



AGENDA
Committee of the Whole
Monday, April 22, 2019 @ 5:00 p.m. (note time)
City Council Chambers, City Hall 10th Floor

Council Member Wood, Chairperson
Council Member Spadafore, Vice Chairperson

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
 - April 15, 2019
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Presentation**
 - Department Budget Presentations
 - Lansing Police Department
 - Human Relations & Community Services
 - Information Technology
6. **Discussion/Action:**
 - A.) Noise Waiver Weekdays and Weekends; Rehabilitation of Cesar E Chavez Avenue and Rehabilitation of Washington Avenue
 - B.) RESOLUTION – 7th Amendment to the Amended and Restated Real Estate Purchase and Development Agreement between the City of Lansing and Continental/Ferguson Lansing, LLC
7. **Other:**

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

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MINUTES **Committee of the Whole** **Monday, April 15, 2019 @ 5:30 p.m.** **City Council Chambers**

CALL TO ORDER

Council Member Wood called the meeting called to order at 5:30 p.m.

PRESENT

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

OTHERS PRESENT

Sherrie Boak, Council Staff
Samantha Harkins, Mayor Chief of Staff
Jim Smiertka, City Attorney
Eric Brewer, Council Internal Auditor
Angela Bennett, Finance Director
Judge Alderson
Anethia Brewer, 54-A District Court Administrator
Susan Knieling, 54-A District Deputy Court Administrator
Linda Sanchez- Gazella, HR Director
Lisa Thelen, Human Resources
Brett Kaschinske, Parks & Recreation Director
Andi Crawford, Neighborhood & Citizen Engagement
Loretta Stanaway
Andy Kilpatrick, Public Service Director
Christopher Mumby, Public Service

Due to technical difficulty, the meeting began live on the web and the City TV local channel, but the TV monitors in the Chambers were not working.

Approval of Minutes

MOTION BY COUNCILMEMBER SPADAFORE TO APPROVE THE MINUTES OF APRIL 8, 2019 AS PRESENTED. MOTION CARRIED 8-0.

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Public Comment on Agenda Items

Ms. Stanaway supported the creation of a 501C3 for parks and allowing them to hold onto their funds from sales.

PRESENTATIONS

Department Budget Presentations

District Court

Judge Alderson spoke on changes in personnel with the retirement of Jude DeLuca and appointment of Cynthia Ward. She then went into an overview of the State wide Child Court funding and would be able to have a stronger discussion with Council as things move forward. Council President Wood asked if they knew what impact it will have on the court system and revenues. Judge Alderson stated that 44% of \$1.44 billion is from criminal defenders and 26% is local to fund trial courts. Council Member Spitzley asked what percentage impacts the 54A District Court. Judge Alderson was not able to provide the exact amount but confirmed it was noted in the budget.

Ms. Brewer introduce Ms. Knieling and then provided an overview of the Court caseloads including 1,300 felonies, 3,195 misdemeanors, 10,900 traffic and civil related with 4,000 parking matters. More date she noted would appear in their annual report. In September, 2018 they launched the tax case module and working on PA 230 and PA 235 which is the e-filing action. They held their first Collections Audit and were 100% compliant. They are speaking to other Court Administrators on the tax payment reminder program. Ms. Brewer then noted that they are currently in negotiations with 243 and have requested in the upcoming budget one (1) capital request to do with the Law Office complaint routing process. They currently have a \$6 million, with \$1.1 million in allocations, the balance to personnel, with no projected increase operations, but actually lower than FY19 due to retirements. Lastly Ms. Brewer read an email that Judge Alderson received regarding the high quality of customer service the department has and meeting all averages in satisfaction surveys.

Council Member Dunbar asked if the fees collected as court appointed fees is tied to the ligated costs in the budget and if so what generates that fee. Ms. Brewer stated that the court appointed fees are set and assessed by the court and now the public defender will interview and talk about the ability to pay. From that the public defender will recommend the bond and assessment for service. At that point there will be a judgement order, they will collect and then 80% will go to the funding and 20% to LARA. Judge Alderson added that the attorney fee is a "user fee" as compared to court costs and fines.

Council Member Jackson asked if the future court consolidation plan have any impact on this budget or their projects. Judge Alderson stated that court consolidation would not have any effect on this budget. They would look at court consolidation over the 8 year period and have impact on any future budgets.

Council Member Jackson asked if there is an option for people to do community service base payment and any report on that. Ms. Brewer stated there are no specifics but could that that to Council.

Council Member Spadafore asked where the costs of the capital project they mentioned was. Ms. Brewer stated it was \$15,000 and in their miscellaneous budget and will work with the OCA on it. The item in information technology for licensing and costs. Council Member Spadafore asked Mr. Brewer to do a line item on the information technology of all department for what they spent for FY19. He then asked Ms. Brewer if the text messaging program

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resulted in better payments, and she acknowledged the program just started so there was no information. Council Member Spitzley also supported more research into the Information Technology budget line items and how does it per department and why it covers some computers, some software. Council Member Spadafore asked Ms. Bennett if the IT Department budget includes software licensing, then why the Courts are asking for it in their budget. Ms. Bennett stated that IT covers software and licensing. Council Member Spadafore asked again why Court is putting in their budget then. Ms. Bennett stated it was a minimal amount and in FY 2020/2021 it would be in IT budget ongoing, and that this request is for implementation. Council Member Spadafore asked what the total spend on the LF licensing for the City was. Council Member Spitzley again noted her concerns with the IT how they are being told the costs are split in each department budget for IT funds, but then Courts have to purchase their own program. She asked that information be provided on how the dollars are assessed across the departments for Information Technology and legal services.

Council President Wood asked why the contractual services line went down. Ms. Brewer stated with the creation of the Public Defender Office they no longer have to pay for a court appointed attorney.

Human Resources

Ms. Sanchez-Gazella and Ms. Thelen went through the presentation that was in the packet which highlighted the divisions in their department with no changes in personnel in the last year. The department has assisted in hiring 235 people which is a 4% increase over the year before. There have been 67 promotions, 17 lateral moves and 20 reclassifications. The departments other tasks over the last year included a collaborative testing on Fire Department hiring, the transition of Code Enforcement from LFD to EDP, increased recruiting outreach

Council Member Jackson stepped away from the meeting at 6:08 p.m.

Ms. Sanchez- Gazella moved onto the implementation of the new employee assistance program. Lastly she acknowledged they are continually training staff, providing labor relations 101 training and Council training.

Council Member Hussain asked what was attributed to the \$50,000 spending in the residency incentive. Ms. Thelen acknowledged it is not as successful as they would like it to be as they always hope get lots of request, so they are focusing on the advertising and current employees. It was noted that the Mayor was looking to add to include part time union employees.

Council Member Garza asked about the random alcohol and drug tests, and if there were any employees who failed. Ms. Sanchez-Gazelle stated if they do they have program set up to address. She also could provide the number of people tested at a later date.

Council Member Washington encouraged them to advertise the resident incentive program. She then asked the timeline on filling a vacancy. Ms. Sanchez-Gazelle stated it depends, if it is internal 4-6 weeks, if it is someone hired from outside it is 8-10 weeks. They are looking at stream lining but looking into new software as well.

Council Member Dunbar asked about the next process after the testing mentioned by Council Member Garza, and was told there is a program at the Health and Wellness division and they work with the union representative to get into counseling, and would have their be 1st disciplinary in file. The same process is followed if there is a marihuana detection.

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Council Member Hussain asked what the \$5,000 was and if it included temp help. They stated it was the Segal contract, back ground investigations, not for temp staff. Any contractual staff falls under the temp line item in the budget. Council Member Hussain confirmed with the Director there are two vacancies in the department, then asked who wrote the testing exams for the hiring tests, and Ms. Sanchez-Gazelle stated they are written by Connexa, but they also work with the department and hiring manager.

Council Member Washington stepped away from the meeting at 6:23 p.m.

Council Member Spitzley asked how many current employees are listed in the temp budget line, and if there were any plans to move those employees to permanent positions. It was confirmed there are 2.5 positions and they are contracted but they are working with Segal for changes to the job descriptions. They both have labor representation and filled contractually. Council Member Spitzley then asked about the parking subsidy, which she was told was for all City employees.

Council Member Washington returned to the meeting at 6:25 p.m.

Council Member Dunbar suggested they survey City employees on the residency incentive program. Council Member Spitzley suggested it be taken carefully since they cannot require residency.

Council President Wood asked if the new programming software they mentioned was in the budget. Ms. Sanchez-Gazelle stated it was, but the cost of the new software could be similar to what is currently being used. Ms. Bennett corrected and said it was not contained in the budget, and Ms. Sanchez-Gazelle clarified it was noted because the cost would be the same as the current system. Council Member Spadafore asked why if replacing software they are not using should not cover this cost. Ms. Bennett stated that IT covers licensing and ongoing, but this is the new purchase. Council Member Spadafore then asked what he \$6 million in the IT budget was for. Ms. Bennett stated it contains software, purchasing, technology, and the \$815,000 in the HR budget also contains the costs for the IT division, which is maintenance of existing of hardware and software.

Council Member Washington stepped away from the meeting at 6:31 p.m.

Ms. Bennett stated that the technology and ongoing costs that support the technology are in those line items. Council Member Spadafore asked if any department new software is charged outside of the IT budget, and who decides. Ms. Bennett stated the Mayor decides. Council Member Spadafore then asked why the District Court just asked for \$15,000 to expand, but whatever the HR Director is asking for the Mayor would decide on. Ms. Bennett stated that ultimately it does depend on what the Mayor decides. Once it becomes an ongoing program, it will be under the IT budget. The purchase and licensing comes out of the department budget. Council Member Spadafore asked what the \$800,000 in the IT budget was being spent on and Ms. Bennett stated \$ 515,000 computer replacements; \$300,000 for the Fire Department records management system. Council President Wood asked Ms. Sanchez-Gazelle what the cost was for the two (2) software programs. She was informed it was \$35,000, and the new system would bring efficiency to the hiring specialists.

Council Member Washington returned to the meeting at 6:36 p.m.

Council Member Spitzley asked for details from the Information Technology Department on the \$815,000 Capital Improvement Budget.

Council Member Garza stepped away from the meeting at 6:38 p.m.

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She also asked for details on what the contract costs are with Dewpoint, and the general allocation in the Information Technology budget for computers, licensed software and charges to departments. Council Member Dunbar added that if the department's line item is for an allocation to the Information Technology Budget, then it is not an expense, it should be shown as an administrative charge.

Council Member Garza returned to the meeting at 6:41 p.m.

Council Member Spadafore stated he still wanted to know what the funds were being spent on.

Council President Wood asked Ms. Sanchez-Gazelle if their office has options for those who do not have access to computers have access to the job applications. Ms. Sanchez-Gazelle stated that they have kiosks in Operations and Maintenance and Waste Water, transportation and in City Hall. She was not sure of the actual number. She added there is also an open door policy if they come in or call and her office will give them the area to fill out applications.

Council Member Jackson asked what the HR efforts were on diversifying the workforce. Ms. Sanchez-Gazelle stated the hiring specialist are attending sessions on that, they advertise in different forms of publications, and are in development with local colleges,

Council Member Dunbar asked Mr. Brewer to compile a list of all department IT Budgets, and Council President Wood asked that they research the IT enterprise fund and get an explanation on what that fund would be utilized for and how determined at that time.

Parks & Recreation

Mr. Kaschinske first noted that the power point presentation included a video, but since the City TV was not working at the time, he would send the link to the video to Council. He then presented his presentation from the packet.

Council Member Spadafore asked if the City had wireless parks established already. Mr. Kaschinske admitted there is one in Adado Park which is utilized during event.

Council Member Spitzley stepped away from the meeting at 7:09 p.m.

He did acknowledge that he did not have usage data.

Council Member Garza asked about the \$275,000 in the budget for restoration. And Mr. Kaschinske stated it was all for parks, and they are going through the parks all time to find the needs. This includes redoing parking lots, work at Davis Park and Sycamore Park.

Council Member Spitzley returned to the meeting at 7:11 p.m.

They want to focus as much as they can on crack sealing because the total cost to redo a parking lot will utilize all the funds.

Council Member Hussain asked if the playground installation line item was up or status quo, and it was noted they are trying to build it up. Council Member Hussain then asked if they are attempting or accomplishing 5 new installations a year as was stated during the time of the park millage. Mr. Kaschinske stated it depends on what needs to be repaired. They are currently doing two (2) this year but nothing for a total reconstruction. Council Member Hussain spoke in opposition to \$50,000 for wireless parks. Council Member Washington also spoke in opposition to the funds. She then asked how many parks total the City had, and Mr.

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Kaschinske confirmed 111. Council Member Washington asked that it be confirmed all parks have trash cans.

The Committee then inquired into the recent tree trimming and where the City can help with stump removal. Mr. Kaschinske stated he was aware of a notice that went out today from the Mayor.

Council Member Washington stepped away from the meeting at 7:22 p.m.

He noted the item was not in the budget now. Council President Wood stated she had heard there was indication the property owner would have to pay for stump removal.

Council Member Washington returned to the meeting at 7:24 p.m.

Council Member Spitzley stated she struggled to understand why BWL would cut the tree, but the resident would be required to remove or pay to remove the stump.

Council Member Jackson stepped away from the meeting at 7:25 p.m.

Council President Wood informed the Committee that the item was on the agenda for the BWL COW joint meeting on April 16th.

Council Member Spitzley spoke in support of the Wi-Fi in the parks. She then inquired into the budget increase on page 106 in cemeteries.

Council Member Spadafore stepped away from the meeting at 7:27 p.m.

Mr. Kaschinske acknowledged that the UAW has levels and took a #200 employee to another location and brought in someone from another location who was at a higher level.

Council Member Jackson returned to the meeting at 7:28 p.m.

Council Member Dunbar spoke in support of Wi-Fi in the parks.

Council Member Spadafore returned to the meeting at 7:29 p.m.

Council Member Dunbar then suggested they survey the users of the parks, and the youth. Council Member Hussain again spoke in opposition to the Wi-Fi parks suggesting there would be more critical items to spend the \$50,000 on. Council President Wood asked if the cost was an annual or onetime \$50,000, and Mr. Kaschinske stated that would be a question for Information Technology.

Council President Wood then asked if the amount for Groesbeck was what was anticipated in the first year, less or more. Mr. Kaschinske acknowledged the budget this year would be less than last year from the City, where in the past it was \$24 a round and now \$6 and the partnership with LEPFA is going well. Council President Wood then asked what the irrigation cost was. Mr. Kaschinske state the system at Groesbeck was outdated, and they had issues with drainage on the course and had dead grass. The questions were then asked about marketing costs at Groesbeck and Ms. Bennett stated that anything on Groesbeck would be discussed when LEPFA presented.

Council President Wood asked if the City had a stump grinder, and she also asked if they were looking into park equipment for those with disabilities and those aging in place. Mr. Kaschinske stated the equipment is ADA but different from universal accessible. They are

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working on a universal accessible swing at Beacon Park, but currently dealing with the safety concerns. Those are being addressed with Peckham.

Council Member Dunbar stepped away from the meeting at 7:41 p.m.

Council President Wood asked them to start implementation, putting money aside for future installation. She then asked Mr. Smiertka if there was any legal liability with a Wi-Fi park. Mr. Smiertka stated it was not an issue for City liability because basically people are using the park to provide access to a telecommunication, it is just a vehicle, not a liability exposure.

Council Member Jackson spoke in support of the Wi-Fi parks.

Council Member Spadafore asked if the decrease in per round to the City at Groesbeck, why was there a big increase in revenues and where does it come from, and why do the operational expenses go up. Mr. Kaschinske stated were differences when the City operates and when LEPFA. Council Member Spadafore asked about the \$60,000 increase in revenue and 50,000 in expenditures. Ms. Bennett stated there is an increase in social security and Medicare, but LEPFA will address all that.

Council Member Dunbar returned to the meeting at 7:46 p.m.

Council President Wood called for a recess at 7:46 p.m.

Council President Wood called the meeting back to Order at 7:50 p.m.

Discussion/Action:

RESOLUTION – Supplemental Appropriation; Real Estate Revenue from Waverly Park, Miller Road Center; Cooley-Haze House

Mr. Kaschinske acknowledged the City has not closed on the Cooley-Haze House or the Miller Road Center or received any payments, but the resolution outlines what the spending would be. He then spoke briefly on funds towards what is now an unknown revision for the Moores River Park Pool. The Friends of Lansing Parks funding is contracting with a group that is a 501c3 that can apply for grants that a government agency cannot and look at park fundraising. The Moores Park pavilion plans came in bids at \$141,000 and with including electrical came up to \$150,000. There will then be a balance of funds put into the Park Land Endowment fund. Regarding the Capital Region Community Foundation, the fees are 1% on the first \$600,000 and 5% on the next million, and \$1.5 million would represent a .7% on that. If Capital Region Community Foundation earns more, the City gets 4%, then the .7% fees, then anything on top would go to build the fund. This structure will give roughly \$50,000 back per year, which could be put back for reinvestment, or \$50,000 for a new park, and the City could control the foundation funds, the net proceeds. There would also be a contract, but the contract would spell out where funds could go to.

Council Member Spitzley asked if the proceeds from the 4% Capital Region Community Foundation is not guaranteed to parks does it go to the GF. Mr. Kaschinske stated it would come back to parks, with the guaranteed draw of 4% annually.

Council Member Washington asked why \$100,000 for the Foundation.

Council Member Spitzley stepped away from the meeting at 8:07 p.m.

Mr. Kaschinske stated it is a “starting out” fund, considered capital to start out.

Council Member Spitzley returned to the meeting at 8:08 p.m.

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They are expecting more than \$100,000 in returns in grants and this resolution is not part of the budget but sale proceeds of those three (3) park properties.

Council Member Washington asked how the Foundation will invest. Mr. Kaschinske stated their full intent is to invest because they do not want the funds to side and the Foundation Board will manages, which was incorporated in 1987. He offered to have Mr. Dennis Freeman into Council to speak about their portfolio and provide their annual report.

Council Member Spadafore asked if the \$100,000 is seed money for the Friends of Lansing Parks, with under contract with the City to apply for grants the City cannot apply for, and Mr. Kaschinske confirmed. Council Member Spadafore then asked what happens if the process does not work out, and Mr. Smiertka stated there will be a contract with the Friends of Lansing Parks. Council Member Spadafore asked if there would be an anticipated budget or if the City pays the costs. Mr. Kaschinske stated once there is a contract with the group a need will be established, but currently they do not have that. Mr. Smiertka confirmed that those can be a service contract with the City. Everything will be outlined in the Articles of Incorporation in the purpose clause. They would have fiduciary duty to follow the clauses. He assured the Committee that there will be safe guards. Mr. Kaschinske added that the parks are still the City property so they will be involved in the grant applications. They will work with the Mayor to appoint the Board.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION FOR THE SUPPLEMENTAL APPROPRIATION; REAL ESTATE REVENUE FROM WAVERLYPARK, MILLER ROAD CENTER AND COOLEY-HAZE HOUSE. MOTION CARRIED 8-0.

The Committee asked for a list of investments of the Foundation.

Neighborhoods & Citizen Engagement

Ms. Crawford took the Committee through her presentation outlining the divisions, their neighborhood resource team at Foster Community Center and Financial Empowerment located at City Hall and Cristo Rey. Ms. Crawford noted the programs in citizen engagement, development program and financial empowerment, and the Offender Success program which began in 2017.

Council Member Spadafore stepped away from the meeting at 8:31 p.m.

Ms. Crawford spoke briefly on what the Offender program offered and spoke on the Lansing Save Program with the MSU Credit Union.

Council President Wood asked if the department expected any staffing increases, and Ms. Crawford stated they are proposing to create a coordinator position, at \$60,000 and when writing the position will look at the existing neighborhood resource position under Teamsters 214. Council President Wood asked for the grant list for 2017, 2018 and 2019. Ms. Crawford admitted she did not have 2017 and not sure what the neighborhood advisory would have in their files, and in 2018 and 2019 it was under Northwest Initiatives. Council President Wood asked her to inquiry with the Board for the information.

Public Service

Council Member Hussain stepped away from the meeting at 8:42 p.m.

Ms. Bennett referenced amendments to the budget she distributed earlier that effected the Major Street funds, \$500,000 which was moved to Local Streets maintenance.

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Council Member Washington stepped away from the meeting at 8:43 p.m.

Ms. Bennett also noted the revision to the CIP that she distributed.

Council Member Hussain and Washington returned to the meeting at 8:44 p.m.

Mr. Kilpatrick provided his department presentation from the packet which spoke to performance indicators, pothole indicators, walkability sidewalks, cost effective on the waste water, but the cost is projected to go up, and that is reflected on renewable energies at all City owned buildings.

Council Member Spadafore returned to the meeting at 8:46 p.m.

Mr. Kilpatrick then presented in his power point the organizational chart where they proposed a change with operations and maintenance and would split the division in two and so far it has worked well so hope to move forward.

Regarding street millages, Mr. Kilpatrick noted the City and County street projects are at 3.9 miles at \$1.95 million, with a map of the street conditions, this year there 76.5% if the streets in poor shape rating. In the area of the CIP, he noted they amounts are the same as past years. They will have on for streets and one for sewer.

Council President Wood referenced slide 8 and asked if that reflected the recent change by Ms. Bennett for the \$500,000 in major street maintenance, and Mr. Mumby confirmed.

Mr. Kilpatrick referred the Committee to slide 10 which reflected the CIP sewer projects, and the other CIP was the \$1,950,000 for vehicle and equipment purchases.

Council Member Spitzley inquired into the trash cart fees change and why the larger cart fee increases were less than the small cart increases, and asked why they were not an even percentage for each cart size across the board. Mr. Kilpatrick confirmed it was listed corrected in the fee changes, and stated essentially there is a commodity charge and extra for dumping and they look at the whole system and the cost to collect. An idea he would consider, if the City had the technology would be to pay per pick up and weight. Council Member Spitzley noted she did not support the changes because it was not an equitable fee charge.

Mr. Kilpatrick then moved onto the fleet services, noting their aging stock and no funding to replace. Council Member Spadafore asked how much do they collect into the fleet service fund. Mr. Kilpatrick stated it is not like the information technology funding, in fleet service funding, there is a replacement cycle twice as long and maintenance charges are higher because they are not replacing them as often, and would 50% more in replacement costs. Once the average age goes down, the maintenance cost decrease. He continued, that if the department was going to charge what they think is the cost there would not be enough, even though they have been increasing over time so not to take funds not of fund balance. Council President Wood asked if the "rental fee" also covers the cost of the employee who does the maintenance. This was confirmed and note it pays employees and other than the vehicle purchases, the fund should be self-sufficient. Council Member Spadafore asked if they need 50% more and Mr. Kilpatrick stated they look at what they currently spend on maintenance, what the replacement cost desired would be in the replacement cycle. It was noted these vehicles include Police and Fire. He was then asked if they were working on a long term plan and Mr. Kilpatrick noted they hope to have before next year's budget.

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Council Member Dunbar asked if they have looked into the private fleet companies on maximizing the rotation of the fleet. Mr. Kilpatrick confirmed he was aware of those who also have alarms when outside the area, or idle too long, speed limits, etc. but they would not look at those for the LPD or LFD. The programs could also tell them when they need fueled, service and predict turnover. Ms. Bennett stated with going to one garage they were to consolidate and the debt service expired in FY2018, so \$1.5 million freed up to help with resources for vehicle replacement.

