bypass may be retrofitted to supplement improvements in conveyance, storage, or treatment capacity to provide a higher level of protection while complying with regulatory guidelines.

Figure 9 illustrates possible locations for emergency bypass facilities. No emergency bypasses have been installed as of April 2018. The need for pumping, the design approach, and the outlet locations will be determined during design. These emergency bypasses are a critical component of the short- and the long-term wet weather management strategy to protect public health during interim wet weather events that exceed the available system capacity and events exceeding the 25-year growing season capacity following completion of system improvements. They allow a more cost-effective design for the wastewater system improvements, which is consistent with regulatory guidelines, while maintaining a high level of protection from basement flooding.

Figure 9 – Emergency Bypass Locations



3.1.5.7 Basement Backup Protection Program

Prevention of basement backups by protecting individual homes from the effects of a high hydraulic grade line in the public sewer is a high public health priority. This is an expansion of the ongoing efforts which include public education and training of municipal employees. This program is made available to basements with recurring flooding problems. A range of alternatives are considered to provide adequate protection against basement backups. Each basement protected is also considered for FDD.

This program provides immediate and permanent solutions to address issues of public health and safety. In addition to meeting the goals of this objective, implementation of this program positively impacts the operation of the existing system.

Future system improvements could be reduced where basement backup prevention allows the system to surcharge during the design storm event without causing backups.

The basement disconnection program includes a public education component, financial and technical support for homeowners, and a certification process to ensure the work was completed. The Basement Backup Protection Program End of Year Report can be seen in Appendix 8.

3.1.5.8 Stormwater Management

Recommendations for stormwater management controls as they apply to the City are as follows:

- Consider the value and benefit of capturing stormwater in CSO areas when RTBs are cost competitive.
- Divert stormwater in selected separated areas to reduce wet weather flow available to enter the sanitary system.
- Continue to pursue the installation of stormwater controls as part of street projects (e.g., rain gardens, bio-retention, and filtration or infiltration devices.) Adopt minimum standards for including some level of improved stormwater management as part of all street projects. Adopt post-construction site development and redevelopment standards that require Low Impact Development (LID) practices such as rain gardens, rain barrels, bio-retention, porous paving, green roofs, etc. This could include setting an impervious area reduction goal. Pursue the use of LID practices for City projects for municipal buildings and property, including the enhancement of an urban tree policy.
- Work with the Greater Lansing Regional Committee members to update the Watershed Management Plans in a manner that directly considers all wet weather issues of relevance to the setting of TMDLs for the subject water bodies. This would include CSO, SSO, WWTP facilities, and agricultural inputs.
- For understanding future TMDLs, some strategic water quality sampling and monitoring should be conducted to better understand current conditions, stormwater pollutant source contributions, and the future performance of control strategies.
- Complete Illicit Discharge Elimination Plan permit activities including storm system mapping of manholes, catch basins, and the location of jurisdiction inter-connections, e.g. with the Michigan Department of Transportation, neighboring townships, and the City of East Lansing.

3.2 Analysis of Principal Alternatives – Overall Program

The following analysis will first investigate the financial and environmental impacts as well as technical and other considerations of the two overall principal alternatives:

- Alternative 1: Remaining CSO Control Program and SSO Control Program
- Alternative 2: 2012 WWCP

A more detailed analysis of the projects chosen for the first phase of the selected alternative will follow in this section.

3.2.1 Monetary Evaluation – Overall Program

A summary of the costs for Alternative 1 are presented in Table 7. Table 8 contains a summary of the costs for Alternative 2. The estimated costs are total project costs and include both SRF eligible and ineligible work.

A comparison of the costs is provided in Appendix 4 of the City 2012 WWCP, Final Draft located in Appendix 8 of this report.

Table 7 – Overall Program Alternative 1: Remaining CSO and SSO Control Programs Cost Summary

Phase	Segment	Description	Project Cost
V	2	Separation of Subareas 034C, 032 Trunk, and Downtown	\$ 28,000,000
	3	Separation of Subareas 015S (014), 034D, and Downtown	\$ 31,500,000
	4	Separation of Subareas 034E, 032 Local, and Downtown	\$ 24,300,000
	5	Separation of Subareas 009 (010) and Downtown	\$ 24,500,000
VI	1-5	Separation of Subareas 008, 012 (011) 016, 017, 019, 026, and 033 and completion of downtown separation for Subareas 021, 022E, 024, and 046 (047), Lansing Ave Retention Basin, Improvements to WWTP	\$142,000,000
SSO Control Program			<u>\$373,000,000</u>
Total Remaining			\$623,300,000

Table 8 – Overall Program Alternative 2: 2012 WWCP Cost Summary

CSO Areas	
Separation	\$198,600,000
RTBs	\$52,600,000
SSO Areas	
Sewer System Capacity Improvements	\$57,000,000
Siphon Improvements	\$9,300,000
Pump Station Improvements	\$20,100,000
Equalization Basin Improvements	\$30,700,000
FDD/ Basement Disconnection	\$2,000,000
WWTP	\$35,700,000
Emergency Bypasses	\$5,000,000
Stormwater	<u>\$10,000,000</u>
Total	\$421,000,000

A detailed financial analysis that includes salvage and operations and maintenance estimates for both options are difficult to develop. Both alternatives include multiple phases, and the projects included in each phase will be determined by the results of the previous phase.

Based on the results of the overall project costs, however, in present worth dollars, Alternative 2 is the most economical alternative of the two.

3.2.2 Staging Construction – Overall Program

Both alternatives have an anticipated design life of 20 years or more. Therefore, staging of construction is not a factor in evaluating the two alternatives.

3.2.3 Partitioning the Project – Overall Program

The magnitude of the work required for either alternative exceeds the near-term financial capacity of the City; therefore, a phased approach for implementation is required.

Alternative 1 is in part already the continuation of the existing 1991 CSO Control Program.

Alternative 2 would require a similar phased approach with 5-year implementation periods.

For both alternatives, the phased approach would identify priority projects during 5-year implementation periods. Results from each implementation period would be used to develop the priority projects for the next 5-year project period.

3.2.4 Environmental Evaluation – Overall Program

A detailed evaluation of the social, economic, and environmental impacts of Alternative 1 versus Alternative 2 is presented in Section 4 of the 2012 WWCP in Appendix 1.

The evaluation was a triple bottom line evaluation that compared the benefits of peak flow equalization (storage), FDD, and transport/treat in separated sewer areas, as well as comparing CSO RTB to sewer separation in combined sewer areas. The evaluation also recognized that benefits may be different in residential and business areas. Implementation and operation factors were also considered in the evaluation. Weighting the importance of each factor was applied; either a numeric or a positive/negative value was applied for each factor, which were then summed to provide a composite score.

The results of the evaluation indicated that there may be social benefits to the installation of RTBs in CSO business areas because of the negative short-term construction impacts of combined sewer separation. A similar benefit occurs for the flow equalization approach in separated sewer areas. Concerns over constructability and reliability of FDD source control lowered the total score for this alternative in the separated sewer areas. There was not a significant difference between these alternatives in residential areas.

3.2.5 Implementability and Public Participation – Overall Program

The construction of the required improvements for either alternative will cause temporary inconvenience to the residents. However, in the long run, the improvements to the combined and sanitary sewer systems will increase capacity, as well as reducing the likelihood of basement backups and the overflow of combined and sanitary sewage onto private property, public property, and into the local rivers.

3.2.6 Technical and Other Considerations – Overall Program

Both alternatives will reduce the number and volume of SSO discharges in the City, and both alternatives will control the CSO discharges; however, only Alternative 2 is designed to maximize the effectiveness of the limited resources available for controlling CSO, SSO, and stormwater discharges. This WWCP unifies the existing legal requirements of the ACO, the WWTP NPDES Permit, and Municipal Separate Storm Sewer System Permit into one overall Program.

3.3 Analysis of the Principal Alternatives – Second 5-Year Implementation Period

The long-term 2012 WWCP is the most cost-effective of the two overall principal alternatives with consideration of the monetary, social, and environmental impacts. However, the magnitude of the work described in the WWCP exceeds the near-term financial capacity of the City; therefore, a phased approach is required for implementation. The phased approach identifies priority projects during 5-year implementation periods. The principal alternatives to be analyzed for the second 5-year implementation period are as follows:

1. CSO Subareas 034D, 034E, and 015S Sewer Separation
2. CI/ SLI Rehabilitation Project

3.3.1.1 CSO Subareas 034D, 034E, and 015S Sewer Separation

This project includes the separation of the sewers in Subareas 034D, 034E, and 015S. These areas are the final two subareas separating the larger 034 area and the final subarea separating 015. The 034D project is generally bounded by Pattengill Avenue on the west, Cooper Avenue on the north, Martin Luther King Jr Boulevard on the east, and Dunlap Street on the south. 034D will separate approximately 157 acres and eliminate approximately 16,900 ft of combined sewer. The 034E project is generally bounded by South Washington Avenue on the west, Mount Hope Avenue on the north, Forest Avenue on the east, and Greenlawn Avenue on the south. 034E will separate approximately 31 acres and eliminate 7,600 ft of combined sewer. The 015S project is generally bounded by Saginaw Street to the north, Sycamore Street to the east, Ottawa Street to the south, and Verlinden Avenue to the west. 015S will separate approximately 136 acres and eliminate 26,700 ft of combined sewer.

Sewer separation has already been proven as the most cost-effective alternative for this area in previous SRF Project Plans approved by the MDEQ. As a result, no additional analysis is required.

Refer to Appendix 9 for the area included in these sewer separation project.

3.3.1.2 CI/ SLI Rehabilitation Project

This project includes the rehabilitation of the CI and the SLI that have been severely damaged due to H₂S corrosion. This includes approximately 20,000 ft of concrete pipe ranging in size from 36 to 66-inch round and 48 x 76-inch horizontal elliptical pipe, as well as miscellaneous manhole and chamber rehabilitation and replacement.

The CI and SLI were constructed with reinforced concrete pipe in the late 1920s through the mid-1980s. No major structural rehabilitation has been performed on these interceptors since the original construction. Condition assessment studies performed in 2007-2008 indicated advanced levels of structural degradation in some reaches. Refer to Appendix 10 for the location of the interceptors.

Only those sewer reaches with a Pipeline Assessment Certification Program (PACP) rating of 4 or 5 are SRF eligible for rehabilitation. Refer to the SRF Eligible Sewer Televising NASSCO PACP Summary Table in Appendix 10 for a list of the reaches included in this SRF Project. The remaining sewer segments will be rehabilitated separately by the City. Also, refer to the aerial maps showing the location of the sewers.

Two alternatives were considered for the sewer rehabilitation:

Alternative 1 – Sewer Lining

Alternative 2 – Sewer Replacement

3.3.2 Monetary Evaluation – Second 5-Year Implementation Period

3.3.2.1 CSO Subareas 034D, 034E, and 015S Sewer Separation

As stated earlier, sewer separation has already been proven the most cost-effective alternative for this area in previous SRF Project Plans approved by the MDEQ. As a result, no additional analysis is required. The estimated construction cost for the 034D sewer separation is approximately \$11.4 Million. The estimated construction cost for the 034E sewer separation is approximately \$5.8 Million. The estimated cost for the 015S sewer separation is approximately \$17.3 Million.

3.3.2.2 CI/ SLI Rehabilitation Project

A detailed breakdown of the costs for the CI/ SLI rehabilitation is presented in Appendix 11. A preliminary cost estimate for the sewer replacement is presented in Appendix 11. Table 9 provides the monetary evaluation of the two alternatives.

Based on the results of the monetary evaluation, Alternative 1 appears to be the most cost-effective.

Table 9 – CI/ SLI Rehabilitation Project Monetary Evaluation

Improvements	Life	Alternative 1		Alternative 2	
		CIPP Rehabilitation		Sewer Replacement	
		Cost	Salvage *	Cost	Salvage *
Sewers	50 yrs	\$11,247,800	\$6,748,680	\$19,582,900	\$11,749,740
Structures	40 yrs	\$ 1,034,500	\$ 517,250	\$ 1,305,000	\$ 652,500
Equipment	20 yrs		\$ 0		\$ 0
Total Construction Cost		\$12,282,300		\$20,887,900	
Engineering and Contingencies		\$ 4,298,805		\$ 7,311,000	
Easements & Land Acquisition		\$ 0	\$ 0	\$ 0	\$ 0
Present Worth Estimated Capital Costs		\$16,581,105	\$ 0	\$28,198,900	\$ 0
Salvage Value at 20 Years			\$7,265,930		\$12,402,240
Present Worth of Salvage Value **			\$6,981,308		\$11,916,417
Total Annual O&M Costs		\$ 150,000		\$ 150,000	
Present Worth of O&M Costs***		\$ 2,937,913		\$ 2,937,913	
Total Present Worth of Project (Capital + O&M - Salvage)		\$12,537,711		\$19,220,396	

* Salvage value at the end of 20 years planning period is computed on the basis of straight line depreciation over the life of the item:

Discount Rate (i) = 0.200%

Years (n) = 20

** Future Salvage Value to Present Worth Multiplier = 0.961

*** Annual O&M to Present Worth Multiplier = 19.586

Present Worth to Annual Multiplier = 0.051056643

3.3.3 Partitioning the Project – Second 5-Year Implementation Period

The alternatives selected are partitioned from the overall WWCP project. The projects (and alternatives) selected are part of the second 5-year implementation period of the project. All the alternatives have relatively similar start and end dates; as a result, partitioning of the projects is not a factor in evaluating the alternatives.

3.3.4 Environmental Evaluation – Second 5-Year Implementation Period

CI/ SLI Rehabilitation Project

Cured-in-place pipe (CIPP) lining of sewers is considerably less intrusive to the environment than traditional sewer replacement which requires excavation, extensive bypass pumping, and road closure. CIPP lining also requires less time, thus minimizing disturbances to the surrounding neighborhoods and businesses.

3.3.5 Implementability and Public Participation – Second 5-Year Implementation Period

The construction of the required improvements for all the alternatives will cause temporary inconvenience to the residents. However, in the long run, the improvements to the combined and sanitary sewer system will

increase capacity and reduce the likelihood of basement backups and the overflow of combined and sanitary sewage onto private property, public property, and to the local rivers.

3.3.6 Technical and Other Considerations – Second 5-Year Implementation Period

3.3.6.1 CI/ SLI Rehabilitation Project

Both alternatives will result in a reduction of I/I and a restoration of structural integrity for the sewer. Neither alternative will influence sludge and residuals, industrial pretreatment, or unsewered areas. The sewer replacement alternative may require some temporary and/ or permanent easement acquisition.

4.0 Selected Alternative

4.1 Description

The long-term 2012 WWCP is the most cost-effective of the two overall alternatives with consideration of the monetary, social, and environmental impacts. For the second 5-year implementation period, the most cost-effective alternatives are as follows:

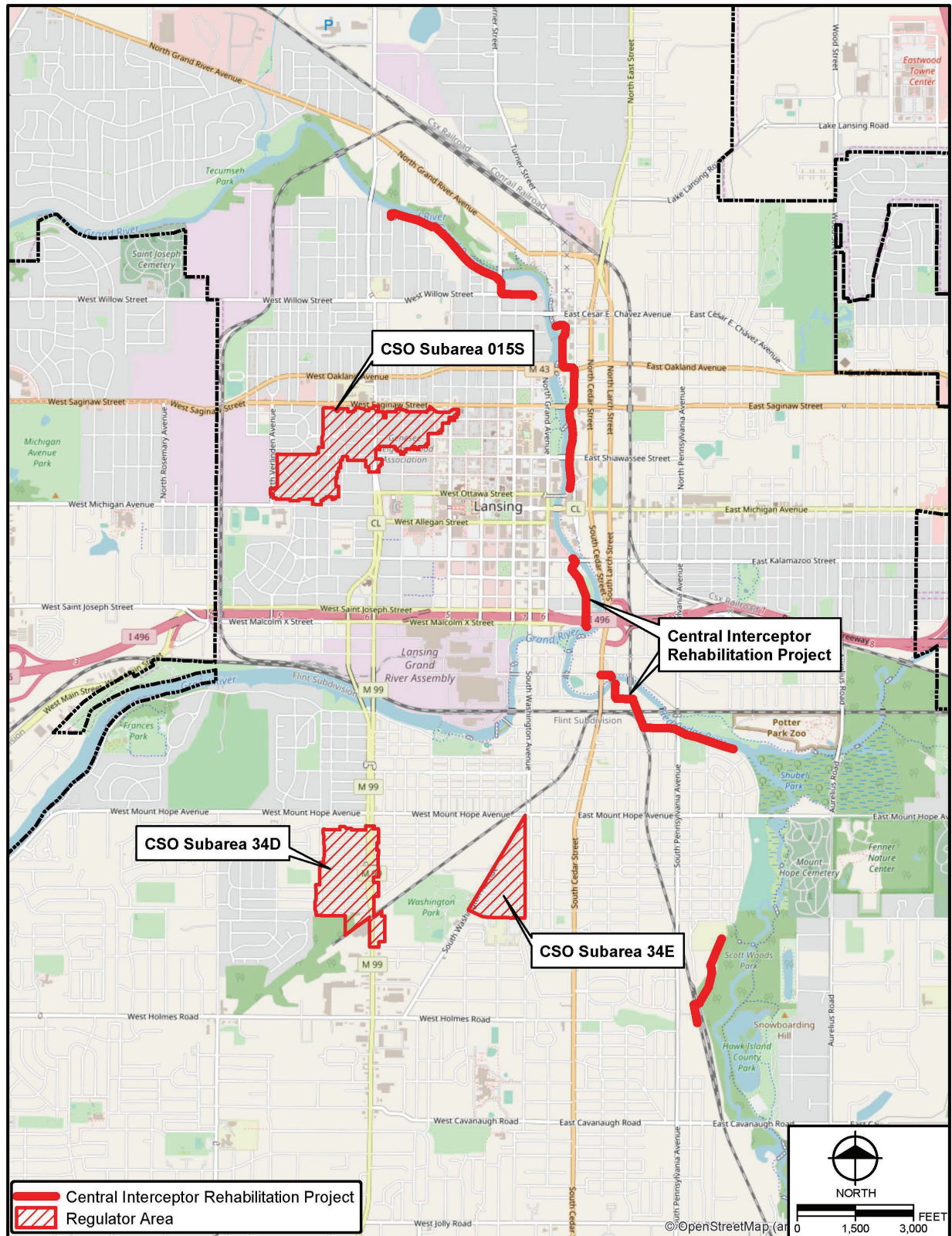
1. CSO Subareas 034D, 034E, and 015S Sewer Separation
2. CI/ SLI Rehabilitation Project – Alternative 1

4.1.1 Relevant Design Parameters

The magnitude of the work described in the WWCP exceeds the near-term financial capacity of the City; therefore, a phased approach for implementation is required. The phased approach identifies priority projects during 5-year implementation periods. Results from each implementation period will be used to develop the priority projects for the next 5-year project period.

The proposed priority projects for the second 5-year implementation period are briefly described below and are illustrated on Figure 10.

Figure 10 – Proposed Second 5-Year Implementation Projects



4.1.1.1 CSO Subareas 034D and 034E Sewer Separation

This project includes the separation of the sewers in Subarea 034D and Subarea 034E. These areas are the final two subareas separating the larger 034 area.

The 034D project is generally bounded by Pattengill Avenue on the west, Cooper Avenue on the north, Martin Luther King Jr Boulevard on the east, and Dunlap Street on the south. 034D will separate approximately 157 acres and eliminate approximately 16,900 ft of combined sewer. The separation of 34D includes the construction of sanitary sewers ranging in size from 8-inch diameter to 15-inch diameter with associated manholes and sewer leads. The project will include some minor construction of storm sewers and CIPP lining of approximately 1,300 ft of combined sewer that will be converted to storm sewer. The project may also include the replacement of water main and major roadway replacement. Refer to Appendix 9 for the area included in the sewer separation project, the NASSCO PACP scoring of the existing system, the televising logs, and the Basis of Design.

The 034E project is generally bounded by South Washington Avenue on the west, Mount Hope Avenue on the north, Forest Avenue on the east, and Greenlawn Avenue on the south. 034E will separate approximately 31 acres and eliminate 7,600 ft of combined sewer. Design has not begun on this CSO area. The separation of 034E includes the construction of sanitary sewers with associated manholes and sewer leads. The project may include some construction of storm sewers, replacement of water main, and major roadway replacement. Typically, the combined sewer is either left in service as a dedicated storm sewer or abandoned. When conceptual design begins, televising will be completed of the existing system and it will be determined if rehabilitation is necessary to ensure the structural integrity of the sewers. The NASSCO PACP scoring of the sewers will be submitted to the MDEQ once the televising has been completed. Refer to Appendix 9 for the area included in the sewer separation project.

Sanitary sewer design flows have been determined using an updated City standard procedure, based on Ten State Standards and on findings of the 2003 *Sanitary Sewer Master Plan Study*. This study found that footing drain flows have been higher in many CSO separation areas than previously believed. The study recommended that pipe sizing for most remaining combined sewer areas be increased to allow for footing drain flow as the most cost-effective alternative to handle higher flows.

In Subarea 034, the outlet trunk sewer system (Moores Park Trunk Sewer) was designed using lower footing drain flows from the previous basis of design flow calculations, resulting in the existing river crossing siphon at Moores Park to limit the capacity of the system. Based on this, Subarea 034 and Subarea 037 are candidates for future FDD. The City has opted for transport and treatment of the increased footing drain flow for the interim because FDD may require several years of implementation. The sewer separation design of Subareas 034A, 034B, and 034C include the additional footing drain flow component. This will be continued for both the 034D and 034E areas. The increased footing drain flow allowance typically has little effect on local sewer sizing, as the 8-inch minimum size provide ample capacity. Trunk sewer sizing typically increases by one or two pipe sizes, with only marginal impacts on project cost.

It is proposed to construct new storm sewer leads to the back of curb to facilitate future FDDs in the 034D and 034E areas. Sump pumps would discharge footing drain flows to a manifold system constructed behind the curb in a future project.

The proposed sewer capacities allow for future development within the sanitary sewer service area. The CSO sanitary design flow procedure provides capacity for sanitary flow and I/I associated with a 25-year, 24-hour storm, and assuming normal summertime soil moisture conditions. This level of service has been approved by the MDEQ, and adopted by the City.

4.1.1.2 CSO Subarea 015S Sewer Separation

This project includes the separation of the sewers in Subarea 015S. This area is the final subarea separating the larger 015 area.

The 015S project is generally bounded by Saginaw Street to the north, Sycamore Street to the east, Ottawa Street to the south, and Verlinden Avenue to the west. 015S will separate approximately 136 acres and eliminate 26,700 ft of combined sewer. The separation of 015S includes the construction of sanitary sewers ranging in size from 8-inch diameter to 21-inch diameter with associated manholes and sewer leads. It is anticipated that only 22,800 feet of new sanitary sewer will be constructed as laid out in the Basis of Design. Additionally, new sanitary sewer will be constructed down Ionia Street within the 022 regulator area as part of 015S as this sanitary sewer flows into the 015S regulator area. These footages are reflected in the cost estimate in Appendix 11. The project will include some minor construction of storm sewers. No CIPP lining is planned at this time. The project may also include the replacement of water main and major roadway replacement. Refer to Appendix 9 for the area included in the sewer separation project and the Basis of Design.

Sanitary sewer design flows have been determined using an updated City standard procedure, based on Ten State Standards and on findings of the 2003 *Sanitary Sewer Master Plan Study*. This study found that footing drain flows have been higher in many CSO separation areas than previously believed. The study recommended that pipe sizing for most remaining combined sewer areas be increased to allow for footing drain flow as the most cost-effective alternative to handle higher flows.

The proposed sewer capacities allow for future development within the sanitary sewer service area. The CSO sanitary design flow procedure provides capacity for sanitary flow and I/I associated with a 25-year, 24-hour storm, and assuming normal summertime soil moisture conditions. This level of service has been approved by the MDEQ, and adopted by the City.

4.1.1.3 WWCP Components Not Funded Through SRF

- Basement Back-Up Protection Program
- Emergency Bypass Station for Basement Protection
- LID for Overflow Elimination
- Willard Avenue Pump Station

4.1.1.4 CI/ SLI Rehabilitation Project

The project includes the CIPP rehabilitation of the most severely deteriorated sections of both interceptors. Refer to Appendix 10 for the location of the proposed project and the PACP scoring of the Interceptors. Only the reaches with a PACP rating of 4 or 5 are part of the SRF eligible rehabilitation.

The proposed project for rehabilitation of these sewer facilities includes:

- 3,100 ft of 48-inch CIPP lining.
- 3,650 ft of 54-inch CIPP lining.
- 12,486 ft of 60-inch CIPP lining.
- 3,550 ft of CIPP lining on the 48-inch x 76-inch SLI.
- Approximately 464 ft of 48-inch x 76-inch sewer replacement on the SLI beneath the railroad tracks upstream of Siphon 11.
- Replacement of the force main discharge structure on the SLI.
- Replacement of 23 large diameter manholes in these sewer reaches.
- Rehabilitation of 28 large diameter manholes in these sewer reaches.
- Rehabilitation of the Siphon 6 upstream chambers.
- Abandonment of 13 large diameter manholes in these sewer reaches.

4.1.2 Controlling Factors

The main controlling factors are to construct CSO control facilities and SSO facilities that will provide the greatest environmental benefit for the funds expended and will comply with the requirements of the City NPDES permit and ACO.

4.1.3 Sensitive Ecosystems

Since the majority of work proposed will be performed in the ROW, wetlands, prime, or unique agricultural lands and endangered species habitats do not exist within the zone of project influence. Therefore, the selected alternative would have no negative effects on these environmentally sensitive areas.

All construction sites would be located in areas where construction activities have previously occurred. Existing archaeological and historical sites within the study area would be left intact as a result of the construction of the proposed project.

No above ground facilities are proposed in flood-prone areas in the selected alternatives.

4.1.4 Mitigation of Environmental Impacts

Effort has been expended in developing this plan to minimize the adverse impacts of the project. Similar care will be exercised during the detailed design and the construction phases of this project.

Construction techniques will be employed to reduce the impact to the waterways and the environments to as short a duration as possible. The disturbance will be as narrow as practical to get the project completed.

4.1.5 Schedule for Design and Construction

Refer to Table 10 for the preliminary design and construction schedule for the second 5-year implementation.

Table 10 – Second 5-Year Implementation Schedule

[illegible]

4.1.6 Cost Summary

The following is a cost summary of the second 5-year phase. A more detailed cost breakdown is presented in Appendix 11.

CSO Subarea 034D Sewer Separation	\$11.4 Million
CSO Subarea 034E Sewer Separation	\$5.8 Million
CSO Subarea 015S Sewer Separation	\$17.3 Million
CI/ SLI Rehabilitation Project	\$16.6 Million
Total	\$51.1 Million

The estimates above include construction costs as well as engineering and contingency estimates.

4.1.7 Regulation

The recommended improvements in the collection system are located on land owned by the City. The following agencies are reviewing this project plan and their responses will be summarized in the final Project Plan:

- Letters were sent to the following tribes requesting a review of the plan:
 - Nottawaseppi Band of Huron Potawatomi.
 - Saginaw Chippewa Indian Tribe of Michigan.

A copy of the letters is included in Appendix 12. No responses have been received as of April 30, 2018.

- A request was forwarded to the Michigan Natural Features Inventory requesting completion of a rare species review of the project. The review indicated that there are several legally protected species documented within 1.5 miles of the proposed project areas; however, all records are considered historic and/ or well away from the project site. It was determined that it is not likely that negative impacts will occur.
- The U.S. Fish and Wildlife Service noted that five federally protected species and/ or their habitat is known to occur in Ingham County. However, it was noted that no state or federally listed threatened and endangered species are likely to be present in the project areas due to historic land-use changes and the lack of required habitat. Consideration will be taken for migratory birds if nesting areas may be impacted by the project.
- A letter was sent to the SHPO requesting a review of the plan. On April 13, a letter was received requesting that an appointment be made to review the archaeological properties map at the SHPO and to specify potential impacts to historic properties. A meeting was conducted on April 17, 2018. A letter in response to the Section 106 application is imminent.
- A letter was sent to the Tri-County Regional Planning Commission for review. As of April 30, 2018, no response has been received.
- A letter was sent to the MDEQ Water Resources Division for review regarding impacts to natural streams or bodies of water, wetlands, coastal regionals, and floodplains. Their response was that the proposed projects would have no impact. The CI/ SLI project was the only project that would affect the floodplain, but ground surface would be restored to existing elevations.

A copy of all the letters above and the agency's response can be found in Appendix 13.

4.2 Authority to Implement Selected Alternative

The City has the necessary legal, institutional, financial, and managerial resources available to ensure the construction, operation, and maintenance of the proposed improvements.

The City has the authority, capability, and willingness to plan, finance, build, operate, and maintain the wastewater facilities.

A resolution of approval and adoption of the SRF Project Plan by the City Council is included in Appendix 15.

4.3 User Costs

The estimated project cost for the second 5-year segment is \$63.8 Million. Of that, approximately \$12.7 Million will be paid through the City of Lansing Board of Water and Light.

The remaining cost of \$51.1 Million will be paid for through the sewer rates. The estimated monthly cost to a typical residential user for the next SRF loan is \$5.97. This fee will be collected as part of the City's sewer use charge.

A table generated from the rate model is attached in Appendix 14. The City of Lansing's Wastewater Rate Model was used to accurately project the estimate of the additional monthly cost to a residential user for the sewer projects that are the subject of this Project Plan. Consistent with the 5-year plan presented in this Project Plan, the Capital Improvement Project Alternative as indicated in the table provides the difference in cost between the "do nothing" alternative and the costs associated with the 5-year plan through 2023.

5.0 Environmental Impacts

5.1 Analysis of Impacts

5.1.1 Direct Impacts

Direct impacts of this project are short term construction related and long term operationally related impacts.

- The construction of the proposed project should have no effect on historical, archaeological, geographic, cultural, or recreational areas. It is anticipated that all construction activities would occur within the existing road ROW or within an existing sewer easement where there has been previous ground disturbance.
- Sensitive features such as floodplains, wetlands, stream crossings, coastal areas, and prime or unique agricultural lands will not be disturbed by the proposed project. The projects will be occurring in urban areas within developed areas. The one proposed project that falls within the 100-year floodplain will not be altering the ground surface as most of the work is trenchless.
- Surface and groundwater should not be impacted by construction. It is anticipated that all construction activities will occur with the existing road ROW or sewer easements.
- There will be temporary impacts to the air quality during construction due to the construction equipment, fuel consumption, and exhaust. These impacts will include the discharge of carbon monoxide and other chemical byproducts of the operation of the construction equipment. There are no other air quality degradation items considered in the project.
- The impact to the natural settings will be minimized during construction. The natural settings will not be impacted by operations of the collection system after the project is completed.
- Traffic will be impacted during construction. Traffic control or detour routes will be put into place depending on the construction location. Residents will be able to access their homes and businesses during construction.
- There will be significant consumption of materials in the construction phase of the project. This includes raw materials, fuel, food, and man-hours to construct the new sewers and facilities. Operational impacts will include energy consumption. Noise and odor from the new construction will be controlled through design and regular maintenance.

- There will be no effective displacement of employment opportunities because of this project. Some operational positions may be created as a result of this project.

5.1.2 Indirect Impacts

Anticipated growth will not alter the character of the study area and future growth would be subject to conformance with the City land use and zoning master plan.

Construction of new sewers would provide relief to street and basement flooding issues in the City.

5.1.3 Cumulative Impacts

Water quality improvements to the Grand and Red Cedar Rivers and reduced basement flooding are the primary cumulative impacts anticipated from the construction of the proposed project.

6.0 Mitigation

6.1 General

In locations where adverse impacts cannot be avoided, mitigation methods will be implemented. The anticipated adverse impacts are to be minimum and mostly limited to the construction of the proposed projects.

6.2 Short-Term Construction-Related Mitigation

Short-term environmental impacts are related primarily to construction of the projects outlined in the project plan. The designated construction will include specific mitigation efforts of any short-term environmental impacts including:

6.2.1 Noise and Odor

Construction operations will be limited to hours set by the City as part of their ordinance. Noise, odor, and dust will be kept to minimum using soil erosion and sedimentation control procedures established in the project plans and specifications. Standard methods for dust control such as water and/ or calcium chloride applications will be used during construction and restoration of vegetation.

6.2.2 Traffic Control

Traffic safety will be handled by proper signage and detour routes governed by permits from both the Ingham County Road Commission and the City. In locations where construction interferes with the normal use of existing roads, temporary traffic facilities will be provided. Facilities for local traffic, pedestrian, and vehicular ingress and egress, approved by the Engineer, will be provided at all times for the properties adjacent to the work. For through traffic, the special provisions and/ or plans will designate whether the existing roads will be closed with detours, temporary roads, and run-arounds provided, or whether two-way traffic will be maintained through all or portions of the construction area.

6.2.3 Soil Erosion and Sedimentation Control

Soil erosion and sedimentation control will be guided by standard techniques prescribed by permits. Construction operations will be conducted in a manner to reduce erosion and sedimentation to a practical minimum. Temporary and/ or permanent sedimentation controls will be constructed, to the extent possible, prior to commencing grubbing operations. Grading operations will follow immediately after grubbing operations; otherwise temporary erosion and sedimentation controls may be required between successive construction stages. Sediment traps, sand bags, silt fences, plastic sheets, erosion control fences, and weirs will

be some of the temporary sedimentation controls used during this project. Procedures and details will be included in the project plans and specifications for each project.

6.2.4 Excavated Areas

All excavated roads will be re-paved with an asphalt surface, concrete surface, or natural gravel. All ditches and lawns will be re-seeded and/ or sodded. Care will be taken as to remove only trees necessary for the construction. Vegetation that is removed as part of the construction will be replaced as required by City ordinance. Any surplus or waste material resulting from construction will be disposed of properly in a suitable upland disposal site. No stockpiling of excess material will be allowed in the 100-year floodplain. Restoration and replacement of disturbed roads, vegetation, and utilities will be included as bid items in the contract documents. The route of the sewers has been chosen so as to avoid known environmentally sensitive areas as much as possible.

6.3 Mitigation of Long-Term Impacts

Careful restoration of street pavement would be required to ensure that it performs satisfactorily in the future. The aesthetic impacts of construction will be mitigated to some extent by site restoration.

The long-term effect of the short-term use of these resources will be maintaining quality surface waters and providing an improved quality of life in the community. By rehabilitating the existing collection system, time of construction is reduced and additional sediment from water runoff is also reduced. This results in minimal impact within the watershed and less impact to sensitive areas.

6.4 Mitigation of Indirect Impacts

No significant secondary environmental impacts are expected to result from the implementation of this project plan. Only positive benefits are foreseen by the upgrade of sewer systems.

7.0 Public Participation

7.1 Formal Public Hearing

7.1.1 Public Hearing Advertisement

A public hearing on the Draft Project Plan was held on June 5, 2018. A public notice was published in the Lansing Pulse on May 2, 2018, more than 30 days prior to the hearing. A copy of the proof of publication of the notice is included in Appendix 15.

7.1.2 Public Hearing Transcript

A transcript of the June 5, 2018, public hearing is provided in Appendix 15.

7.1.3 Public Hearing Contents

A copy of the power point presentation provided at the June 5, 2018, public hearing is included in Appendix 15.

7.1.4 Comments and Responses

Xx residents attended the public hearing. Therefore, xx comments from residents are available.

7.2 Adoption of the Project Plan

The City of Lansing Council held its regular Council Meeting on June 11, 2018. At that meeting, City of Lansing Council passed a resolution adopting the selected alternative. A copy of the signed resolution is included in Appendix 15.



Andy Schor, Mayor

PUBLIC SERVICE DEPARTMENT

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MEMORANDUM

TO: Andy Schor, Mayor

FROM: Alec Malvetis, Asst. City Engineer *Alec Malvetis*

DATE: June 4, 2018

SUBJECT: City Council Resolution for Approval of the SRF Project Plan for the Wet Weather Control Program-Phase II

The attached authorizing resolution is for the purpose of receiving City Council approval of the Project Plan document that will ultimately establish and secure State Revolving Fund (SRF) loan funding as a primary source of revenue for Phase II of the City's Wet Weather Control Program (WWCP).

Phase II of the WWCP is the second five-year construction phase and it is based upon completion of four (4) projects; three (3) of which are combined sewer overflow (CSO) control projects. The fourth project is for major rehabilitation of the Central Interceptor, which is the large diameter interceptor sewer that transmits sewage from the City's east-side service area.

Additional information and details on the projects is contained in the Project Plan document and in the attached City Council resolution. With your approval, please forward this resolution for inclusion on the agenda for passage at the June 11, 2018, City Council Meeting. If you have any questions, please contact me at #483-4459. Thank you

RESOLUTION #2018-xx
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City of Lansing (City) is about to begin the second phase of its Wet Weather Control Program that will encompass and integrate the regulatory requirements of the City's Combined Sewer Overflow (CSO) Control Program, the sanitary sewer overflow (SSO) abatement requirements of Administrative Consent Order #SW02-030, and the regulatory requirements of the Municipal Separate Storm Sewer System (MS4) Program; and

WHEREAS, due to the size and cost of the overall Wet Weather Control Program, construction is being spread over multiple five-year phases; and

WHEREAS, the City intends to apply for low-interest SRF loan funding to fund construction of the water pollution control aspects of the projects in the second five-year phase; and

WHEREAS, as a requirement of the SRF Loan Program, municipalities applying for SRF loans are required to submit to the State of Michigan, Dept. of Environmental Quality, an approvable Project Plan describing the proposed sewer system improvement / environmental program projects; and

WHEREAS, this SRF Project Plan will focus on the following sewerage system projects proposed for construction in this five-year phase of the program:

- the Central Interceptor / Sycamore-Lindbergh Interceptor Rehabilitation Project;
- the CSO Subarea 034D Sewer Separation and Sanitary Sewer Rehabilitation Project;
- the CSO Subarea 034E Sewer Separation and Sanitary Sewer Rehabilitation Project; and
- the CSO Subarea 015S Sewer Separation and Sanitary Sewer Rehabilitation Project; and

WHEREAS, the estimated total project cost of these four (4) projects is \$63.5 Million; and

WHEREAS; the estimated additional monthly cost to a typical residential user for these associated SRF loans is \$7.75; and

WHEREAS, a public comment period for the draft Project Plan was available from April 30, 2018, through June 4, 2018, and a public hearing to receive public comment on the draft Project Plan was held in City Council Chambers on June 5, 2018; and

WHEREAS, all public comments received during the 30-day public comment period were considered in the development of the final Project Plan.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council formally adopts said Project Plan and agrees to implement the selected alternative.

BE IT FURTHER RESOLVED, that the City of Lansing Public Service Director, a position currently held by Andrew K. Kilpatrick, P.E., is designated as the authorized representative for all activities associated with the projects referenced above, including the submittal of said Project Plan as the first step in applying to the State of Michigan for a revolving fund loan to assist in the implementation of the selected alternative.

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Andy Schor
Mayor



City Hall - 9th Floor
124 W. Michigan Avenue
Lansing, MI 48933-1694
PH: 517.483.4141 – FAX: 517.483.6066
Lansing.Mayor@lansingmi.gov

OFFICE OF THE MAYOR
CITY OF LANSING, MICHIGAN

To: City Council

From: Mayor Andy Schor

Re: First Amendment to Amended and Restated Red Cedar Development Agreement

Date: June 21, 2018

Attached for your consideration is the First Amendment to the Amended and Restated Red Cedar Development Agreement that was placed on file on February 27, 2018. I am very encouraged by the recent changes offered by the developer, and excited to present them to you.

Several of the changes in the Amendment were discussed at the Committee of the Whole meeting on June 4, 2018. You asked our City Attorney to draft a document containing those changes for formal consideration. The Amendment contains those changes. However, there is a new, major advancement from the City's perspective.

Through continued discussion, the Developer has agreed to take on all bonding obligations for the project. The City's proposed 10.7 million dollar bonding for the project, which was already a significant reduction from the 2014 agreement, has been completely removed. This eliminates the City's direct financial exposure, and simplifies the overall bonding structure of the project.

Also as requested, the Amendment clarifies the language in Section 5.9 dealing the Prevailing Wage and Local Labor components. You will see that Prevailing Wage is addressed first, and Local Labor now has its own paragraph that incorporates and clarifies how the Local Labor Agreement of June 4, 2018 fits within the overall Agreement.

The City Attorney also created a redline of the Agreement on file, showing the effects of the Amendment. This is not an official document to be signed, but it is attached so that the Amendment can be more clearly understood.

**FIRST AMENDMENT TO THE AMENDED AND RESTATED
REAL ESTATE PURCHASE AND DEVELOPMENT AGREEMENT THAT WAS
PLACED ON FILE WITH THE CITY CLERK ON FEBRUARY 27, 2018**

This is the First Amendment (the “Amendment”) to the Amended and Restated Real Estate Purchase and Development Agreement (the “Agreement”), by and between the CITY OF LANSING, a Michigan municipal corporation (the “City”), and CONTINENTAL/FERGUSON LANSING, LLC, a Delaware limited liability company (“Developer”), which was placed on file with the City Clerk on February 27, 2018. The City and Developer are individually a “Party” and collectively the “Parties.”

This First Amendment is being offered by Developer to the City for consideration by the City Council prior to any vote approving or rejecting the Agreement. Any vote by Council approving the Agreement shall also include the provisions of this Amendment and shall authorize the Mayor’s signature on this Amendment as well as the Agreement.

NOW THEREFORE, in consideration of the promises hereinafter contained and other good and valuable consideration, the receipt of which is acknowledged, the Parties agree as follows:

AMENDMENTS TO THE AGREEMENT

1. In Section F of the Recitals, the word “Supplement” is removed and replaced with “Supplemental”.
2. In Section 2.1:
 - a. “within sixty (60) days following” is removed and replaced with “within thirty (30) days following”;
 - b. “September 30, 2018” is removed and replaced with “November 30, 2018”.
3. In Section 2.4.2 (p), “By May 1, 2018” is removed and replaced with “By September 1, 2018”.
4. In Section 5.1.1 (a), “130 guest rooms” is removed and replaced with “152 guest rooms”.
5. In Section 5.1.1 (b), “120 guest rooms” is removed and replaced with “112 guest rooms”.
6. In Section 5.1.1 (c), “(collectively the ‘Commercial Space’)” is removed and replaced with “(collectively, the ‘Restaurants and In-Line Retail’)”.
7. The text of Section 5.1.1 (d) is removed entirely and replaced as follows:
 - a. “Market-Rate housing with first floor retail (the ‘Multifamily Housing’) targeting professionals, shall be sited on the Purchase Property pursuant to this agreement and shall consist of not less than four (4) stories and not less than fifty (50) feet

above the grade of Michigan Avenue. The Multifamily Housing shall consist of not less than a total of two hundred (200) units.”

8. After Section 5.1.1 (d), a new section, 5.1.1 (d1), is added, and reads as follows:
 - a. “Active Senior Multifamily Housing (the ‘Active Senior Multifamily Housing’) targeting the ‘empty nester’ market, shall be sited on the Purchase Property pursuant to this Agreement and shall consist of not less than five (5) stories and not less than sixty (60) feet above the grade of Michigan Avenue. The Active Senior Multifamily Housing shall consist of not less than 98 units.”
9. In Section 5.1.1 (e), “1,248 beds” is removed and replaced with “1,222 beds”.
10. The text of Section 5.1.1 (h) is removed entirely and replaced as follows:
 - a. “An assisted living, skilled nursing, and memory care facility (the “Senior Village”) shall consist of not less than two (2) stories and not less than twenty-seven (27) feet above the grade of Michigan Avenue, along the Michigan Avenue frontage. The Senior Village shall consist of not less than 116 units.”
11. In Section 5.7:
 - a. "Commercial Space" is removed and replaced with "Restaurants and In-Line Retail".
12. The text of Section 5.9 is removed entirely and replaced as follows:
 - a. “All work performed on the Purchase Property, Park Property, and Park Property Riverwalk that is funded by the Brownfield Plan and 381 Work Plan shall be compensated at prevailing wages (the ‘Prevailing Wage Work’). In no event shall the City be responsible for the costs of the City or a third-party organization to monitor Prevailing Wage Work compliance on the Project. Developer shall require its general contractor/construction manager to comply with the monitoring procedures of such third-party monitor. Evidence of compliance with the Prevailing Wage Work shall be submitted along with disbursement requests, and disbursements from the Project fund will be conditioned upon such compliance. This requirement shall remain in effect through completion of the Prevailing Wage Work.

Developer, through subcontractors hired by its general contractor/construction manager, intends to use as much available and qualified Local Labor as possible in accordance with the Local Labor Agreement to complete the Project. ‘Local Labor’ as used in this section shall have the same meaning as it is defined in the Local Labor Agreement, entered into by the Parties on June 4, 2018, and appended to this Agreement as Exhibit E (the ‘Local Labor Agreement’). Notwithstanding anything in the Local Labor Agreement to the contrary, nothing in the Local Labor Agreement shall be interpreted to require Developer to withhold, pay or be responsible for City Income Tax for or on behalf of the general contractor/construction manager or subcontractors working on the Project. Developer's general contractor/construction manager shall require any

subcontractor hired to contractually agree to comply with any City Income Tax reporting requirements. In the event of a conflict between this Section 5.9 and the Local Labor Agreement, this Section 5.9 shall control.”

13. In Section 7.3.1 (a):

- a. “General Obligation Bonds” is removed and replaced with “Tax Exempt Revenue Bonds”;
- b. “(the ‘GO Bonds’)” is removed and replaced with “(the ‘TE Bonds’)”;
- c. “(the ‘GO Bonds Proceeds’)” is removed and replaced with “(the TE Bonds Proceeds’)”;
- d. “which such GO Bonds are to be backed by the full faith and credit of the City” is removed and replaced with “which such TE Bonds are to be backed by the full faith and credit of the Developer and for which the City shall have no obligations with respect to repayment thereof”

14. The text of Section 7.3.5 (d) is removed entirely and replaced as follows:

- a. “TE Bonds, and/or the City in the event it has advanced or paid any costs for the TE Bonds, shall be paid an amount equal to the annual debt service; then,”

15. The text of Section 7.3.5 (e) is removed entirely, and replaced with “This section is intentionally left blank.”

16. The text of Section 7.3.5 (f) is removed entirely, and replaced with “This section is intentionally left blank.”

17. In Section 7.3.5 (h):

- a. “including amounts remaining in the Retained Obligation fund” is removed entirely;
- b. The semi-colon after “7.3.5 (b)” is removed and replaced with a comma;
- c. Both instances of “the GO Bonds” are removed and replaced with “the TE Bonds”.

18. The text of Section 7.3.5 (i) is removed entirely, and replaced with “This section is intentionally left blank.”

19. In Section 7.3.5, in the last paragraph, which comes after 7.3.5 (i), “, after consideration of any funds in the Retained Obligation Account,” is removed entirely.

20. In Article 9, in the final sentence, “until the City’s Go Bond proceeds” is removed and replaced with “until the TE Bond obligations”.

21. Any other references in the Agreement to “General Obligation Bond” or “GO Bond” are removed and replaced with “Tax Exempt Revenue Bond” or “TE Bond” respectively.

22. In Section 12.3, the final word, “Counsel” is removed and replaced with “Council”.

23. In Section 12.19, “this Section 11.19” is removed and replaced with “this Section 12.19”.

24. At the end of the Agreement, the Exhibits are modified as follows:

- a. Exhibit C-1 is replaced with Revised Exhibit C-1, dated June 1, 2018, as attached to this Amendment;
- b. Exhibit C-2 is replaced with Revised Exhibit C-2, dated June 20, 2018, as attached to this Amendment;
- c. Exhibit D is replaced with Revised Exhibit D, dated June 4, 2018, as attached to this Amendment;
- d. Exhibit E, the Local Labor Agreement of June 4, 2018, is added, as attached to this Amendment.

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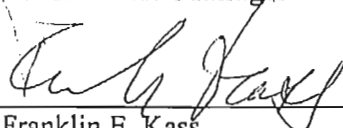
[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Developer has executed this First Amendment to the Amended and Restated Real Estate Purchase and Development Agreement, as of the date signed.