Council Member Garza stepped away from the meeting at 9:05 p.m.

Lastly Mr. Kilpatrick noted the CSO projects and locations, and presented the slide on sidewalk details noting there were no changes in sidewalks.

Council Member Jackson asked if they purchased renewable energy credits and if so from who. Mr. Kilpatrick stated that the Board of Water and Light manages.

Council Member Garza returned to the meeting at 9:07 p.m.

Council Member Jackson asked if there was any indication or change as a result of the City purchasing 200,000 credit in their BWL overall profile. Again that was referred to the meeting with the BWL on April 16th.

Council Member Washington stated in her discussion with the Ingham County Drain Commissioner, the rain gardens on Michigan Avenue do not work or do their purpose. Mr. Kilpatrick stated there are funds set aside to maintain them and they have done test on them Council Member Washington asked him to contact Mr. Lindemann and inform the County they are working.

Council Member Dunbar asked if he was aware if BWL was purchasing renewable energy credits and Mr. Kilpatrick stated his understanding was the BWL was purchasing on the open market. He added that there is a benefit for buying renewals, so the question is it more cost effective. So currently they are starting by looking at City buildings to look at now and long term.

Council Member Washington asked Mr. Kilpatrick to look at all the rain gardens because the plants are dead and they collect trash. Council President Wood noted that when they were installed the Council was told they would clean out and replace plants every five (5) years. Mr. Kilpatrick said at the time of install the material was engineered, and with tests the materials are still perking so no need to replace. Mr. Mumby added there is a balance for aesthetics and function. Council Member Washington asked they consider replacing the plants.

It was then noted there is a \$280,000 agreement with BWL already signed for renewables. Ms. Harkins noted that is part of the proposed budget and the agreement is not signed and will not be unless the proposed budget is approved with those funds in it.

Council Member Garza asked about any future plans for a street project on Schafer Road. Mr. Kilpatrick stated his understanding was a letter was sent the property owners Mr. Garza asks about and one property is up stream and affected and one property is downstream.

Council President Wood suggested that the department look into the accommodations for those residents that are aging in place such as street crossing areas, pedestrian signals, and sidewalk funds to ramps for ADA. Ms. Harkins was also asked for a copy of the study and draft report that was done.

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Council Member Hussain asked what the status street sweepers and how many sweeps. Mr. Kilpatrick admitted the City sweeper is not in great shape, and the cost is \$200,000 each, and currently the City has four (4). In 2019 they plan to rent two (2) truck mounted sweepers to see if production is better, and then next budget year look at what to purchase. Regarding the cycle, they currently do four (4) sweeps on major streets and two (2) on local or State trunk lines.

City Attorney

Due to timing, the budget of the City Attorney was moved to April 29, 2019.

DISCUSSION/ACTION

RESOLUTION – Set Public Hearing; Special Assessment; Red Cedar Floodplain

Council President Wood asked for details on what this exactly was and why they were assessing the community. Mr. Kilpatrick stated based on the emergency management and flood maps, if you live in the designated flood plain area, your home insurance is higher. This would remap the areas of the Red Cedar and the mapping would be more accurate for emergency management and therefore change the insurance premiums for those that would paying the assessment out of the GF instead of assessing individual property owners. Mr. Kilpatrick stated because the residents would be benefiting from the cost in lower insurance rates because they would no longer be in the flood plain. Council Member Spitzley asked if this area could also be assessed with the Red Cedar Development itself, and Mr. Kilpatrick admitted there could be some such as Frandor, Sears, and some also subject to the Montgomery Drain Assessment. This assessment proposed is a onetime assessment for the remapping. Council Member Spitzley asked if this assessment necessary, and Mr. Kilpatrick answered it was not but is believed to benefit the owners by lowering their flood insurance or eliminating the need for it by taking them out of the area. Council President Wood referred the Committee to the second page of the resolution for the number of commercial, single family and apartments.

MOTION BY COUNCIL MEMBER SPADAFORE TO SET THE PUBLIC HEARING FOR MAY 13, 2019 FOR THE SPECIAL ASSESSMENT, RED CEDAR FLOODPLAIN PROPERTIES AS NOTED IN THE ROLL. MOTION CARRIED 8-0.

RESOLUTION – Issuance and Sale of Wet Weather Control Program State Revolving Fund Project Obligation Bonds

Mr. Kilpatrick stated that this was for the central interceptor which is estimated at about \$12-13 million, and the pipes are from the 1930's, with the projected work to be to line the pipe not dig them up.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE ISSUANCE AND SALE OF WET WEATHER CONTROL PROGRAM STATE REVOLVING FUND PROJECT OBLIGATION BONDS. MOTION CARRIED 8-0.

ADJOURN

The meeting was adjourned at 9:36 p.m.

Respectfully Submitted by,
Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on

Lansing Police Department

FY20 Budget Hearing



Andy Schor, Mayor



Mike Yankowski, Chief

LPD FY20

LANSGING'S
TIME IS NOW

Police Board of Commissioners



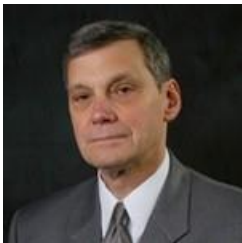
Chair- Drew Macon



Vice-Chair- Sandra J. Kowalk-Thompson



Patty Farhat



Robert Noordhoek



Clyde Carnegie



Kecia Coats



William Renfrew



Julee Rodocker



LPD FY20

LANSING'S
TIME IS NOW



Mike Yankowski, Chief

Mission, Vision, Values



Andy Schor, Mayor

LPD FY20

LANSING'S
TIME IS NOW

- **MISSION** –

TO MAINTAIN ORDER,
PRESERVE PUBLIC SAFETY,
FOSTER A BETTER QUALITY OF
LIFE; MAKING OUR CITY A
BETTER PLACE TO LIVE, WORK
AND VISIT.



LPD FY20

LANSING'S
TIME IS NOW

- **VISION** –

**BUILDING PARTNERSHIPS AND
UTILIZING INNOVATIVE STRATEGIES
FOR A SAFER, STRONGER
COMMUNITY.**

LPD FY20

LANSING'S
TIME IS NOW



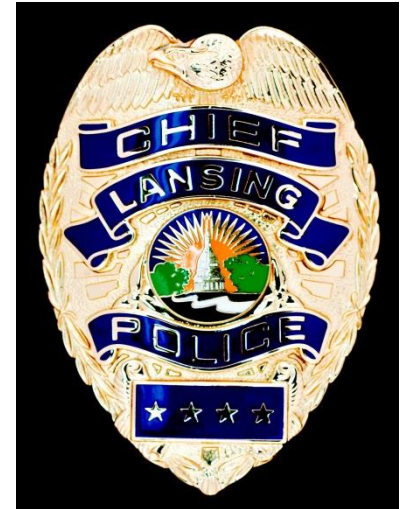
- 1. Building Trust and Legitimacy**
- 2. Policy and Oversight**
- 3. Technology and Social Media**
- 4. Community Policing and Crime Reduction**
- 5. Officer Training and Education**
- 6. Officer Safety and Wellness**



Andy Schor, Mayor

LPD FY20

LANSING'S
TIME IS NOW



Policing Philosophy

Police Legitimacy



&

Community Policing





LPD FY20

LANSING'S
TIME IS NOW

To accomplish our mission, LPD will embrace:

- **Preservation of Life is top priority.**
- **Community Policing and Community Engagement**
- Implement a **strategy on fighting crime** through the use of **technology, crime analysis, and dedicated police services.**
- Strategy will be based around **SMART/ Intelligence Data Driven “Hot Spot” policing.**
- We continue to work together with our **neighborhoods; businesses and schools** to build strong community partnerships that help keep our city safe.



LPD FY20

LANSING'S
TIME IS NOW

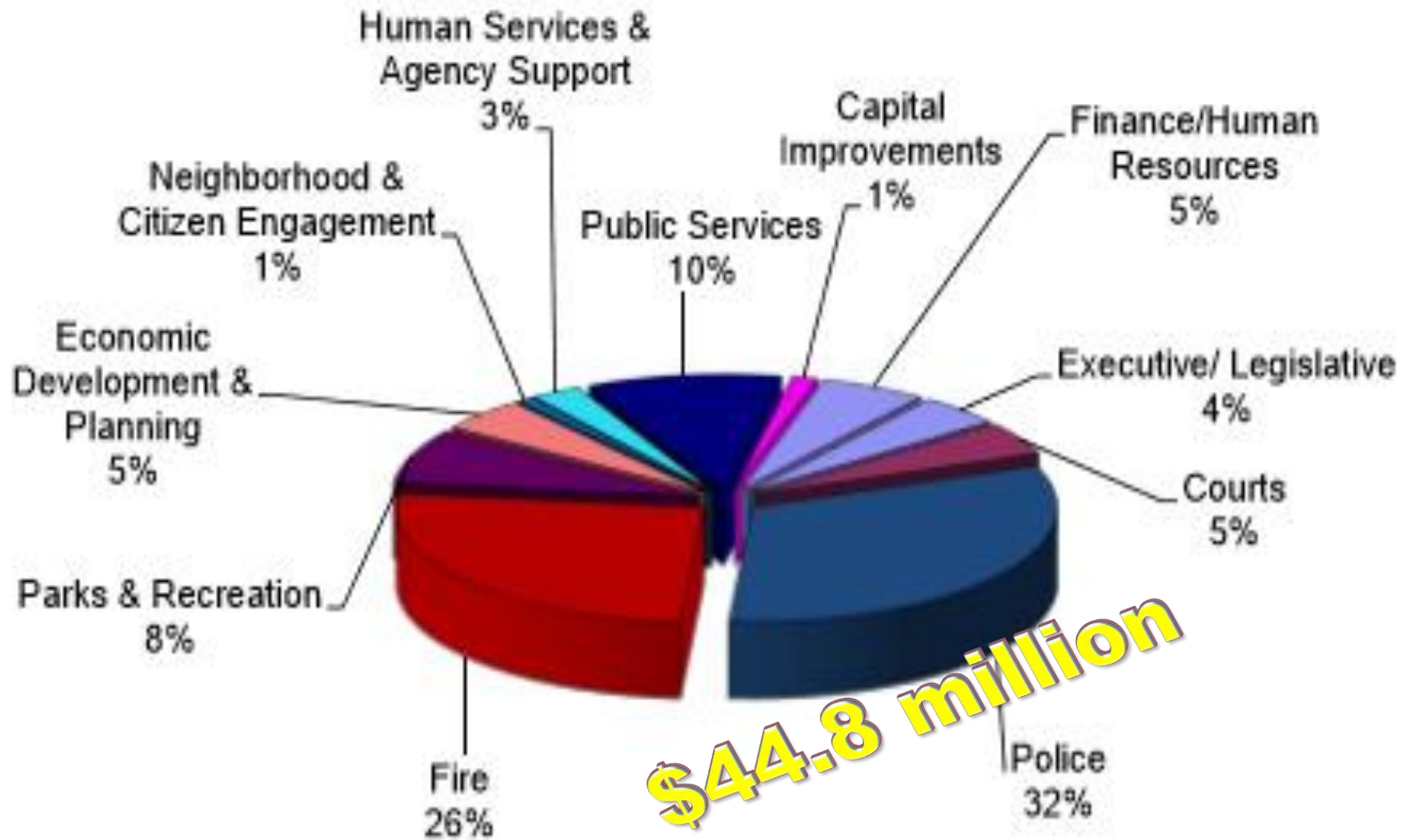
LPD 2018 VIDEO

- https://drive.google.com/file/d/1d2JdDqWKslapdhpTQInJqn3rCBmfq_nQ/view?usp=sharing

How the Money Is Spent

FY 2019/2020 General Fund Budget

\$139.5 Million



LPD FY20

LANSING'S
TIME IS NOW

LPD FY20 General Fund Budget

\$44,885,000

LPD FY20 Overall Budget

\$45,986,000

**Includes Drug Forfeiture Funds
(Federal, State/Local, Tri-County Metro)**

LPD FY20

LANSING'S
TIME IS NOW

\$3.2 million of LPD operations
are funded by a voter-
approved, 1.5 mill, dedicated
property tax millage.

(100% of millage funds towards personnel)

LPD's FY20 General Fund **increased** by +3.9% or \$1.7 million

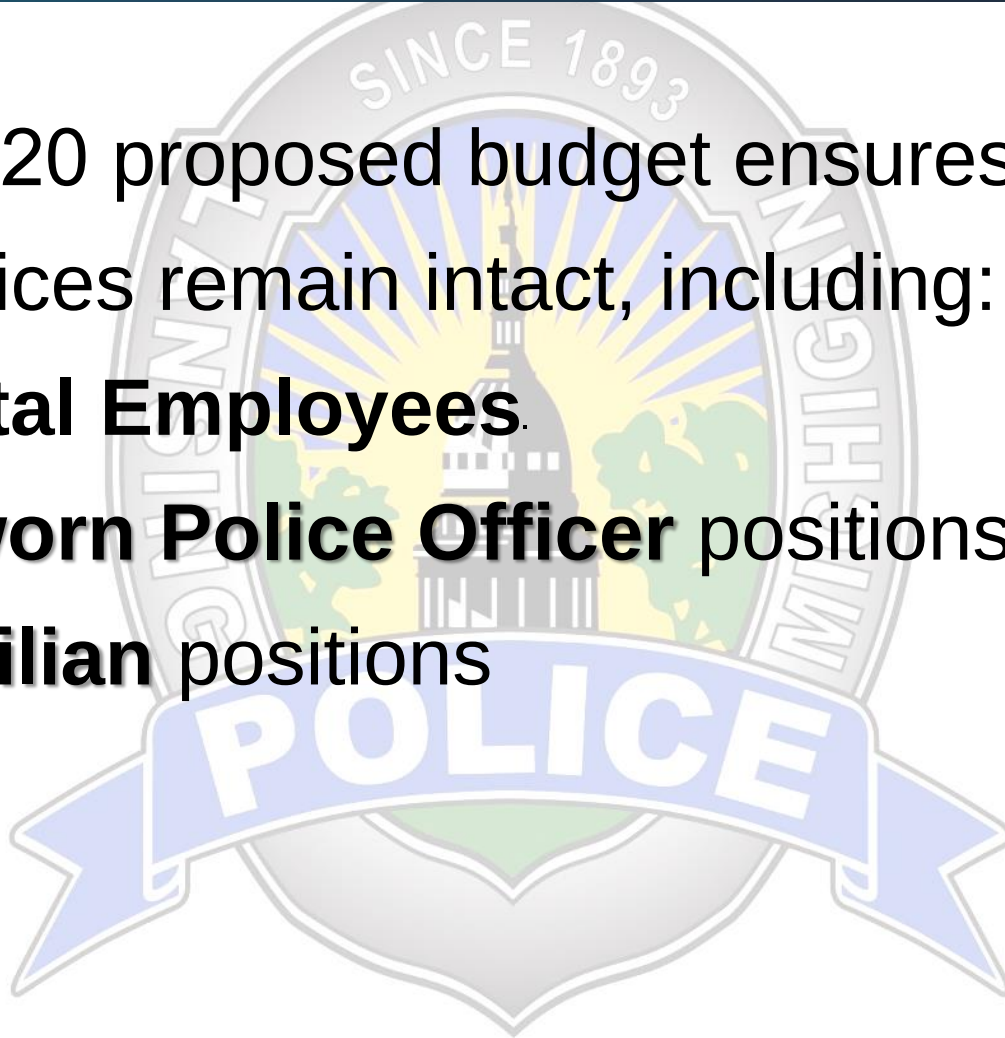
- Salary/Benefits
- OT
- Operating / Equipment

LPD FY20

LANSING'S
TIME IS NOW

LPD's FY20 proposed budget ensures that all core services remain intact, including:

- **244 Total Employees**
- **203 Sworn Police Officer** positions
- **41 Civilian** positions



LPD FY20

LANSING'S
TIME IS NOW

85% of LPD's budget is Personnel Cost

\$ 37,334,981

+ 2.3% increase

- Salary
- Fringe Benefits
- Parking Enforcement Supervisor

LPD FY20

LANSING'S
TIME IS NOW

15% of LPD's GF budget
is Operating Cost

\$ 6,634,628

LPD's FY20 Operating Cost **increased** by **+3% or \$191,272**

- IT/Technology
- Uniforms/Vest
- Equipment
- School crossing Guards (personnel to operating)



LPD FY20

LANSING'S
TIME IS NOW

FY20 Equipment Budget

\$244,100

- **TASER's**
- **K-9's**
- **D.I.V.E- Dry suits**
- **Robot for Tactical Team**
- **SMART Phones for Road Officers**
- **Crime Scene Equipment**
- **Video Phone for START Negotiators**

LPD FY20 Capital Improvement Plans

In-Car Computer Replacements

\$275,000



LPD FY20

LANSING'S
TIME IS NOW

LPD FY20 CIP- (Forfeiture Funds)

- **Re-location of Special Operations Section/ Tri-County Metro to LPD OPS Center-**
- **Replacement of two (2) Firing Range Decelerators at McDonnelly Complex \$15,000 a piece-**



LPD FY20

LANSING'S
TIME IS NOW

LPD FY20 Budget Increases

- **Add (1) Community Policing Officer-**
- **Graduate-Level Crime Analysis internship program to be offered in conjunction with Michigan State University-**
- **Re-institution of the LPD Police Athletic League (P.A.L) program-**



LPD FY20

LANSING'S
TIME IS NOW

LPD HIRING- 2018/2019

“Recognized National Best Practice” -PERF

- **Police Officers- 38**
- **Detention Officers- 6**
- **Cadets- 3**
- **Social Worker, Budget Control Supervisor,
Secretary 26 (2), Police Tech 26 (3)**

Shootings-

Year	#	% Change
2013	200+	
2014	171	
2015	159	
2016	156	
2017	111	
2018	104	- 48%



LPD FY20

LANSING'S
TIME IS NOW

Secured Cities Focus Areas

- Overall Violent Crime- **down 17%**
- Churchill Downs- **down 24%**
- Baker- **down 15%**
- Comstock Park- **down 24%**
- Northtown- **up 2.7%**



LPD FY20

LANSING'S
TIME IS NOW

LPD 2019 GOALS-

1. EVERYONE GOES HOME
2. Reduce homicides by 15%
3. Homicide Clearance rate of 85%
4. Reduce Violent Crime by 15%
5. Reduce shootings by 15%



LPD FY20

LANSING'S
TIME IS NOW

LPD 2019 GOALS-

6. Reduce Aggravated Assaults to below 875
7. Decrease Domestic Violence by 15%
8. Real Time Crime Center- Phase 1
9. Complete 3 year Strategic Plan
10. Execute Technology Plan- (NC4, Mobile PD APP, SMART Phones, Satisfaction Survey)

LPD FY20

LANSING'S
TIME IS NOW

- In FY20 LPD will be implementing several new community policing and crime prevention initiatives while we continue to strengthen our regional partnerships with crime fighting strategies.
- **VCI**
- **MSP Secure Cities Partnership**
- **Public Safety Partnership**
- **ATF / FBI**



LPD FY20

LANSING'S
TIME IS NOW

- **FY20 Budget continues to fund all core services and crime fighting strategies all while accomplishing our mission.**
- **FY20 Budget continues to focus on the President's Task Force 60+ Recommendations on 21st Century Policing.**



LPD FY20

LANSING'S
TIME IS NOW

1. **Community Policing and Outreach**- We will continue to keep our ears and minds “open” to dialogue with a series of community forums and educational workshops. Improve communication and transparency with programs like the Open Data Initiative, ALPACT, Satisfaction Survey and Truth Racial Healing and Transformation.
2. **Increasing Training/ Officer Wellness**- On-going and continuous training in the areas of Subject Control, Crisis Intervention (Mental Illness) De-escalation, Deadly and Non-Deadly Force, Firearms, Implicit Bias, Procedural Justice, Cultural Diversity, Robertson Brain Health and Police Legitimacy.
3. **Expanded Community Policing**- Building on the Community Policing Officers by adding an 11th position and formal partnership with Boys and Girls Club, Peckum, YMCA. Increase citizen interaction with foot and bike patrols, community meetings, and community engagement events.

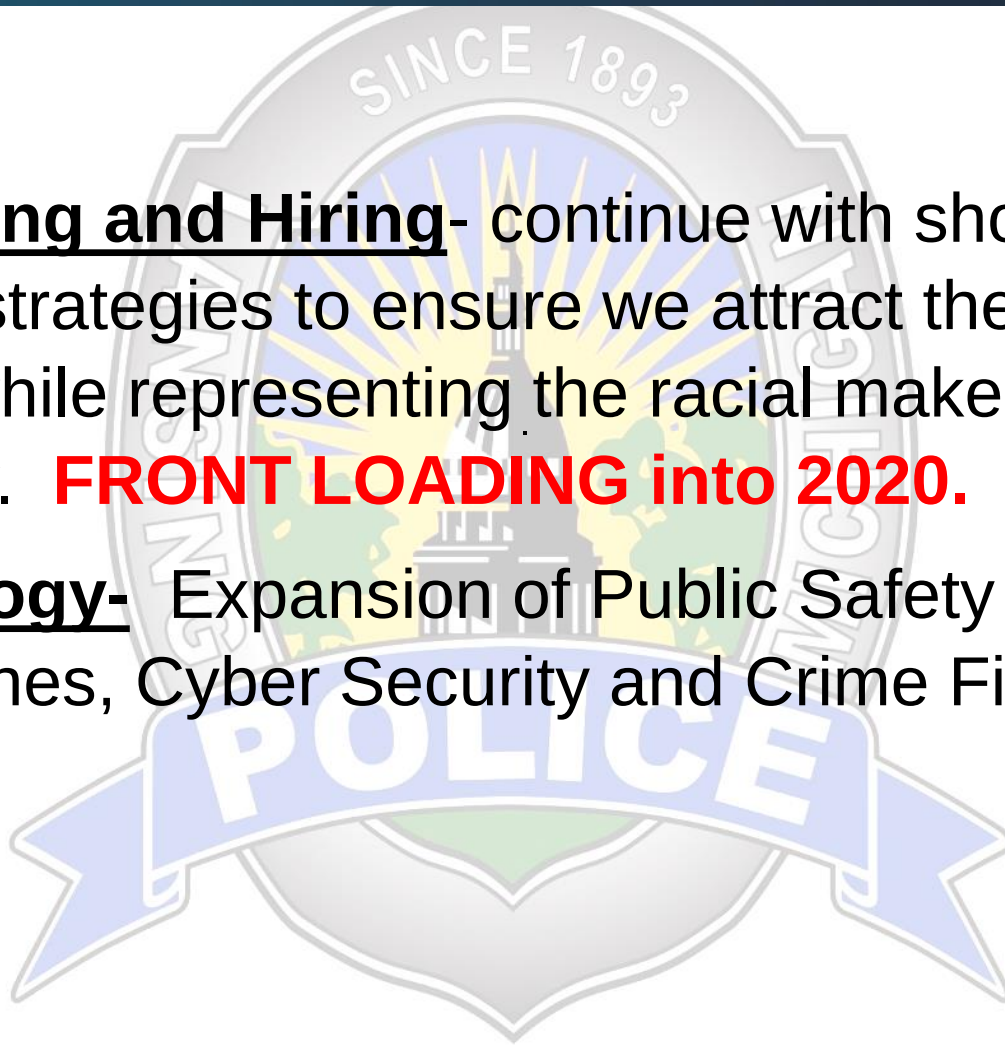


LPD FY20

LANSING'S
TIME IS NOW

4. Recruiting and Hiring- continue with short and long term strategies to ensure we attract the best and brightest while representing the racial makeup of our community. **FRONT LOADING into 2020.**

5. Technology- Expansion of Public Safety Cameras, Smart phones, Cyber Security and Crime Fighting Software.







LPD FY20

LANSING'S
TIME IS NOW

The Men and Women of the LPD

Thank Mayor Schor, City
Council, Board of Police
Commissioners and the
Citizens of Lansing for Your
Continued Support

LPD FY20

LANSING'S
TIME IS NOW

May we never forget



OFFICER ALEXANDER LANG –
September 2, 1932.

OFFICER GOTTLIEB SOHN –
May 23, 1943.

OFFICER MAC J. DONNELLY, JR. –
June 16, 1977.

OFFICER DEAN WHITEHEAD –
May 9, 1985.

LANSING PARKS POLICE
OFFICER JULIE ENGLEHARDT –
February 12, 1988.





Q & A

LANSING'S
TIME IS NOW

Lansing Police Department ***FY20 Budget Hearing***



Andy Schor, Mayor



Mike Yankowski, Chief

FY 2019/2020 Proposed Budget Supplementary Information -- Accounting Level Detail

<u>Account Code</u>	<u>Description</u>	<u>FY 2018 Actuals</u>	<u>FY 2019 Adopted Budget</u>	<u>FY 2019 Amended Budget</u>	<u>FY 2019 Year- End Projection</u>	<u>FY 2020 Proposed Budget</u>
POLICE DEPARTMENT						
<u>Administration</u>						
101.343201.702000.00000	SALARIES	392,150	502,983	502,983	407,782	598,052
101.343201.702302.00000	SHIFT PREMIUM	-	100	100	-	250
101.343201.707000.00000	TEMPORARY HELP	106,594	-	-	141,399	-
101.343201.708000.00000	OVERTIME - SALARY	12,981	13,000	13,000	10,300	13,000
101.343201.712000.00000	LONGEVITY	5,100	5,900	5,900	7,100	7,100
101.343201.713000.00000	VACATION PAY	1,641	-	-	-	-
101.343201.715300.00000	FRINGE BENEFITS - FIXED	519,952	397,978	397,978	397,978	540,232
101.343201.715400.00000	FRINGE BENEFITS - VARIABLE	109,868	153,879	153,879	110,000	180,712
101.343201.717100.00000	ALLOWANCE - GUN	773	750	750	1,031	1,000
101.343201.717200.00000	ALLOWANCE - CLOTHING	9,833	10,869	10,869	13,500	14,923
101.343201.717300.00000	ALLOWANCE - DRYCLEAN	65,000	68,000	68,000	68,000	70,040
101.343201.741000.00000	MISCELLANEOUS OPERATING	91,280	221,400	221,400	200,000	221,400
101.343201.741880.00000	DONATIONS/CONTRIBUTIONS	2,451	-	-	1,028	-
101.343201.742000.00000	SUPPLIES	77,700	93,700	93,700	94,000	82,300
101.343201.742100.00000	FUEL	286,134	280,000	280,000	270,000	282,000
101.343201.743000.00000	CONTRACTUAL SERVICES	60,888	80,000	80,000	60,000	80,000
101.343201.743050.00000	TEMPORARY HELP-CONTRACTUAL	30,290	-	-	10,352	-
101.343201.743720.00000	INFORMATION TECHNOLOGY ALLOC	1,830,418	1,909,816	1,909,816	1,909,816	1,994,592
101.343201.744110.00000	UTILITIES - CITY HALL	166,432	160,000	160,000	160,000	169,676
101.343201.744200.00000	TELEPHONE	409,677	316,000	316,000	250,000	188,400
101.343201.744201.00000	DEPARTMENT COMMUNICATIONS	7,154	7,600	7,600	5,289	7,066
101.343201.744212.00000	POLICE - FIRING RANGE UTILITIES	21,774	28,000	28,000	28,000	23,330
101.343201.744222.00000	POLICE - RADIO LAB UTILITIES	16,405	22,000	22,000	10,000	21,210
101.343201.744251.00000	POLICE - N PRECINCT UTILITIES	205,229	200,000	200,000	200,000	228,003
101.343201.745100.00000	BUILDING RENTAL	125,000	125,000	125,000	125,000	125,000
101.343201.745200.00000	EQUIPMENT RENTAL	1,543,187	1,550,000	1,550,000	1,550,000	1,550,000
101.343201.746000.00000	REPAIR & MAINTENANCE	15,913	20,000	20,000	10,000	17,000
101.343201.747000.00000	TRAINING	145,131	125,000	125,000	100,000	130,800
101.343201.748000.00000	INSURANCE & BONDS	365,975	306,729	306,729	306,729	388,086
101.343201.977101.00000	EQUIPMENT < \$5,000	-	2,170	2,170	2,170	47,000
	Administration Total	\$ 6,624,929	\$ 6,600,874	\$ 6,600,874	\$ 6,449,474	\$ 6,981,172

FY 2019/2020 Proposed Budget Supplementary Information -- Accounting Level Detail

<u>Account Code</u>	<u>Description</u>	<u>FY 2018 Actuals</u>	<u>FY 2019 Adopted Budget</u>	<u>FY 2019 Amended Budget</u>	<u>FY 2019 Year- End Projection</u>	<u>FY 2020 Proposed Budget</u>
<u>Technical Services and Training</u>						
101.343212.702000.00000	SALARIES	465,100	492,568	492,568	492,568	494,882
101.343212.708000.00000	OVERTIME - SALARY	38,962	10,000	10,000	62,000	30,000
101.343212.712000.00000	LONGEVITY	7,200	7,600	7,600	7,600	8,000
101.343212.715300.00000	FRINGE BENEFITS - FIXED	290,645	464,717	464,717	464,717	483,475
101.343212.715400.00000	FRINGE BENEFITS - VARIABLE	77,344	74,790	74,790	74,790	88,246
101.343212.717100.00000	ALLOWANCE - GUN	1,277	1,500	1,500	1,536	1,500
101.343212.717200.00000	ALLOWANCE - CLOTHING	12,843	13,445	13,445	13,445	13,917
101.343212.741000.00000	MISCELLANEOUS OPERATING	23,517	26,150	26,150	23,500	36,175
101.343212.747000.00000	TRAINING	108	-	-	-	-
101.343212.977101.00000	EQUIPMENT < \$5,000	-	500	500	464	-
101.343213.741000.00000	MISCELLANEOUS OPERATING	75,040	75,188	75,188	75,100	70,177
101.343213.977000.00000	EQUIPMENT	26,089	-	-	10,225	-
101.343213.977101.00000	EQUIPMENT < \$5,000	98	23,170	23,170	12,775	-
Technical Services and Training Total		\$ 1,018,223	\$ 1,189,628	\$ 1,189,628	\$ 1,238,720	\$ 1,226,372
<u>Central Services</u>						
101.343221.702000.00000	SALARIES	208,028	422,096	422,096	455,800	473,049
101.343221.707000.00000	TEMPORARY HELP	331,265	250,000	250,000	260,163	-
101.343221.708000.00000	OVERTIME - SALARY	16,699	1,000	1,000	22,000	10,000
101.343221.712000.00000	LONGEVITY	1,500	2,000	2,000	2,000	2,000
101.343221.715300.00000	FRINGE BENEFITS - FIXED	406,428	391,019	391,019	391,019	349,836
101.343221.715400.00000	FRINGE BENEFITS - VARIABLE	43,601	157,562	157,562	86,300	154,267
101.343221.741000.00000	MISCELLANEOUS OPERATING	64,242	62,900	62,900	58,062	81,285
101.343221.742600.00000	UNIFORMS	234,101	318,477	318,477	350,000	332,386
101.343221.742650.00000	CENTRAL SUPPLIES	69,357	97,030	97,030	80,000	100,735
101.343221.743000.00000	CONTRACTUAL SERVICES	-	-	-	-	256,000
101.343221.743050.00000	TEMPORARY HELP-CONTRACTUAL	2,777	-	-	8,683	-
101.343221.743100.00000	Crossing Guard Vendor	-	-	-	-	-
101.343221.747000.00000	TRAINING	25,530	12,000	12,000	4,000	-
101.343221.977101.00000	EQUIPMENT < \$5,000	-	3,555	3,555	3,555	-
Central Services Total		\$ 1,403,530	\$ 1,717,639	\$ 1,717,639	\$ 1,721,582	\$ 1,759,558

FY 2019/2020 Proposed Budget Supplementary Information -- Accounting Level Detail

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<u>Radio Lab</u>						
101.343222.702000.00000	SALARIES	127,313	141,429	141,429	105,000	142,907
101.343222.707000.00000	TEMPORARY HELP	7,483	-	-	42,000	-
101.343222.708000.00000	OVERTIME - SALARY	14,621	10,000	10,000	8,000	10,000
101.343222.712000.00000	LONGEVITY	1,000	1,000	1,000	1,000	1,000
101.343222.715300.00000	FRINGE BENEFITS - FIXED	111,846	115,586	115,586	115,586	109,224
101.343222.715400.00000	FRINGE BENEFITS - VARIABLE	40,349	44,870	44,870	44,870	43,560
101.343222.741000.00000	MISCELLANEOUS OPERATING	53,535	51,645	51,645	51,645	62,401
101.343222.746000.00000	REPAIR & MAINTENANCE	54,961	56,000	56,000	56,000	60,000
101.343222.977000.00000	EQUIPMENT	38,229	49,200	49,200	49,200	-
101.343222.977101.00000	EQUIPMENT < \$5,000	-	-	-	-	20,100
Radio Lab Total		\$ 449,337	\$ 469,730	\$ 469,730	\$ 473,301	\$ 449,192
<u>Detention</u>						
101.343224.702000.00000	SALARIES	1,254,585	1,371,873	1,371,873	1,280,310	1,370,998
101.343224.702302.00000	SHIFT PREMIUM	10,887	14,000	14,000	10,900	11,000
101.343224.707000.00000	TEMPORARY HELP	20,800	-	-	24,916	-
101.343224.708000.00000	OVERTIME - SALARY	400,894	200,000	200,000	300,000	200,000
101.343224.712000.00000	LONGEVITY	22,800	25,100	25,100	19,300	19,300
101.343224.715300.00000	FRINGE BENEFITS - FIXED	1,336,825	1,363,144	1,363,144	1,363,144	1,326,130
101.343224.715400.00000	FRINGE BENEFITS - VARIABLE	374,055	404,213	404,213	404,213	484,274
101.343224.717100.00000	ALLOWANCE - GUN	2,000	2,000	2,000	2,000	2,000
101.343224.741000.00000	MISCELLANEOUS OPERATING	27,983	17,050	17,050	17,050	28,480
101.343224.743000.00000	CONTRACTUAL SERVICES	11,256	39,000	39,000	39,000	21,715
101.343224.744201.00000	DEPARTMENT COMMUNICATIONS	7,154	7,600	7,600	7,067	7,067
101.343224.977000.00000	EQUIPMENT	5,155	-	-	3,967	9,200
101.343224.977101.00000	EQUIPMENT < \$5,000	-	5,970	5,970	2,003	-
Detention Total		\$ 3,474,394	\$ 3,449,950	\$ 3,449,950	\$ 3,473,870	\$ 3,480,164

FY 2019/2020 Proposed Budget Supplementary Information -- Accounting Level Detail

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<u>Property And Supply</u>						
101.343225.702000.00000	SALARIES	206,397	186,542	186,542	113,000	189,040
101.343225.707000.00000	TEMPORARY HELP	33,106	-	-	43,128	-
101.343225.708000.00000	OVERTIME - SALARY	9,861	5,000	5,000	7,500	7,000
101.343225.712000.00000	LONGEVITY	2,400	2,400	2,400	1,600	1,600
101.343225.715300.00000	FRINGE BENEFITS - FIXED	181,510	187,583	187,583	187,583	119,846
101.343225.715400.00000	FRINGE BENEFITS - VARIABLE	41,738	61,212	61,212	30,000	34,219
101.343225.717100.00000	ALLOWANCE - GUN	500	500	500	250	500
Property And Supply Total		\$ 475,512	\$ 443,237	\$ 443,237	\$ 383,061	\$ 352,205
<u>Investigations and Special Operations</u>						
101.343240.702000.00000	SALARIES	3,322,419	3,662,895	3,662,895	3,680,000	3,746,667
101.343240.702302.00000	SHIFT PREMIUM	17,205	17,500	17,500	18,250	17,300
101.343240.707000.00000	TEMPORARY HELP	33,376	-	-	59,000	45,000
101.343240.708000.00000	OVERTIME - SALARY	473,911	450,000	450,000	490,000	450,000
101.343240.712000.00000	LONGEVITY	53,500	61,200	61,200	61,600	66,400
101.343240.715300.00000	FRINGE BENEFITS - FIXED	3,452,747	3,608,973	3,608,973	3,608,973	3,772,192
101.343240.715400.00000	FRINGE BENEFITS - VARIABLE	827,147	879,613	879,613	879,613	980,546
101.343240.717100.00000	ALLOWANCE - GUN	12,036	12,000	12,000	12,294	12,250
101.343240.717200.00000	ALLOWANCE - CLOTHING	100,602	99,575	99,575	112,000	105,995
101.343240.741000.00000	MISCELLANEOUS OPERATING	3,443	9,950	9,950	9,950	15,500
101.343240.741011.00000	POLICE-UNIFORM PAT MISC & OP-D	5,751	7,000	7,000	7,000	8,030
101.343240.741012.00000	POLICE-UNIFORM PAT MISC & OP-S	9,494	16,881	16,881	14,000	19,829
101.343240.741820.00000	EVIDENCE	3,772	8,000	8,000	6,000	6,000
101.343240.744201.00000	DEPARTMENT COMMUNICATIONS	7,156	7,600	7,600	7,067	7,067
101.343240.746000.00000	REPAIR & MAINTENANCE	18,083	17,900	17,900	14,188	21,100
101.343240.747000.00000	TRAINING	3,860	-	-	259	-
101.343240.977000.00000	EQUIPMENT	51,293	66,498	66,498	66,498	42,950
101.343240.977101.00000	EQUIPMENT < \$5,000	4,811	24,100	24,100	24,100	42,650
Investigations and Special Operations Total		\$ 8,400,607	\$ 8,949,685	\$ 8,949,685	\$ 9,070,792	\$ 9,359,476

FY 2019/2020 Proposed Budget Supplementary Information -- Accounting Level Detail

<u>Account Code</u>	<u>Description</u>	<u>FY 2018 Actuals</u>	<u>FY 2019 Adopted Budget</u>	<u>FY 2019 Amended Budget</u>	<u>FY 2019 Year- End Projection</u>	<u>FY 2020 Proposed Budget</u>
<u>Patrol</u>						
101.343251.702000.00000	SALARIES	8,092,705	8,661,371	8,661,371	8,511,117	8,842,251
101.343251.702302.00000	SHIFT PREMIUM	107,179	100,000	100,000	132,500	110,000
101.343251.708000.00000	OVERTIME - SALARY	784,294	700,000	700,000	900,000	650,000
101.343251.708000.96000	OVERTIME - SALARY	19,704	-	-	-	-
101.343251.708101.00000	SPECIAL OVERTIME	-	50,000	50,000	-	50,000
101.343251.712000.00000	LONGEVITY	85,300	94,900	94,900	74,900	85,700
101.343251.715300.00000	FRINGE BENEFITS - FIXED	8,339,217	8,597,186	8,597,186	8,597,186	9,087,143
101.343251.715400.00000	FRINGE BENEFITS - VARIABLE	1,783,453	1,896,563	1,896,563	1,809,907	2,134,195
101.343251.717100.00000	ALLOWANCE - GUN	33,633	35,000	35,000	31,640	36,000
101.343251.717200.00000	ALLOWANCE - CLOTHING	3,802	3,707	3,707	3,600	3,829
101.343251.741000.00000	MISCELLANEOUS OPERATING	1,989	-	-	-	15,000
101.343251.741000.96000	MISCELLANEOUS OPERATING	1,820	-	-	-	-
101.343251.741013.00000	POLICE-UNIFORM PAT MISC & OP-K	28,538	28,840	28,840	28,840	28,840
101.343251.743000.00000	CONTRACTUAL SERVICES	-	15,000	15,000	15,000	-
101.343251.746000.00000	REPAIR & MAINTENANCE	90,935	123,900	123,900	110,000	151,703
101.343251.747000.00000	TRAINING	350	-	-	-	-
101.343251.977000.00000	EQUIPMENT	32,081	57,640	57,640	57,640	52,000
101.343251.977101.00000	EQUIPMENT < \$5,000	-	8,450	8,450	8,450	30,200
Patrol Total		\$ 19,404,998	\$ 20,372,557	\$ 20,372,557	\$ 20,280,780	\$ 21,276,861
POLICE DEPARTMENT		\$ 41,251,530	\$ 43,193,300	\$ 43,193,300	\$ 43,091,580	\$ 44,885,000

FY 2019/2020 Proposed Budget Supplementary Information -- Accounting Level Detail

<u>Account Code</u>	<u>Description</u>	<u>FY 2018 Actuals</u>	<u>FY 2019 Adopted Budget</u>	<u>FY 2019 Amended Budget</u>	<u>FY 2019 Year- End Projection</u>	<u>FY 2020 Proposed Budget</u>
<u>Charges For Services - Code Compliance</u>						
101.000000.628000.00000	MULT DWELL INSP CODE COMP	\$ 156,931	\$ 280,000	\$ 280,000	\$ 267,000	\$ 300,000
101.000000.628010.00000	RESIDENTIAL INSP CODE COMP	658,487	700,000	700,000	700,000	760,000
101.000000.628020.00000	HOME OCCUPATION INSPECTION	9,890	-	-	10,000	10,000
101.000000.629000.00000	MULT DWELL REG CODE COMPLIANCE	19,714	30,000	30,000	30,000	30,000
101.000000.629010.00000	RESIDENT'L REG CODE COMPLIANCE	281,000	350,000	350,000	300,000	300,000
101.000000.635000.00000	ADMIN FEES CODE COMPLIANCE	903,903	810,000	810,000	850,000	900,000
101.000000.647020.00000	CODE COMPLIANCE COPIES	7	-	-	-	-
Charges For Services - Code Compliance Total		\$ 2,029,932	\$ 2,170,000	\$ 2,170,000	\$ 2,157,000	\$ 2,300,000
<u>Charges For Services - Public Safety</u>						
101.000000.633000.00000	POLICE ACCIDENT REPORT FEES	\$ 9,081	\$ 15,000	\$ 15,000	\$ 300,000	\$ 300,000
101.000000.633001.00000	POLICE DEPT FALSE ALARMS	70,365	50,000	50,000	50,000	50,000
101.000000.633002.00000	PBT TESTING	5,530	10,000	10,000	5,000	8,000
101.000000.633010.00000	POLICE CENTRAL RECORD FEES	(22,600)	3,000	3,000	3,000	3,000
101.000000.633012.00000	POLICE MISCELLANEOUS	12,695	15,000	15,000	15,000	15,000
101.000000.633013.00000	LICENSE TO PURCHASE	575	1,000	1,000	1,000	1,000
101.000000.633014.00000	BACKGROUND CHECK	1,730	5,000	5,000	2,000	2,000
101.000000.633015.00000	TOWING FEES ABANDONED/IMPOUND	1,207	3,000	3,000	3,000	3,000
101.000000.633020.00000	FOIA RECORD RETRIEVAL	11,712	12,000	12,000	12,000	12,000
101.000000.633030.00000	WARRANT PROCESSING FEE	11,530	12,000	12,000	12,000	12,000
101.000000.633040.00000	GENERAL FINGERPRINTING	7,256	8,000	8,000	8,000	8,000
101.000000.634000.00000	FIRE AMBULANCE SERVICES	3,467,696	3,650,000	3,650,000	3,600,000	3,650,000
101.000000.634002.00000	FIRE TRAINING PROG REVENUES	(999)	3,000	3,000	6,000	5,000
101.000000.634003.00000	HAZMAT COST RECOVERY	597	2,000	2,000	2,000	2,000
101.000000.634006.00000	BURN PERMITS	40,256	40,000	40,000	40,000	40,000
101.000000.634007.00000	FIRE PREVENTION	35,897	50,000	50,000	40,000	40,000
101.000000.634301.00000	FIRE INSPECTION FEE	4	500	500	500	500
101.000000.634302.00000	FIRE FALSE ALARM FEE	-	1,000	1,000	1,000	1,000
101.000000.647000.00000	FIRE DEPARTMENT - SALE OF MATE	623	500	500	800	800
Charges For Services - Public Safety Total		\$ 3,653,153	\$ 3,881,000	\$ 3,881,000	\$ 4,101,300	\$ 4,153,300

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<u>Account Code</u>	<u>Description</u>	<u>FY 2018 Actuals</u>	<u>FY 2019 Adopted Budget</u>	<u>FY 2019 Amended Budget</u>	<u>FY 2019 Year- End Projection</u>	<u>FY 2020 Proposed Budget</u>
<u>Charges For Services - Subscriptions and Information</u>						
101.000000.645001.00000	ABSENTEE VOTER LISTS	\$ 272	\$ 500	\$ 500	\$ 500	\$ 500
101.000000.645003.00000	CANDIDATE FILING FEES	200	500	500	500	500
Charges For Services - Subscriptions and Information		\$ 472	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
<u>Charges For Services - Work for Others</u>						
101.000000.616100.00000	PILOT APPLICATION FEE	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
101.000000.635001.00000	ZONING VERIFICATION FEE	175	300	300	300	300
101.000000.635010.00000	CLAIMS & JUDGEMENTS-NUISANCE F	(5,577)	(10,000)	(10,000)	(10,000)	(10,000)
101.000000.638900.00000	PUBLIC SERVICE WORK FOR OTHERS	15,932	15,000	15,000	15,000	15,000
101.000000.638903.00000	SNOW CLEARING ORDINANCE	-	20,000	20,000	20,000	20,000
101.000000.643100.00000	ABANDONED AUTO AUCTION	5,243	7,500	7,500	10,000	10,000
101.000000.646002.00000	NOTARY SERVICE	1,495	1,500	1,500	1,500	1,500
Charges For Services - Work for Others		\$ 17,268	\$ 35,300	\$ 35,300	\$ 37,800	\$ 37,800
<u>Charges For Services - Recreation Fees</u>						
101.000000.633025.00000	FEES SSCC (CLASSES, BLDG RENTA	\$ 44,459	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
101.000000.648020.00000	FEES-ONLINE DISCOUNT	(23,477)	(25,000)	(25,000)	(25,000)	(25,000)
101.000000.648120.00000	FEES-LDR PROGRAMS & OTHER-FOST	43,124	40,000	40,000	45,000	45,000
101.000000.648121.00000	FEES INDEPENDENT INSTRUCTOR FO	43,076	35,000	35,000	45,000	45,000
101.000000.648130.00000	FEES LDR PROGRAMS & OTHER GIER	39,307	30,000	30,000	40,000	40,000
101.000000.648131.00000	FEES INDEPENDENT INSTRUCTOR GI	7,887	10,000	10,000	10,000	10,000
101.000000.648140.00000	FEES LDR PROGRAMS & OTHER KING	26,245	25,000	25,000	25,000	25,000
101.000000.648141.00000	FEES INDEPENDENT INSTRUCTOR KI	12,160	10,000	10,000	15,000	15,000
101.000000.648210.00000	FEES BASEBALL ADULT TEAM	13,233	20,000	20,000	15,000	15,000
101.000000.648216.00000	FEES BASEBALL YOUTH INDIVIDUAL	14,973	20,000	20,000	20,000	20,000
101.000000.648221.00000	FEES BASKETBALL ADULT INDIVIDU	1,985	2,000	2,000	2,000	2,000
101.000000.648226.00000	FEES BASKETBALL YOUTH IND	3,079	3,000	3,000	3,500	3,500
101.000000.648230.00000	FEES FLAG FOOTBALL TEAM	1,875	3,000	3,000	3,000	3,000
101.000000.648231.00000	FEES FLAG FOOTBALL INDIVIDUAL	8,766	10,000	10,000	8,655	9,000
101.000000.648240.00000	FEES FLOOR HOCKEY TEAM	4,200	4,000	4,000	4,500	4,500