CONTINENTAL/FERGUSON LANSING, LLC:

By: Continental Red Cedar, LLC

Its: Member and Manager


By: Franklin E. Kass

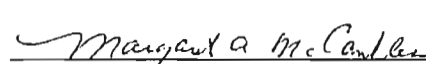
Its: Manager

STATE OF OHIO)
)ss
COUNTY OF FRANKLIN)

The foregoing instrument was acknowledged before me this 20th day of June, 2018 by Franklin E. Kass, as Manager of Continental Red Cedar, LLC, as Member and Manager of Continental/Ferguson Lansing, LLC, by him to be his free act and voluntary deed.



MARGARET A. MCCANDLESS
Notary Public, State of Ohio
My Commission Expires 04-17-20


_____, Notary Public

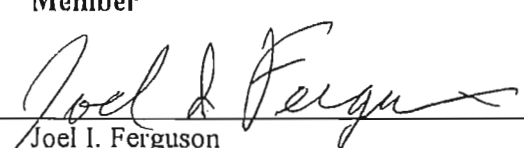
Franklin County, Ohio

My commission expires: 04-17-20

CONTINENTAL/FERGUSON LANSING, LLC

By: Red Cedar Investor, LLC

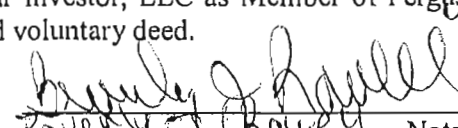
Its: Member


By: Joel I. Ferguson

Its: Member

STATE OF MICHIGAN)
)ss
COUNTY OF INGHAM)

The foregoing instrument was acknowledged before me this 20th day of June, 2018 by Joel I. Ferguson, as Member of Red Cedar Investor, LLC as Member of Ferguson/Continental Lansing, LLC, by him to be his free act and voluntary deed.


_____, Notary Public

Ingham County, Michigan

5 of 6

BEVERLY J. ROWELL
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF CLINTON

My Commission Expires July 27, 2019
Acting in the County of Ingham

My commission expires:

July 27, 2019

IN WITNESS WHEREOF, the City has executed this First Amendment to the Amended and Restated Real Estate Purchase and Development Agreement, as of the date signed.

CITY OF LANSING:

By: Andy Schor
Its: Mayor

STATE OF MICHIGAN)
)ss
COUNTY OF INGHAM)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018 by Andy Schor, as Mayor of the City of Lansing, by him to be his free act and voluntary deed.

_____, Notary Public
_____, County, _____
My commission expires: _____

I hereby certify that funds are not required for this transaction:

Finance Director/Controller

Approved as to form only:

City Attorney, James Smiertka

REVISED EXHIBITS C-1 AND C-2
MINIMUM PROJECT REQUIREMENTS



Exhibit C-1

Exhibit C-2: Red Cedar Development - Lansing, Michigan

as of June 20, 2018 (per June 1, 2018 Red Cedar Development "Conceptual Master Plan")

Master Developer: Continental/Ferguson Lansing, LLC

Construction Type	Construction Description	Investor
Vertical Construction (All Structures will be built upon Three Integrated Parking Structures)	Structure and Exterior Materials	Ownership/Building Developer
Full Service Hotel (80 feet above Michigan Ave., 5-stories on IPS 1 - 152 Keys, Restaurant and Ballrooms)	Structure - steel frame and concrete with engineered metal stud. Exterior - EIFS, masonry and decorative metal exterior finishes with aluminum and glass window systems.	Concord Hospitality Enterprise Company/Continental Real Estate Companies and Continental/Ferguson Lansing, LLC
Select Service Hotel (80 feet above Michigan Ave., 5-stories on IPS 1 - 112 Keys)	Structure - steel frame and concrete with engineered metal stud. Exterior - EIFS, masonry and decorative metal exterior finishes with aluminum and glass window systems.	Concord Hospitality Enterprise Company/Continental Real Estate Companies and Continental/Ferguson Lansing, LLC
Restaurants and In-Line Retail (40,000 SF)	Structure - steel frame and concrete with light gauge metal stud. Exterior - EIFS, masonry and decorative metal exterior finishes with aluminum and glass storefront and windows.	Continental/Ferguson Lansing, LLC
Multifamily Housing with First Floor Retail (50 feet above Michigan Ave., 4-stories - 200 Marketrate Units)	Structure - steel and light gauge metal stud; wood stud with engineered wood floor/roof structure. Exterior - EIFS, masonry and decorative metal exterior finishes with aluminum and glass window systems.	Continental/Ferguson Lansing, LLC
Active Senior Multifamily Housing (60 feet above Michigan Ave., 5-stories on IPS 1 - 98 Marketrate Units)	Structure - steel and light gauge metal stud; wood stud with engineered wood floor/roof structure. Exterior - EIFS, masonry and decorative metal exterior finishes with aluminum and glass window systems.	Continental/Ferguson Lansing, LLC
Student Housing (50 feet above Michigan Ave., 4-stories on IPS 2 - 1,222 Beds)	Structure - steel and wood stud with engineered wood floor/roof structure. Exterior - EIFS, masonry and decorative metal exterior finishes with aluminum clad and glass window systems.	Hallmark Communities/Continental Real Estate Companies and Continental/Ferguson Lansing, LLC
Senior Village - Assisted Living / Memory Care Facility (27 to 50 feet above and facing Michigan Ave., 2 to 4-stories above-grade along Michigan Ave. - 116 Units)	Structure - steel frame and concrete with engineered metal stud. Exterior - combination of masonry and fiber cement siding.	Continental Senior Housing
On-site and Off-Site Improvements (Includes Integrated Parking Structures)		
Publicly Funded Improvements	Public infrastructure in public rights-of-way and easements.	City of Lansing-GO Bond Backed by Continental/Ferguson Lansing, LLC
Privately Funded Improvements	Public and private infrastructure, environmental remediation, asbestos abatement, demolition and site preparation.	Continental/Ferguson Lansing, LLC-Rev Bond and Private Lender Financing
Lansing Board Water & Light Improvements	Public infrastructure in public rights-of-way and easements.	Lansing Board Water & Light

REVISED EXHIBIT D

PROJECT SCHEDULE

EXHIBIT E

LOCAL LABOR AGREEMENT OF JUNE 4, 2018

Red Cedar Renaissance – Local Labor Agreement

This LOCAL LABOR AGREEMENT (this “Agreement”) is made and entered into as of the 4th day of June, 2018 by and between the CITY OF LANSING, a Michigan municipal corporation (the “City”) and CONTINENTAL/FERGUSON LANSING, LLC, a Delaware limited liability company (the “Developer”).

The Developer agrees and commits to the City that it will include in the Incentive application materials a written plan or report that specifies the Developer’s specific strategy to hire as much Local Labor as possible to complete the Project.

“*Local Labor*” means employees whose permanent home address is within the City’s boundaries.

Developer agrees that prior to hiring non-Local Labor for any portion of the Project, Developer must provide the City Treasurer a detailed, written documentation of why this action is necessary. Such explanation should be provided as a part of the Application.

Developer agrees that all employees, contractors and sub-contractors related to this Project will pay all City individual income taxes.

Developer agrees that all contractors and sub-contractors will report annually to the City Treasurer all gross individual income taxes paid and current residential addresses of all employees.

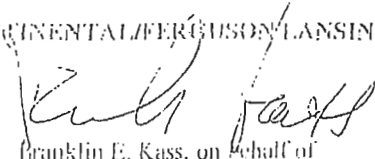
Developer (if applicable) agrees to post all bid solicitations or request for bids (“Bid Solicitations”) by the Developer or their agents for a minimum of 15 days (“Posting Period”) on the Builders Exchange of Lansing and Central Michigan (“Builders Exchange”) and to document this. The Bid Solicitations must be available to all Builders Exchange Users. Within 30 days of the end of the due dates for bids as specified in the Bid Solicitations, the Developer must provide the City Treasurer with a list of the business names and addresses of the bidders (“Bidders”) who submitted bids (“Bidders List”). Within 45 days of Commencement of Construction, the Developer must provide to the City Treasurer, a list of all Bidders selected to enter into an agreement to perform all or part of the work solicited in the Bid Solicitation (“Selected Bidders List”). The Selected Bidders List must include the following information as shown on the Developers or their agents’ income tax return.

1. Business Name
2. Address (number, street, and apt. or suite no.)
3. City, state, and ZIP code
4. Employer ID Number (EIN)
5. Phone Number
6. Primary Contact Person (Authorized Representative)
7. Corresponding Builders Exchange Bid Solicitation Number

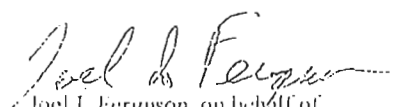
LOCAL LABOR AGREEMENT, JUNE 4, 2018

The Developer will be not be required to participate in the above Bidding Process, if doing so would result in the violation of federal rules concerning homeland security or the disclosure of classified information.

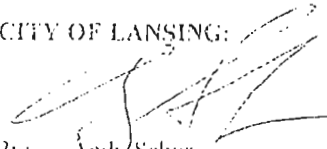
CONTINENTAL/FERGUSON LANSING, LLC:


By: Franklin E. Kass, on behalf of
Continental/Ferguson, LLC
Its: Member

CONTINENTAL/FERGUSON LANSING, LLC:


By: Joel L. Ferguson, on behalf of
Continental/Ferguson, LLC
Its: Member

CITY OF LANSING:


By: Andy Schor
Its: Mayor

AMENDED AND RESTATED REAL ESTATE PURCHASE AND DEVELOPMENT
AGREEMENT

THIS AMENDED AND RESTATED REAL ESTATE PURCHASE AND DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of the ____ day of _____, 2018, by and between the CITY OF LANSING, a Michigan municipal corporation (the "City") and CONTINENTAL/FERGUSON LANSING, LLC, a Delaware limited liability company ("Developer"). The City and Developer are individually each a "Party" and collectively the "Parties."

RECITALS

A. The City, Developer, the Lansing Economic Development Corporation ("LEDC"), the Lansing Brownfield Redevelopment Authority ("LBRA"), Joel Ferguson ("Ferguson"), and Frank Kass ("Kass") entered into that certain Real Estate Purchase and Development Agreement dated November 6, 2014 (the "November 2014 Agreement").

B. The City is a municipal corporation organized and existing under and pursuant to the Michigan Home Rule Cities Act, 1909 PA 279, as amended (M.C.L. §§ 117.1 *et seq.*), and exercising all of the powers provided for therein and pursuant to Lansing City Charter, approved August 8, 1978, and as subsequently amended.

C. Developer is a Delaware limited liability company authorized to do business in Michigan.

D. By entering into this Agreement, the City and Developer desire to amend and restate the terms of the November 2014 Agreement and, in so doing, remove LEDC, LBRA, Ferguson, and Kass as parties to the Agreement.

E. The City owns the following parcels of real property:

1. The approximately 35.57- acre parcel described on Exhibit A-1 ¹attached hereto and made a part hereof (the "Purchase Property"), which consists of the following:
 - a. The approximately 30.77-acre parcel described on Exhibit A-1-A attached hereto and made a part hereof (the "Red Cedar Property");
 - b. The approximately 1.52-acre parcel described on Exhibit A-1-B attached hereto and made a part hereof (the "Supplemental Parcel");
 - c. The approximately 3.28-acre parcel described on Exhibit A-1-C attached hereto and made a part hereof (the "Corner Parcel"); and
2. The approximately 19.90 acre parcel described on Exhibit A-2 attached hereto and made a part hereof (the "Park Property").

F. The voters of the City, by ballot proposals on November 8, 2011, and November 6, 2012, authorized the City to sell the Red Cedar Property and the ~~Supplement~~ Supplemental Parcel.

G. Developer desires to purchase the Red Cedar Property, Supplemental Parcel, and Corner Parcel (collectively, the "Purchase Property") from the City.

H. The City desires that Developer purchase and develop the Purchase Property as a mixed-use project, including an infrastructure of roads and utilities, and construct certain improvements on the Park Property, as provided herein (the "Project").

I. On November 25, 2015, the City and Developer entered into a Real Estate Purchase Agreement (the "Sparrow Health Purchase Agreement") to sell the Corner Parcel and Supplemental Parcel to Edward R. Sparrow Hospital Association ("Sparrow Health"). The Sparrow Health Purchase Agreement, as amended, has expired and is of no further force or effect.

J. The Red Cedar Property and the Park Property are located in a floodplain and floodway and may be the subject of environmental contamination (collectively, the "Preexisting Conditions"). Because these Preexisting Conditions may inhibit and directly affect development of the Red Cedar Property and the construction of certain improvements on the Park Property, certain infrastructure improvements and remediation at additional costs will be required to address the Preexisting Conditions, as set forth in this Agreement.

K. The Purchase Property is located within the Montgomery Drainage District, which is a drainage district within the meaning M.C.L. § 280.5. The City has requested the Ingham County Drain Commissioner undertake a proposed drain project on the Montgomery Drain of the Montgomery Drainage District, and it is the expectation of the parties that any and all action taken in relation to such proposed drain project will be consistent with the Drain Code of 1956, M.C.L. §§ 280.1, *et. seq.*

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements contained herein, the Parties agree as follows:

ARTICLE I

SALE AND PURCHASE TERMS

1.1 SALE. Subject to the City's governing body approving this Agreement, the City agrees to sell to the Developer, and the Developer agrees to purchase from the City, the Purchase Property subject to the terms and conditions set forth herein.

1.2 PURCHASE PRICE. Developer shall pay to the City for the Purchase Property the stipulated purchase price of Two Million Two Hundred Thousand and 00/100 Dollars (\$2,200,000.00) (the "Purchase Price"), which amount shall be paid at the Closing in full by wire transfer or cashier's check of immediately available funds.

1.3 DUE DILIGENCE

1.3.1 TITLE.

(a) Developer acknowledges that it has had the opportunity to review a title commitment prepared by Fidelity National Title Insurance Company (the "Title Company") for the Red Cedar Property and Supplemental Parcel identified as Commitment No. 16-110260 (the "Commitment") and hereby accepts title to the Red Cedar Property and Supplemental Parcel subject to the matters of record, exceptions and restrictions identified therein. Subject to the removal of the right of reverter and the release of State of Michigan's subsurface rights to the Corner Parcel, Developer shall accept title to the Corner Parcel in the condition that exists as of this date. In the event the City is unable or unwilling to obtain the release of the State of Michigan subsurface rights on or before May 1, 2018, Developer agrees to accept the Corner Parcel at closing subject to said reservation.

(b) The Title Company, and the Title Policy will be issued with standard exceptions (except for any survey exception that Developer removes by providing a survey to the Title Company).

1.3.2 ACCESS. At all times prior to the Closing during the term of this Agreement, upon not less than two (2) business days prior notice to the City, Developer, its agents and representatives, shall be entitled to inspect, examine, review, consider and investigate the Purchase Property and Park Property and all matters relating thereto. If, as a result of Developer's exercise of its rights under this Section 1.3.2, any damage or physical change occurs to the Purchase Property, Park Property, or adjoining lands, then Developer shall promptly repair such damage or return such property to its original condition, at Developer's sole cost and expense, so as to return any property so damaged to substantially the same condition as existed prior to such damage or physical change and such obligation shall survive the termination or expiration of this Agreement. Developer shall furnish evidence of liability insurance of Developer and Developer's contractors in amounts reasonably acceptable to the City prior to entry on the Purchase Property or Park Property.

1.4 CONDITION OF PROPERTY. Except as expressly set forth in this Agreement and those required to be given under the deed, it is understood and agreed that City is not making and has not at any time made any warranties or representations of any kind or character, expressed or implied, with respect to the Purchase Property and such investigations of the Park Property, for work performed by Developer on the Park Property, including, but not limited to, any warranties or representations as to habitability, merchantability, fitness for a particular purpose, title, zoning, tax consequences, soil conditions, subsurface conditions, latent or patent physical or environmental conditions, conditions for flooding, utilities, operating history, valuation, governmental approvals, the compliance of the property with governmental laws, the truth, accuracy or completeness of the property documents, or any other matter or thing regarding the Purchase Property or Park Property. Developer acknowledges and agrees that upon closing City shall sell and convey to Developer and Developer shall accept the Purchase Property "as is, where is, with all faults", except to the extent expressly provided otherwise in this Agreement. Developer has not relied and will not rely on, and City is not liable for or bound by, any expressed or implied warranties, guaranties, statements, representations or information pertaining to the property or relating thereto made or furnished by City or any agent representing or purporting to represent City, to whomever made or given, directly or indirectly, orally or in writing, unless specifically set forth in this Agreement. Developer represents to City that Developer has conducted, or will conduct prior to closing, such investigations of the Purchase Property and Park Property, including

but not limited to, the physical and environmental conditions thereof, as Developer deems necessary to satisfy itself as to the condition of the property and the existence or nonexistence or curative action to be taken with respect to any hazardous or toxic substances on or discharged from either property, and will rely solely upon same and not upon any information provided by or on behalf of City or its agents or employees with respect thereto, other than such representations, warranties and covenants of City as are expressly set forth in this Agreement in Article 4. Upon closing, Developer shall be deemed to have waived, relinquished and released City from and against any and all claims, demands, causes of action, in law or in equity (including but not limited to causes of action in tort and contract), losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Developer might have asserted or alleged against City at any time by reason of physical conditions or violations of any applicable laws (including, without limitation, any environmental laws) relating to the Purchase Property or for work performed by Developer on the Park Property.

ARTICLE 2

CLOSING

2.1 TIME AND PLACE FOR CLOSING. The closing on the conveyance of the Purchase Property to Developer contemplated herein shall occur within ~~sixty (60)~~thirty (30) days following the satisfaction (or waiver) of all conditions precedent set forth in Section 2.4.1 and 2.4.2 (Closing). If all conditions identified in Section 2.4.1 and 2.4.2 hereof are not met or waived by ~~September-November~~ 30, 2018, this Agreement shall be deemed terminated and without any further force or effect (except for those obligations that are specifically stated in this Agreement to survive its termination), without any action required by either party. The Closing shall occur at a mutually agreeable time and date at the office of the Title Company or such other location as mutually agreed upon by the City and the Developer.

2.2 CLOSING DELIVERABLES.

2.2.1 CITY CLOSING DELIVERABLES. The City shall deliver to the Title Company, on or before the date of Closing, the following documents (collectively, the "City Closing Deliverables"):

- (a) A quit claim deed (the "**Quit Claim Deed**");
- (b) A certificate made by the City stating that the representations and warranties set forth in Article 4 are true and correct as of the date of Closing;
- (c) Duplicate counterparts to a closing statement identifying the closing costs;
- (d) Duplicate counterparts to the Parks Agreement identified in Section 5.8; and
- (e) All documents reasonably required by the Title Company to issue the Title Policy.

2.2.2 DEVELOPER CLOSING DELIVERABLES. The Developer shall deliver to the Title Company, on or before the date of Closing, the following monies and documents (collectively, the "Developer Closing Deliverables"):

(a) The Purchase Price, plus all closing costs pursuant to the terms of this Agreement, including but not limited to the City's legal fees;

(b) A certificate made by the Developer stating that the representations and warranties set forth in Article 3 are true and correct as of the date of Closing;

(c) Proof of Developer's authority and authorization to enter into this Agreement and perform Developer's obligations under this Agreement as may be reasonably required by the Title Company;

(d) Duplicate counterparts to a closing statement identifying the closing costs;

(e) Duplicate counterparts to the Parks Agreement; and

(f) All documents reasonably required by the title Company in order to issue the Title Policy.

2.3 CLOSING COSTS.

2.3.1 TAXES AND SPECIAL ASSESSMENTS. The Purchase Property will be exempt from taxation at the time of Closing. The Developer understands that the Purchase Property shall be placed on the appropriate tax rolls on the 31st day of December immediately following the sale of the Purchase Property. The Developer shall be responsible for the payment of all taxes, special assessments, and other fees which occur subsequent to the date of Closing, as well as any assessments allocated to the Purchase Property as a result of the Montgomery Drain District, regardless of the date of imposition of such assessments.

2.3.2 TITLE INSURANCE. The Developer shall pay the premium for the Title Policy, any Lender's Policy of Title Insurance, and the cost of any endorsements to either.

2.3.3 RECORDING FEES. Developer shall pay all costs associated with recording the Quit Claim Deed.

2.3.4 ESCROW FEES AND OTHER CLOSING COSTS. Developer shall be responsible for 100% of any and all escrow fees or other closings costs charged by the Title Company.

2.3.5 SURVEYS. Developer shall pay the cost of any surveys or drawings which it obtains or which may be reasonably requested by the City for the purpose of obtaining approvals related to the Project.

2.4 CONDITIONS PRECEDENT TO CLOSING.

2.4.1 Developer's obligation to Close is and shall be conditioned on the following conditions being satisfied or waived by the Developer by the applicable deadline (collectively, the "Developer Conditions Precedent"):

(a) Developer shall have obtained a joint permit from the MDEQ and the U.S. Army Corps of Engineers and necessary permits from the Ingham County Drain Commissioner for the Drainage Improvements (as defined in Section 2.4.2(n));

(b) the City shall have approved the Conceptual Drawings of the building(s) to be located on the Purchase Property;

(c) The City through its Planning and Neighborhood Development Department Site Plan Review Process shall have approved Site Plan for the Purchase Property; provided, however, that nothing herein contained constitutes a representation nor warranty that such Site Plan will be approved pursuant to the City Planning and Neighborhood Development Department Site Plan Review Process;

(d) The City shall have reviewed and approved the Park Property Riverwalk Plan and the City Lansing Park Board shall have reviewed and provided comments thereto;

(e) The City through its Planning and Neighborhood Development Department Site Plan Review Process shall have approved Site Plans for the Park Property Riverwalk; provided, however, that nothing herein contained constitutes a representation nor warranty that the Park Property Riverwalk Site Plans will be approved pursuant to the City Planning and Neighborhood Development Department Site Plan Review Process;

(f) In connection with the terms for funding the Project as set forth in Article 7, the City and LBRA shall have further approved the Brownfield Plan and Act 381 Work Plan, to be closed at a time mutually agreed upon between the City and Developer; provided, however, that nothing herein contained constitutes a representation or warranty that the Brownfield Plan or Act 381 Work Plan will be approved by the governing bodies of the City and/or LBRA;

(g) The Brownfield Plan and the Act 381 Work Plan shall have received all other necessary state and local approvals;

(h) The City shall have delivered to the Title Company the City Closing Deliverables.

(i) The City shall be in compliance with all of its obligations under this Agreement;

(j) The City of East Lansing shall have adopted a resolution or resolutions vacating the public right-of-way and properly filed the same pursuant to M.C.L. 560.257 with respect to those portions of Reniger Court and Church Street presently within the City of East Lansing limits and within the Purchase Property;

(k) The City shall have adopted a resolution vacating the public right-of-way and properly filed same pursuant to M.C.L. 560.257 with respect to the portion of Church Street within the area of the Purchase Property and within the limits of the City.

2.4.2 The City's obligation to Close on the Purchase Property is and shall be conditioned on the following conditions being satisfied or waived by the City by the applicable deadline (collectively, the "City Conditions Precedent"):

(a) The City shall have approved the Conceptual Drawings of the building(s) to be located on Purchase Property;

(b) The City through its Planning and Neighborhood Development Department Site Plan Review Process shall have approved Site Plans for the Purchase Property provided, however, that nothing herein contained constitutes a representation nor warranty that such site plans will be approved pursuant to the City Planning and Neighborhood Development Department Site Plan Review Process;

(c) The City shall have reviewed and approved the Park Property Riverwalk Plans and Specifications and the City Lansing Park Board shall have reviewed and provided comments thereto;

(d) The City through its Planning and Neighborhood Development Department Site Plan Review Process shall have approved site plans for the Park Property Riverwalk; provided, however, that nothing herein contained constitutes a representation nor warranty that the Park Property Riverwalk site plans will be approved pursuant to the City Planning and Neighborhood Development Department Site Plan Review Process;

(e) The City's approval of the Developer's Project Schedule, which shall contain at least all the project requirements set forth in Sections 5.1.1, 5.1.2, 5.1.3, and herein, and shall contain affirmative representation from the Developer that there is no known information, up to and at Closing, such that Completion of Constructions will not be completed within the timeframes set forth ("Project Schedule").

(f) Each of the representations and warranties made by Developer in Article 3 of this Agreement and elsewhere in this Agreement shall be true and correct as of the date of Closing;

(g) Developer shall have delivered to the Title Company the Developer Closing Deliverables;

(h) Developer shall be in compliance with all of its obligations under this Agreement and any other agreement required herein, and Developer, its principals, and any entities controlled by any of Developer's principals or whose obligations are guaranteed by Developer's principals shall be in compliance with all of their obligations under any other agreement with the City.