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101.000000.648250.00000	FEES SOFTBALL ADULT TEAM	35,247	40,000	40,000	40,000	40,000
101.000000.648251.00000	FEES SOFTBALL ADULT INDIVIDUAL	23,970	30,000	30,000	25,000	28,000
101.000000.648255.00000	FEES SOFTBALL YOUTH TEAM	3,250	4,000	4,000	3,500	3,500
101.000000.648256.00000	FEES SOFTBALL YOUTH INDIVIDUAL	900	2,000	2,000	2,000	2,000
101.000000.648260.00000	FEES SOFTBALL SENIORS TEAM	1,030	1,000	1,000	1,000	1,000
101.000000.648261.00000	FEES SOFTBALL SENIORS INDIVIDU	952	1,000	1,000	1,000	1,000
101.000000.648276.00000	FEES SOCCER YOUTH INDIVIDUAL	23,737	30,000	30,000	30,000	30,000
101.000000.648281.00000	FEES TENNIS LEAGUE INDIVIDUAL	480	1,000	1,000	1,000	1,000
101.000000.648290.00000	VOLLEYBALL TEAM	2,286	3,000	3,000	2,800	3,000
101.000000.648291.00000	FEES VOLLEYBALL INDIVIDUAL	2,554	2,500	2,500	2,556	2,500
101.000000.648320.00000	INFLATABLE RENTAL	22,495	20,000	20,000	25,000	25,000
101.000000.648340.00000	FEES KIDS CAMP	18,470	20,000	20,000	20,000	20,000
101.000000.648350.00000	MARINA REVENUE	13,500	15,000	15,000	15,000	15,000
101.000000.648360.00000	FEES SENIOR CITIZEN PROGRAMS	3,494	5,000	5,000	9,971	6,000
101.000000.648380.00000	FEES SPECIAL EVENTS	4,996	8,000	8,000	5,000	5,000
101.000000.648390.00000	FEES SWIM POOL LESSONS	141	-	-	-	-
101.000000.648401.00000	NAT JUNIOR TENNIS PROGRAM	19,037	25,000	25,000	25,000	25,000
101.000000.648402.00000	TENNIS-F, W, SP, LESSONS	29,114	50,000	50,000	20,885	30,000
101.000000.648410.00000	FEES THERAPEUTIC RECREATION	3,883	4,000	4,000	4,000	4,000
101.000000.648600.00000	FEES TURNER DODGE HISTORY CAMP	(50)	-	-	-	-
101.000000.648620.00000	FEES TURNER DODGE INTER PROG	12,515	9,000	9,000	12,000	12,000
101.000000.648710.00000	FEES FENNER NAT C CLASSES	4	-	-	-	-
101.000000.648800.00000	SCHOOL ENRICHMENT PROG	1,756	2,000	2,000	2,000	2,000
101.000000.648890.00000	SCHOOL AQUATICS PROG	13,832	12,000	12,000	15,000	15,000
101.000000.649001.00000	RENT NON-CATAGORIZED	18,187	15,000	15,000	40,000	20,000
101.000000.649011.00000	RENT ATHLETIC FIELD PRACTICE P	7,377	9,000	9,000	9,000	9,000
101.000000.649012.00000	RENT ATHLETIC FIELD TOURNAMENT	12,990	10,000	10,000	15,000	13,000
101.000000.649022.00000	RENT BLDG FOSTER C C	34,383	40,000	40,000	40,000	40,000
101.000000.649024.00000	RENT BLDG GIER CC	14,664	15,000	15,000	15,000	15,000
101.000000.649026.00000	RENT BLDG KINGSLEY CC	7,914	10,000	10,000	10,000	10,000
101.000000.649032.00000	RENT BLDG TURNER DODGE HOUSE	19,690	15,000	15,000	15,000	15,000
101.000000.649050.00000	RENT PARK ADADO RIVERFRONT	7,887	5,000	5,000	10,000	10,000

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101.000000.649052.00000	RENT PARK COOLEY GARDENS	-	2,000	2,000	2,000	2,000
101.000000.649054.00000	RENT PARK FRANCES	18,465	20,000	20,000	20,000	20,000
101.000000.649055.00000	RENT PARK GRAND RIVER	30,910	20,000	20,000	20,000	20,000
101.000000.649056.00000	RENT PARK MOORES	(60)	2,000	2,000	2,000	2,000
101.000000.649062.00000	RENT HUNTER PARK PAVILLION	1,205	1,400	1,400	1,400	1,400
101.000000.649063.00000	SHUBEL GREENHOUSE LEASE RECEIP	420	1,000	1,000	1,000	1,000
101.000000.649066.00000	RENT PARK WASHINGTON	1,630	1,500	1,500	1,500	1,500
101.000000.649100.00000	RENT SHOWMOBILE	8,100	6,000	6,000	6,000	6,000
Charges For Services - Recreation Fees Tot		\$ 662,242	\$ 689,400	\$ 689,400	\$ 727,267	\$ 713,900

Fines & Forfeitures

101.000000.655000.00000	FINES AND FORFEITURES	\$ 2,420	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
101.000000.657102.00000	PROSTITUTION VEHICLE SEIZURE	-	1,000	1,000	500	500
101.000000.658001.00000	CODE VIOLATIONS	-	100	100	100	100
760.000000.632000.00000	ALCOHOL ASSESSMENT FEE	18,171	20,000	20,000	17,195	20,000
760.000000.648001.00000	FEES-PARTICIPANT-NONCATEGORIZE	7,648	9,000	9,000	6,696	9,000
760.000000.657000.00000	OUIL FEES	38,553	30,000	30,000	39,846	40,000
760.000000.666010.00000	65% FILING FEES - CIVIL - DIST	209,289	200,000	200,000	211,140	210,000
760.000000.666040.00000	CIVIL JURY FEES - DIST CT	1,080	1,500	1,500	1,280	1,600
760.000000.666050.00000	CIVIL MISCELLANEOUS FEES - DIS	269,018	275,000	275,000	281,031	290,000
760.000000.666080.00000	MARRIAGE FEES -DIST CT	1,280	1,500	1,500	1,360	1,500
760.000000.666090.00000	BOND FORFEIT FEES - DIST CT	42,720	40,000	40,000	46,894	40,000
760.000000.666110.00000	ORDINANCE FINES & COSTS - DIST	521,675	700,000	700,000	397,209	500,000
760.000000.666120.00000	COURT COSTS - PENAL CASES - DI	494,266	600,000	600,000	404,302	500,000
760.000000.666130.00000	MISCELLANEOUS FEES - DISTRICT	18,310	20,000	20,000	15,524	20,000
760.000000.666140.00000	CASH OVER/SHORT - DISTRICT COU	(53)	0	0	-	-
760.000000.666150.00000	PROBATION FEES - DIST CT	124,314	150,000	150,000	130,439	125,000
760.000000.666160.00000	TRIAL BOND 10% FEE - DIST CT	2,861	5,000	5,000	1,935	5,000
760.000000.666170.00000	40% FAC OR FCJ SUSPENSION - DI	30,300	35,000	35,000	23,984	25,000
760.000000.666180.00000	COURT APPOINTED ATTORNEY FEES-	65,984	60,000	60,000	60,006	60,000
760.000000.666201.00000	STATE TREASURY COLLECTIONS	8,697	12,000	12,000	7,792	9,000
760.000000.666202.00000	STATE REIMBURSEMENT - JUROR/WT	1,858	1,000	1,000	3,900	2,500

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760.000000.666204.00000	STATUTORY WITNESS REIMBURSEMEN	7,544	9,000	9,000	7,808	9,000
760.000000.666210.00000	STATE REIMBURSEMENT - JUDGES S	178,851	185,000	185,000	182,896	183,000
760.000000.666211.00000	DRUG CASE MGT FUND - FROM STAT	15,308	16,000	16,000	15,000	16,000
760.000000.666215.00000	DRUG TREATMENT CT FILING FEES	62,725	65,000	65,000	61,550	65,000
760.000000.666220.00000	5% CRIME VICTIMS RIGHTS FUND	12,041	15,000	15,000	11,318	12,000
	Fines & Forfeitures Total	\$ 2,134,860	\$ 2,456,100	\$ 2,456,100	\$ 1,934,705	\$ 2,149,200
	<u>Interest and Rents</u>					
101.000000.667000.00000	RENTAL INCOME	\$ 67,926	\$ 50,000	\$ 50,000	\$ 80,000	\$ 80,000
101.000000.670000.00000	INTEREST INCOME	73,301	140,000	140,000	200,000	325,000
101.000000.670801.00000	INTEREST ON SPECIAL ASSESSMENT	13,372	15,000	15,000	9,819	10,000
	Interest and Rents Total	\$ 154,599	\$ 205,000	\$ 205,000	\$ 289,819	\$ 415,000
	<u>Return on Equity</u>					
101.000000.674100.00000	BWL RETURN ON EQUITY	\$ 20,561,871	\$ 22,500,000	\$ 22,500,000	\$ 22,200,000	\$ 23,100,000
	Return on Equity Total	\$ 20,561,871	\$ 22,500,000	\$ 22,500,000	\$ 22,200,000	\$ 23,100,000
	<u>Other Revenues - Sale of Fixed Assets</u>					
101.000000.673100.00000	SALE OF REAL PROPERTY	\$ 124,500	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
101.000000.673501.00000	SALE OF PROPERTY - POLICE AUCT	4,476	5,000	5,000	5,000	5,000
	Other Revenues - Sale of Fixed Assets Total	\$ 128,976	\$ 105,000	\$ 105,000	\$ 105,000	\$ 105,000
	<u>Other Revenues - Donations and Contributions</u>					
101.000000.675000.00000	DONATIONS/CONTRIBUTIONS-PRIVAT	\$ 5,816	\$ 10,000	\$ 10,000	\$ 8,000	\$ 80,000
101.000000.675003.00000	DONATIONS - PARKS DEPT	46,443	40,000	40,000	40,000	40,000
101.000000.675006.00000	MAYOR'S RIVERWALK	10,500	10,000	10,000	10,000	10,000
101.000000.675012.00000	DONATIONS-POLICE	24,639	-	-	-	-
101.000000.675381.00000	DONATIONS - FIREWORKS	20,550	5,000	5,000	5,000	5,000
101.000000.675382.00000	DONATIONS - KIDS CAMPS	8,331	5,000	5,000	5,000	5,000
101.000000.675383.00000	DONATIONS - NEIGHBORHOOD CONCE	10,055	5,000	5,000	5,000	5,000

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<u>TRI-COUNTY METRO DRUG FORFEITURE FUND REVENUE</u>						
265.000000.582001.00000	CONTRIBUTIONS FROM LOCAL UNITS	307,545	428,220	428,220	200,000	425,000
265.000000.660401.00000	FORFEITURES CO-OP IEC	38,601	428,220	428,220	428,220	382,000
265.000000.670401.00000	INTEREST INCOME IEC	7,941	-	-	-	-
	TRI-COUNTY METRO DRUG FORFEITURE	\$ 354,086	\$ 856,440	\$ 856,440	\$ 628,220	\$ 807,000

<u>TRI-COUNTY METRO DRUG FORFEITURE FUND EXPENDITURES</u>						
265.343253.708000.00000	OVERTIME - SALARY	-	3,500	3,500	3,500	3,500
265.343253.715400.00000	FRINGE BENEFITS - VARIABLE	5,002	6,420	6,420	8,501	8,000
265.343253.741000.00000	MISCELLANEOUS OPERATING	120,534	175,000	175,000	174,277	150,000
265.343253.741820.00000	EVIDENCE	28,635	90,000	90,000	91,900	90,000
265.343253.742100.00000	FUEL	188	-	-	124	-
265.343253.743050.00000	TEMPORARY HELP-CONTRACTUAL	36,110	77,000	77,000	86,355	77,000
265.343253.744200.00000	TELEPHONE	6,634	20,000	20,000	10,533	10,000
265.343253.744201.00000	DEPARTMENT COMMUNICATIONS	416	2,000	2,000	535	500
265.343253.745100.00000	BUILDING RENTAL	374	10,000	10,000	10,000	10,000
265.343253.960000.00000	GRANTS	-	24,300	24,300	25,000	25,000
265.343253.969001.00000	RETURN ON EQUITY	340,190	428,220	428,220	-	425,000
265.343253.977000.00000	EQUIPMENT	1,200	-	-	3,000	3,000
265.343253.977101.00000	EQUIPMENT < \$5,000	813	20,000	20,000	5,000	5,000
	TRI-COUNTY METRO DRUG FORFEITURE	\$ 540,095	\$ 856,440	\$ 856,440	\$ 418,725	\$ 807,000

<u>FEDERAL DRUG LAW ENFORCEMENT FUND REVENUE</u>						
267.000000.660602.00000	FORFEIT FED JUSTICE LPD	-	-	-	236,223	-
267.000000.670100.00000	INTEREST INCOME REACH	2,680	-	-	5,000	5,000
267.000000.673300.00000	SALE OF VEHICLES	3,052	-	-	-	-
267.000000.679100.00000	FROM/(TO) FUND BALANCE	-	108,000	108,000	-	90,000
	FEDERAL DRUG LAW ENFORCEMENT FUI	\$ 5,732	\$ 108,000	\$ 108,000	\$ 241,223	\$ 95,000

<u>FEDERAL DRUG LAW ENFORCEMENT FUND EXPENDITURES</u>						
267.343254.970000.00000	CAPITAL OUTLAY/CONSTRUCTION	-	-	-	-	95,000
267.343254.977000.00000	EQUIPMENT	53,675	108,000	108,000	108,000	-
267.343254.977101.00000	EQUIPMENT < \$5,000	4,192	-	-	-	-
	FEDERAL DRUG LAW ENFORCEMENT FUI	\$ 57,867	\$ 108,000	\$ 108,000	\$ 108,000	\$ 95,000

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<u>STATE/LOCAL DRUG LAW ENFORCEMENT FUND REVENUE</u>						
268.000000.660100.00000	FORFEITURES - LPD	427,601	-	-	106,421	-
268.000000.670100.00000	INTEREST INCOME REACH	7,003	-	-	10,000	10,000
268.000000.679100.00000	FROM/(TO) FUND BALANCE	-	523,600	523,600	-	189,000
STATE/LOCAL DRUG LAW ENFORCEMEN		\$ 434,605	\$ 523,600	\$ 523,600	\$ 116,421	\$ 199,000
<u>STATE/LOCAL DRUG LAW ENFORCEMENT FUND EXPENDITURES</u>						
268.343254.741000.00000	MISCELLANEOUS OPERATING	61,807	70,600	70,600	80,230	70,000
268.343254.741820.00000	EVIDENCE	79,336	85,000	85,000	85,000	85,000
268.343254.744000.00000	UTILITIES	3,373	3,000	3,000	3,500	4,000
268.343254.744200.00000	TELEPHONE	6,094	15,000	15,000	10,000	10,000
268.343254.747000.00000	TRAINING	608	-	-	-	-
268.343254.970000.00000	CAPITAL OUTLAY/CONSTRUCTION	-	350,000	350,000	350,000	-
268.343254.977000.00000	EQUIPMENT	4,630	-	-	-	30,000
268.343254.977101.00000	EQUIPMENT < \$5,000	3,436	-	-	-	-
STATE/LOCAL DRUG LAW ENFORCEMEN		\$ 159,284	\$ 523,600	\$ 523,600	\$ 528,730	\$ 199,000

FY 2019/2020 Proposed Budget Supplementary Information -- Accounting Level Detail

<u>Account Code</u>	<u>Description</u>	<u>FY 2018 Actuals</u>	<u>FY 2019 Adopted Budget</u>	<u>FY 2019 Amended Budget</u>	<u>FY 2019 Year- End Projection</u>	<u>FY 2020 Proposed Budget</u>
<u>HUMAN RELATIONS & COMMUNITY SERVICES</u>						
101.672500.702000.00000	SALARIES	406,235	657,372	657,372	612,400	694,144
101.672500.707000.00000	TEMPORARY HELP	72,965	-	-	33,000	-
101.672500.708000.00000	OVERTIME - SALARY	3,382	10,000	10,000	10,000	10,000
101.672500.712000.00000	LONGEVITY	3,800	5,100	5,100	5,300	5,300
101.672500.715300.00000	FRINGE BENEFITS - FIXED	438,015	567,780	567,780	567,780	548,379
101.672500.715400.00000	FRINGE BENEFITS - VARIABLE	64,783	186,866	186,866	148,000	202,473
101.672500.741000.00000	MISCELLANEOUS OPERATING	101,948	60,000	60,000	70,000	80,000
101.672500.742100.00000	FUEL	105	500	500	-	200
101.672500.743050.00000	TEMPORARY HELP-CONTRACTUAL	-	-	-	9,400	-
101.672500.743720.00000	INFORMATION TECHNOLOGY ALLOC	62,843	66,200	66,200	66,204	69,785
101.672500.744110.00000	UTILITIES - CITY HALL	16,960	18,000	18,000	18,000	19,089
101.672500.744200.00000	TELEPHONE	7,934	13,000	13,000	13,000	10,000
101.672500.745200.00000	EQUIPMENT RENTAL	3,264	1,500	1,500	1,500	4,000
101.672500.747000.00000	TRAINING	-	2,000	2,000	2,000	2,000
101.672500.748000.00000	INSURANCE & BONDS	9,410	9,982	9,982	9,982	12,630
HUMAN RELATIONS & COMMUNITY SERV		\$ 1,191,644	\$ 1,598,300	\$ 1,598,300	\$ 1,566,566	\$ 1,658,000
<u>HUMAN SERVICES AGENCY ALLOCATION</u>						
101.833730.XXXXX.00000	Human Service Allocation	1,499,742	1,660,000	1,943,550	1,943,550	1,725,000
HUMAN SERVICES AGENCY ALLOCATION T		\$ 1,499,742	\$ 1,660,000	\$ 1,943,550	\$ 1,943,550	\$ 1,725,000



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INFORMATION TECHNOLOGY DEPARTMENT

201 N. GRAND AVENUE • LANSING, MI 48933-1307 • (517) 483-4310

City of Lansing Budget Overview

Collin Boyce, MAS
Chief Information Officer
Friday, April 19, 2019



Mission

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The mission of the Information Technology department is to enable citizen centered government, in collaboration with business units within the City of Lansing and facilitate responsive, cost-effective, and innovative services.





Operational Budget

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Current supported items and the personnel to run them:

- Contractional Services – Third party management companies e.g. General Code, WIT, Dewpoint
- Software – Maintenance of Software and updates
- Hardware - Maintenance and expansion of existing services
- Miscellaneous Operating – Smaller purchases to support the enterprise
- Telecommunications –Phone and telecommunication services
- Training – Both Internal and External



Operational Charge back

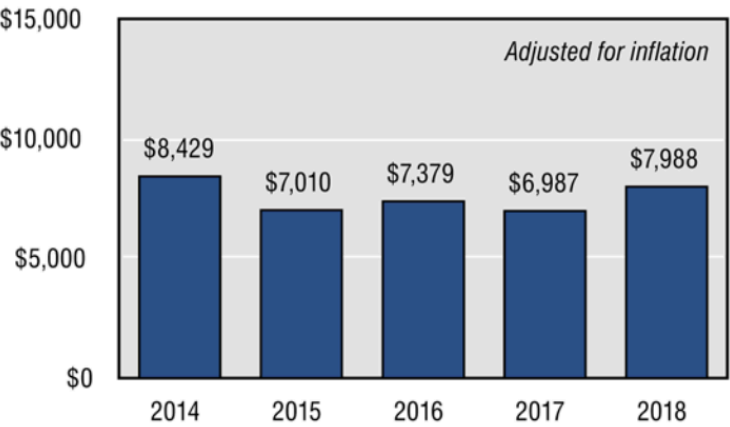
**LANSING'S
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Services
Enterprise Software:
Office and Email Application
Website/Intranet
Document Management/Records Management
Learning Management
GIS maps
Security
Technical Support Line for Business Applications (Over 50 apps with active support)
Electronics Disposal
IT Project Management Services
Service Desk
Data Analytics
Business Analyst
Infrastructure
Servers
Backups
Disaster Recovery
Network Connectivity between locations
Internet Service (Redundancy)
Video Conferencing Bridge
Telephone/Telecommunications

Comparison of Opex

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IT Operational Spending per User: All Sectors



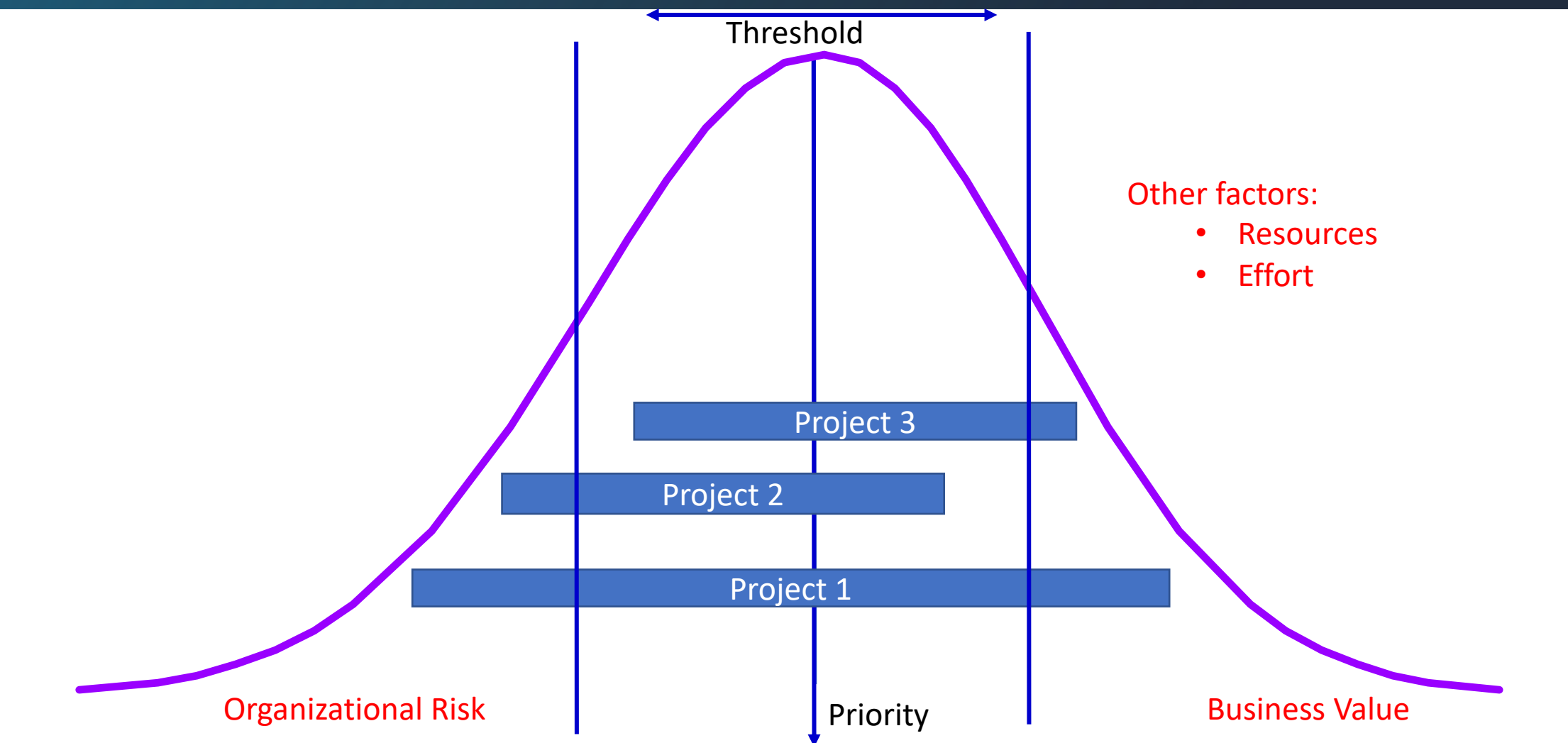
Source: Computer Economics, 2018

Figure 1-6

	Cost	Per Employee	Difference
Opex	\$6,300,000	\$5,727	-28.3%

Capital Budget Development

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Priorities

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P1:

The completion of the project has High Business Risk (HBR) or Value (HBV) for the enterprise.

P2:

The completion of the project has High Business Risk (HBRD) or Value (HBVD) for a department.

P3:

The completion of the project has Medium Business Risk (MBR) or Value (MBV) for a department or enterprise.



Priority Projects Approved by the Mayor

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Project	Cost	Pri	Departments Impacted/Requesting	Business Challenge
Replacement of Zoll	\$300,000.00	1 - HBR	Fire	Platform is end of life
iPads for Fire	\$50,000.00	1 - HBR	Fire	This is a cost avoidance of having to purchase \$4,000 laptops for the front of fire rigs, This will allow us to convert half of the fire fleet to less costly iPad (~1,500)
Computers for fire	\$90,000.00	1 – HBR/HBV	Fire	Lease is up we need to replace the machines
Computers for Police	\$275,000.00	1 - HBR	Police	Replacement of police car Computers which are End of Support
Workstations	\$100,000.00	1 – HBR/HBV	Enterprise	Replacement of end of Life workstation

Capital Budget

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Enterprise

Replacement of Fire RMS
iPad for Fire MDT
Vehicle Computers:

- Police
- Fire

Workstation Replacement

Department

Example: Conference Room Technology Upgrade

If Purchase is less than \$15,000 it is a CIP request in that departments budget

If Purchase is greater than \$15,000 it is a CIP request under Enterprise.
However, this is at the discretion of the Mayor



Operational Budget

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IT Budget Amount		\$6,300,000
Minus Dept Specific Charges		\$460,400
Total Budget used for calculations		\$5,839,600
Charge per Employee		\$3,348
Charge per Computer		\$3,862

REVENUES-CHARGES TO FUNDS	6,300,000
TO/FROM FUND BALANCE	766,000
MISCELLANEOUS REVENUE	70,000
	<u>7,136,000</u>

$$=(5,839,600/2)/\text{total number of Users}$$

$$=(5,839,600/2)/\text{Total Number of Computers}$$

Department	# of Employees	# of Computers	Employee Charge	Computer Charge	NEW Dept. Specific Software Charge	Total Charge
Parks	24	28	\$80,361	\$108,141	0	\$188,502
			=24*3348	=28*3862		=80,352+108,136+0



FY19 Strategies

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1. Improve the performance and stability of the City's IT infrastructure systems.
2. Provide timely and quality service to our customers.
3. Maintain high security of computing services throughout the city.
4. Work with business units to transform workflows utilizing enterprise applications.

FY19 Key Performance Indicators

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Infrastructure:

- Increase uptime to 99.99% for service availability for critical applications not including standard maintenance

Service Desk:

- 90% of the tickets completed within the SLA
- Average Feedback on tickets 4.9 out of 5.0

Cyber Security:

- 95% of Critical vulnerabilities will be remediated within 60 days

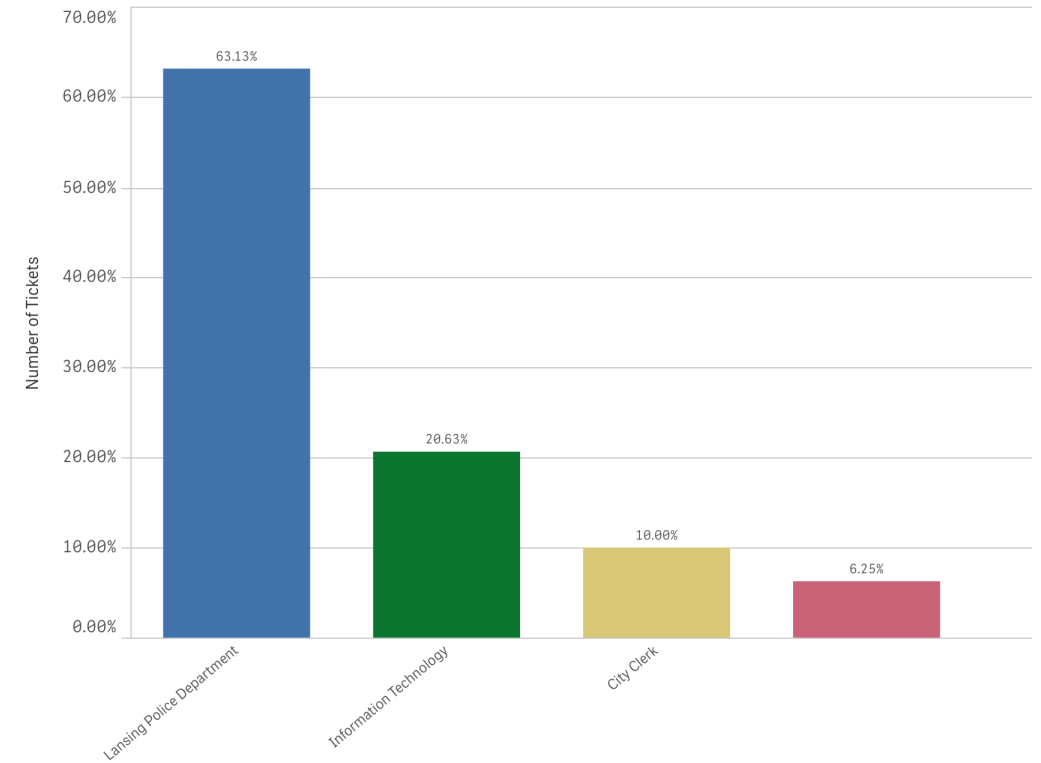
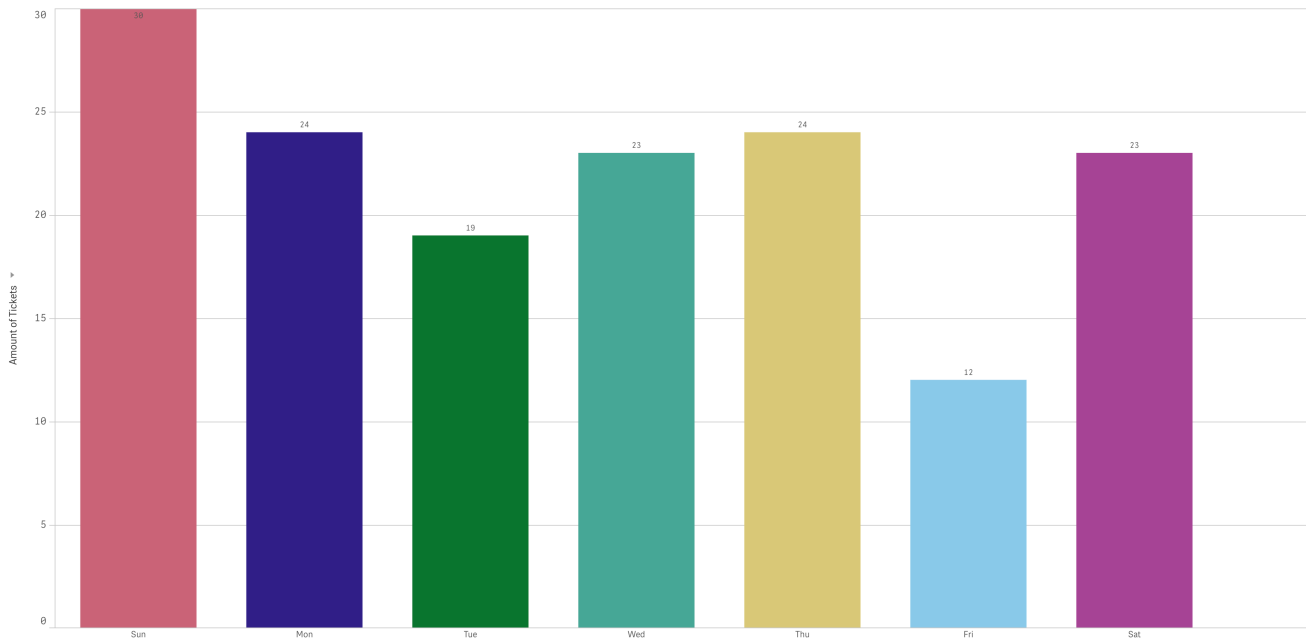
Performance Indicators:	FY 2018	FY 2019	FY 2020 Goal
Provide 99.99% network and software application availability	99.95%	99.93%	99.99%
90% of the tickets completed within the SLA	98%	85%	90%
Average Feedback on tickets 4.5 out of 5.0	4.36	4.67	4.9
95% of Critical vulnerabilities will be remediated within 60 days	88%	96%	95%

After Hours

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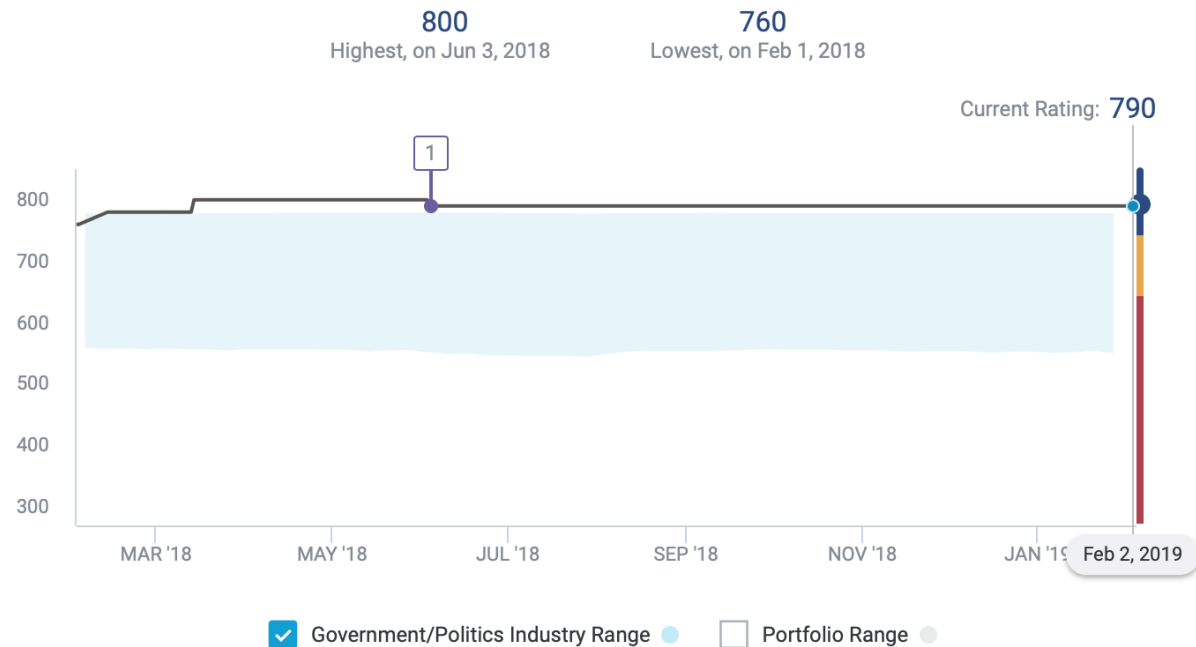
Total Number of Help Desk Tickets

160



Internal Security Overview

LANSING'S TIME IS NOW



Compromised Systems

Botnet Infections	A
Spam Propagation	A
Malware Servers	A
Unsolicited Communications	A
Potentially Exploited	A

User Behavior

File Sharing	A
Exposed Credentials **	N/A

Public Disclosures

Breaches	A
Other Disclosures*	N/A

Diligence

SPF Domains	A
DKIM Records	A
TLS/SSL Certificates	A
TLS/SSL Configurations	A
Open Ports	A
Web Application Headers	B
Patching Cadence	A
Insecure Systems	A
Server Software	A
Desktop Software	C
Mobile Software	B
DNSSEC*	A
Mobile Application Security*	N/A
Domain Squatting **	N/A

City of Lansing, Michi... **790**

Better than 99%
of the Peer Group

Bottom 25% 680
↓ 110 points less
than City of Lansing, Michigan

Median 710
↓ 80 points less
than City of Lansing, Michigan

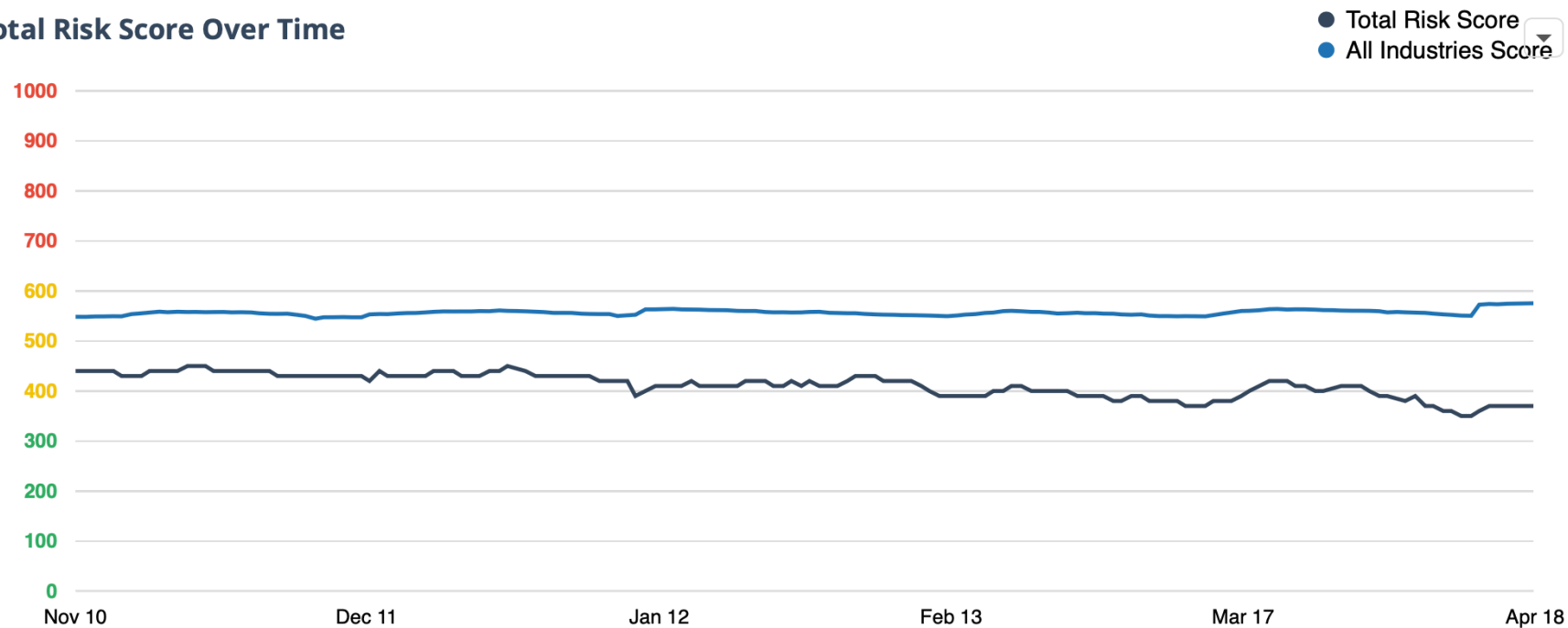
Top 25% 750
↓ 40 points less
than City of Lansing, Michigan

- Security Awareness completion is 95.3%, up from 93.8% last month
- 35 security events investigated in the last month

Internal Cyber Security Overview

LANSING'S TIME IS NOW

Total Risk Score Over Time



Risk Score

370

↓ 50 in last 30 days

Green = Score between 0 - 330
Yellow = Score between 331 - 660
Red = Score between 661 - 1000

Mean Time To Remediate

28 Days

↓ 0.035 in last 30 days



Workstation Replacement

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- Goal:** Improve the security, performance and end user experience, by establishing a regular replacement cycle
- Four Year Target – Establish and maintain a 5 year PC replacement cycle
 - Replace all front line computers older than 5 years.

Workstation Replacement		
	Year Purchased	Total
Completed	2019	115
Planned	2020	117
	2021	96
	2022	83
	2023	38
	2024	78



Completed FY 19 Projects

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Projects:
RecTrac System Migration
IFAS Replacement /OneSolution Implementation
Enterprise Office 365
City Works Cemetery Pilot- Phase 1
ListServ for committees
Switch Phase 2 project
Data Analytics (QLIK)
Data Loss Prevention
City Works Store Room
City Works Parking Meters
Enterprise Red Sky/VOIP
Workstation Replacement



FY19 Quarter 4 Remaining Projects

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Project		April	May	June	FY20
Mirage replacement /Druva	On Track				
CityWorks - Portal	On Track				
LF Marijuana process application	On Track				
LF 54A Court	Delayed				
CW Load Balancer/Prod	On Track				
Avaya Voice Mail	On Track				
OneSolution Phase 2	On Track				
City Tax TLS1.0 upgrade	On Track				
Parking-Extreme Makeover	On Track				
CityWorks- Cemetery Phase 2	On Track				
LF Forms Public	On Track				
LF Forms Internal	On Track				
CW - SCADA	On Track				
Scheduling & Timekeeping	On Track				
LF HR Document Mgmt	On Track				
Operation Clean Desk	On Track				
OpenData-GovEx	On Track				
Enterprise CRM/Salesforce	Planning				
City Wide Camera Project	Planning				
FIRE RMS	Planning				
LPD In-Car Replacement	Planning				
IVR	Planning				

Enterprise Content Management

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Goal:

Assist with streamlining workflow of forms and processes.

2019 Projects:

- e-File system for Courts/Records Management
- Document Management for Labor relations in HR
- FOIA workflow
- Conversion of web forms into ECM system
- Integration with other systems:
 - GIS
 - Data Analytics
- Medical Marijuana Online Application



Benefit: Cost Reduction, Optimize workflow, Easier access to information for citizens



Three Year Plan

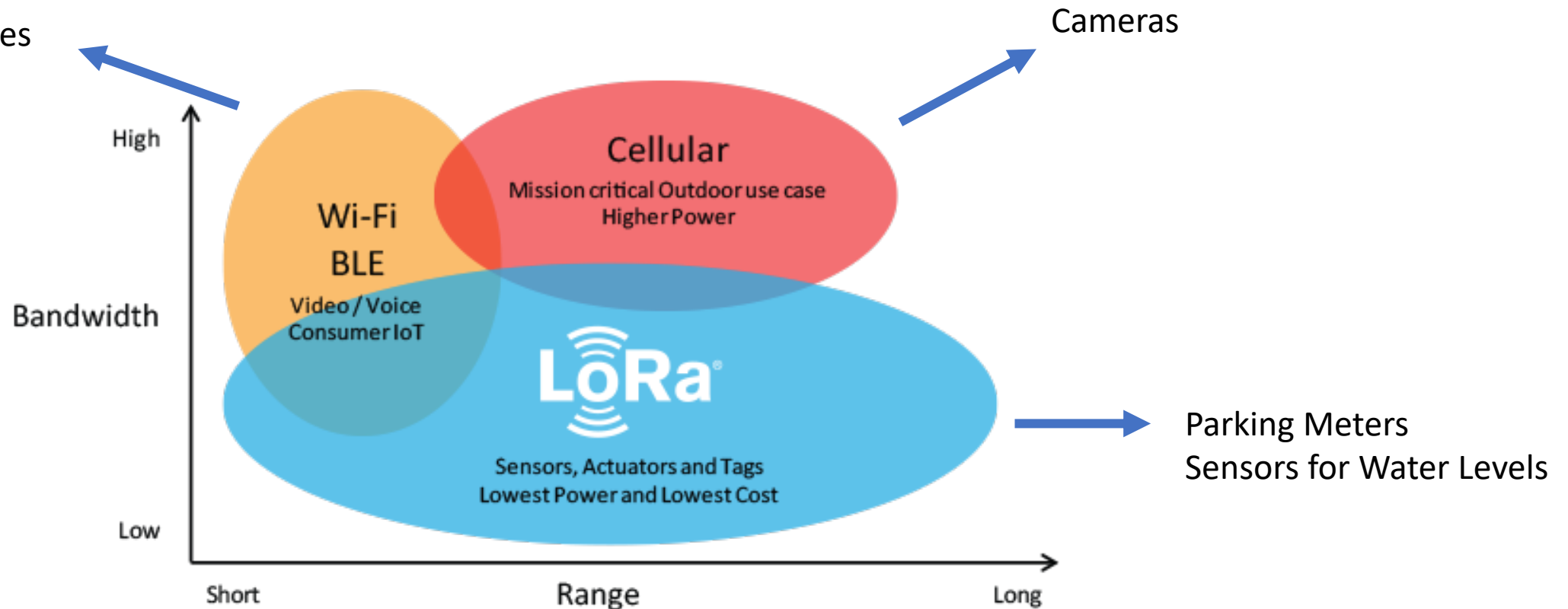
**LANSING'S
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- Expand Connectivity for city use
- Continued expansion of City Cyber-Security
- Workflow Optimization
- Utilization of Data to make decisions