(i) In connection with the terms for funding the Project as set forth in Article 7, the City and LBRA shall have satisfied themselves that the Project will generate sufficiently capture of taxes in an amount necessary to: (i) timely make all payments required under the terms of the LBRA Bonds (as defined below) and this Agreement; (ii) enable the Developer to make all payments required pursuant to the terms of the Additional Funding (as defined below); and (iii) to distribute the tax capture in accordance with the allocations and for the purposes more particularly set forth in Article 7;

(j) In connection with the terms for funding the Project as set forth in Article 7, Developer shall have obtained the funding to pay for the Additional Funding (as defined below) in accordance with the Brownfield Plan, and provided evidence of same satisfactory to the City in its reasonable discretion, which evidence may include the depositing of the proceeds of such Additional Funding into a controlled account; and

(k) In connection with the terms for funding the Project as set forth in Article 7, the City and LBRA shall have further approved the Brownfield Plan and Act 381 Work Plan, to be closed at a time mutually agreed upon between the City and Developer; provided, however, that nothing herein contained constitutes a representation or warranty that the Brownfield Plan or Act 381 Work Plan will be approved by the governing bodies of the City and/or LBRA;

(l) The City shall have approved all documentation related to the issuance of the LBRA Bonds (as defined in Section 7.3); provided, however, that nothing herein contained constitutes a representation nor warranty that the documents related to the issuance of the LBRA Bonds will be approved by the City;

(m) The Brownfield Plan and the Act 381 Work Plan shall have received all other necessary state and local approvals;

(n) The Ingham County Drain Commissioner shall have substantially completed the Montgomery Drain District drainage design documents for the proposed Montgomery Drain District improvements (the "Drainage Improvements");

(o) Developer and City shall have agreed upon a mutually agreeable Parks Agreement as provided in Section 5.8;

(p) By ~~May-September~~ 1, 2018, Developer shall have procured and provided to the City an economic impact study prepared by Public Sector Consultants, Inc. or other such entity designated by the City.

2.4.3 In the event that any of the conditions precedent contained in Sections 2.4.1 and 2.4.2 have not been met, extinguished, waived in writing, or extended in writing, by mutual agreement, this Agreement shall be terminated upon written notice of either party to the other and this Agreement will be null and void except for obligations that are provided to expressly survive the termination or expiration of this Agreement.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF DEVELOPER

As a material inducement for execution of this Agreement by the City, Developer represents and warrants to the City as follows, as of the date hereof and as of the date of Closing:

3.1 ORGANIZATION. The Developer is duly organized under the laws of the State of Delaware and is authorized to do business in the State of Michigan.

3.2 AUTHORITY. The Developer has (i) all power and authority to enter into this Agreement and perform its covenants and obligations as set forth hereunder and (ii) entered into no agreement that would limit or restrict its right to enter into this Agreement and fulfill its obligations hereunder.

3.3 NO LITIGATION. The Developer has not received any notice of, nor is it aware of, any pending demand, cause of action, suit, administrative, civil or criminal proceeding asserted by or against Developer that would materially and adversely impair its ability to perform its covenants and obligations under this Agreement other than Christopher Jerome, et al. v. Joel Ferguson, et al., Case 1:16-cv-01116 filed in the United States District Court Western District of Michigan.

3.4 OTHER AGREEMENTS. Developer is not a party to any agreement or instrument materially and adversely affecting its present or proposed business, properties or assets, operation or condition, financial or otherwise, or relating to Montgomery drain design, assessments, reconstruction, improvements or maintenance, not disclosed to the City in writing; and Developer is not in default in the performance, observance, or fulfillment of any of the material obligations, covenants, or conditions set forth in any agreement or instrument to which it is a party.

3.5 OTHER INFORMATION. All other written information, reports, papers, and data given to the City by Developer with respect to it are accurate and correct in all material respects and substantially complete insofar as completeness may be necessary to give the City a true and accurate knowledge of the subject matter, and all projections of future results are, in Developer's opinion, reasonable.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE CITY

Subject to the Lansing City Council approval of this Agreement, the City (i) has the authority to enter into this Agreement and perform its covenants and obligations as set forth hereunder and (ii) has entered into no agreement that would limit or restrict the City's right to enter into this Agreement and fulfill its obligations hereunder.

ARTICLE 5

DEVELOPMENT OBLIGATIONS

5.1 DEVELOPMENT OF PROJECT. Developer shall develop the Project according to the terms and conditions of this Agreement, including the following:

5.1.1 MINIMUM PROJECT REQUIREMENTS. The Project shall, at a minimum, feature the following uses and design elements as set forth in Exhibits C-1 and C-2:

(a) A full-service hotel located on Michigan Avenue ("Full Service Hotel") of not less than five (5) stories and not less than eighty (80) feet above the grade of Michigan Avenue to contain: (i) not less than ~~130-152~~ guest rooms; (ii) meeting facilities; and (iii) at least one commercial space for a restaurant use that is connected to or otherwise residing within the same structure as the foregoing uses comprising the Full-Service Hotel;

(b) A second and separate structure, a Select Service Hotel structure of not less than five (5) stories and not less than 80 feet above the grade of Michigan Avenue to contain not less than ~~120-112~~ rooms ("Select Service Hotel");

(c) Commercial spaces for full-service restaurants, plus other general commercial and retail space (collectively, the "~~Commercial Space~~" "Restaurants and In-Line Retail"), not less than 40,000 square feet in the aggregate, which shall, at a minimum, be specifically located within buildings as specified by Section 5.1.3 and attached Exhibit C-1; and

~~(d) Market-rate housing with first floor retail (the "Multifamily Housing") targeting professionals and "empty nester" markets (the "Market Rate Non-Student Housing"), which shall be sited on the Purchase Property pursuant to this Agreement and consisting of not less than fifty-five (55) one-bedroom units and 115 two-bedroom units as depicted in Exhibit C-1 shall consist of not less than four (4) stories and not less than fifty (50) feet above the grade of Michigan Avenue. The Multifamily Housing shall consist of not less than a total of two hundred (200) units;~~

~~(d1) Active Senior Multifamily Housing (the "Active Senior Multifamily Housing") targeting the "empty nester" market, shall be sited on the Purchase Property pursuant to this Agreement and shall consist of not less than five (5) stories and not less than sixty (60) feet above the grade of Michigan Avenue. The Active Senior Multifamily Housing shall consist of not less than 98 units;~~

(d)

(e) Housing designed in a manner appealing to a student population (the "Student Housing"), which shall be sited exclusively in that portion of the Purchase Property that is east of the easternmost point of the portion of the Red Cedar Property as depicted in Exhibit C-1 and shall consist of at least ~~1,248~~1,222 beds and consisting of at least four (4) stories above grade.

(f) A boardwalk from the easternmost boundary to the westernmost boundary of the Red Cedar Property (the "Red Cedar Property Riverwalk") as depicted in Exhibit C and connected to any municipal river trail, or sidewalk network, abutting the Red Cedar

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Property, which such Red Cedar Property Riverwalk shall be designed and constructed of a quality appropriate to withstand local weather and occasional flood conditions, be compliant with any necessary MDEQ permit specifications, be ADA compliant, and be of an appearance appropriate for its location as improved, subject to the review of the Lansing Park Board and approval by the City through its Planning and Neighborhood Development Department Site Plan Review Process;

(g) A walkable pathway connecting the network of rights of way and walking paths in the Project to the Michigan State University student residence halls bounded by North Brody Road, West Brody Road, South Brody Road, and East Brody Road (the "Brody Residence Halls"); and

(h) An assisted living, skilled nursing, and memory care facility (the "Senior Village") with a height consisting of at least four (4) shall consist of not less than two (2) stories and not less than twenty-seven (27) feet above the grade of Michigan Avenue, along the Michigan Avenue frontage and not less than 112 units sited on the Corner Parcel ("Senior Housing") pursuant to the Approved Development Plans. The Senior Village shall consist of not less than 116 units.

(i) Aesthetically appealing streetscape designs.

(j) Construction of an integrated parking structure ("Integrated Parking Structure") which will be owned constructed and maintained by the Developer.

5.1.2 PARK PROPERTY RIVERWALK. Subject to review of the Lansing Park Board and approval by the City, and any other local approvals required to be obtained, prior to a Closing on the Purchase Property, the Developer shall further design and construct, at its own expense, a connected riverwalk or boardwalk along the Red Cedar River from the easternmost boundary to the westernmost boundary of the Park Property (the "Park Property Riverwalk") that is connected to the municipal river trail, or sidewalk network, abutting the Park Property, as depicted in Exhibit C-1, which such Park Property Riverwalk shall be designed and constructed in a manner that is consistent with the same standards as the Red Cedar Property Riverwalk.

5.1.3 OTHER REQUIREMENTS. Except as otherwise provided in Section 5.1.1, the Project shall further be consistent with the following uses and design elements:

(a) The main entrance to the Project ("Main Entrance") shall be sited on Michigan Avenue;

(b) All buildings with frontage on, or which otherwise feature built space that abuts, Michigan Avenue (the "Michigan Avenue Buildings") shall be primarily dedicated to commercial uses and shall be a minimum of two (2) stories pursuant to the Approved Development Plans;

(c) Those buildings behind the Michigan Avenue Buildings and on either side of the Main Entrance drive ("Main Entrance Buildings") shall dedicate the first floor to retail or restaurant and the upper floors to be residential or offices as depicted in Exhibit C-1; and,

(d) There shall be no building or other structure or improvement on, over, or within the boundary lines of any easement for public utilities described or referred to in this Agreement, the ALTA/NSPS Land Title Survey for Red Cedar Renaissance, Michigan Avenue & Clippert Street, East Lansing, Michigan prepared by LSG Engineers & Surveyors dated 10/26/2016 and identified as File No. 1062.DWG (the "ALTA Survey"), or the Quit Claim Deed, unless such construction is provided for in such easement or has been approved by the easement holder.

(e) No relocation of the Board of Water and Light substation located on the Red Cedar Property will be required because the substation is out of service and decommissioned.

5.2 DEVELOPMENT PLANS. Prior to closing, Developer shall submit to the City, Conceptual Drawings for all improvements to be constructed on or to the Purchase Property, whether public or private improvements, including landscape plans and elevations as well as the streetscape identified in Section 5.1.1(i) (the "Development Plans") and the Park Property (the "Park Property Riverwalk Plans"). Such Development Plans and the Park Property Riverwalk Plans shall incorporate those uses and design elements described in Sections 5.1.1, 5.1.2, and 5.1.3, as applicable, and shall be of sufficient completeness and detail to demonstrate that design and construction of the Project will be in accordance with this Agreement. The City's review and approval of the Development Plans for compliance with the terms of this Agreement shall be a precursor to the formal site plan review process conducted by the City Planning and Neighborhood Development Department and such approval shall not constitute approval of the Site Plan. The Park Property Riverwalk Plans shall be subject to the approval of the MDEQ and the DNR for permit approval.

5.3 REVIEW AND APPROVAL BY WRITTEN NOTICE. In the event the City approves either of the Development Plans and the Park Property Riverwalk Plans and Specifications submitted pursuant to Section 5.2, the City shall so notify Developer in a writing attaching any portion or all of the materials submitted by Developer as Development Plans (the "Development Approval Notice") or Park Property Riverwalk Plans and Specifications (the "Park Property Riverwalk Approval Notice") that the City wishes to become Exhibit B-1 ("Approved Development Plans") or Exhibit B-2 (the "Approved Park Property Riverwalk Plans and Specifications"), respectively, of this Agreement. The Approved Development Plans and the Approved Park Property Riverwalk Plans and Specifications are collectively referred to herein as the "Approved Plans and Specifications".

5.4 EFFECT OF APPROVAL NOTICES. Developer shall construct the Project in conformance with the Approved Development Plans and the Approved Park Property Plans and Specifications. Upon and by operation of the Development Approval Notice, the enclosures to such Development Approval Notice shall be deemed the Approved Development Plans, for purposes of this Agreement, and be automatically incorporated as Exhibit B-1 of this Agreement. Upon and by operation of the Park Property Riverwalk Approval Notice, the enclosures to such Park Property Riverwalk Approval Notice shall be deemed the Approved Park Property Riverwalk Plans and Specifications, for purposes of this Agreement, and be incorporated as Exhibit B-2 of this Agreement. It is the express intent and agreement of the parties that any such incorporation of the Approved Development Plans by operation of the Development Approval Notice or the Approved

Park Property Riverwalk Plans and Specifications by operation of the Park Property Riverwalk Approval Notice shall not constitute an Amendment (as defined below) for purposes of Section 11.8 of this Agreement.

5.5 PERMITS; BUILDING CODE. Prior to commencing construction, Developer shall obtain all required permits, including any necessary reviews and approvals. The Approved Development Plans, and any construction pursuant thereto, shall be in full compliance with this Agreement and the Michigan Building Code – Stille Derosssett-Hale-Single State Construction Act, Act 230 of 1972, known as the “Michigan Building Code.”

5.6 UTILITY AND INFRASTRUCTURE IMPROVEMENTS. Except for the improvements undertaken by the Drain Commissioner, the Developer shall be responsible for construction, relocation and installation of any and all utilities for the Project, including connections or improvements to existing utility systems. The utilities include but are not limited to water, sanitary sewer, storm sewer and drain mains, electric, telephone or other public utility lines, owned by any public utility company. The Developer shall be responsible for construction, relocation and installation of any other infrastructure improvements including the roads. The Developer shall be responsible for any easements and permits required for any such installations without any cost to the City. The public infrastructure and any ~~GO-Bond~~TE Bond obligations shall be completed in accordance with the City’s letter of intent process, and Developer shall be responsible for the cost of an oversight consultant, selected by and hired to act on behalf of the City, the cost of which can be included in the ~~GO-Bonds~~TE Bonds.

5.7 RELOCATION OF EXISTING BUSINESSES. Until the first complete lease-up of the ~~Commercial Space~~Restaurants and In-Line Retail, or January 1, 2024, whichever is earlier, no existing retail or restaurant business operating within the boundaries of the City of Lansing or East Lansing (the “Protected Area”) will be relocated to the Purchase Property (“Relocating Tenant”) without the prior written consent of the City.

5.8 MAINTENANCE OF PARK PROPERTY RIVERWALK. Maintenance of the Park Property and Park Property Riverwalk, including lawn mowing, maintenance of signage, repairs of any broken materials and removal of trash, debris, and snow, as necessary, shall be the responsibility of the Developer, as outlined in an agreement to be entered into between Developer and the City (the “Parks Agreement”).

5.9 PREVAILING WAGE. All work performed on the Purchase Property, Park Property, and Park Property Riverwalk that is funded by the Brownfield Plan and 381 Work Plan shall be compensated at prevailing wages (the Prevailing Wage Work). ~~Developer will use its best efforts to use available and qualified local Lansing area residents and local firms within a 50 mile radius of the project, employing Michigan workers, with an emphasis on engaging women and minority owned firms or individuals.~~ In no event shall the City be responsible for the costs of the City or a third-party organization to monitor the Prevailing Wage Work compliance on the Project. Developer shall require ~~that all contracts and subcontracts for Brownfield Eligible Activities require that the parties thereto will~~its general contractor/construction manager to comply with the monitoring procedures of such third-party monitor. Evidence of compliance with ~~this Section~~the Prevailing Wage Work shall be submitted along with disbursement requests, and disbursements from the Project fund will be conditioned upon such compliance ~~with this Section~~. This

requirement shall remain in effect through Completion of ~~Construction of the entire Project~~the Prevailing Wage Work.

Developer, through subcontractors hired by its general contractor/construction manager, intends to use as much available and qualified Local Labor as possible in accordance with the Local Labor Agreement, entered into by the Parties on June 4, 2018, and appended to this Agreement as Exhibit E (the "Local Labor Agreement"). Notwithstanding anything in the Local Labor Agreement to the contrary, nothing in the Local Labor Agreement shall be interpreted to require Developer to withhold, pay or be responsible for City Income Tax for or on behalf of the general contractor/construction manager or subcontractors working on the Project. Developer's general contractor/construction manager shall require any subcontractor hired to contractually agree to comply with any City Income Tax reporting requirements. In the event of a conflict between this Section 5.9 and the Local Labor Agreement, this Section 5.9 shall control.

ARTICLE 6

CONSTRUCTION

6.1 SCHEDULE. Developer shall promptly begin and diligently prosecute to completion the construction of the Project on the Purchase Property according to this Agreement and the Approved Development Plans, the Approved Park Property Riverwalk Plans, and the Approved Project Schedule. Such construction shall commence no later than sixty (60) calendar days from the date of Closing, and thereafter proceed in accordance with and be completed by the date of completion of construction set forth in in the Project Schedule (the "Project Schedule") and attached as Exhibit D. For purposes of this Section 6.1, commencement of construction shall include the commencement of construction of Project infrastructure, including roads and utilities, and the Integrated Parking Structures, as well as environmental remediation. The Project Schedule may be amended by mutual agreement of the City and the Developer subsequent to the execution hereof.

6.2 COMPLETION. Subject to the provisions of this Agreement, Developer hereby covenants that after commencing construction in accordance with Section 6.1, it shall diligently prosecute the Project to completion, in accordance with this Agreement and the Project Schedule. For purposes of this Agreement, "Completion of Construction" means the date on which the Developer substantially completes construction of the Project in accordance with the Approved Plans and Specifications and is issued all certificates of occupancy.

6.3 PROGRESS REPORTS. Subsequent to conveyance of the Purchase Property to the Developer and until Completion of Construction, the Developer shall make quarterly written reports to the City as to the actual progress of the Developer with respect to such construction, with such reports to be provided within thirty (30) days of the applicable quarter. Upon the request of the City, Developer shall provide additional updates but in no event shall such update be due less than fifteen (15) days and no less than thirty (30) days following a request for same by the City.

6.4 CONSTRUCTION STANDARDS. All construction shall be carried out in a good and workman like manner, using first class materials, and in accordance with this Agreement and

all applicable Federal, State and local laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the construction, the Developer, or the Project, and the construction shall be performed in accordance with the Approved Plans and Specifications and in accordance with this Agreement and applicable federal, state and local laws, ordinances, rules and regulations. Developer agrees to require Developer's subcontractors and other third parties to comply with the Developer's obligation under this Section 6.4. Developer and its assigns, contractors, agents, representatives and heirs (collectively, the "Development Parties") do hereby agree that once the value of permits and fees are determined and paid for on the Developer's behalf, amounts expended for such permits and fees shall not be contested or refunded to any Development Party to include, but not be limited to, plan review, building permits, trade permits, site plans, etc.

6.5 CHANGES. If the Developer desires to make any material change in the Approved Development Plans or the Approved Park Property Riverwalk Plans and Specifications after their approval by the City, the Developer shall notify the LBRA and the City of the proposed change and request their review and approval, for the purpose of determining that the proposed change accords with this Agreement and all applicable federal, state, and local laws, ordinances, rules and regulations. The City shall respond in writing within fifteen (15) business days in accordance with the City's right to approve, as set forth in this Agreement.

ARTICLE 7

FINANCIAL INCENTIVES

7.1 COOPERATION. The City shall reasonably cooperate with the Developer and the Developer shall reasonably cooperate with the City to apply for certain financial incentives to assist with the total cost relating to the conditions of the Purchase Property requiring environmental remediation and certain infrastructure improvements (the "Financial Incentives").

7.2 BROWNFIELD PLAN. Developer shall submit to the City and LBRA a Brownfield Plan and an Act 381 Work Plan (collectively, the "Plans") for the capture of property taxes and the disbursement of same pursuant to the terms of the Brownfield Redevelopment Financing Act, 1996 PA 381 (the "Brownfield Act"). If the Act 381 Work Plan is denied approval at the state level, this Agreement shall terminate and be of no further force or effect except for those obligations that survive its termination.

7.2.1 CONTENT. The Plans shall, at a minimum, provide for:

(a) A detailed cost budget for the Project, including a detailed itemized summary of costs for the "Approved Eligible Activities" within the meaning of M.C.L. § 125.2652;

(b) A capture of taxes in an amount necessary to: (i) timely make all payments required under the terms of the LBRA Bonds (as defined below); (ii) enable the Developer to make all payments required pursuant to the terms of the Additional Funding (as defined below); and (iii) to distribute the tax capture in accordance with the allocations and for the purposes more particularly set forth in Section 7.3.5; and

(c) A proposed distribution of the estimated captured property taxes, with such proposed distribution identifying with particularity a mechanism contemplating disbursements to cover payments for annual debt service on both the LBRA Bonds (as defined below) as well as the Additional Funding in accordance with the allocations and for the purposes more particularly set forth in Section 7.3.5.

7.2.2 REVIEW AND APPROVAL. The Plans shall be subject to the review and approval by the City and LBRA in their discretion, including a satisfactory review and assurance that the fair market value of the Purchase Property, after completion of the Project, will generate captured taxes sufficient to repay the LBRA Bonds and Additional Funding (as defined below), plus sufficient additional funds for distribution of the captured taxes in accordance with the allocations and for the purposes more particularly set forth in Sections 7.3.4 and 7.3.5.

7.3 BONDS.

7.3.1 Subject to verification by the City and LBRA of sufficient tax base, and any approvals required by the governing bodies of the City and/or LBRA or State of Michigan, the City will reasonably pursue the issuance of bonds by the LBRA in amounts not to exceed the following:

(a) ~~General Obligation Bonds~~ Tax Exempt Revenue Bonds in an amount not to exceed Ten Million Seven Hundred Fifteen Thousand Six Hundred Sixty-Nine and 00/100 Dollars (\$10,715,669.00) (the "~~GO Bonds~~ TE Bonds") to be deposited into the project fund (the "~~GO Bonds~~ TE Bonds Proceeds"), which such ~~GO Bonds~~ TE Bonds are to be backed by the full faith and credit of the ~~City~~ Developer and for which the City shall have no obligations with respect to repayment thereof, the timing of deposit and disbursement to be determined by the LBRA; and

(b) Revenue Bonds in an amount determined by the bond purchaser and approved by LBRA, and subject to a letter of funding, to be supported by that portion of the Brownfield Plan's Tax Increment Revenues, within the meaning of the Brownfield Act, for the balance of those funds required to complete the infrastructure components of the Project (the "Revenue Bonds") (together with the ~~GO Bonds~~ TE Bonds, the "LBRA Bonds") for which the City shall have no obligations with respect to repayment thereof.

~~GO Bond~~ TE Bond Proceeds shall only be used to fund construction of public infrastructure and will be made available on a pro rata basis with the proceeds from the Revenue Bonds. These LBRA Bonds may include the costs of the City and LBRA in connection with issuance of such bonds including but not limited to the City's bond counsel fees and expenses and the capitalized interest during construction.

7.3.2 USE OF BONDS. The proceeds of LBRA Bonds will be used only for "Approved Eligible Activities" within the meaning of M.C.L. § 125.2652. For the purposes of this Agreement, such "Approved Eligible Activities" shall specifically include environmental remediation, infrastructure (collectively, the "Work") and capitalized interest as shall be contained in the Plans and constitute "eligible activities" within the meaning of M.C.L. § 125.2652, subject to the express understanding that the City may select which portion of the Work to fund with the

LBRA Bonds (as defined below). Draw procedures shall be established by a separate agreement with the LBRA.

7.3.3 ADDITIONAL FUNDING. Developer will be responsible for obtaining that additional funding ("Additional Funding") required for paying the cost of Approved Eligible Activities that exceeds the amount of the LBRA Bonds. The Additional Funding shall be in an amount such that the amount of the LBRA Bonds plus the Additional Funding will pay for the Approved Eligible Activities. Joel Ferguson, Frank Kass, and development entities related to Developer will provide guarantees if required by those lenders that provide such Additional Funding. Further, nothing herein contained is intended to prohibit the lender of such Additional Funding from maintaining a dual control over the Additional Funding.

7.3.4 ALLOCATION OF TAX CAPTURE. All property taxes captured (including receipts from the Ingham County Treasurer from the purchase of delinquent property taxes) pursuant to the Brownfield Plan shall be allocated between the LBRA Bonds, the Additional Funding, and such additional uses as may otherwise qualify for allocation pursuant to the as-approved Brownfield Plan and Section 7.3.5. The agreement to be entered into as required under Public Act 381 will conform to the order of priority identified in Section 7.3.5.