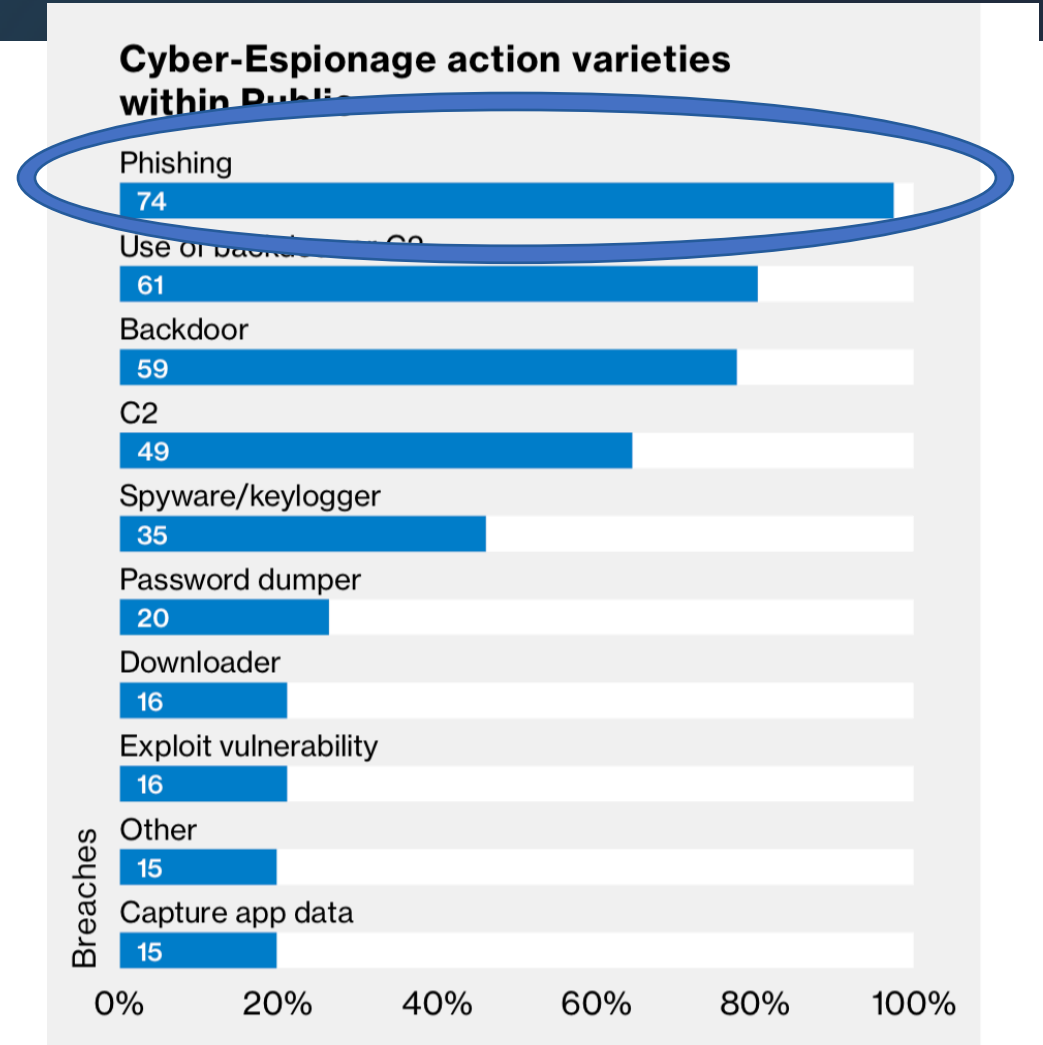
Wireless

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Cameras
Vending Machines
Pay Kiosks



Frequency	22,788 incidents, 304 with confirmed data disclosure
Top 3 patterns	Cyber-Espionage, Privilege Misuse, Everything Else, Web Applications, and Miscellaneous Errors represent 92% of breaches
Threat actors	External (67%), Internal (34%), Partner (2%), Multiple parties (3%) (breaches)
Actor motives	44% Espionage, 36% Financial, 14% Fun (breaches)
Data compromised	Personal (41%), Secrets (24%) Medical (14%)





Andy Schor, Mayor

Confirmed Global Breaches

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Goal: Increase security and business resiliency by augmenting controls and policies to protect against security threats.

Specifically:

- Insider Threat
- Vulnerability Detection and Mitigation
- Perimeter Security
- Incident Response
- Disaster Recovery



Industries	# of Events	Percentage
Accommodations	362	0.7%
Administrative	44	0.1%
Agriculture	4	0.0%
Construction	9	0.0%
Educational	254	0.5%
Entertainment	2,707	4.9%
Finance	1,368	2.5%
Healthcare	166	0.3%
Information	1,028	1.9%
Management	1	0.0%
Manufacturing	171	0.3%
Mining	11	0.0%
Other Services	17	0.0%
Professional	916	1.7%
Public	47,237	86.3%
Real Estate	11	0.0%
Retail	370	0.7%
Trade	15	0.0%
Transportation	31	0.1%
Utilities	24	0.0%
Total	54,746	100.0%

82 countries across a myriad of industries



Fake Email Address

LANSING'S TIME IS NOW

andy schor date of birth

Google

andy schor date of birth

Sign in

All News Images Videos Maps More Settings Tools

About 262,000 results (0.50 seconds)

Andy Schor / Date of birth

March 20, 1975
age 44 years

People also search for

Mike Duggan
July 15, 1958

James R. Fouts
August 8, 1942

Rosalynn Bliss
August 3, 1975

Feedback

Andy Schor - Wikipedia
https://en.wikipedia.org/wiki/Andy_Schor
Andy Schor. Andy Schor (born March 20, 1975) is a Democratic politician from Michigan currently serving as the 52nd mayor of Lansing.

Andy Schor - Biography - Vote Smart
<https://votesmart.org/candidate/biography/87203/andy-schor>
Expanded Executive Committee Member, Ingham County Democratic Party, 1997-present; Former Assistant Floor Leader and Chair, Capitol Caucus; Former ...

Andy Schor
Mayor of Lansing

Andy Schor is a Democratic politician from Michigan currently serving as the 52nd mayor of Lansing. Andy previously represented residents of the 68th District in the Michigan House of Representatives, which includes most of the City of Lansing and all of Lansing Township. [Wikipedia](#)

Born: March 20, 1975 (age 44 years), Long Island, NY
Spouse: Erin Schor
Office: Mayor of Lansing since 2018
Party: Democratic Party
Education: University of Michigan (Bachelor of Arts)
Graduation date: 1997

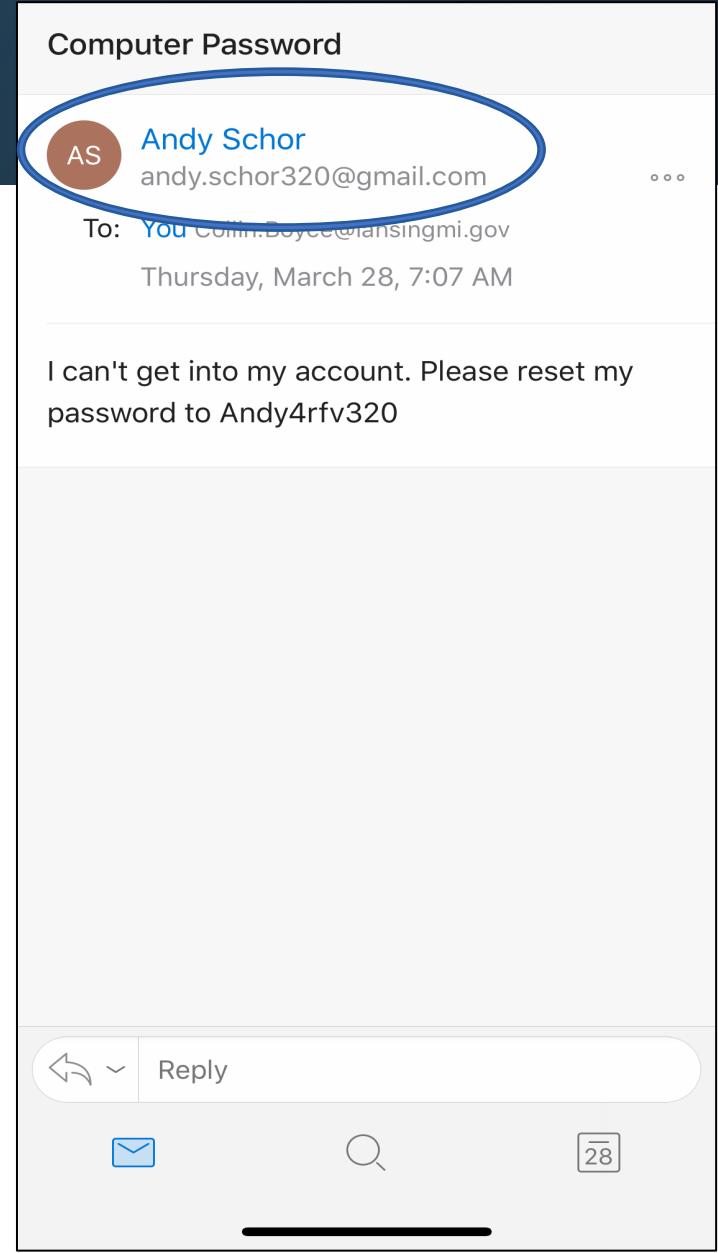
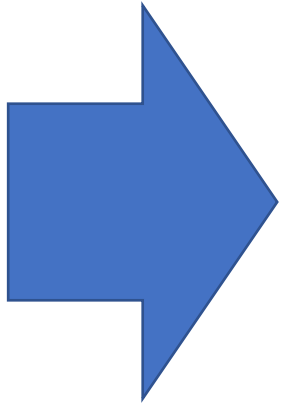
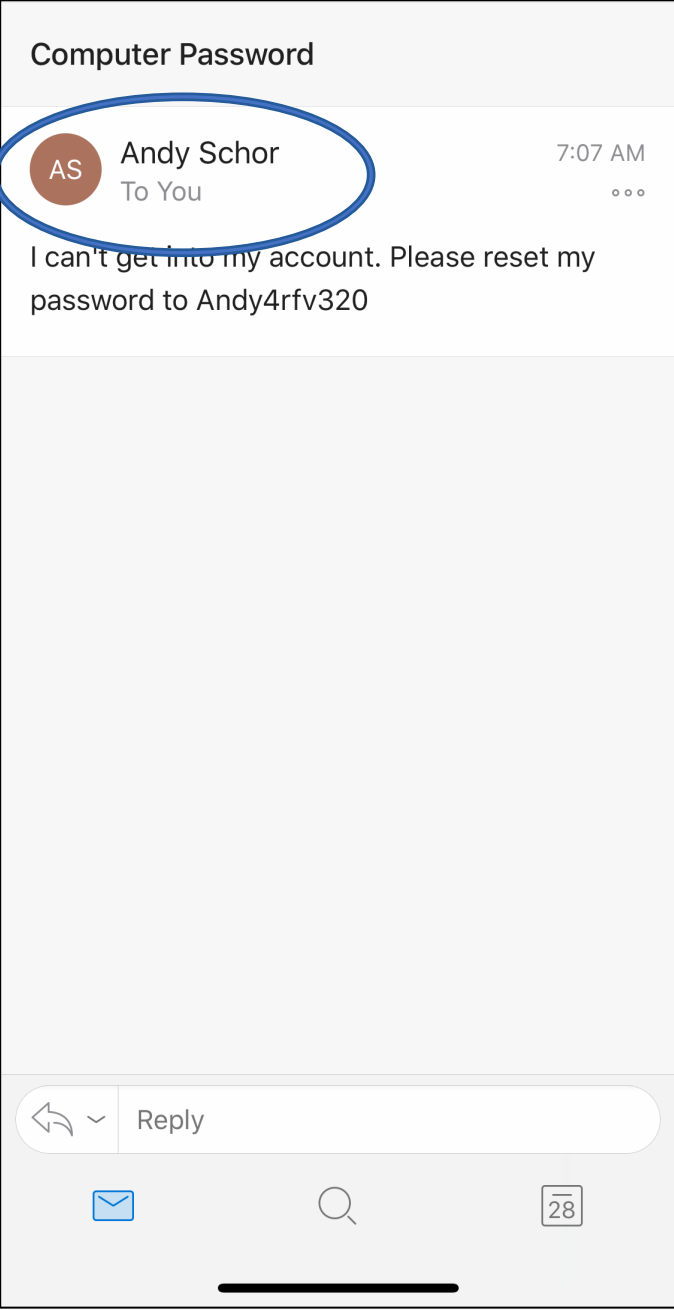
Profiles

Twitter Facebook

Feedback

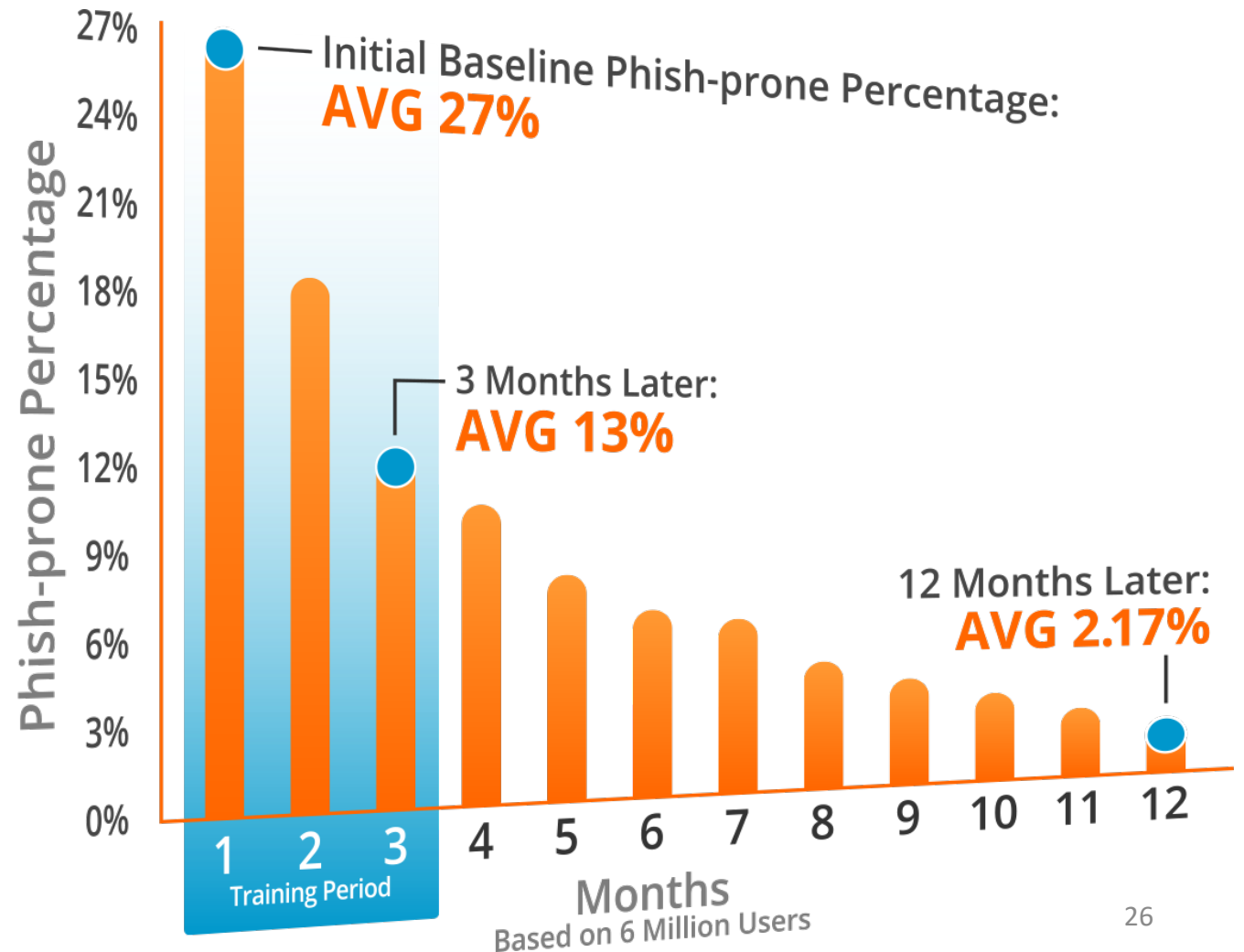


LANSING'S
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Security Training

LANSING'S
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Workflow Optimization

**LANSING'S
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Goal:

Assist with streamlining workflow of forms and processes.

2020 Projects:

- Scanning of legacy documents (paper only) and making them available online
- Reduction of creation of printed records
- Integration with other systems:
 - One Solution
 - Cityworks
- Conversion of paper forms to web forms through the city



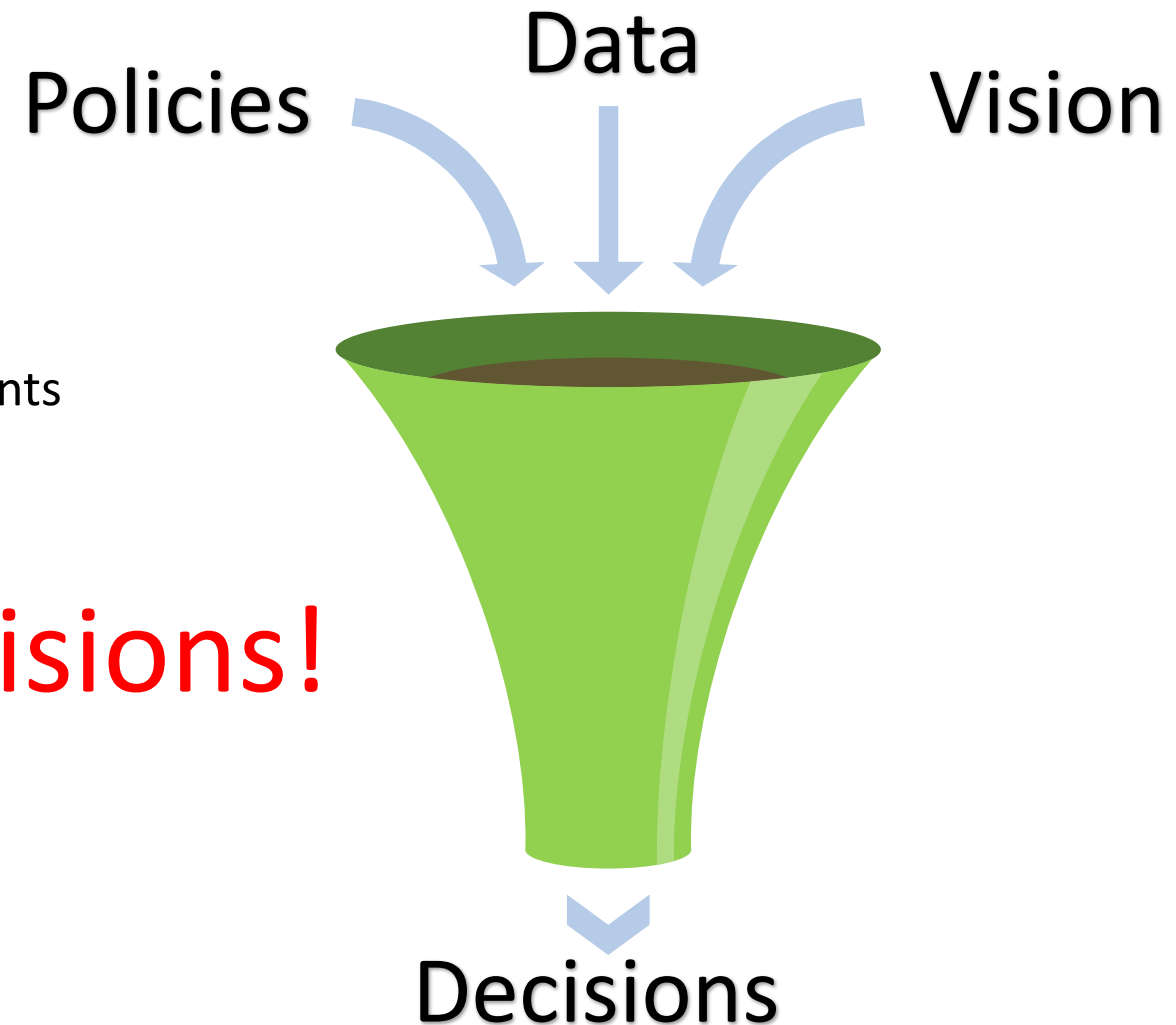
Benefit: Cost Reduction, Optimize workflow, Easier access to information for citizens

Data Driven Decisions

LANSING'S
TIME IS NOW

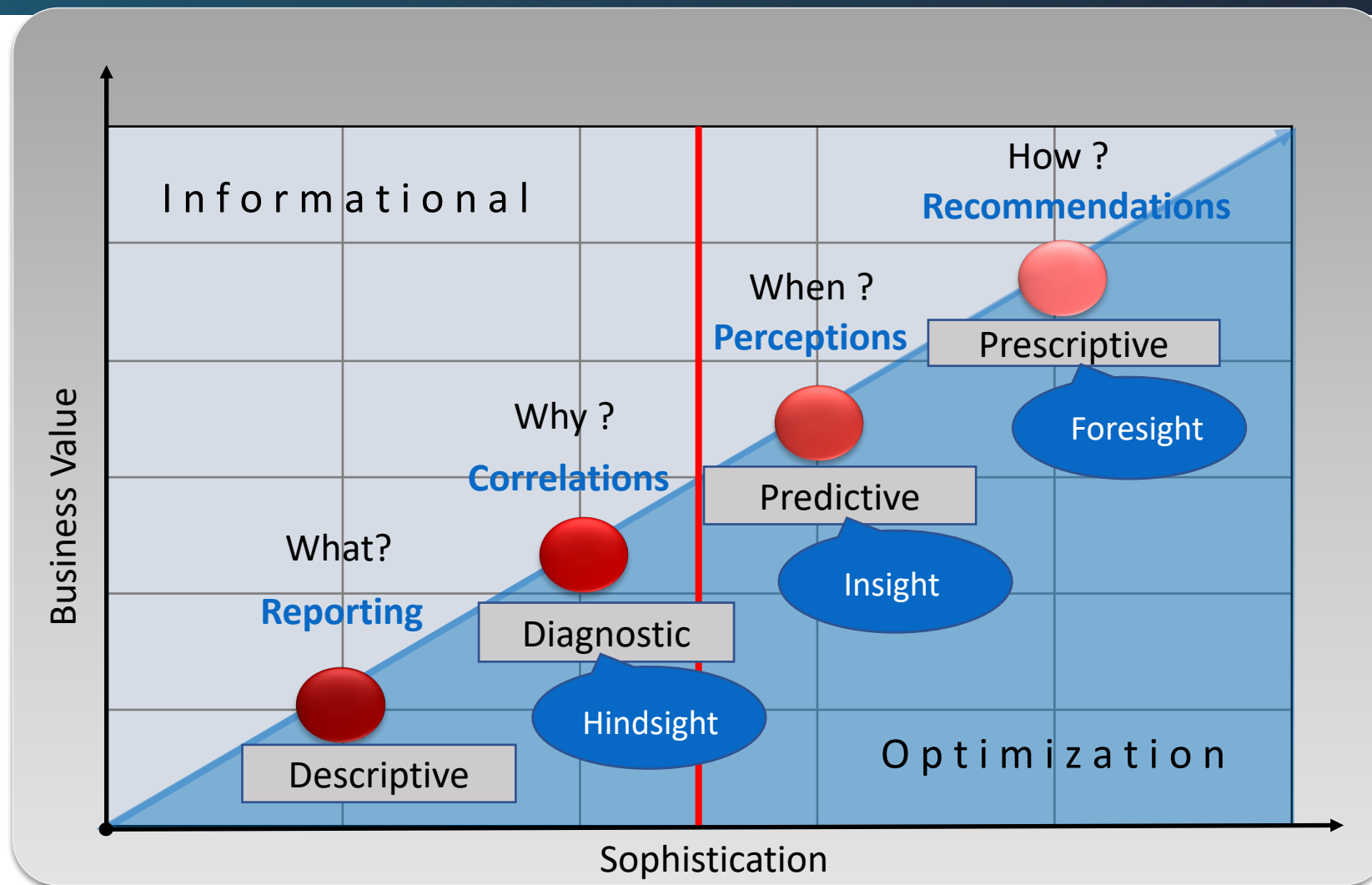
- Leverage data from disparate applications to:
 1. Build departmental dashboards
 2. Identify synergies between systems and departments
 3. Predictive/Prescriptive modeling

Make Data Driven Decisions!