7.3.5 ORDER AND PRIORITY. The property taxes actually captured for such year will be distributed as specified below on an annual basis in the following order and priority, to the extent of available funds:

(a) The MEDC Brownfield Redevelopment Fund shall have first priority of reimbursement in the amount equal to three (3) mills of available captured tax revenue; then,

(b) The LBRA shall be reimbursed in the amount of two-and-one-half percent (2.5%) of the amount captured to cover administrative costs; then,

(c) The Local Site Remediation Revolving Fund (LSRRF) shall receive a deposit in the amount of two-and-one-half percent (2.5%) of available captured tax revenue; then

(d) ~~GO Bonds~~ TE Bonds, and/or the City in the event it has advanced ~~or paid any costs~~ money for the ~~GO Bonds~~ TE Bonds, shall be paid an amount equal to the annual debt service ~~which is structured having a not to exceed 1% inflationary adjustment for the first ten years followed by a 0% inflationary adjustment after~~; then,

(e) ~~Commencing with the first year of tax capture, an amount equal to 20% of the maximum annual principal and interest of the GO Bonds shall be deposited into a separate account for the benefit of the City and its retained obligations ("Retained Obligation Fund") associated with the Project until such amount deposited equals the maximum annual principal and interest on the GO Bonds; then,~~ This section is intentionally left blank.

(f) ~~Notwithstanding Section 7.3.5(e), in the event a disbursement out of the Retained Obligation Fund is made, or in a prior year the tax capture did not satisfy the 20% amount identified in 7.3.5(e), then an amount shall be deposited into the Retained Obligation Fund so that it is equal to the amount the Retained Obligation Fund would otherwise have held if a~~

~~disbursement had not occurred or the prior year tax captures had satisfied the 20% amount identified in 7.3.5(e); This section is intentionally left blank.~~

(g) Revenue Bonds shall be paid in an amount not to exceed their annual debt service;

(h) Additional Funding may be paid by additional funds captured, ~~including amounts remaining in the Retained Obligation fund~~ after the full repayment of the amount owed to the MEDC Brownfield Redevelopment Fund identified in 7.3.5 (a), the LBRA administration costs identified in 7.3.5 (b); ~~the amount owed to the Local Site Remediation Revolving Fund (LSRRF) identified in 7.3.5 (c), the GO Bonds~~ TE Bonds, and the Revenue Bonds to reimburse the Developer for the costs of eligible activities identified and approved by the City and MSF in the Brownfield Plan and the Act 381 Plan not paid for by the issuance of the ~~GO Bonds~~ TE Bonds or Revenue Bonds.; then

(i) ~~Any amounts remaining in the Retained Obligation Fund on retirement of the LBRA Bonds and the Additional funding will revert to the LBRA. This section is intentionally left blank.~~

Notwithstanding the foregoing primary priority of funding, if the application of the first priority, ~~after consideration of any funds in the Retained Obligation Account,~~ leaves insufficient funds to cover the next twelve months of LBRA Bond payments, then in such event the allocation percentage shall be adjusted so that LBRA shall receive sufficient funds to make the next twelve months of principal and interest payments on the LBRA Bonds.

7.3.6 CONSTRUCTION CONTRACTS. The City shall be a party to all construction contracts for which it is contemplated that any services performed or materials supplied will be funded in full or in part by proceeds of the LBRA Bonds which contracts shall provide the City the same rights as those provided to the Developer.

7.3.7 During the period in which the LBRA Bonds are outstanding, Developer shall not enter into any transaction, lease, or any other agreement that would render the Purchase Property or any portion thereof tax-exempt or materially alter the tax capture.

7.4 OTHER INCENTIVES. The City will support Developer's application, for the state fiscal year, October 1, 2017 through September 30, 2018, a Michigan Community Revitalization Program ("MCRP") grant ("MCRP Grant") and loan ("MCRP Loan") from the Michigan Strategic Fund, with support for such MCRP Grant and MCRP Loan prioritized but not exclusive to any other projects in Lansing and support the Project as the number one priority project for the City of Lansing in connection with the MCRP grant and loan programs. Any other financial incentives as Developer may request and the City may support shall be in their sole discretion.

7.5 MEDC. Nothing in this Agreement shall be construed to require or guarantee approval by the board of the Michigan Strategic Fund on behalf of the Michigan Economic Development Corporation ("MEDC") for participation by the State of Michigan in any the local tax increment financing-based tax capture of education funds.

ARTICLE 8

DEFAULT & REMEDIES

8.1 GENERAL. If any Party hereto shall fail to perform any of its obligations under this Agreement (the "Defaulting Party"), then the other Party not in default (the "Non-Defaulting Party") shall provide notice of such failure to the Defaulting Party and afford the Defaulting Party a grace period to cure said failure as follows:

8.1.1 GRACE PERIOD SPECIFIED. Where a grace period is specifically provided for in any section of this Agreement, that specific grace period shall apply.

8.1.2 GRACE PERIOD UNSPECIFIED. Where a grace period is not specifically provided for in any other section of this Agreement, the Defaulting Party shall afford the Non-Defaulting Party a grace period of: (i) ten (10) business days to cure monetary failure; and (ii) thirty (30) days to cure any non-monetary default.

8.1.3 DEFAULT. If any failure to perform shall not have been cured by the expiration of the applicable grace period, then a "Default" shall be deemed to have occurred and the Non-Defaulting Party shall have the rights and remedies set forth in the remainder of this Article 8, and any other applicable portions of this Agreement.

8.2 DEVELOPER TERMINATION PRIOR TO CLOSING. Except as otherwise provided in this Agreement, in the event the Developer is fully compliant with all of its duties and obligations under the Agreement and the City does not Close pursuant to the terms of this Agreement, and the City does not cure pursuant to the terms of Section 8.1, then this agreement shall, at the option of the Developer, be terminated or the Developer may compel specific performance of the City's obligation under this Agreement. All deadlines for performance by Developer shall be extended by one (1) day for every day the City shall be in default of its obligations hereunder.

8.2.1 To be effective, termination shall be by written notice from the Developer to the City.

8.2.2 In the event Developer elects to terminate the agreement prior to closing or seek specific performance, the Developer shall remain financially responsible for all work performed by or on behalf of the Developer with respect to the Project or Purchase Property.

8.3 CITY TERMINATION PRIOR TO CLOSING. Except as otherwise provided in this Agreement, the City may terminate this Agreement prior to Closing, after expiration of the applicable cure period(s) provided in Section 8.1, upon the happening of any of the following: (i) the Developer assigns the Agreement, or any rights herein or in the Purchase Property except as expressly permitted herein; (ii) any transfer or attempt to transfer all or part of the Purchase Property except as expressly permitted under the terms of this Agreement; (iii) any change in more than forty percent (40%) of the membership interests of the Developer, individually or in combination with any other transfer following the date hereof, and which has not been approved

by the City; or (iv) the Developer is in default of a duty, obligation or undertaking required to be performed by Developer in this Agreement.

8.3.1 To be effective, termination shall be by written notice from the City to the Developer.

8.3.2 In the event the City terminates this Agreement, the Developer shall be financially responsible for all work performed by or on behalf of the Developer with respect to the Project or the Purchase Property prior to termination.

8.4 POST-CLOSING REMEDIES. If either Party hereto is in default of its obligations under this Agreement after expiration of the applicable cure period(s) provided in Section 8.1, then the Non-Defaulting Party may seek all rights and remedies available at law, in equity, or in this Agreement to enforce all Parties' rights and 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.

8.5 BANKRUPTCY BY DEVELOPER. If at any time prior to Completion of Construction, Developer becomes insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors, shall file a petition in bankruptcy, shall voluntarily be adjudicated insolvent or bankrupt or shall admit in writing the inability to pay debts as they mature, shall petition or apply to any tribunal for or shall consent to or shall not contest the appointment of a receiver, trustee, custodian or similar officer for Developer or for a substantial part of the assets of Developer, or shall commence any case, proceeding or other action under any bankruptcy, reorganization, arrangement, readjustment or debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, such an event shall be deemed an Event of Default as to the Developer only. Such event shall not be subject to the grace period provisions of Section 8.1.

8.6 DISSOLUTION OF DEVELOPER. Any dissolution, termination, or partial or complete liquidation of Developer prior to Completion of Construction shall be deemed an Event of Default as to the Developer only. Such event shall not be subject to the grace period provisions of Section 8.1.

8.7 FAILURE TO COMPLY WITH CONSTRUCTION SCHEDULE. The Developer agrees to complete such portions of the Project in a manner, consistent with the Project Schedule, that such portions will be placed upon the property tax rolls by the City's Assessor and generate payment of property taxes for payment of the LBRA Bonds in accordance with the Approved Brownfield Plan. In the event there is a delay in completion of such portions of the Project that result in a deficiency for payment of property taxes for repayment of the LBRA Bonds, then the Developer will upon demand from the City immediately pay such deficiency and continue to pay such deficiency until such portions of the Project have been completed and generate property taxes sufficient to pay the LBRA Bonds.

ARTICLE 9
INDEMNIFICATION

Developer agrees to indemnify and hold harmless the City, LEDC, LBRA, and Lansing Economic Area Partnership and their agents and employees (collectively, the “Indemnified Parties”, each an “Indemnified Party”) from any liabilities, obligations, losses, damages, penalties, claims, charges or expenses, including attorney's fees, that arise from any negligence or misrepresentation on the part of Developer or its agents, and on account of the Indemnified Party's reliance thereon, and any personal injury, death or property damage that are caused by the intentional acts or omissions or negligence of Developer or its duly authorized agents. In the event any action or proceeding shall be brought against an Indemnified Party by reason of any claim covered hereunder, the Indemnified Party shall have the right to resist and defend the same with counsel of its choosing, and Developer shall pay the costs of such defense. The provisions of this Section shall survive the Closing or termination of this Agreement and remain in full force and effect until the ~~City's Go Bond proceeds~~ TE Bond obligations are retired or otherwise paid in full.

ARTICLE 10
RESTRICTIONS ON ASSIGNMENT AND TRANSFER

The Developer may pledge, mortgage or grant a security interest in the Purchase Property for purpose of gaining financing necessary to enable the Developer or approved successor in interest to the Purchase Property to perform its obligations with respect to making improvements under this Agreement. The Developer may also transfer a portion of the Purchase Property to an entity controlled by related parties to the Developer or a member of the Developer, and the Developer may transfer a portion of the Purchase Property for the operation of a Hotel, Assisted Living Facility, Non-Student Housing, Student Housing, or other uses authorized by this Agreement so long as the recipient of such a transfer agrees, in its written purchase agreement with Developer, to construct and own buildings on the Purchase Property consistent with the terms of this Agreement. The Plans and Specifications for all buildings and construction on the Purchase Property shall remain subject to the terms of this Agreement. In the event of any action or transfer under this paragraph, the Developer will promptly notify the City in writing, and will continue to be responsible for keeping the transferred portion of the Purchase Property in compliance with the terms of this Agreement.

ARTICLE 11
IDENTITY OF MEMBERS

11.1 MEMBERSHIP INFORMATION. Within ten (10) days of the Effective Date, Developer will deliver to the City an organizational chart illustrating the corporate relationships among Developer and its members (each a "Member") and identifying each Member's percentage of ownership in Developer (the "Member Information Report"). After delivery of such Member Information Report until Completion of Construction, Developer shall, at least fifteen (15) days in advance of executing any instrument effecting any proposed change in the identity of the Members, provide the City with notice of any and all proposed changes whatsoever in the identity of the Members. Any transfer, individually or in combination with any other transfer following the date of the first Member Information Report, of more than Forty percent (40%) of the membership interests of the Developer shall be ineffective without the City's advance written consent. Within fifteen (15) days after the consummation of effective change in the identity of the Members, Developer shall provide the City with an updated Member Information Report.

11.2 TERM OF OBLIGATION. The obligations and prohibitions of this Section shall cease and terminate upon Completion of Construction.

ARTICLE 12

MISCELLANEOUS

12.1 AGREEMENT CONDITION PRECEDENT. No Party to this Agreement shall be obligated to undertake any duties under this Agreement unless and until: (i) the Mayor executes and delivers this Agreement pursuant to the City Council approval of this Agreement, and (ii) the Developer duly authorizes and executes, and delivers this Agreement.

12.2 EFFECT OF AGREEMENT. The City shall be obligated to perform only those undertakings expressly set forth in this Agreement. Execution of this Agreement in no way constitutes City approval of the Project or obligates the City to support or approve the Project except as expressly set forth herein.

12.3 CITY AUTHORITY. Unless expressly stated otherwise in this Agreement, where consent, authority or agreement of the City is required or requested under this Agreement or any other agreements referenced herein, such consent, authority or agreement may be negotiated and provided by the Mayor or the Mayor's designee following approval of this Agreement by the Lansing City ~~Counsel~~Council.

12.4 RELEASE. This Agreement amends and restates the November 2014 Agreement and the LEDC, LBRA, Ferguson, and Kass are no longer parties to this Agreement and are hereby released of their obligations pursuant to the November 2014 Agreement.

12.5 LEGAL FEES. Except for the City's legal fees associated with issuance of the LBRA Bond (which shall be capitalized in the LBRA Bond), following receipt thereof, the Developer shall promptly pay all invoices for the City's legal fees for services rendered on or before the date of Closing in connection with this Agreement, including legal fees incurred prior to the execution of this Agreement, and the transactions contemplated hereby ("Legal Fees"). Such invoices will be sent to the Developer and will detail the services and the hours billed. The City

Attorney shall have sole discretion on the determination of whether the contents of such invoices are appropriate.

12.6 ASSIGNMENT OF THIS AGREEMENT. Except as provided for in this Agreement, no party to this Agreement may transfer, assign or delegate to any other person or entity all or any part of its rights or obligations arising under this Agreement without the prior written consent of the other party hereto.

12.7 NOTICES. Except as otherwise provided in this Agreement, all notices, certificates or communications required by this Agreement to be given shall be sufficiently given and shall be deemed delivered when personally served or when mailed by express courier or registered or certified mail, postage prepaid, return receipt requested, addressed to the respective parties at the addresses listed below

If to the Developer, to:	Continental/Ferguson Lansing, LLC Attention Franklin E. Kass 150 E. Broad Street, Suite 200 Columbus, Ohio 43215
With a copy to:	Continental/Ferguson Lansing, LLC Attention Joel I. Ferguson 1223 Turner Street, Suite 300 Lansing, Michigan 48906
And a copy to:	REID AND REID Attention Patrick T. Reid 110 W. Michigan Avenue, Suite 750 Lansing, Michigan 48933
If to the City:	City Attorney James Smiertka 5 th Floor, City Hall Lansing, MI 48933
With a copy to:	Lansing Economic Area Partnership Attention Robert L. Trezise, Jr. 1000 S. Washington Avenue, Suite 201 Lansing, Michigan 48910
And a copy to:	Miller, Canfield, Paddock and Stone, PLC Attn: G. Alan Wallace, Esq One Michigan Avenue, Suite 900 Lansing, Michigan 48933

12.8 AMENDMENT. No amendment or modification to or of this Agreement shall be binding upon any Party hereto until such amendment or modification is reduced to writing and

executed by all Parties hereto. The City's approval of any substantive amendments to this Agreement requires approval by Lansing City Council, pursuant to its Charter and Ordinances. The determination of a substantive amendment will be made by the Lansing City Attorney. Non-substantive amendments can be made by the Mayor.

12.9 TERM. Unless earlier terminated in accordance with the terms hereof, this Agreement shall be in force through the retirement of the LBRA Bonds. Upon satisfaction of the LBRA Bonds and prior to any document being recorded evidencing the termination of this Agreement, the parties will reach a separate agreement as to continuing maintenance and any other ongoing matters related to the Project.

12.10 BINDING EFFECT. This Agreement shall be binding upon the Parties hereto and upon their respective successors and assigns.

12.11 RECORDATION. Prior to Closing, the Parties shall record a memorandum reasonably acceptable to the Parties, and shall be recorded in the Office of the Register of Deeds for Ingham County, Michigan.

12.12 SURVIVAL. The terms, conditions and provisions of this Agreement, including all representations, warranties, and covenants, shall survive its termination or delivery of the Quit Claim Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring title to property from the City to the Developer or any successor in interest, and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

12.13 SEVERABILITY. If any clause, provision or section of this Agreement shall be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect the validity of any of the remaining clauses, provisions or sections of this Agreement.

12.14 TIME OF THE ESSENCE. Time shall be of the essence of this Agreement.

12.15 EXECUTION IN COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

12.16 CAPTIONS. The captions and headings in this Agreement are for convenience only and in no way limit, define or describe the scope or intent of any provision of this Agreement.

12.17 APPLICABLE LAW. This Agreement shall be governed in all respects, whether as to validity, construction, performance and otherwise, by the laws of the State of Michigan.

12.18 BROKERS. The City warrants to the Developer that the City has not taken any action in connection with this transaction which would result in any real estate broker's fee, finder's fee, or other fee being due or payable to any party. The Developer warrants to the City that the Developer has not taken any action in connection with this transaction which would result in any real estate broker's fee, finder's fee, or other fee being due or payable to any party.

12.19 FORCE MAJEURE. No Party hereto shall be liable for the failure to perform its obligations hereunder if such failure is due to unforeseeable events beyond the Party's reasonable control and without such party's fault or negligence, including, but not limited to acts of God, acts of the public enemy, acts of the other party, fires, flood, epidemics, quarantine restriction, strikes and embargoes, or shortages of materials and delays of contractors due to such causes, but excluding any acts of the state or federal governments or their respective agencies or departments. Said failure to perform shall be excused only for the period during which the event giving rise to said failure to perform exists; provided, however, that the Party seeking relief from its obligations under this Section ~~44~~12.19 shall notify the other party in writing, setting forth the event giving rise to such failure to perform, within thirty (30) days following the occurrence of such event.

12.20 JOINT DRAFTING. This Agreement shall be construed as being jointly drafted by all Parties hereto.

12.21 ENTIRE AGREEMENT. The Agreement, including all exhibits attached hereto and made a part hereof, contains all agreements between the Parties as of the Effective Date. There are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among the Parties, except to the extent reference is made thereto in this Agreement. This Agreement does not change, alter, or amend, the Montgomery Drain Assessment Indemnification Agreement, dated October 7, 2013, and any other indemnification agreement made for the benefit of the City prior to the date of this Agreement.

12.22 STATEMENT OF LACK OF NECESSITY. Pursuant to Lansing City 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, as set forth in this Agreement.

12.23 ADEQUATE CONSIDERATION. The City, through its legislative and administrative branches, acknowledges that the Purchase Price is good and sufficient consideration for the Purchase Property based on the terms of this Agreement and the totality of the transaction, including, but not limited to (i) reduced public financial assistance to the Project; (ii) the need for significant infrastructure and expense to address Preexisting Conditions on the Property, (iii) significant Project investment by Developer, (iv) increase in tax revenue the City and the community receive from the redevelopment of the Purchase Property, and (v) the nature of the project as a catalyst place-making project connecting the communities of Lansing and East Lansing.

[Signature Pages Follow]

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

Act-12-2012, Sale of Red Cedar Property

WHEREAS, the City of Lansing is the owner of real property constituting the former Red Cedar Golf Course containing approximately 32.29 acres of land; and

WHEREAS, the City also owns a parcel of land at the corner of Clippert and Michigan Avenue containing approximately 3.28 acres of land; and

WHEREAS, both parcels are situated in the City of Lansing and collectively known as the "Red Cedar Property"; and

WHEREAS, a certain Amended and Restated Real Estate Purchase And Development Agreement for the proposed sale of the Red Cedar Property to Continental/Ferguson Lansing, LLC has been on file with the Lansing City Clerk pursuant to Section 208.08 of the Codified Ordinances for a period greater than thirty days; and

WHEREAS, pursuant to Section 208.08 of the Codified Ordinances a public hearing on the sale shall be held and notice of the public hearing shall be published in accordance with the Code Section; and

WHEREAS, Pursuant to the testimony taken at the public hearings on this matter and the vote of the people, the Red Cedar Property is no longer needed for public purposes;

NOW THEREFORE, BE IT RESOLVED, that a public hearing be held in the City Council Chambers on July 9, 2018, at 7:00 P.M., or as soon thereafter as the matter shall have come on to be heard, on the proposed sale of the Red Cedar Property to Continental/Ferguson Lansing, LLC, pursuant to the Amended and Restated Real Estate Real Estate Purchase Agreement filed with the City Clerk;

BE IT FINALLY RESOLVED, that the City Clerk publish and provide notice of the public hearing pursuant to Section 208.08 of the Codified Ordinances.

REVISED 6.21.2018 p.m.

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

WHEREAS, adjustments are needed in the fiscal year 2017/2018 budget to allocate the budgeted vacancy factor; and

WHEREAS, medical marijuana applications have resulted in additional revenue and has required additional expenditures for application review; and

WHEREAS, Resolution 2018-026 included a budget transfer for Labor Relations from the Human Resources Department to the Mayor's Office for a full year of costs, rather than partial-year costs; and

WHEREAS, funding for the Employee's Retirement System falls below the State-defined funding threshold as established by PA 202 of 2017 and requires a corrective action plan for funding improvement; and

WHEREAS, fleet vehicles, including Code Compliance and police vehicles, are in need of replacement; and

WHEREAS, sidewalk areas and repair is a priority for the City, including tree removal and replacement; and

WHEREAS, Lansing continually strives to repair and replace playgrounds as possible with available funds for our children; and

WHEREAS, revenues are anticipated to exceed the amount budgeted for FY 2017/2018; and

WHEREAS, Downtown Lansing, Inc. has raised private revenues that can be used for increased design expenditures; and

WHEREAS, additional code compliance costs will be incurred for accelerated inspections in public housing;

NOW, THEREFORE, BE IT RESOLVED that the following FY 2017/2018 year-end budget amendment be approved:

GENERAL FUND	Increase/ (Reduction)
<u>General Fund Revenues</u>	
Income Tax Revenue	\$ 800,000
Revenue Sharing	25,000
Licenses & Permits - Medical Marijuana Application Fees	85,000
Change in General Fund Revenues	<u>\$ 910,000</u>
<u>General Fund Expenditures</u>	
Mayor's Office – Personnel	\$ (60,000)
Human Resources – Personnel	60,000
City Clerk's Office – Operating	85,000
Economic Development & Planning – Personnel (Public housing inspections)	25,000
Transfer to Capital Improvement Fund (Sidewalk Repairs)	50,000
Transfer to Parks Millage Fund (Playground Equipment)	100,000
Transfer to Fleet Fund	150,000
Transfer to Fringe Benefit Fund (ERS Pension System)	500,000
	<u>\$ 910,000</u>
Non-Departmental - Vacancy Factor	\$ 500,000
City Attorney's Office - Personnel (Vacancies)	(70,000)
Finance Department - Personnel (Vacancies)	(280,000)
Parks & Recreation Department - Personnel (Vacancies)	(100,000)
Human Relations and Community Services - Personnel (Vacancies)	(50,000)
	<u>\$ 0</u>
Change in General Fund Expenditures	<u>\$ 910,000</u>
DOWNTOWN LANSING, INC. FUND	
<u>DLI Fund Revenues</u>	
Miscellaneous Revenue (Design Fees)	\$ 50,000
Change in DLI Fund Revenues	<u>\$ 50,000</u>
<u>DLI Fund Expenditures</u>	
DLI Operating	\$ 50,000
Change in DLI Fund Expenditures	<u>\$ 50,000</u>
CAPITAL IMPROVEMENTS FUND	
<u>Capital Improvement Fund Revenues</u>	
Transfer from General Fund	\$ 50,000
Change in CIP Fund Revenues	<u>\$ 50,000</u>
<u>Capital Improvements Fund Expenditures</u>	
Sidewalk Repairs	\$ 50,000
Change in CIP Fund Expenditures	<u>\$ 50,000</u>

PARKS MILLAGE FUND

Parks Millage Fund Revenues

Transfer from General Fund	<u>\$100,000</u>
Change in Parks Millage Fund Revenues	<u>\$100,000</u>

Parks Millage Fund Expenditures

Playground Equipment	<u>\$100,000</u>
Change in Parks Millage Fund Expenditures	<u>\$100,000</u>

FLEET FUND

Fleet Fund Revenues

Transfer from General Fund	<u>\$150,000</u>
Change in Fleet Fund Revenues	<u>\$150,000</u>

Fleet Fund Expenditures

Vehicles	<u>\$150,000</u>
Change in Fleet Fund Expenditures	<u>\$150,000</u>

FRINGE BENEFIT FUND

Fringe Benefit Fund Revenues

Transfer from General Fund	<u>\$500,000</u>
Change in Fringe Fund Revenues	<u>\$500,000</u>

Fringe Benefit Fund Expenditures

Additional ERS Pension Contribution	<u>\$500,000</u>
Change in Fringe Benefit Fund Expenditures	<u>\$500,000</u>

INTRODUCTION OF ORDINANCE

Council Member Washington introduced:

An ordinance of the City of Lansing, Michigan, to repeal Chapter 245, Section 245.01, of the Lansing Codified Ordinances to eliminate the permanent location of the City Market with the Riverfront Park, South of Shiawassee Street and North of the vacated Mill Street, as established in the ordinance on December 4, 2009.

The Ordinance is referred to the Committee of the Whole

RESOLUTION SETTING PUBLIC HEARING BY CITY COUNCIL

RESOLVED by the City Council, City of Lansing, that a public hearing be set for Monday, July 9, 2018 at 7:00 p.m. in the City Council Chambers, 10th floor Lansing City hall, 124 W. Michigan Ave., Lansing, MI for the purpose of considering an ordinance of the City of Lansing, Michigan, to repeal Chapter 245, Section 245.01, of the Lansing Codified Ordinances to eliminate the permanent location of the City Market with the Riverfront Park, South of Shiawassee Street and North of the vacated Mill Street, as established in the ordinance on December 4, 2009.

Interested Persons are invited to attend this Public Hearing

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, TO REPEAL
CHAPTER 245, SECTION 245.01, OF THE CODIFIED ORDINANCES TO ELIMINATE
THE PERMANENT LOCATION OF THE CITY MARKET WITHIN RIVERFRONT PARK,
SOUTH OF SHIAWASSEE STREET AND NORTH OF THE VACATED MILL STREET, AS
ESTABLISHED IN THE ORDINANCE ON DECEMBER 14, 2009.

THE CITY OF LANSING ORDAINS:

Section 1. That Chapter 245, Section 245.01, of the Codified Ordinances of the City of
Lansing, Michigan, be and is hereby repealed in its entirety and shall be null and void and of no
effect.

Section 2. All ordinances, resolutions or rules, parts of ordinances, resolutions or rules
inconsistent with the provisions hereof are hereby repealed in their entirety and shall be null and
void and of no effect.

Section 3. Should any section, clause or phrase of this ordinance be declared to be
invalid, the same shall not affect the validity of the ordinance as a whole, or any part thereof
other than the part so declared to be invalid.

Section 4. This ordinance repeal shall take effect on the 30th day after enactment, unless
given immediate effect by City Council.

Approved as to form:

City Attorney

Dated: _____

INTRODUCTION OF ORDINANCE

Council Member Washington introduced:

An ordinance of the City of Lansing, Michigan, to repeal Chapter 245, Section 1034.01 through 1034.09 to eliminate the memorial review board, its duties and functions, and to cancel the process and procedure for naming or renaming public memorials contained in the existing chapter and to provide a new replacement Chapter 1034 to define responsibilities under the charter and law for the naming or renaming of streets and public amenities.

The Ordinance is referred to the Committee of the Whole

RESOLUTION SETTING PUBLIC HEARING BY CITY COUNCIL

RESOLVED by the City Council, City of Lansing, that a public hearing be set for Monday, July 9, 2018 at 7:00 p.m. in the City Council Chambers, 10th floor Lansing City hall, 124 W. Michigan Ave., Lansing, MI for the purpose of considering an ordinance of the City of Lansing, Michigan, to repeal Chapter 245, Section 1034.01 through 1034.09 to eliminate the memorial review board, its duties and functions, and to cancel the process and procedure for naming or renaming public memorials contained in the existing chapter and to provide a new replacement Chapter 1034 to define responsibilities under the charter and law for the naming or renaming of streets and public amenities.

Interested Persons are invited to attend this Public Hearing

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, TO REPEAL
CHAPTER 1034, SECTION 1034.01 THROUGH 1034.09, TO ELIMINATE THE
MEMORIAL REVIEW BOARD, ITS DUTIES AND FUNCTIONS, AND TO CANCEL THE
PROCESS AND PROCEDURE FOR NAMING OR RENAMING PUBLIC MEMORIALS
CONTAINED IN THE EXISTING CHAPTER AND TO PROVIDE A NEW REPLACEMENT
CHAPTER 1034 TO DEFINE RESPONSIBILITIES UNDER THE CHARTER AND LAW
FOR THE NAMING OR RENAMING OF STREETS AND PUBLIC AMENITIES.

THE CITY OF LANSING ORDAINS:

Section 1. That Chapter 1034, Section 1034.01-1034.09, of the Codified Ordinances of
the City of Lansing, Michigan, be and are hereby repealed in their entirety and shall be null and
void and of no effect AND SHALL BE REPLACED WITH A NEW CHAPTER 1034 AS SET
FORTH BELOW:

1034.01. – PURPOSE

THE PURPOSE OF THIS CHAPTER 1034 IS TO DEFINE THE RESPONSIBILITIES
FOR THE NAMING OR RENAMING OF STREETS AND PUBLIC AMENITIES.

1034.02. – DEFINITIONS

(A) AS USED IN THIS CHAPTER, PUBLIC AMENITY(IES) MEANS A PUBLIC
BUILDING, PARK, GARDEN, SCULPTURE, BRIDGE, BUILDING, ROOM, BALLFIELD,
AND OTHER RELATED AMENITY, ACCESSORY, OR FACILITY WITHIN PARKS,
PUBLIC SPACES, AND PUBLIC FACILITIES, SUCH AS A BENCH, DUGOUT, MARKER,
OR EQUIPMENT.

1034.03. – RESPONSIBILITIES

(A) STREETS AND ESTABLISHED PUBLIC RIGHTS OF WAY ARE HELD FOR THE PUBLIC IN TRUST. THE LANSING CITY COUNCIL IS DESIGNATED WITH THE RESPONSIBILITY FOR THE NAMING OR RENAMING OF PUBLIC STREETS AND PUBLIC RIGHTS OF WAY.

(B) THE MAYOR OF THE CITY OF LANSING IS NAMED AS MANAGER OF REAL PROPERTY OF THE CITY BY THE CHARTER AND IS THEREBY DESIGNATED WITH THE RESPONSIBILITY FOR THE NAMING OR RENAMING OF PUBLIC AMENITIES. THIS DESIGNATION INCLUDES, BY IMPLICATION, SOLICITING PRIVATE OR PUBLIC DONATIONS DIRECTED TOWARD THE CONSTRUCTION OF, ENHANCEMENT TO, OR MAINTENANCE OF, PUBLIC AMENITIES.

(C) PRIOR TO THE NAMING OR RENAMING OF A PUBLIC STREET OR PUBLIC RIGHT\OF WAY, THE PUBLIC SERVICE BOARD SHALL REVIEW THE PROPOSAL AND SHALL MAKE ITS RECOMMENDATION TO THE LANSING CITY COUNCIL. PRIOR TO THE NAMING OR RENAMING OF ANY PUBLIC AMENITY, THE PARK BOARD SHALL REVIEW THE PROPOSAL AND SUBMIT ITS RECOMMENDATION TO THE MAYOR.

Section 2. All ordinances, resolutions or rules, parts of ordinances, resolutions or rules inconsistent with the provisions hereof are hereby repealed in their entirety and shall be null and void and of no effect.

Section 3. Should any section, clause or phrase of this ordinance be declared to be invalid, the same shall not affect the validity of the ordinance as a whole, or any part thereof other than the part so declared to be invalid.

Section 4. This ordinance repeal shall take effect on the 30th day after enactment, unless given immediate effect by City Council.

Approved as to form:

City Attorney

Dated: _____

ADVANCED REDEVELOPMENT SOLUTIONS

PO Box 204, Eagle MI 48822

Tel 517.648.2434

ephelzer@msn.com

MEMORANDUM

To: Bob Trezise and Steve Willobee – Lansing Economic Area Partnership
From: Eric P. Helzer, EDFP – Advanced Redevelopment Solutions
Copy: Frank Kass and Joel Ferguson – Continental/Ferguson Lansing, LLC
Date: June 14, 2018

**Subject: Sales Prices Determination Questions and Responses
Red Cedar Development Project**

In response to the questions sent on Wednesday June 6, 2018 from the City, Mr. Eric Brewer - Council Internal Auditor, Advanced Redevelopment Solutions was asked to provide the following collective responses. The questions below are from some of the questions asked by Individual Council Members within the "Presentation –Law & LEAP; Amended & Restated Real Estate Purchase & Development Agreement; Ferguson/Continental Lansing, LLC" that occurred in the Committee of the Whole on 6-4-2018.

- 1) Can you provide the reasoning and/or methods of how the sale price for the properties in question was determined concerning the Development Agreement?

Response: The original sale price \$7,137,000 was based upon an appraised value of the Property at that time without taking the floodplain into account. It was assumed that the Property was ***"fully buildable with infrastructures in place and without extra ordinary construction techniques."*** Once the purchaser realized the scope of the costs to solve the floodplain issues (**impediments**) to allow for the development to move forward, the purchase price was negotiated to reduce the amount to \$2.2 million. This reduced purchase price also considered that the City did not have to issue the General Obligation Bond in the amount of \$38 million which was reduced to \$10.7 million (which has now been reduced to \$0). There also were other factors involved in consideration of the reduced sale price, including the fact that the purchaser was now paying all the attorney fees for the City rather than 50% of the attorney fees and the purchaser will also pay the City's closing costs which was not contemplated originally.

- 2) Can you provide a list of specific metrics and the reasoning for reducing the sale price based on the specific impediments of the properties in question?

Response: Development upon this Property is complex and expensive. Below is a short list of the "major" complicating impediments not found on a comparable greenfield property that would be considered ready to build:

- a. The Property has been determined to be a site of environmental contamination because of the City's operations on the site as a municipal golf course. As such, the Property requires environmental mitigation of contaminated soils to allow for development to proceed. Environmental contamination on this Property is an impediment to development and is an extraordinary cost not found on a comparable greenfield.
- b. Approximately 95% to 99% of the former golf course/park lies below the 100-YEAR FLOODPLAIN elevation of the Red Cedar River. Approximately 40% of the property lies within the FLOODWAY of the Red Cedar. Throughout the City of Lansing's Design Lansing 2012 Comprehensive Plan, this property is shown as park, natural area and greenway. Lands such as the course/park are generally

A. P. Helzer @ EDFP

master planned as natural areas because they are not considered useable for any other purpose. Per the National Flood Insurance Program (NFIP) and the Federal Emergency Management Agency (FEMA) no building development is permitted within a FLOODWAY, the area of moving water. Building development is permitted within the FLOODPLAIN outside the FLOODWAY, but only under special circumstances and with extraordinary expense. The special circumstances and extraordinary expense are to reduce the risk of flood damage when floods occur. In general, the special circumstances include the following:

- No residential building is permitted below the 100-year or base flood elevation (BFE), period;
 - Residential building is permitted within the floodplain limits, but only if it is elevated above the BFE;
 - Commercial building is permitted above and below the BFE, but if below only if it is dry floodproofed, meaning no water can enter the building.
- c. The expenses related to elevating structures above the BFE or floodproofing below the BFE are the result of various factors:
- Structures and/or fill needed to elevate buildings above the BFE are costly;
 - Structures built below the BFE that are dry floodproofed are extraordinarily costly because they must resist flood forces and buoyant forces, and must be fitted with floodproofing materials that keep flood waters out;
 - The permit process to allow development within the limits of the floodplain is costly; and,
 - Any loss of flood volume due to development within the limits of a floodplain requires creation of a compensating flood volume at some other location within the watershed so there is no net loss of flood volume. This is costly because it requires additional property.
- d. A key component of the proposed Red Cedar Development is the Integrated Parking Structure (IPS). The IPS is an extraordinary cost and serves two purposes. It makes it possible for the commercial and residential development to be above the floodplain by providing a platform on which the buildings will be constructed. And, it allows for parking to be available on the ground surface beneath the platform where some flood storage volume is preserved. Without the IPS or similar structure the Property is not developable.
- e. It is a requirement of the 2016 MDEQ permit that flood storage lost due to fill (structure, earth, embankments, etc.) in the floodplain must be compensated for by an equivalent cut. The site for this compensating cut is located upstream on the Red Cedar River in Williamstown Township. This site will be excavated to create the compensating flood storage. Securing this Williamstown Township property and completing the required work on that property under the MDEQ permit is an extraordinary cost. The MDEQ permit is attached for reference.

- 3) Can you provide a list of all risk mitigation components within the Development Agreement and any future planned activities for risk mitigation in the future from the City of Lansing perspective?

Response: Risk mitigation approaches were developed to protect the City for taking on the \$10.7 million General Obligation Bond but now that the purchaser has agreed to take on the all of the bonding under Revenue Bonds backed by the developer, these risk mitigation approaches are no longer needed (which has now been reduced to \$0).



**MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER RESOURCES DIVISION
PERMIT**

ISSUED TO:

Mr. Jason Hockstok, P.E.
Ferguson/Continental Lansing LLC
150 East Broad Street
Columbus, Ohio 43215

Permit No.	WRP001072
Issued	DRAFT
Extended	
Revised	
Expires	

This permit is being issued by the Michigan Department of Environmental Quality (MDEQ) under the provisions of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), and specifically:

- | | |
|--|---|
| ☒ Part 301, Inland Lakes and Streams | ☐ Part 315, Dam Safety |
| ☐ Part 325, Great Lakes Submerged Lands | ☐ Part 323, Shorelands Protection and Management |
| ☒ Part 303, Wetlands Protection | ☐ Part 353, Sand Dunes Protection and Management |
| ☒ Part 31, Floodplain/Water Resources Protection | |

Permission is hereby granted, based on permittee assurance of adherence to State of Michigan requirements and permit conditions, to:

Permitted Activity:

Construct a mixed use urban development (Red Cedar Renaissance) along Michigan Avenue, near the Red Cedar River and across from the Frandor Shopping Center, which includes commercial, retail, medical, office and residential. The buildings housing these uses will be perched atop plinths (platforms) to elevate structures above the 100-year flood elevation of the Red Cedar River. No enclosed areas are permitted below the 100-year flood elevation with the exception of stairwells and elevator shafts, which will be designed to meet the wet floodproofing criteria within the Michigan Building Code 2012.

Mitigation: As a requirement of this permit, mitigation for loss of wetland is being conducted under DEQ Permit No. WRP001041, issued to the Ingham County Drain Commissioner.

Place approximately 7,379 cubic yards of clean inert fill within 0.60 acre of wetland for land preparation associated with the Red Cedar Renaissance commercial development.

The Red Cedar Renaissance development impacts approximately 60,655 cubic yards of storage during the 100-year flood of the Red Cedar River. Compensating cut (excavation) shall be completed prior to, or concurrently with the placement of fill, to prevent loss of storage at flood stages up to and including the 100-year event. Total floodplain compensation is approximately 96,654 cubic yards and will occur at Parcel No. 33-03-03-326-001, Williamston Township, Ingham County. Place approximately 7 cubic yards of riprap at the excavated connection between the cut area and River. Additional compensation of approximately 35,170 cubic yards is provided below the 10-year event within the Montgomery Drain Pond (refer to DEQ Permit Number WRP001041).

All work shall be completed in accordance with plans entitled Red Cedar Renaissance, Ferguson/Continental, Red Cedar River, Lansing, Michigan, Ingham County, dated August 31, 2015, and last revised August 31, 2015, being sheets 1 through 56. Said plans are kept on file at the MDEQ's Water Resources Division, Lansing District Office, 525 W. Allegan, Lansing, MI.

Water Course Affected: Red Cedar River and Wetland

Property Location(s): 203 S. Clippert Street, Ingham County, City of Lansing, Sections 13 and 14 Town/Range T4N, R2W, Property Tax No. 33-01-01-14-426-011, and Burton Holdings LLC, Stover Property, 33-03-03-326-001, Williamston Township, Ingham County, Section 35, T4N, R1E.

Authority granted by this permit is subject to the following limitations:

- A. Initiation of any work on the permitted project confirms the permittee's acceptance and agreement to comply with all terms and conditions of this permit.
- B. The permittee, in exercising the authority granted by this permit, shall not cause unlawful pollution as defined by Part 31, Water Resources Protection, of the NREPA.
- C. This permit shall be kept at the site of the work and available for inspection at all times during the duration of the project or until its date of expiration.
- D. All work shall be completed in accordance with the approved plans and specifications submitted with the application and/or plans and specifications attached to this permit.
- E. No attempt shall be made by the permittee to forbid the full and free use by the public of public waters at or adjacent to the structure or work approved.
- F. It is made a requirement of this permit that the permittee give notice to public utilities in accordance with Act 53 of the Public Act of 1974 and comply with each of the requirements of that Act.
- G. This permit does not convey property rights in either real estate or material, nor does it authorize any injury to private property or invasion of public or private rights, nor does it waive the necessity of seeking federal assent, all local permits, or complying with other state statutes.
- H. This permit does not prejudice or limit the right of a riparian owner or other person to institute proceedings in any circuit court of this state when necessary to protect his rights.
- I. Permittee shall notify the MDEQ within one week after the completion of the activity authorized by this permit, by completing and forwarding the attached preaddressed postcard to the office addressed thereon.
- J. This permit shall not be assigned or transferred without the written approval of the MDEQ.
- K. Failure to comply with conditions of this permit may subject the permittee to revocation of permit and criminal and/or civil action as cited by the specific state act, federal act, and/or rule under which this permit is granted.
- L. All dredged or excavated materials shall be disposed of in an upland site (outside of floodplains, unless exempt under Part 31, and wetland).
- M. In issuing this permit, the MDEQ has relied on the information and data that the permittee has provided in connection with the submitted application for permit. If, subsequent to the issuance of a permit, such information and data prove to be false, incomplete, or inaccurate, the MDEQ may modify, revoke, or suspend the permit, in whole or in part, in accordance with the new information.
- N. The permittee shall indemnify and hold harmless the State of Michigan and its departments, agencies, officials, employees, agents, and representatives for any and all claims or causes of action arising from acts or omissions of the permittee, or employees, agents, or representative of the permittee, undertaken in connection with this permit. The permittee's obligation to indemnify the State of Michigan applies only if the State (1) provides the permittee or its designated representative written notice of the claim or cause of action within 30 days after it is received by the State and (2) consents to the permittee's participation in the proceeding on the claim or cause of action. It does not apply to contested case proceedings under the Administrative Procedures Act challenging the permit. This permit shall not be construed as an indemnity by the State of Michigan for the benefit of the permittee or any other person.
- O. Noncompliance with these terms and conditions and/or the initiation of other regulated activities not specifically authorized shall be cause for the modification, suspension, or revocation of this permit, in whole or in part. Further, the MDEQ may initiate criminal and/or civil proceedings as may be deemed necessary to correct project deficiencies, protect natural resource values, and secure compliance with statutes.
- P. If any change or deviation from the permitted activity becomes necessary, the permittee shall request, in writing, a revision of the permitted activity from the MDEQ. Such revision request shall include complete documentation supporting the modification and revised plans detailing the proposed modification. Proposed modifications must be approved, in writing, by the MDEQ prior to being implemented.
- Q. This permit may be transferred to another person upon written approval of the MDEQ. The permittee must submit a written request to the MDEQ to transfer the permit to the new owner. The new owner must also submit a written request to the MDEQ to accept transfer. The new owner must agree, in writing, to accept all conditions of the permit. A single letter signed by both parties which includes all the above information may be provided to the MDEQ. The MDEQ will review the request and if approved, will provide written notification to the new owner.
- R. Prior to initiating permitted construction, the permittee is required to provide a copy of the permit to the contractor(s) for review. The property owner, contractor(s), and any agent involved in exercising the permit are held responsible to ensure that the project is constructed in accordance with all drawings and specifications. The contractor is required to provide a copy of the permit to all subcontractors doing work authorized by the permit.
- S. Construction must be undertaken and completed during the dry period of the wetland. If the area does not dry out, construction shall be done on equipment mats to prevent compaction of the soil.

- T. Authority granted by this permit does not waive permit requirements under Part 91, Soil Erosion and Sedimentation Control, of the NREPA, or the need to acquire applicable permits from the County Enforcing Agent.
- U. Authority granted by this permit does not waive permit requirements under the authority of Part 305, Natural Rivers, of the NREPA. A Natural Rivers Zoning Permit may be required for construction, land alteration, streambank stabilization, or vegetation removal along or near a natural river.
- V. The permittee is cautioned that grade changes resulting in increased runoff onto adjacent property is subject to civil damage litigation.
- W. Unless specifically stated in this permit, construction pads, haul roads, temporary structures, or other structural appurtenances to be placed in a wetland or on bottomland of the waterbody are not authorized and shall not be constructed unless authorized by a separate permit or permit revision granted in accordance with the applicable law.
- X. For projects with potential impacts to fish spawning or migration, no work shall occur within fish spawning or migration timelines (i.e., windows) unless otherwise approved in writing by the MDNR, Fisheries Division.
- Y. Work to be done under authority of this permit is further subject to the following special instructions and specifications:
 - 1. This permit is being issued for the maximum time allowed and no extensions of this permit will be granted. Initiation of the construction work authorized by this permit indicates the permittee's acceptance of this condition. The permit, when signed by the MDEQ, will be for a five-year period beginning at the date of issuance. If the project is not completed by the expiration date, a new permit must be sought.
 - 2. Prior to the start of construction, all adjacent non-work wetland areas shall be protected by properly trenched sedimentation barrier to prevent sediment from entering the wetland. Orange construction fencing shall be installed as needed to prohibit construction personnel and equipment from entering or performing work in these areas. Fence shall be maintained daily throughout the construction process. Upon project completion, the accumulated materials shall be removed and disposed of at an upland site, the sedimentation barrier shall then be removed in its entirety and the area restored to its original configuration and cover.
 - 3. The design flood or 1 percent annual chance (100-year) floodplain elevation at this location on the Red Cedar River is 836.2 feet N.A.V. Datum of 1988.
 - 4. The 10 percent annual chance (10-year) floodplain elevation at this location on the Red Cedar River is approximately 830 feet N.A.V. Datum of 1988.
 - 5. The compensating cut (excavations) for floodplain fill, as authorized by this permit, shall be completed prior to, or concurrently with, the placement of the fill. The compensating cut and fill areas shall be properly stabilized to prevent soil erosion and off site sedimentation in conformance with Part 91, Soil Erosion and Sedimentation Control, of the NREPA.
 - 6. As a requirement of this permit, permittee shall mitigate the loss of 0.60 acre of emergent wetland. The issuance of this permit is contingent upon completion of mitigation as follows: mitigation shall be completed under DEQ Permit Number WRP001041, issued to the Ingham County Drain Commissioner (ICDC). In the event that the primary activity is begun, but not completed, or that the ICDC fails to complete the mitigation as required under Permit Number WRP001041, the permittee shall be responsible for completion of the that portion of the mitigation wetland associated with wetland impacts to the 0.60 acre of wetland authorized by this permit, as determined by the DEQ. Such determinations shall be based upon the extent of disturbance to the existing wetland and the condition of the wetland mitigation as required under DEQ Permit Number WRP001041.
 - 7. All fill/backfill shall consist of clean inert material that will not cause siltation nor contain soluble chemicals, organic matter, pollutants, or contaminants. All fill shall be contained in such a manner so as not to erode into any surface water, floodplain, or wetland. All raw areas associated with the permitted activity shall be stabilized with sod and/or seed and mulch, riprap, or other technically effective methods as necessary to prevent erosion.