Progression of Data Analytics

LANSING'S
TIME IS NOW



FY 2019/2020 Proposed Budget Supplementary Information -- Accounting Level Detail

<u>Account Code</u>	<u>Description</u>	<u>FY 2018 Actuals</u>	<u>FY 2019 Adopted Budget</u>	<u>FY 2019 Amended Budget</u>	<u>FY 2019 Year- End Projection</u>	<u>FY 2020 Proposed Budget</u>
C						
INFORMATION TECHNOLOGY INTERNAL SERVICE FUND REVENUE						
630.000000.617102.00000	REVENUES-CHARGES TO FUNDS	5,719,000	6,000,000	6,000,000	1,500,006	6,300,000
630.000000.617050.00000	REIMBURSEMENTS	-	-	-	-	70,000
630.000000.679100.00000	FROM/(TO) FUND BALANCE	-	392,000	392,000	-	766,000
INFORMATION TECHNOLOGY INTERNAL		\$ 5,719,000	\$ 6,392,000	\$ 6,392,000	\$ 1,500,006	\$ 7,136,000
INFORMATION TECHNOLOGY INTERNAL SERVICE FUND EXPENDITURES						
630.173130.702000.00000	SALARIES	538,288	1,072,640	1,072,640	595,357	1,074,530
630.173130.707000.00000	TEMPORARY HELP	145,152	61,000	61,000	61,000	61,000
630.173130.708000.00000	OVERTIME - SALARY	3,330	25,000	25,000	8,986	60,000
630.173130.712000.00000	LONGEVITY	7,500	8,500	8,500	6,000	9,000
630.173130.715300.00000	FRINGE BENEFITS - FIXED	741,571	868,877	868,877	802,460	841,922
630.173130.715400.00000	FRINGE BENEFITS - VARIABLE	136,566	325,668	325,668	146,056	362,759
630.173130.716000.00000	CHANGE IN ACCRD COMPENSATED AB	30,025	-	-	-	-
630.173130.741000.00000	MISCELLANEOUS OPERATING	102,209	43,000	43,000	37,845	43,000
630.173130.741600.00000	ADMINISTRATIVE CHARGES	-	74,436	74,436	84,436	75,925
630.173130.741890.00000	SOFTWARE	1,535,449	1,865,817	1,865,817	1,865,817	1,827,817
630.173130.741990.00000	HARDWARE MAINTENANCE	338,556	453,000	453,000	453,000	440,000
630.173130.743000.00000	CONTRACTUAL SERVICES	1,023,357	866,833	866,833	1,006,643	867,000
630.173130.744000.00000	UTILITIES	30,259	37,000	37,000	23,875	46,661
630.173130.744200.00000	TELEPHONE	421,510	422,036	422,036	402,664	480,510
630.173130.744201.00000	DEPARTMENT COMMUNICATIONS	25	-	-	25	-
630.173130.745100.00000	BUILDING RENTAL	56,595	60,852	60,852	60,852	60,852
630.173130.745200.00000	EQUIPMENT RENTAL	300	300	300	350	300
630.173130.747000.00000	TRAINING	40,371	38,500	38,500	38,957	45,000
630.173130.748000.00000	INSURANCE & BONDS	24,229	19,541	19,541	14,759	24,724
630.173130.970000.00000	CAPITAL OUTLAY/CONSTRUCTION	-	149,000	149,000	(54,683)	815,000
630.173130.977000.00000	EQUIPMENT	267,938	-	-	300	-
INFORMATION TECHNOLOGY INTERNAL		\$ 5,443,230	\$ 6,392,000	\$ 6,392,000	\$ 5,554,700	\$ 7,136,000



8574 VERONA ROAD • BATTLE CREEK, MICHIGAN 49014
PHONE: (269) 965-1207 • FAX: (269) 965-6701
WWW.HOFFMANBROSINC.COM
"AN EQUAL OPPORTUNITY EMPLOYER"

February 8, 2019

Attention: Mike Romkema
Hubbell, Roth, and Clark
2101 Aurelius Road, Suite 2A
Holt, MI 48842

RE: Request for Waiver from Noise Ordinance – Saturday Work
Grand River/Washington Intersection, MDOT 33000-130093

Mike,

We formally request a waiver from the City of Lansing noise ordinance for our work in conjunction with the above referenced project. We will need to be able to work on Saturdays for the entire duration of this project (April 29 through August 23). This does not mean we will work every Saturday, but work may be necessary on any Saturday depending on the general progress of the job as well as any possible coordination challenges.

Please forward this to the City of Lansing so that it may be placed on a council agenda as soon as possible. Let me know if you have any questions or need further assistance.

Regards,

Mike Mallos
Feb 8 2019 2:44 PM

cosign

Mike Mallos
Project Manager



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

WHEREAS, a public hearing was held on Monday, April 22, 2019, in consideration of this request by Hoffman Bros., Inc. for issuance of a waiver of the noise ordinance from April 29, 2019 to October 10, 2019, to permit the contractor to work extended hours Monday through Friday from 8:00 PM to 7:00 AM, Saturdays from 7:00 AM to 5:00 PM to minimize impacts to business owners and residents, facilitate utility service connections and maintain progress schedule in the areas of Cesar Chavez Avenue from Capitol Avenue east to the bridge over the Grand River, and Washington Avenue from Maple Street north to Cesar Chavez Avenue; and

WHEREAS, the required schedule for completion before October 10, 2019, and business needs for water results in a significant amount of work and coordination that must be completed in a short time period; and

WHEREAS, the City of Lansing Public Service Department recommends that this waiver of the noise ordinance be granted in order to minimize disruption to business owners, residents and maintain progress schedule as needed; and

WHEREAS, no substantive written or verbal comments in opposition to this noise waiver were received from anyone within the project area at the public hearing or during the public comment period.

NOW THEREFORE BE IT RESOLVED that City Council grant a waiver of the noise ordinance from April 29, 2019, to October 10, 2019, to permit Hoffman Bros., Inc. to work extended hours Monday through Friday from 8:00 PM to 7:00 AM, Saturdays from 7:00 AM to 5:00 PM, while conducting watermain and road construction activities in the area of E. Michigan Avenue between Washington Square and Grand Avenue, and in the area of Cesar Chavez Avenue from Capitol Avenue east to the bridge over the Grand River, and Washington Avenue from Maple Street north to Cesar Chavez Avenue.

RESOLUTION 2019-_____
BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City Council of the City Lansing previously approved the sale of the former Red Cedar Golf Course containing approximately 32.29 acres of land pursuant to the Amended and Restated Real Estate Real Estate Purchase Agreement (the "Agreement"), on July 23, 2018; and

WHEREAS, the Agreement was amended substantively by a First Amendment, which was also approved by City Council on July 23, 2018; and

WHEREAS, the Agreement has been extended by the Second through Sixth Amendments ; and

WHEREAS, a certain Seventh Amendment to the Agreement has been proposed that makes substantive changes to the Agreement as amended, and requires the consideration and approval of the City Council of the City of Lansing; and

WHEREAS, the Seventh Amendment to the Amended and Restated Real Estate Purchase And Development Agreement was placed on file with the Lansing City Clerk pursuant to Section 208.08 of the Codified Ordinances on February 25, 2019; and

WHEREAS, pursuant to Section 208.08 of the Codified Ordinances a public hearing on the Seventh Amendment 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 April 8, 2019, at 7:00 P.M., or as soon thereafter as the matter shall have come on to be heard, on the proposed Seventh Amendment 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.

RESOLUTION 2019-_____
BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City Council of the City Lansing previously approved the sale of the former Red Cedar Golf Course containing approximately 32.29 acres of land pursuant to the Amended and Restated Real Estate Real Estate Purchase Agreement (the "Agreement"), in Resolution 2018-204, passed on July 23, 2018; and

WHEREAS, the Agreement was amended substantively by a First Amendment, which was also approved by City Council on July 23, 2018; and

WHEREAS, the closing date in the Agreement has been extended by the Second through Sixth Amendments; and

WHEREAS, a certain Seventh Amendment to the Agreement has been proposed that contains substantive changes to the consideration, duties and obligations of both parties, including: an increase in the purchase price, a removal of the cap on tax exempt bonding to be done by the Developer, a revision to the scope and physical layout of the project; and requires the consideration and approval of the City Council of the City of Lansing; and

WHEREAS, the Seventh Amendment to the Amended and Restated Real Estate Purchase And Development Agreement was placed on file with the Lansing City Clerk pursuant to Section 208.08 of the Codified Ordinances on February 25, 2019; and

WHEREAS, pursuant to Section 208.08 of the Codified Ordinances a duly noticed public hearing for consideration of the Seventh Amendment to the Amended and Restated Real Estate Purchase and Development Agreement was held on April 8, 2019; and

NOW, THEREFORE BE IT RESOLVED, that the Lansing City Council hereby approves the Seventh Amendment to the Amended and Restated Real Estate Purchase and Development Agreement for the Red Cedar Property, placed on file with the City Clerk on February 25, 2019.

BE IT FURTHER RESOLVED, that the Lansing City Council reaffirms its determination, based on testimony taken at the public hearings on this matter and the vote of the people, that the Red Cedar Property is no longer needed for public purposes.

BE IT FURTHER RESOLVED, that the Lansing City Council hereby authorizes the sale of approximately 35.57 acres of the former Red Cedar Park property to Continental/Ferguson Lansing, LLC, more fully described in Resolution 2018-204, passed on July 23, 2018, for the increased sum of Two Million Two Hundred Twenty One Thousand Six Hundred Seventy and 00/100 Dollars (\$2,221,670.00), pursuant to

the changes in consideration, duties, terms, conditions, and obligations contained in the Seventh Amendment to the Amended and Restated Real Estate Purchase Agreement.

BE IT FURTHER RESOLVED, that any net proceeds from the sale of the Property described herein will be handled as set forth in Resolution 2018-204, passed on July 23, 2018.

BE IT FINALLY RESOLVED, that the Mayor, on behalf of the City, is hereby authorized to sign and execute all documents necessary to effectuate the aforementioned transactions, subject to their prior approval as to content and form by the City Attorney.

**SEVENTH AMENDMENT TO THE AMENDED AND RESTATED
REAL ESTATE PURCHASE AND DEVELOPMENT AGREEMENT**

This is the Seventh Amendment (the “Amendment”) to the Amended and Restated Real Estate Purchase and Development Agreement dated July 23, 2018, as amended by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, and Sixth Amendment (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”).

RECITALS

WHEREAS, the Developer and the City entered into the Amended and Restated Real Estate Purchase and Development Agreement which was amended by the First Amendment to the Amended and Restated Real Estate Purchase and Development Agreement; and

WHEREAS, the Second Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of November 30, 2018 in Section 2.1 and replaced it with December 14, 2018; and

WHEREAS, the Third Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of December 14, 2018 in Section 2.1 and replaced it with January 11, 2019; and

WHEREAS, the Fourth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of January 11, 2019 in Section 2.1 and replaced it with February 11, 2019; and

WHEREAS, the Fifth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of February 11, 2019 in Section 2.1 and replaced it with March 4, 2019; and

WHEREAS, the Sixth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of March 4, 2019 in Section 2.1 and replaced it with April 26, 2019; and

WHEREAS, the Developer and City are hereby agreeing to amend the Agreement according to the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual promises hereinafter contained and other good and valuable consideration, the parties agree as follows:

WITNESSED AND
SIGNED this 14th day of August
2019.

AMENDMENTS TO THE AGREEMENT

1. Section 1.2 is amended to increase the Purchase Price from Two Million Two Hundred Thousand and 00/100 Dollars (\$2,200,000.00) to Two Million Two Hundred Twenty One Thousand Six Hundred Seventy and 00/100 Dollars (\$2,221,670.00), in consideration for the delay in Closing.
2. Section 2.1, is amended to remove the date of April 26, 2019, and replace it with July 31, 2019.
3. Section 5.1.1 (b) is amended to remove all text and replace it with, "Within the same structure that contains the Full Service Hotel, a Select Service Hotel containing not less than 128 guest rooms ("Select Service Hotel")."
4. Section 5.1.1 (c) is amended to remove "40,000" and replace it with "35,550".
5. Section 5.1.1 (d) is amended to remove "two hundred (200)" and replace it with "one hundred and fifty (150)"
6. Section 5.1.1 (d1) is removed in its entirety.
7. Section 5.1.1 (e) is amended to remove "exclusively in that portion of the Purchase Property that is east of the easternmost point of the portion of the Red Cedar Property" and replaced with "in the eastern and southern portions of the Purchase Property that front on Michigan Avenue", and to remove "1,222" and replace it with "1,100".
8. Section 5.1.1 (h) is amended to removed "116" and replace it with "120".
9. Section 5.1.1 (j) is amended to remove "will be owned constructed and maintained by the Developer" and replace it with, "may be partially publicly owned, but will be constructed and maintained exclusively by Developer."
10. Section 5.6 is amended to insert ", and associated site preparation" to the end of the first sentence, and to insert ", and anything owned, maintained, and operated by a public entity so long as it is within a public right of way or easement" to the end of the third sentence.
11. Section 7.3.1. is amended to remove "City will reasonably pursue" and replace it with "Developer will reasonably pursue".
12. Section 7.3.1 (a) is amended to remove, "Ten Million Seven Hundred Fifteen Thousand Six Hundred Sixty-Nine and 00/100 Dollars (\$10,715,669.00)", and replace it with, "the Project costs that qualify for tax exempt bonding, as determined by the LBRA in its sole and exclusive discretion in consultation with its bond counsel,".
13. Section 7.4 is amended to strike the dates October 1, 2017 through September 30, 2018 and replace them with the dates October 1, 2018 through September 30, 2019.

14. At the end of the Agreement, the Exhibits are modified as follows:
 - a. Exhibit C-1 is replaced with Revised Exhibit C-1, dated January 18, 2019, as attached to this Amendment;
 - b. Exhibit C-2 is replaced with Revised Exhibit C-2, dated February 6, 2019, as attached to this Amendment;
 - c. Exhibit D is replaced with Revised Exhibit D, dated January 16, 2019, as attached to this Amendment;
15. An electronic copy of a signature to this Amendment or the Agreement will be deemed the same as an original.
16. This Agreement may be executed in counterparts, each of which shall be an original and all of which should constitute the same instrument.
17. All other terms and conditions of the Agreement, except as modified herein, remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

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

CONTINENTAL/FERGUSON LANSING, LLC:

By: Hallmark Lansing, LLC

Its: Member

By: Franklin E. Kass

Its: Member

STATE OF OHIO)

)ss

COUNTY OF FRANKLIN)

The foregoing instrument was acknowledged before me this 22 day of February, 2019 by Franklin E. Kass, as Member of Hallmark Lansing, LLC as Member of Ferguson/Continental Lansing, LLC, by him to be his free act and voluntary deed.

Shayla Moore
_____, Notary Public
_____, County, _____



SHAYLA MOORE
Notary Public, State of Ohio
My Commission Expires 1-21-20

CONTINENTAL/FERGUSON LANSING, LLC:

By: Red Cedar Investor, LLC

Its: Member

By: Joel I. Ferguson

Its: Member

STATE OF MICHIGAN)

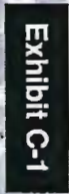
)ss

COUNTY OF INGHAM)

The foregoing instrument was acknowledged before me this 22 day of February, 2019 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.

Kelly Marie Clark
_____, Notary Public
Livingston County, adjoining in Ingham
My commission expires: 1.28.2023

KELLY MARIE CLARK
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF LIVINGSTON
My Commission Expires January 28, 2023



EDGE P. 84826, 1
L780034, M/L A6, 100, 1, 100
URSA: 01.00.00

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

as of February 6, 2019 (per January 18, 2019 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 - 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 - 128 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 (35,550 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 (10,000 SF) (55 feet above Michigan Ave., 5-stories - 150 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 (55 feet above Michigan Ave., 5-stories on IPS - 1,100 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. - 120 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 Structure)		
Privately Funded Improvements	Public and private infrastructure, environmental remediation, asbestos abatement, demolition and site preparation.	Continental/Ferguson Lansing, LLC-Tax-Exempt/Taxable Revenue Bonds and Private Lender Financing
Lansing Board Water & Light Improvements	Public infrastructure in public rights-of-way and easements.	Lansing Board Water & Light

Exhibit D: Project Schedule
Red Cedar Redevelopment - Lansing, Michigan
Preliminary as of January 16, 2019

[illegible]

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 ⁴attached 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 1

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 Twenty One Thousand Six Hundred Seventy and 00/100 Dollars (~~\$2,200,000.00~~\$2,221,670.00) (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”). Within the same structure that contains the Full Service Hotel, a Select Service Hotel containing not less than 128 guest 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~~35,550 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) one hundred and fifty (150) 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 in the eastern and southern portions of the Purchase Property that front on Michigan Avenue~~ as depicted in Exhibit C-1 and shall consist of at least ~~1,248~~1,221,100 beds and consisting of at least four (4) stories above grade.

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(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 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 116120 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 may be partially publicly owned, but will be constructed and maintained exclusively by 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, and associated site preparation. 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, and anything owned, maintained, and operated by a public entity so long as it is within a public right of way or easement. 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-Developer 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 Project costs that qualify for tax exempt bonding, as determined by the LBRA in its sole and exclusive discretion in consultation with its bond counsel, (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, 2017-2018 through September 30, 2018-2019, 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 ~~Council~~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: Andy Schor
Its: Mayor

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.

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

Approved as to form only:

S-1

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Real Estate Purchase and Development Agreement on the date first written above.

CONTINENTAL/FERGUSON LANSING, LLC:

By: Continental Red Cedar, LLC

Its: Member

By: Franklin E. Kass

Its: Member

STATE OF MICHIGAN)
)ss
COUNTY OF _____)

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

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

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 ____ day of _____, 2018 by Joel I. Ferguson, as Member of Red Cedar Investor, LLC as Member of Continental/Ferguson Lansing, LLC, by him to be his free act and voluntary deed.

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

EXHIBIT A-1

PURCHASE PROPERTY LEGAL DESCRIPTION

Legal Description: Red Cedar Development Property – North of Floodway

Situated in the City of Lansing, County of Ingham and State of Michigan:

Part of Lots 6, 15, 17, and Outlot "A", also vacated portion of Church Street, part of vacated Cooper Street, part of vacated Olin Avenue and vacated portion of Reniger Court (platted as Fredrick Street), Supervisor's Plat No. 1 as recorded in Liber 12 of Plats, Page 27, Ingham County Records; also part of the plat of Riverside as recorded in Liber 3 of Plats, Page 25, Ingham County Records; also part of the "Plat of the Subdivision of all that part of the Southeast quarter of Section 14 and all of that part of Section 23 lying North of the Cedar River" according to the True Copy of the Original recorded June 13th, 1856; also part of the Southwest 1/4 of Section 13 and part of the Southeast 1/4 of Section 14, T4N, R2W, City of Lansing, Ingham County, Michigan, all being more particularly described as follows; Commencing at the West 1/4 corner of Section 13 also being the East 1/4 corner of Section 14, T4N, R2W; thence S00°33'40"W, 119.50 feet along the West line of Section 13 and the East line of Section 14 to the South line of Michigan Avenue and the North line of Lot 19 of Supervisor's Plat No. 1; thence S89°49'55"W, 1.85 feet along the South line of Michigan Avenue to the Northwest corner of Supervisor's Plat No. 1 and the Point of Beginning of following described parcel; thence S00°44'26"W (platted as South), 540.51 feet along the West line of Supervisor's Plat No. 1 to the Southwest corner of Lot 23; thence S89°58'26"E (platted as N89°15'E), 182.60 feet along the South line of Lot 23 and its Easterly extension; thence N00°22'22"W, 100.00 feet along the West line of the East 1/2 of vacated Olin Avenue; thence S89°58'26"E, 998.91 feet along the North line of the South 100 feet of the East 1/2 of vacated Olin Avenue, the North line of the South 100 feet of Lot 17, the North line of the South 100 feet of vacated Cooper Street, the North line of the South 100 feet of Lot 15, the North line of the South 100 feet of vacated portion of Reniger Court (platted as Fredrick Street) and the North line of the South 100 feet of Lot 6 to the East line of Lot 6; thence S00°15'20"E, 50.00 feet along the East line of Lot 6; thence N89°49'17"E, 330.21 feet to the East line of Supervisor's Plat No. 1; thence S00°16'54"E (platted as S01°09'E), 690.78 feet to the Northerly floodway limit of the Red Cedar River; thence along said floodway limit, the following thirty (30) courses:

- 1) N46°10'15"W, 15.48 feet;
- 2) N56°47'13"W, 30.48 feet;
- 3) N55°43'09"W, 66.24 feet;
- 4) N65°03'09"W, 93.92 feet;
- 5) N64°01'30"W, 216.39 feet;
- 6) N70°25'57"W, 74.47 feet;
- 7) N61°25'31"W, 56.19 feet;
- 8) N60°47'42"W, 67.03 feet;
- 9) N57°32'05"W, 71.96 feet;

10)N65°20'26"W, 16.79 feet;
11)N57°44'47"W, 53.83 feet;
12)N73°17'40"W, 35.93 feet;
13)N86°48'53"W, 39.97 feet;
14)S86°37'02"W, 46.11 feet;
15)S84°50'08"W, 84.32 feet;
16)S82°06'51"W, 75.07 feet;
17)S86°19'27"W, 52.44 feet;
18)S88°21'50"W, 138.94 feet;
19)N77°32'06"W, 66.35 feet;
20)N78°22'00"W, 73.45 feet;
21)N83°02'49"W, 104.05 feet;
22)N80°18'41"W, 104.78 feet;
23)N81°25'50"W, 29.98 feet to the West line of Section 13;
24)continuing N81°25'50"W, 63.00 feet;
25)N84°40'04"W, 94.88 feet;
26)N84°12'26"W, 174.71 feet;
27)N86°42'58"W, 153.92 feet;
28)N87°08'16"W, 100.89 feet;
29)West, 119.66 feet;
30)S82°46'50"W, 89.82 feet;

thence N53°29'47"W, 224.96 feet; thence S89°26'11"W, 305.00 feet to a point which as 24.75 feet East of the West line of the East 1/2 of the Southeast 1/4 of Section 14, according to the plat of Urbandale as recorded in Liber 4 of Plats, Page 49, Ingham County Records; thence N00°30'13"E, 608.40 feet parallel with said West line to the South right-of-way line of Michigan Avenue; thence S89°51'10"E, 1279.97 feet along the South right-of-way line of Michigan Avenue to the Point of Beginning. Contains 35.57 acres, more or less.