8. No fill, excess soil, or other material shall be placed in the 100-year floodplain, any wetland or surface water area not specifically authorized by this permit, its plans, and specifications.
9. This permit is limited to authorizing the construction as specified above and carries with it no assurances or implications that associated lake, stream, wetland or floodplain areas can be developed and serviced by the structures authorized by this permit.
10. The structure(s) shall be firmly anchored to prevent flotation or lateral movement.
11. Under Appendix G of the Michigan Building Code 2012, a local building permit is required for development located in flood hazard areas.
12. The project is located within a community that participates in the National Flood Insurance Program (NFIP). As a participant in the NFIP, the community must comply with the Michigan Building Code (including Appendix G and listed supporting materials); the Michigan Residential Code; and Title 44 of the Code of Federal Regulations, Part 60, Criteria for Land Management and Use. The community is also responsible to ensure that its floodplain maps and studies are maintained to show changes to flood elevations and flood delineations as described in 44 CFR, Part 65, Identification and Mapping of Special Hazard Areas.
13. The lowest floor including basement shall be elevated at least one foot above the design flood elevation. The lowest floor shall be the floor of the lowest enclosed area, including basement, but excluding any unfinished flood-resistant enclosure that is usable solely for vehicle parking, building access, or limited storage provided that such enclosure is not built so as to render the building or structure in violation of this permit.
14. This permit does not waive the requirements of Michigan Building Code and its referenced standards, ASCE 7: Minimum Design Loads for Buildings and Other Structures, and ASCE 24: Flood Resistant Design and Construction, for substantial improvements to existing structures or new construction. Please reference the Code for details.
15. Enclosed areas, including crawl spaces, that are below the design flood elevation shall be provided with flood openings which shall meet the following criteria:
 - There shall be a minimum of two openings on different sides of each enclosed area; if a building has more than one enclosed area below the design flood elevation, each area shall have openings on exterior walls.
 - The total net area of all openings shall be at least one square inch for each square foot of enclosed area, or designed and certified by a design professional in accordance with ASCE 24.
 - The bottom of each opening shall be one foot or less above the adjacent ground level.
 - Openings shall be at least three inches in any direction in the plane of the wall.
 - Any louvers, screens or other opening covers shall allow the automatic flow of floodwaters into and out of the enclosed area.
 - Openings installed in doors and windows that meet the above requirements are acceptable; however, doors and windows without installed openings do not meet the requirements.
16. The elevation certificate shall be submitted to the local building official. When the project is located in a National Flood Insurance Program (NFIP) community, using the elevation certificate form, found at www.fema.gov/nfip, is encouraged. The form is required if the community participates in the Community Rating System. The form may be used in non-NFIP communities.

Provide a copy of the certification(s) to this office within 15 days of certification date.

17. Any other filling, grading, or construction within the 100-year floodplain will require a separate DEQ permit before starting the work.
18. Fill shall not be placed to prevent surface water drainage across the site. Site runoff shall be directed to public or natural drainage ways and not unnaturally onto adjacent properties.
19. If the project, or any portion of the project, is stopped and lies incomplete for any length of time other than that encountered in a normal work week, every precaution shall be taken to protect the incomplete work from erosion, including the placement of temporary gravel bag riprap, temporary seed and mulch, or other acceptable temporary protection.
20. No work shall be done in the Red Cedar River during periods of above-normal flows except as necessary to prevent erosion.
21. All raw areas in uplands resulting from the permitted construction activity shall be effectively stabilized with sod and/or seed and mulch (or other technology specified by this permit or project plans) in a sufficient quantity and manner to prevent erosion and any potential siltation to surface waters or wetlands. Temporary stabilization measures shall be installed before or upon commencement of the permitted activity, and shall be maintained until permanent measures are in place. Permanent measures shall be in place within five (5) days of achieving final grade.
22. All raw earth within 100 feet of a lake, stream, or wetland that is not brought to final stabilization by the end of the active growing season shall be temporarily stabilized with mulch blankets in accordance with the following dates: September 20th for the Upper Peninsula, October 1st for the Lower Peninsula north of US-10, and October 10th for the Lower Peninsula south of US-10.
23. The authority to conduct the activity as authorized by this permit is granted solely under the provisions of the governing act as identified above. This permit does not convey, provide, or otherwise imply approval to conduct these activities on property not owned or controlled by the permittee, without written authorization from the owner(s).
24. The authority to conduct the activity as authorized by this permit is granted solely under the provisions of the governing act as identified above. This permit does not convey, provide, or otherwise imply approval of any other governing act, ordinance, or regulation, nor does it waive the permittee's obligation to acquire any local, county, state or federal approval or authorization, necessary to conduct the activity.
25. This permit does not authorize or sanction work that has been completed in violation of applicable federal, state, or local statutes.
26. Submit to this office within 60 days of project completion "as-built" plans, signed and sealed by a qualified design professional licensed by the State of Michigan, certifying that the project, including any required compensating cut and fill, has been completed in accordance with this permit.
27. This permit placard shall be kept posted at the work site, in a prominent location at all times for the duration of the project, or until permit expiration.
28. Upon signing by the permittee named herein, this permit must be returned to the MDEQ's Water Resources Division, Lansing District Office, P.O. Box 30242, Lansing, Michigan, 48909, for final execution. This permit shall become effective on the date of the MDEQ representative's signature.

Permittee hereby accepts and agrees to comply with the terms and conditions of this permit.

X

Permittee

Date

01/18/16

X

Printed Name and Title of Permittee

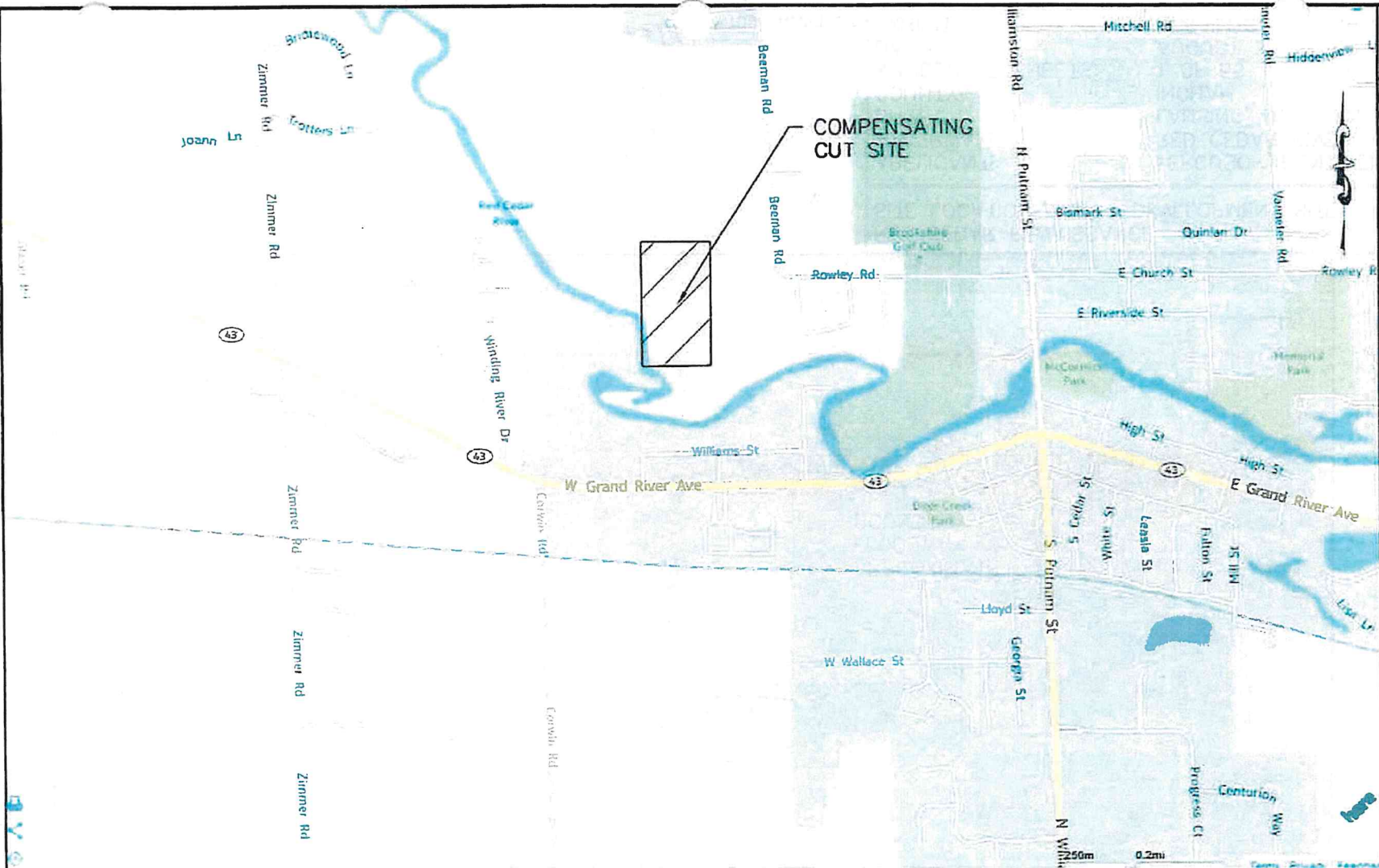
Jason M. Hockstole PE

VP of Planning & Development
Ferguson/Continental Lansing, LLC

Issued by:

Donna Cervelli
Water Resources Division
517-243-6951

cc: Mr. Thomas Stover, Manager, Burton Holdings LLC
Mr. Pat Lindemann, Ingham County Drain Commissioner
Ingham County CEA
City of Lansing Clerk
Mr. Steve Swan, City of Lansing, Building Department
Mr. Chad Gamble, Director of Public Service, City of Lansing
Williamston Township Clerk
Mr. Alan Boyer, LSG Engineers & Surveyors, Inc.
Mr. Michael Nurse, Streamside Ecological Services
Mr. Shawn Middleton, Spicer Group, Inc.
Mr. Tim Inman, Spicer Group, Inc.



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AUG 31 2015

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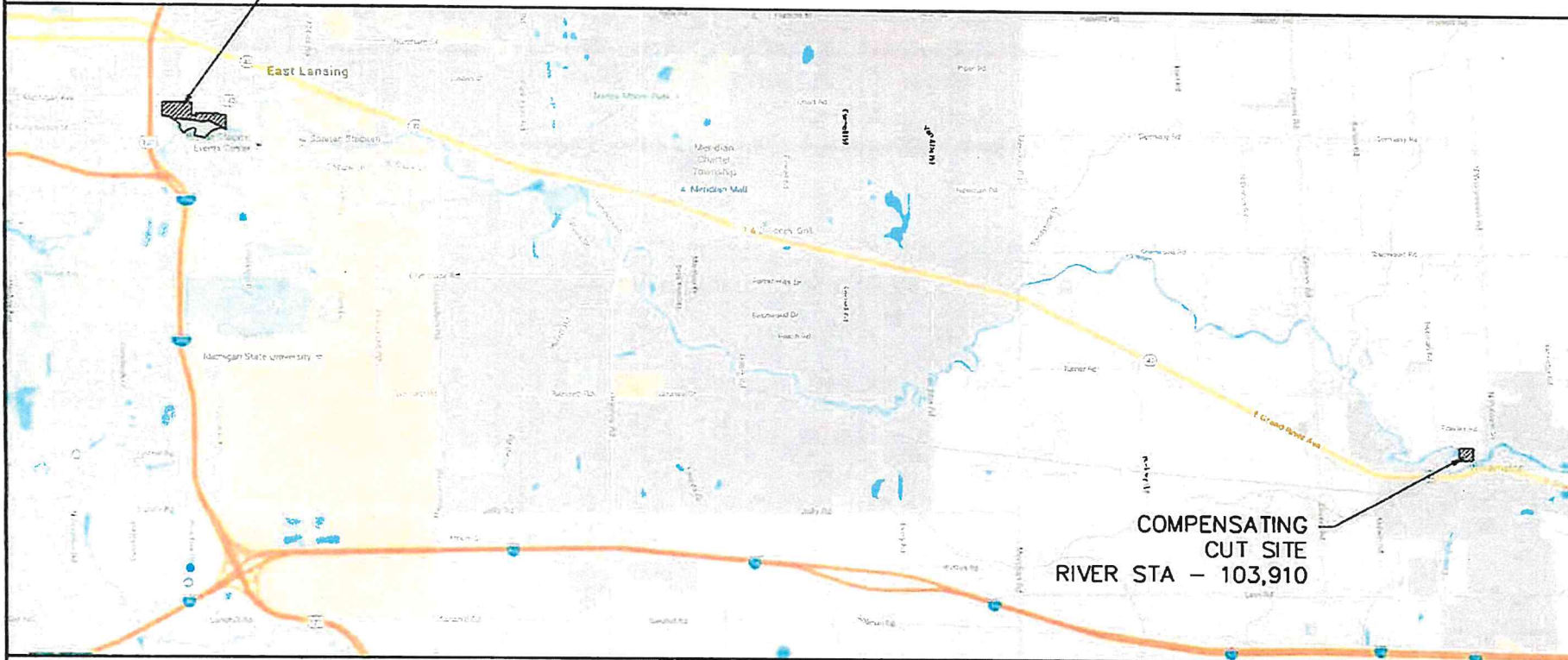
DEQ-WRD
APPROVED PLANS
Permit # WRP001072
Issued 1/1
Page 2 of 3
JML 01/08/16

DATUM: NAVD 88

RED CEDAR RENAISSANCE
SITE LOCATION MAP - COMPENSATING CUT SITE

APPLICANT:	FERGUSON/CONTINENTAL
WATERWAY:	RED CEDAR RIVER
CITY:	LANSING, MICHIGAN
COUNTY:	INGHAM
NUMBER OF SHEETS:	2 OF 56
DATE:	AUGUST 31, 2015
EXHIBIT:	RCR-LOCATION-2

RED CEDAR
RENAISSANCE SITE
RIVER STA - 20,006



COMPENSATING
CUT SITE
RIVER STA - 103,910

RECEIVED

AUG 31, 2015

DEQ-LANSING DO

DEQ-WRD
APPROVED PLANS
Permit # WRP001072
Issued
Page 3 of 3
Jul 4 01/08/16



RED CEDAR RENAISSANCE SITE LOCATION MAP

APPLICANT:
WATERWAY:
CITY:
COUNTY:
NUMBER OF SHEETS:
DATE:
EXHIBIT:

FERGUSON/CONTINENTAL
RED CEDAR RIVER
LANSING, MICHIGAN
INGHAM
3 OF 56
AUGUST 31, 2015
RCR-LOCATION-3

DATUM: NAVD 88



325 City Market Drive
Lansing, MI 48912
517-267-3800 Phone
517-655-5461 Fax

Dear Members of City Council:

I am writing to you today to let you know the history and our experience with the Lansing City Market. I believe that City Council has not been made aware of everything that has happened or what was involved to make the City Market fail. Let me start with some history.

Before the market opened, Scott Simmons was approached by Mayor Virg Bernero and LEPFA CEO Scott Keith to open a bar in the Lansing City Market. They had originally asked other developers in Lansing if they wanted to open a bar there but no one wanted to do it. Since Scott Simmons owned the Riverhouse Inn in Williamston they asked him if he was interested. When he signed his lease, he made sure that the lease was an option to renew for 20 years. He did this because he was making such a large investment on a build out and did not want to see it go to waste. Scott Simmons also put a term in the lease that the rent would not be raised so that they could not try and get him out that way either. He knew at this time that if this place was a success other people would want the space. When we signed the lease in 2015 it was specifically written to incorporate the first lease i.e. adding 15 years onto our lease because 5 had already been used. This was done to incorporate our expansion. This was written into the lease especially with this intent.

Throughout the years, the Waterfront Bar and Grill is the only vendor remaining from the beginning in this new location. As time went on, the Waterfront expanded it's space to fill the empty voids left by vendors that could not make it. Again investing more money into the market for extra space. We have helped out other vendors by buying their produce to sell out of our kitchen. As time went on, we have helped out fellow vendors financially.

We had always had our conversations regarding leasing and space with the staff from LEPFA but within the past couple of years they told us we had to speak with their attorney in order to lease or delete any space. At this point communication broke down with LEPFA and we have since had to hire an attorney to deal with their attorney. This is when we found out the only way they would rent it to us was if we

changed our whole lease into a month to month lease. Shortly after we were given noise violations that were issued by the market manager which was done using her "subjective" opinion. No one asked us to turn the volume down. We even went around to the other vendors in the market to ask them if they had any issues with our volume. Each vendor signed a sheet saying that they had not had any issues with our volume. We asked them to give us a decibel level that was acceptable and we would make sure that the volume could not go over that level. No one ever gave us one. We met with Tristan Wright at LEPFA and Audrey Tipper (market manager) to ask about these warnings. The notices did not tell us what time or what day they found our volume too loud. When we met, the market manager admitted that she was not there for one of them and in fact a one-time vendor's six-year old child said that she thought our volume was too loud. Her mother had sent the market manager an email but the market manager was not present. This all seemed like a way to kick us out of our lease. We then unplugged the speakers on the far side of our space so that there would never be a volume level issue again.

The communication breakdown between LEPFA and us has been startling to say the least. Every time we try to do something they block us from trying to improve anything. They have been difficult to work with over the last few years. In fact, last year I offered a couple weeks in advance to help them with their Concert series. I knew they would want the bottom patio licensed for their event so that their sponsors could drink on the bottom patio. When you license temporary space you have to get a letter from the lessor (LEPFA has control of the bottom patio) then fill out an application that you then have to take to the police station to get approved, then to the liquor commission and pay a fee to get approved. The liquor commission then has 10 days to issue you a letter to give you permission to use the space for the event. I asked them for that letter with some extra time so I could get it approved. They never gave me the letter. Due to the bottom patio being not approved, I made sure we had someone watching so that people were not taking drinks to the bottom patio, on unlicensed space. Scott Keith had a problem with the fact that we were not allowing this and yelled at our manager. He came to see me and I explained that I had asked him for the letter in advance so that I could get this done for him. He told me I would have a letter the next day. At this point it was too late for this particular event. I spoke with Liquor commission and asked them if I could put all the events for this on one application so I only had to do it once and we knew the days they were happening. They said that would be the best way to do it so that I would not have to do the application every time and pay the fee each time. LEPFA refused to give us permission for the bottom patio for more than a month at a time but instead issued them by month. This meant that each time they wanted it licensed I would have to go pull a permit. This is just an example of how they have made things difficult on us.

We worked with Rivertown Adventures to open a coffee shop. Due to the way the City Market was built, we were unable to make this happen. The drains in the floor were not wide enough to support it. However, when it began it supported 32 different vendors but we were told that it would be unable to support this coffee shop. Later we tried to drop this space since we were unable to use it and instead rent the space where we bought a hood from Red's Smokehouse who left the market. At this point we were told that this was the only hood system that would be allowed in the market. We offered to lease the space but were told we could not unless we changed our lease to a month to month basis.

Obviously, we refused to do this due to our long term lease. At this point we realized that they were probably trying to figure out a way to move us out. We have been renting space at the end of the market for the past couple of years that we have been unable to utilize.

We offered to partner up with another vendor to sell his food in our restaurant. When we met with Gus Pine he found this to be a good idea. However, after Gus Pine left we were no longer able to do it because of all the hoops we had to jump through. This just seems to be another attempt by LEPFA to make the market fail. We were trying to include vendors and give them some of our business so that we could help each other succeed but we were blocked again by LEPFA.

The Waterfront Bar & Grill is a family business. Each year we employ approximately 30 people as seasonal workers. We have about 10 employees that have been with us long term. They would be greatly affected by this shut down. People's livelihoods are at stake with what is happening. To un-employ all of these workers would be devastating to them and their families. We also have a large number of regulars that are very loyal and involved with this success.

Just recently, I was re-licensing the space that we have at the end of the market and have not been able to use. Liquor control required an updated letter from LEPFA giving us control of the hallway between our licensed space and previous license space. After waiting almost a month to respond to the liquor control and meeting with Tristan Wright and liquor control out at the space, she refused to write the letter.

Hundreds of thousands of dollars have been spent on the market space. A couple years ago we installed \$20,000 worth of palm trees on the patio so that it would have a more appealing landscape. We even asked and were granted permission to install plants in the center of the patio so that it would look nice because it was dead and LEPFA said they did not plan to do anything with it. The landscaping around the patio has not been taken care of in years. We also had hired a company to make a rendering of a new awning for the patio to make it more appealing to the public. We have spent over \$100,000 in music on our patio by supporting our local musicians free of charge to the public.

LEPFA has been through numerous managers throughout the 8 years we have been here. These managers have left or been fired. We have watched as LEPFA has brought in investors to look at the space. Scott Keith even approached Scott Simmons on a few occasions saying that he had people that would buy him out of his lease.

Paul Brogan and Nate Williams, owners of Rivertown Adventures, met with LEPFA to give them some ideas they had on what a viable market plan may look like. They were mostly blown off by LEPFA and told they would be shown to the city council which I do not believe they ever saw. They told them that Scott Simmons would buy the market or rent all of the space and be responsible to lease to other vendors so it wouldn't be a strain on the city. I don't believe these things were shared with the city council because when we met with the Mayor and Brian McGrain they were unaware these were presented to LEPFA. I am not sure what LEPFA's secret objective is in doing all of this, but it seems they are hiding something

We were surprised by the fact that the market needed an \$80,000 subsidy. We wouldn't think the market would need \$80,000 because they do not do anything for anyone in the market. They clean the hallways and bathrooms in the morning and stock toilet paper – no paper towel though because they pulled them out and only have hand dryers. They do not do any of the landscaping. I have asked Brian McGrain for a breakout on what this money is being spent on but I still have not received it.

It seems to us that LEPFA intentionally ran the market into the ground for whatever purpose they have. Now we hear that they want to get us out to put a brewery into our space.

Parking has always been an issue. LEAP started a food truck initiative which has removed the lower parking lot that is labeled city market parking from our customer's use.

We don't know what the plans are but we do know that we are a successful business with 12 years left on our lease. It seems unfair that they would replace a bar with a bar. This is a thriving business that employs local people.

Waterfront Bar & Grill and Rivertown Adventures are the only vendors that have looked to do something down here but have been continually shot down.

517 day which Paul Brogan and Melik Brown organized with little/no help from LEPFA was a success. I noticed that Scott Keith or Tristan Wright did not attend the event. That shows what kind of support they have given to the vendors. They never even come to the market to see what's going on. They don't attend events. They don't ask the tenants how they are doing. We are supported by the 2 vendors that are left in the market. Everyone gets a long and helps each other out.

We just spent a couple thousand more dollars on flowers so there was more curb appeal. The lawn is not being mowed or taken care of in any way.

We met with the Mayor and Brian McGrain. They talked about our food and service not being great. We have corrected our service issues. We tried to do something about our food a couple of times but were blocked from doing so. We have a tiny little kitchen that does not have a hood. There are a lot of things that we are not licensed to make in that little kitchen. We also sell food from our other restaurant so that customers can have things like pulled pork and cheesy potatoes. There is not a whole lot that we are allowed to cook back there in the kitchen. However, when we tried to expand our kitchen so that we could have more food options and a bigger space, we were told we could not. We are trying to help the market but the market does not help or support us. When we met with the mayor's office, they told us they were going to work with us and help find comparable properties. As of today's date, we have not been provided with any properties or any more communication from the city.

Additionally, a parking enforcement officer told us that they only come down to ticket when LEPFA calls them to ticket. Why would LEPFA do this other than to hurt the current businesses in the market?

If you talk to any of the former vendors they would be willing to tell you that they left the market because LEPFA was unhelpful and aggravating. They say they need this subsidy to run the market but we have not been told what exactly this subsidy covers although we have asked the city to tell us. We

pay over \$5,500 in rent each month. If they are concerned about money and their budget then why did they allow vendors to not pay rent for months. At this point it is not right to punish the vendors in the market but instead to punish the people at LEPFA for blocking income from renters and running the market poorly. This market could be saved. As I stated, Paul Brogan and Nate Williams have presented plans to LEPFA. The public needs to know that this is the fault of LEPFA's poor management and not the fault of the tenants that have been sticking it out even when times were bad at the market.

We have 12 years left on our lease. The articles in the paper tell us that we have until after Labor Day to stay in our leased space. The city is not subsidizing a bar, it is subsidizing a market with unleased space. We have not received any type of support from LEPFA. In fact, we have experienced the opposite. We tried to lease space to bring other vendors into the market but have been given dead ends with LEPFA. The fact that we have survived the past 8 years is not due to the fact that LEPFA has managed the market as it was supposed to. The reason we survived is because we have invested money and time into the success of this place. It is time that City Council question LEPFA on their management and not put the businesses that are still left in the market at risk.

Please look into this matter. Clearly this is something that someone needs to be held accountable for instead of shutting down viable businesses. Together we can improve the market without LEPFA's assistance. We are willing to work with the residents of Lansing to see what they want at the Market considering the Lansing residents own this park space. Thank you for taking the time to read this letter. I look forward to working together on this issue.

Thanks,

A handwritten signature in black ink that reads "Patrice Drainville". The signature is fluid and cursive, with the first name "Patrice" being more prominent than the last name "Drainville".

Patrice Drainville
Vice President of Operations for Simmons Properties, LLC
810-625-9404



MEMO TO: Lansing City Council

FROM: Steve Japinga, Director, Government Relations

DATE: June 25, 2018

RE: Item 6 (D) Set Public Hearing for Red Cedar

On behalf of the Lansing Regional Chamber of Commerce (LRCC) representing 1,100 businesses, we encourage Lansing City Council to move forward on setting the public hearing for the Red Cedar redevelopment project.

The Chamber is committed to promoting and supporting smart economic development projects such as the Red Cedar redevelopment project that will provide an array of diversified housing options as well as integrating a hotel and retail on the Michigan Avenue corridor. This project is truly transformational.

The Chamber has been a strong leader in advocating for the development and growth of the Michigan Avenue corridor. The thoroughfare has served as a connecting point between the pillars of our economy, businesses, government, education, healthcare and people.

In the post-recession era, development along Michigan Avenue has flourished. Young professionals are increasingly moving into the downtown area, which in turn has led to more housing and multi-use developments. Restaurants and entertainment options have increased dramatically.

The Red Cedar development project, if approved by City Council, will continue to fulfil the corridor's full potential. This project is the most strategically important location on Michigan Avenue that it serves as a connecting point between Michigan State University, East Lansing and the City of Lansing.

We encourage Lansing City Council to be proactive and capitalize on the opportunity to support this transformational project on the Michigan Avenue corridor.



CITY MARKET 2.0

Fun. Fresh. Local.

Mission

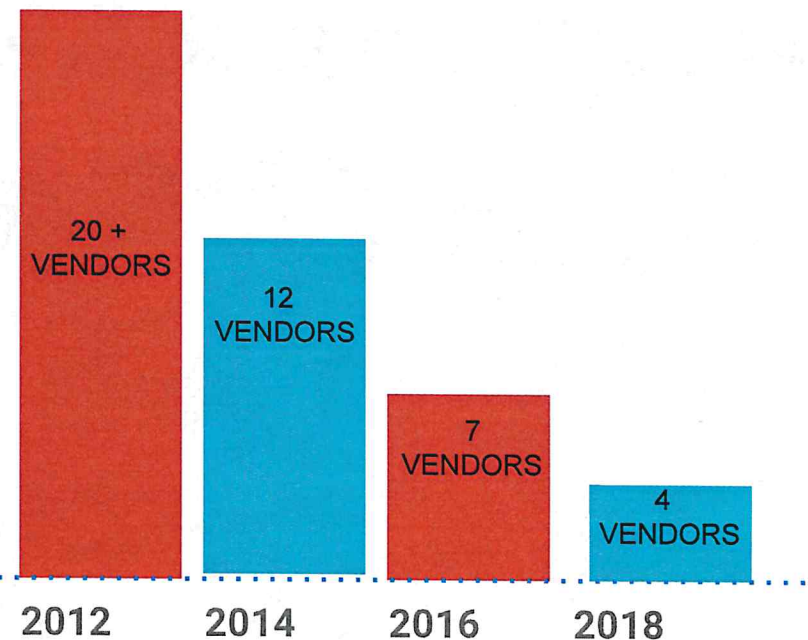
The Lansing City Market will be an inclusive facility providing a sense of place for the community as well as visitors and tourists. It is the cultural hub and gathering place of the Riverfront District. Where food, art, music, festivals, outdoor fun, and shopping all can be found. Inspired by the passion of the entrepreneurial spirit. Supported through the care of LEPFA and its drive for success. This marketplace will be enjoyed and embraced by all.

The problem

A decline in tenants over several years

The City Market has Been operating on a business structure that has proven not to work for the small business owner nor the consumer.

A decline in foot traffic and the perception of parking issues have been driving factors.



The problem

Lost Identity Marketing?
Lack of Passion
Bad Reviews No Variety
Nothing Compliments the Other
Wrong Model Strained Relationships
Marketing? Parking Issue?
Vendor Confidence

VISION

The success of the Lansing City Market can be realized by focusing on two main factors: the guest experience and the small business owners/vendors opportunity to prosper. With the right mix of businesses and events the City Market can provide a more fluid experience for the guest. One that touches all the senses.

The Guest Experience: What do they want?

- A marketplace with fresh food, produce, coffee & sweets, and gifts & art.
- A variety of events and entertainment options
- Drinks and dining
- Social Activities
- Active Lifestyle



The Small Businesses owner/ vendor: What do they need?

- Events that bring in new customers
- A supportive marketing system
- A system of support and communication
- Foot traffic
- Sales!
- Solid programming



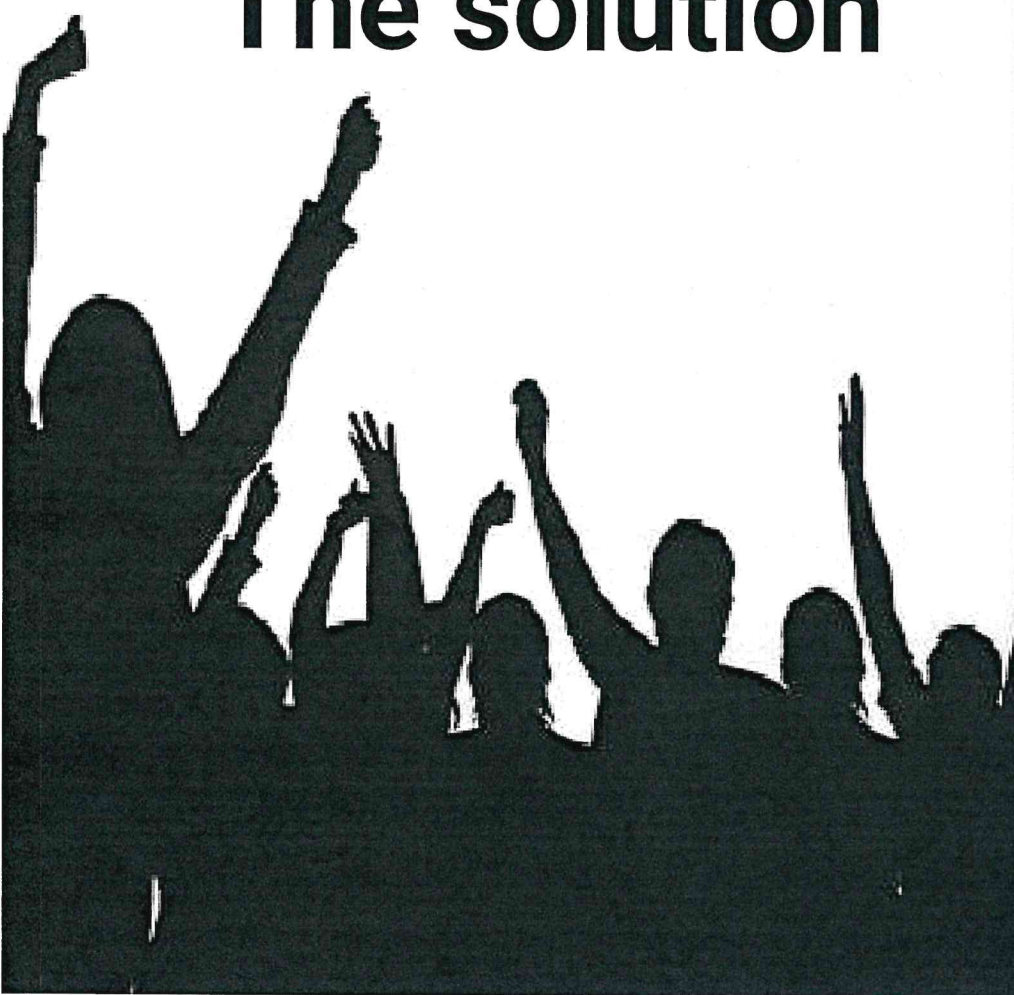
The solution

Capitalize on the needs of what people want by utilizing the space within the market in a more creative and effective way.

Create an atmosphere that feels good for the guest and works well for the small businesses within.



The solution

- 
- A black silhouette of a crowd of people with their arms raised, suggesting a celebratory or enthusiastic gathering. The silhouettes are positioned on the left side of the slide, partially overlapping the white background and the blue box.
- ★ Who is the customer?
 - ★ What does the customer want?
 - ★ What will the City Market offer?
 - ★ What types of business should be there?

The Solution

define the guest

The weekly or daily guest

- ☐ Residents of the nearby apartments and lofts
- ☐ The commuter or user of the river trail
- ☐ The downtown workforce
- ☐ Residents living near downtown

The occasional or seasonal guest

- ☐ Suburbanite
- ☐ Tourists
- ☐ Convention Center guests
- ☐ Farm Market shoppers
- ☐ Young Professionals

The Solution

define what they want

The daily or weekly guest

- ☐ Daily food and grocery options
- ☐ A bar with nightlife and patio
- ☐ Food pairings, classes, seminars
- ☐ Weekly farm markets
- ☐ Social engagements
- ☐ Active lifestyle options
- ☐ Festivals
- ☐ Live music

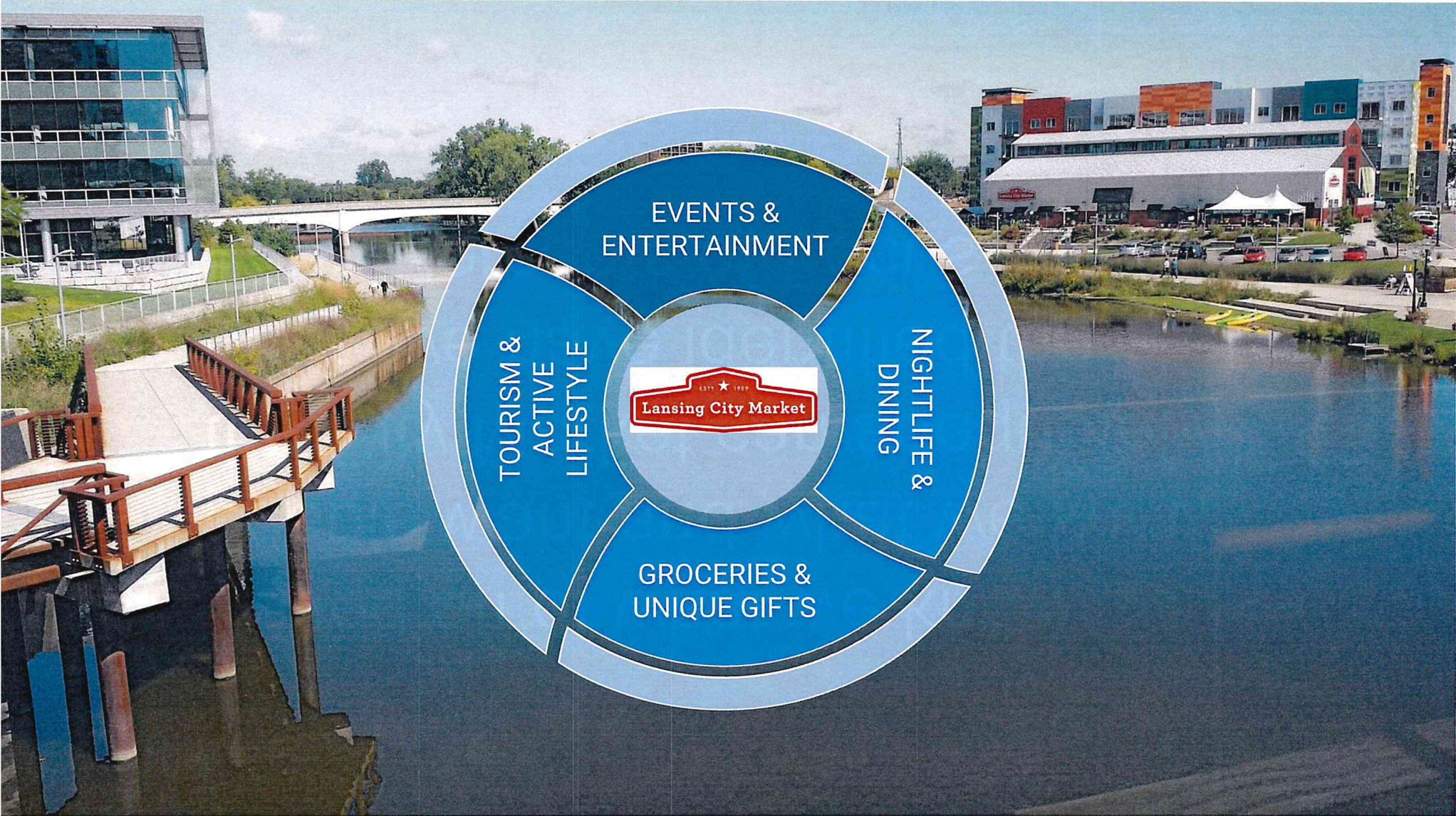
The occasional or seasonal guest

- ☐ Concerts & music
- ☐ Pop-up markets
- ☐ Food, dining, drinks
- ☐ Local gift and food options
- ☐ "Michigan made"
- ☐ Seminars or classes
- ☐ Boat and bike rentals
- ☐ Volunteer opportunities

The City Market
must meet the
needs and
desires of the
people



Based off of what we know
people want and what we know
the City Market can adequately
offer, we have identified the
Four Elements of Focus.



EVENTS &
ENTERTAINMENT

NIGHTLIFE &
DINING

GROCERIES &
UNIQUE GIFTS

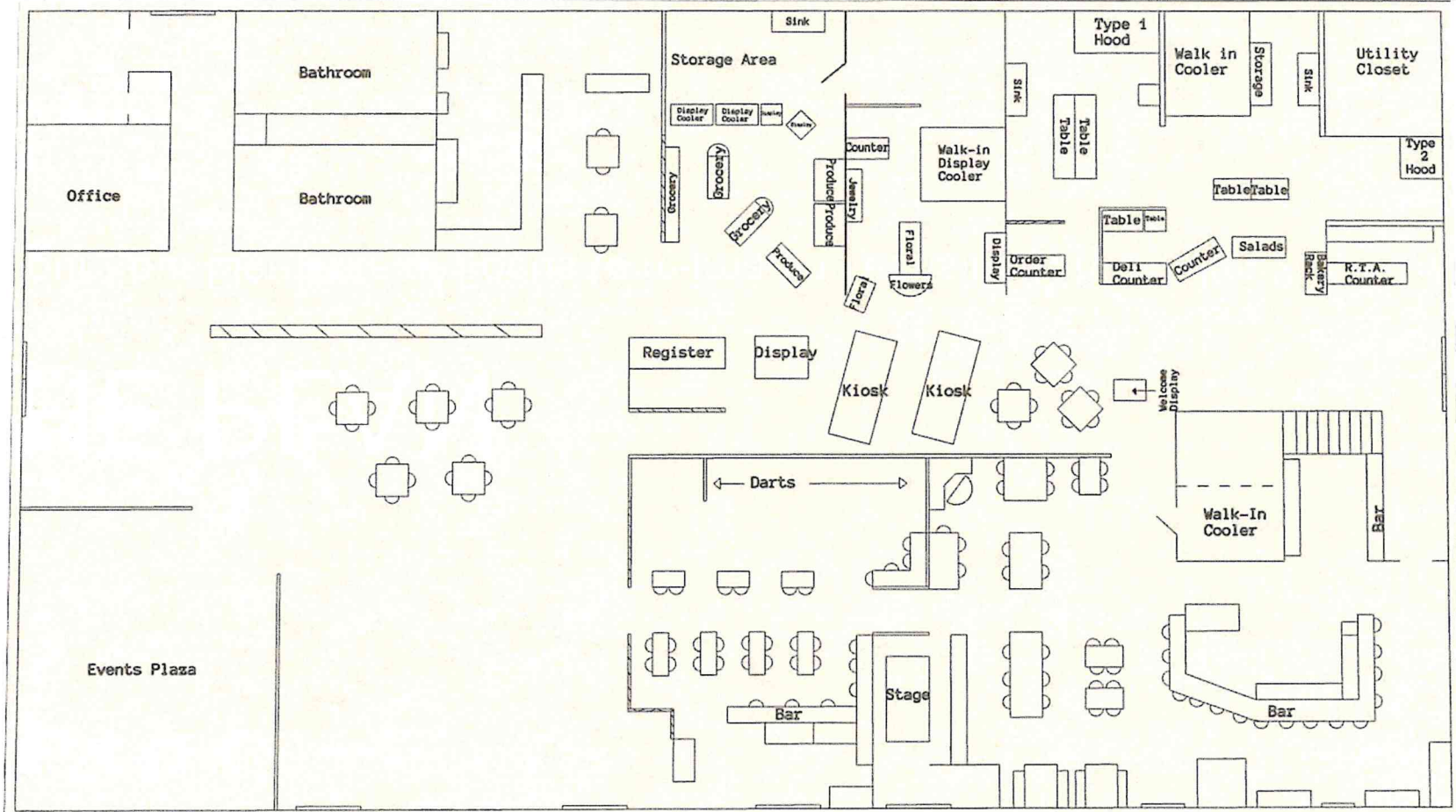
TOURISM &
ACTIVE
LIFESTYLE



THE PLAN

Use our Four Elements of Focus to re-imagine Lansing City Market 2.0

THE LAYOUT



EVENTS & ENTERTAINMENT

The indoor events plaza is perhaps the most important aspect to this plan. It is what will drive new traffic to the market because of the versatility and opportunities it presents. One quarter of the building would be dedicated to this space. This is where the weekly farm markets will be as well as other pop-up art markets, concerts, bizarre, etc. For private functions and other events, we will have movable wall dividers and drop-down curtains. This will allow us to break down to the space so we can make it as large or small as needed. It would be necessary to have the liquor license covering the entire events plaza as well.



What type of Events & Entertainment will the market play host to?

**FARMERS MARKETS
2 DAYS A WEEK**

POP-UP ART MARKETS

**EXERCISE +
DANCE CLASSES**

BIZARRES + FLEA MARKETS

**SUMMER + WINTER
CONCERT SERIES**

**STORYTELLER +
POETRY SESSIONS**

SOCIAL ENGAGEMENTS

COOKING DEMOS



Continued

SILVER BELLS IN THE CITY

WINTER SOLSTICE

BRIDGE FEST

BE A TOURISTS IN YOUR OWN TOWN

TRICK-OR-TREATING EVENT



Fresh Grocery & Unique Gifts

Michigan made gifts and grocery items will be a key component to the overall experience of the guest. We know there is a need in the Downtown Lansing area for grocery items to be available for those living and working here. By providing common items people need in their pantry, along with a fresh selection of produce and other food, we can start to assemble the components of a grocery store. What will make this special for the those customers shopping for unique items is the focus which will be put on providing Michigan Made products. There is a growing trend of the consumer wanting local product and Michigan produces some incredible goods. We will want people to think of the market as the place to go for the “Michigan” experience. A prime example of the type of store we would be looking at that can provide this is the Old Town General Store. Not only do they offer food items but also Michigan made souvenirs and gifts. The addition of two-day-a-week farm markets will only help to compliment the variety of merchandise available.

Nightlife & Dining - the drinks

Waterfront Bar

One of the great aspects of the City Market is its location. The Waterfront Bar provides the only riverfront patio in Lansing and people love it! This is one of the few things that currently keep people coming back to the Market. It also acts as a wonderful compliment to River Town Adventures guests as well as users of the River Trail. With a new plan in place the Waterfront is committing to make some much needed improvements to the bar and patio.

The Second Bar

The Waterfront bar is versatile in that it now has two functioning bars. With this plan the second bar area would become more sectioned off from the main bar and the look would change slightly, creating its own unique style. This second bar is great because it can be used privately for special functions. Its location is directly adjacent to the events plaza. A walk-up window also provides better patio service for the guest.

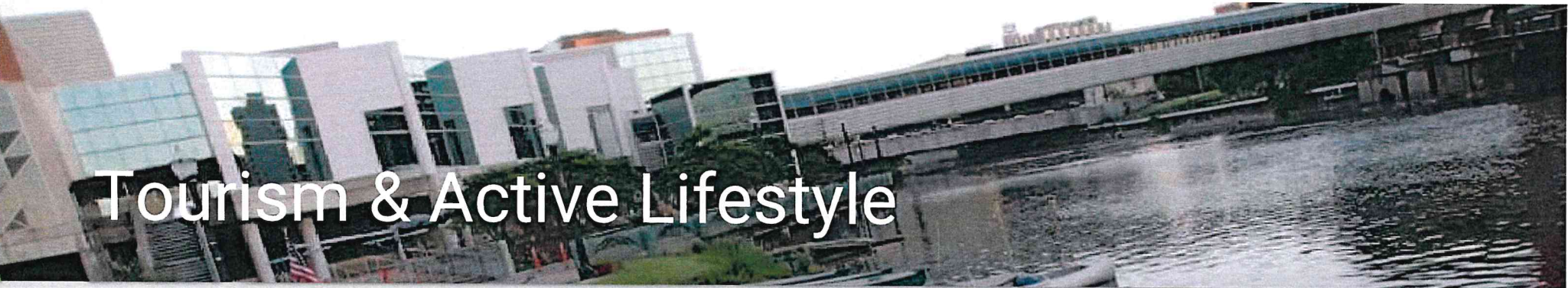


Nightlife & Dining - the food

The waterfront Bar has wanted to improve their kitchen for quite some time. This plan would allow for them to close their Kitchen and use the other eateries in the market to service their guests. There is a great food scene happening in this region and we should focus on capitalizing on that. Bringing in two different eateries that offer varying options would be a great start. These eateries would gain sales through many different avenues. The walk-up guest, the bar guest, catering to special events, and offering catering outside of the market.

With the addition of the eateries we would like to see a cafe of some sort. Tasty coffee drinks are something which is requested by market guests quite frequently. It will be an added bonus for those that live close by and need a convenient place to get a warm beverage. The cafe could also play host to serving frozen treats like ice cream or slushies. Deserts and and snacks would be a nice compliment as well.

Food trucks could be brought in for busy farm market days or other special events.



Tourism & Active Lifestyle

River Town Adventures had customers from 46 different states in 2017. With an award winning river trail, a convention center, the state capital, a museum district, and MSU all in the area we have plenty of reasons why people choose to visit Lansing. The Lansing City Market should be a place where tourists come to get a taste of Lansing! Boat and bike rentals allow these visitors to get out and explore.

Using the events plaza for yoga and zumba classes will be an added amenity for those that live nearby to stay fit and active. The river trail provides so much to do. The market can play host to run clubs, bike clubs, and other related activities.

Risky Business

How do we get the business owner to buy in to this plan? It is a big risk to set up a business in a failed marketplace.

LOCATION

We have a facility which is located on some of the most prime real estate in the City. This should be a huge bargaining chip for recruiting new businesses.

RIVERFRONT VIEWS

INCREASING POPULATION

YEAR ROUND VISITORS

CONVENTION CENTER

RTA HAS A GROWING BUSINESS



INCENTIVES

Business owners will see it as a big risk to come into the market. We will be starting from ground zero to rebuild the market into a place people flock to. So we not only have the challenge of bringing guests back to the market but also bringing in the right businesses that we see can become successful here.

It will take time to build this into the thriving place we all want it to be. With that said, it will be imperative that all businesses get some super incentives to invest their time, money, and energy into our vision. We need to mitigate their risk.

FREE RENT FOR MANY MONTHS TO START

STRONG SHORT AND LONG TERM MARKETING PLANS

A SUPPORTIVE LEPFA & CITY MARKET STAFF

SUCCESSFUL FARM MARKET STRATEGY

SUSTAINABLE PROGRAMMING FOR EVENTS



Financial Outlook

This plan has multiple ways it will bring in revenue from business owners.

- Core businesses
- 2nd Tier businesses
- Pop-up short term businesses
- Vendors of markets and other events
- Seasonal businesses

Revenue

The following figures show an estimated yearly revenue this plan will bring in for the different types of businesses. The estimates are based off current \$ per sq.foot charges in place. The farm and art markets estimates are based off estimated amount of vendors at a \$20/day daily rate.

TYPE	YEARLY TOTALS
CORE BUSINESS	\$92,000
2nd TIER BUSINESSES	\$4,700
FARM & ART MARKETS	\$42,000
SEASONAL BUSINESS	\$1,700

TOTAL YEARLY REVENUE: **\$140,400**

The estimated total does not include other pop-up markets, private rental, or other private events. So the totals could actually be substantially higher

FUN!



LOCAL



FRESH