REVISED: 11/1/2017

EXHIBIT A-1-A

RED CEDAR PROPERTY LEGAL DESCRIPTION

Part of Lots 6, 15, 17, and Outlot "A", also part of Church Street, part of vacated Cooper Street and part of vacated Olin Avenue, Supervisor's Plat No. 1 as recorded in Liber 12 of Plats, Page 27, Ingham County Records; also part of the plat of Riverside as recorded in Liber 3 of Plats, Page 25, Ingham County Records; also part of the "Plat of the Subdivision of all that part of the Southeast quarter of Section 14 and all of that part of Section 23 lying North of the Cedar River" according to the True Copy of the Original recorded June 13th, 1856; also part of the Southwest 1/4 of Section 13 and part of the Southeast 1/4 of Section 14, T4N, R2W, City of Lansing, Ingham County, Michigan, all being more particularly described as follows; Commencing at the West 1/4 corner of Section 13 also being the East 1/4 corner of Section 14, T4N, R2W; thence S00°33'40"W, 119.50 feet along the West line of Section 13 and the East line of Section 14 to the South line of Michigan Avenue and the North line of Lot 19 of Supervisor's Plat No. 1; thence S89°49'55"W, 1.85 feet along the South line of Michigan Avenue, to the Northwest corner of Supervisor's Plat No. 1 and the Point of Beginning of following described parcel; thence S00°44'26"W (platted as South) , 540.51 feet along the West line of Supervisor's Plat No. 1, to the Southwest corner of Lot 23; thence S89°58'26"E (platted as N89°15'E) , 182.60 feet along the South line of Supervisor's Plat No. 1; thence N00°22'22"W, 100.00 feet along the West line of the East 1/2 of vacated Olin Avenue; thence S89°58'26"E, 749.62 feet along the North line of the South 100 feet of Lot 17, the North line of the South 100 feet of vacated Cooper Street and the North line of the South 100 feet of Lot 15 to the West line of Reniger Court (platted as Fredrick Street) ; thence S00°18'28"E, 100.00 feet along the West line of Reniger Court to the Southeast corner of Lot 15; thence S89°58'26"E (platted as N89°15'E) , 50.00 feet along the South line of Supervisor's Plat No. 1 to the Southwest corner of Lot 6; thence N00°18'28"W, 100.00 feet along the East line of Reniger Court; thence S89°58'26"E, 199.29 feet to the East line of Lot 6; thence S00°15'20"E 50.00 feet along the East line of Lot 6; thence N89°49'17"E, 330.21 feet to the East line of Supervisor's Plat No. 1; thence S00°16'54"E (platted as S01°09'E) , 690.78 feet to the Northerly floodway limit of the Red Cedar River; thence along said floodway limit, the following thirty (30) courses: 1) N46°10'15"W, 15.48 feet; 2) N56°47'13"W, 30.48 feet; 3) N55°43'09"W, 66.24 feet; 4) N65°03'09"W, 93.92 feet; 5) N64°01'30"W, 216.39 feet; 6) N70°25'57"W, 74.47 feet; 7) N61°25'31"W, 56.19 feet; 8) N60°47'42"W, 67.03 feet; 9) N57°32'05"W, 71.96 feet; 10) N65°20'26"W, 16.79 feet; 11) N57°44'47"W, 53.83 feet; 12) N73°17'40"W, 35.93 feet; 13) N86°48'53"W, 39.97 feet; 14) S86°37'02"W, 46.11 feet; 15) S84°50'08"W, 84.32 feet; 16) S82°06'51"W, 75.07 feet; 17) S86°19'27"W, 52.44 feet; 18) S88°21'50"W, 138.94 feet; 19) N77°32'06"W, 66.35 feet; 20) N78°22'00"W, 73.45 feet; 21) N83°02'49"W, 104.05 feet; 22) N80°18'41"W, 104.78 feet; 23) N81°25'50"W, 29.98 feet to the West line of Section 13; 24) continuing N81°25'50"W, 63.00 feet; 25) N84°40'04"W, 94.88 feet; 26) N84°12'26"W, 174.71 feet; 27) N86°42'58"W, 153.92 feet; 28) N87°08'16"W, 100.89 feet; 29) West, 119.66 feet; 30) S82°46'50"W, 89.82 feet; thence N53°29'47"W, 224.96 feet; thence S89°26'11"W, 305.00 feet to a point which is 24.75 feet East of the West line of the East 1/2 of the Southeast 1/4 of Section 14, according to the plat of Urbandale as recorded in Liber 4 of Plats, Page 49, Ingham County Records; thence N00°30'13"E, 53.81 feet parallel with said West line; thence S89°51'10"E, 398.78 feet parallel with the South right-of-way line of Michigan Avenue; thence N00°08'50"E, 554.58 feet to the South right-of-way line of Michigan Avenue; thence S89°51'10"E, 884.64 feet along the South right-of-way line of Michigan Avenue to the Point of Beginning.

EXHIBIT A-1-B
SUPPLEMENTAL PARCEL LEGAL DESCRIPTION



A-1-B

EXHIBIT A-1-C

CORNER PARCEL LEGAL DESCRIPTION

A parcel of land in the Southwest ¼ of Section 14, T4N, R2W, City of Lansing, Ingham County, Michigan, described as follows: Commencing at the East ¼ Corner of Section 14, thence South 660.00 feet; thence West 1,020.84 feet to the Point of Beginning; thence North 540.50 feet to the south right of way line of Michigan Avenue; thence West 264.00 feet to the east right of way line of Clippert Street; thence South 540.50 feet; thence East 264.00 feet to the Point of Beginning and containing approximately 3.28 acres.

A-1-C

EXHIBIT A-2

PARK PROPERTY LEGAL DESCRIPTION

PARK PROPERTY – SOUTH OF FLOODWAY

Situated in the City of Lansing, County of Ingham and State of Michigan:

Part of Outlot "A" and part of vacated portion of Church Street, Supervisor's Plat No. 1 as recorded in Liber 12 of Plats, Page 27, Ingham County Record; also part of the plat of Riverside as recorded in Liber 3 of Plats, Page 25, Ingham County Records; also part of the "Plat of the Subdivision all that part of the Southeast quarter of Section 14 and part of Section 23 lying North of the Cedar River" according to the True Copy of the Original recorded June 13th, 1856; also part of the Southwest 1/4 of Section 13 and part of the Southeast 1/4 of Section 14, T4N, R2W, City of Lansing, Ingham County, Michigan, all being more particularly described as follows; Commencing at the West 1/4 corner of Section 13 also being the East 1/4 corner of Section 14, T4N, R2W; thence S00°33'40"W, 119.50 feet along the West line of Section 13 and the East line of Section 14 to the South line of Michigan Avenue and the North line of Lot 19 of Supervisor's Plat No. 1; thence S89°49'55"W, 1.85 feet along the South line of Michigan Avenue, to the Northwest corner of Supervisor's Plat No. 1; thence N89°51'10"W, 1279.97 feet along the South right-of-way line of Michigan Avenue to a point which is 24.75 feet East of the West line of the East 1/2 of the Southeast 1/4 of Section 14, according to the plat of Urbandale as recorded in Liber 4 of Plats, Page 49, Ingham County Records; thence S00°30'13"W, 608.40 feet along the East right-of-way line of Clippert Street and parallel with said West line; thence N89°26'11"E, 305.00 feet; thence S53°29'47"E, 224.96 feet to the Northerly floodway limit of the Red Cedar River and the Point of Beginning of following described parcel; thence along said floodway limit, the following thirty (30) courses:

- 1) N82°46'50"E, 89.82 feet;
- 2) East, 119.66 feet;
- 3) S87°08'16"E, 100.89 feet;
- 4) S86°42'58"E, 153.92 feet;
- 5) S84°12'26"E, 174.71 feet;
- 6) S84°40'04"E, 94.88 feet;
- 7) S81°25'50"E, 63.00 feet to the East line of Section 14;
- 8) continuing S81°25'50"E, 29.98 feet;
- 9) S80°18'41"E, 104.78 feet;
- 10) S83°02'49"E, 104.05 feet;
- 11) S78°22'00"E, 73.45 feet;
- 12) S77°32'06"E, 66.35 feet;
- 13) N88°21'50"E, 138.94 feet;
- 14) N86°19'27"E, 52.44 feet;
- 15) N82°06'51"E, 75.07 feet;

- 16) N84°50'08"E, 84.32 feet;
- 17) N86°37'02"E, 46.11 feet;
- 18) S86°48'53"E, 39.97 feet;
- 19) S73°17'40"E, 35.93 feet;
- 20) S57°44'47"E, 53.83 feet;
- 21) S65°20'26"E, 16.79 feet;
- 22) S57°32'05"E, 71.96 feet;
- 23) S60°47'42"E, 67.03 feet;
- 24) S61°25'31"E, 56.19 feet;
- 25) S70°25'57"E, 74.47 feet;
- 26) S64°01'30"E, 216.39 feet;
- 27) S65°03'09"E, 93.92 feet;
- 28) S55°43'09"E, 66.24 feet;
- 29) S56°47'13"E, 30.48 feet;
- 30) S46°10'15"E, 15.48 feet;

to the East line of East line of Supervisor's Plat No. 1; thence S00°16'54"E (platted as S01°09"E), 9.22 feet along the East line of Supervisor's Plat No. 1 to Intermediate Traverse Point "A", said Point being N00°16'54"W, 21 feet, more or less, from the water's edge of the Red Cedar River; thence along an Intermediate Traverse line of the Red Cedar River, the following 11 courses:

- 1) N58°27'06"W, 171.48 feet;
- 2) S81°37'23"W, 249.48 feet;
- 3) S66°28'57"W, 275.37 feet;
- 4) S45°05'12"W, 407.42 feet;
- 5) N77°13'57"W, 468.14 feet;
- 6) N12°52'47"E, 254.73 feet;
- 7) N41°46'43"W, 111.64 feet;
- 8) S73°22'30"W, 113.60 feet to the West line of Section 13 and the East line of Section 14,
- 9) S73°22'30"W, 156.18 feet;
- 10) S51°08'46"W, 249.04 feet;
- 11) N40°34'49"W, 269.03 feet

to Intermediate Traverse Point "B", said point being N00°30'13"E, 43.5 feet, more or less, from the water's edge of the Red Cedar River thence N00°30'13"E, 190.00 feet; thence N53°29'47"W, 340.04 feet to the Point of Beginning. Containing 19.90 acres, more or less, within the traverse area. Also includes that area between the Intermediate Traverse line and the water's edge of the Red Cedar River.

Email from Law – 2.26.2019

In orange are the changes of the First Amendment (which was substantive, and Council saw prior to approving the CDA); in blue are the changes of the proposed Seventh Amendment. By way of summary, the changes are as follows:

- The purchase price is increased by \$21,670.00; this was done in recognition of the delay in closing until after the new year.
- Signal to close is moved to July 31, 2019, closing must still happen within 30 days of that date, so August 30 at the latest.
- There are several changes to the physical layout of the project, due to developer eliminating one of the two remaining plinths (called “IPS” in the agreement), those changes are:
 - o Now the two hotels, a full service and select service, are housed in the same structure, instead of two structures;
 - o The total square footage of restaurant and retail is reduced from 40,000 to 35,550;
 - o The number of market rate units is reduced from 200 to 150;
 - o The separate structure for market rate “active senior” housing is eliminated entirely, it had 98 proposed units;
 - o Student housing is now located on the main section of the development, instead of being right next to MSU (that area, not visible from Michigan Ave., is now all parking);
 - o Student housing will be in three buildings, instead of one or two, and the number of beds is reduced from 1,222 to 1,100;
 - o The assisted living “Senior Housing” component is increased from 116 to 120 units;
- The single IPS is now contemplated to be partially owned by the City, only to extent that parts will be freely open to the public, subject to Public Service’s letter of intent process whereby a developer constructs infrastructure to our standards with the agreement that they deed it to us when complete.
- The definitions of what may be public were expanded to reflect the items that would become ours through letter of intent already.
- The bonding section was amended to clarify that the Developer is the one doing bonding, not the City. This was overlooked previously, and all parties agreed it needed to change regardless of other amendments; it should have come out when our bonding obligation was eliminated.
- The cap on developer’s tax exempt bonding, formerly our bonding, was removed. Instead of being capped at \$10.7MM, it is now set at whatever amount ultimately qualifies for tax exempt bonds as determined by LBRA and its bond counsel. This is a legal analysis that is already underway and fluid based on whatever will be “public” after final drawings are completed. Still no City bonding.
- The fiscal year for developer’s application to MCRP through MEDC was changed from last year to this year.

- Finally, the exhibits that show that overhead map (C-1), the spreadsheet of each component of the project (C-2), and the project schedule (D) have been updated/replaced to reflect the changes in the project. Those are attached to the Seventh Amendment that is on file.

Hopefully that responds to the question posed. If there are any further questions, or clarification sought, we are happy to provide it.

Sincerely,

Gregory S. Venker

Assistant City Attorney

Office of the City Attorney

124 W. Michigan Ave. | Lansing, MI 48933

O: 517-483-4321 | E: gregory.venker@lansingmi.gov



MINUTES
Committee of the Whole
Monday, March 25, 2019 @ 5:30 p.m.
City Council Chambers

CALL TO ORDER

Council Member Wood called the meeting called to order at 5:30 p.m.

PRESENT

Councilmember Kathie Dunbar- arrived at 5:31 p.m. excused at 7:10 p.m.

Councilmember Jeremy A. Garza-excused

Councilmember Adam Hussain

Council Member Brian T. Jackson

Councilmember Peter Spadafore

Councilmember Patricia Spitzley

Councilmember Jody Washington

Councilmember Carol Wood

RESOLUTION – Set Public Hearing; Red Cedar Development; Seventh Amendment to the Amended and Restated Real Estate Purchase and Development Agreement

Mr. Smiertka referenced an email content from Mr. Venker in his office which outlined the changes in the 7th Amendment. This included a price increase by \$21,670.00 due to the closing date to no later than August 30, physical changes to the layout including moving the IBS, two hotels; one full service, one select service, total square footage on restaurants and retail to 35,550, number of market rate units went from 200 to 150, the elimination of the 98 “active senior” housing units, student housing relocated and reduced from 1,222 to 1,100 in three (3) buildings, “senior housing” increased from 116 to 120. The bonding section was changed to reflect the developer is the only one doing the bonding, cap on bonding was removed.

The Committee went through the marked version taking note of the “blue” items which were the newest changes. There were no questions from Committee on pages 1-9.

Page 10- Council Member Hussain inquired into the changes in square footage since during the Brownfield discussion it was noted it increased, but this document reflects a decrease. Mr. Helzer explained that in the hotel space there is a common retail area and that is assessed differently that is in the 45,000 square footage amount referenced at the Brownfield, but it will be 35,550 outside of the hotel. Council Member Spadafore referenced the market rate housing and noted in the original language there was a guarantee on 1bd units. Mr. Helzer stated it is premature to list 1bd and 2bd, they had to make projections for assessing, and those units are not designed yet. Once the construction plans are created they will be in those

plans and identified more accurately. Council Member Spadafore asked why they put the numbers in the original development agreement. Mr. Helzer explained they were extracted for taxable value purposes. Council President Wood asked them to provide the numbers they provided to Assessing.

Council Member Spitzley voiced her concern on the change to eliminate the active senior housing and change in market rate housing at the last minute in a 7th amendments.

The group held a discussion on the hotel proposed, that was noted to have shared amenities with separate structures for the hotels. Council Member Spadafore asked for a guarantee on the height of the hotel, and was told five (5) stories, and he was then asked if that should be noted in the development agreement. Council Member Spitzley agreed that it needed to be in the development agreement. Mr. Smiertka stated he would amend the language with the development agreement, but it was not a material change so there would be no delay.

Mr. Helzer moved onto multi-family housing with studio and 1-bedroom units. Council Member Spadafore noted that originally it was noted there would be 55 -1 bedroom and 115-2 bedroom. Mr. Helzer confirmed that this amendment has mostly 1-bedroom and studios. IT was also noted by the applicants that the intent is not to be student housing, their idea is to go to a broader market. Their partner developers are not wanting to make it student housing, and the market rate is separate from student housing. Regarding the statement of "partner developers" Mr. Helzer clarified these are partners for the specific uses such as hotels, restaurants, student housing, assisted living, etc. After being asked for the names of the developers, the applicants stated they have not finalized one person yet. Council Member Washington voiced her concern with the lack of 2-bedroom apartments, heard concerns on student housing and agreed with other Council Members that they will get student in studio and 1-bedroom units. Mr. Helzer acknowledged the 2-bedrooms were changed based on what they heard and reacting to the market. He added that these are minimums, so there could be a change or increase in the site plan process, and that would also help the Brownfield. The applicants stated they would go back to the developer and look at product mix. Council Member Jackson asked what factor was in the determination to cause all the changes.

Council Member Washington stepped away from the meeting at 6:03 p.m.

The applicants acknowledged that every time there is a development there is a market study for the use to confirm what will work. They then compare to the infrastructure cost and look at the tax revenue. They are comfortable where they are now. Council President Wood pointed out to the Committee that when this project discussion began, there was the potential of the City bonding and with the recent changes there is less to bond so now there is no bonding for the City.

Council Member Washington returned to the meeting at 6:05 p.m.

Council Member Spadafore noted he wanted to make sure what is approved is meaningful for that area, and Council Member Spitzley added to the statement that the development agreement keeps them and the City to their commitments. The applicants were then asked what changed from 9/1/2018 when the developer prepared and presented an economic impact study and market rate housing to this recent Amendment #7. Mr. Helzer explained that the market study is different from the economic study. The market study was conducted by an independent by product types, the economic study is the impact on Lansing residents and what will the development do to the economy. Council Member Spitzley asked if the economic study spoke to people, taxes and housing and it was confirmed, noting it identifies what the market will bear. They take their numbers in housing, hotels, and occupancy projected, and base the numbers. They were using data from product types for output that impact. Council

Member Dunbar noted to the Committee that once the City stepped away from the property and bonding, they handed the risk over to the developer and what the lenders think is feasible is what the numbers are worked for. Mr. Helzer acknowledged and said they look at product types and what those generate. Once they have a salable project and build it, they take those numbers to see if there is enough to generate tax dollars. They were able to reduce and make the product cost. Council Member Dunbar asked what the difference was between student housing and efficiency apartments, because apartments cater to students and how would those units be priced vs the market rate. Mr. Helzer said for the student housing if there were 5 beds there would be 5 baths and rates are based on per bed. So overall, he said it would generally be less per bed, instead of if they incurred an entire apartment. Council Member Hussain noted that with the original approval it was planned as a multi-generational, but now it appeared there is more housing for students and very few assisted living. In the terms of market price, if they worked with a partner developer, why is there no market rate partner. Mr. Helzer noted that moving forward on the project they will have one and they are currently talking to multiple developers now. This will be similar to what was mentioned earlier with the hotel, retail and restaurants. Council Member Hussain voiced his concern on moving towards more student housing.

Council Member Spadafore referenced page 11, Section (h) Assisted Living which spoke to now a 2-story building. Mr. Helzer clarified that it will be not less than two (2) up to four (4) stories. There is a proposed three (3) story memory care and assisted living, so it will be two different levels in the buildings.

Page 11 - (j) Council Member Spadafore asked what obligations were expected since it is stated "publicly owned". Mr. Smiertka stated that based on the bonding there would be a maintenance agreement.

Council Member Hussain stepped away from the meeting at 6:21 p.m.

Page 12, no questions.

Page 13 and page 14, 5.9 – Council Member Spadafore asked about the agreement.

Council Member Hussain returned to the meeting at 6:22 p.m.

He then noted it stated there was nothing in the Local Labor Agreement to require the Developer to withhold, so would require a contract or would they comply, and the applicant agreed to comply.

No questions on page 16 – 17. It was clarified that the change on page 18 under 7.4 was a date change from 2018 to 2019. Council Member Spitzley asked if for the incentives the applicant was assuming the City would match funds. Mr. Helzer confirmed that sometimes the State and MEDC will ask for additional supportive information. They are not looking for any matching funds.

Mr. Smiertka noted that this document will be signed with the consent of the City after the hearing and Council approval.

The Committee briefly discussed their concerns with the proposed housing, removal of the "active senior" housing, the interest of housing for people who want to "age in place"

Council President Wood outlined the process from this point, being setting the public hearing later in the evening at Council, holding the hearing on April 8th and then back to Committee of the Whole on April 15th and Council April 22nd.

Mr. Helzer then outlined the phasing for the student housing which he stated would start with 600 beds and if they find it sufficient they will use the 500 unit piece into something else. The applicants added that they will relook at the market study and look at the mix and how it plays out, but these units noted are the minimums and they are working on tax purpose to establish. They acknowledged that they now know understand where they need to look at and will re-evaluate. Council Member Spadafore asked what the cost of phase 2 of the student housing on the back of the site would cost. The applicants stated it was \$18 million in the east, and that was to build it vertical, but they do not anticipate multi-family in that area. Mr. Helzer added to the explanation that in that phase 2 they eliminated the IPS so the cost went down. Council Member Spadafore asked if they were then moving the IPS to the other portion of the lot, and Mr. Helzer acknowledged that phase 2 mentioned was not parking, on the map attached to the 7th amendment it was the “u” shaped building identified as “F”.

Council President Wood referenced other developments in the City where Council was told there would be 1% income tax on residents because they were apartments, however they eventually were utilized as offices. She asked if there would be a guarantee the apartments would not be utilized into offices. The applicants stated that the logic of planning out phase’s products, is to anticipate the mixed use of apartments and retail in the 1st phase then will explore other options.

Council Member Jackson stepped away from the meeting at 6:43 p.m.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTUION TO SET THE PUBLIC HEARING FOR THE RED CEDAR DEVELOPMENT 7TH AMENDMENT AND RESTATED REAL ESTATE PURCHASE AND DEVELOPMENT AGREEMENT.

Council Member Spadafore asked the OCA if with the changes discussed, if it would be premature to set the hearing because the agreement could change. Mr. Smiertka confirmed that the changes he had heard thus far are no major changes so there would be no reason to wait, and if there were significant changes, it would have to be placed on file for another 30 days.

MOTION CARRIED 7-0.

Patrick E. Lindemann

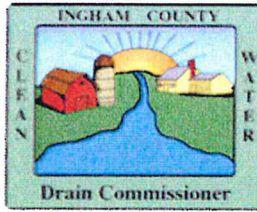
Ingham County Drain Commissioner

PO Box 220
707 Buhl Avenue
Mason, MI 48854-0220

Phone: (517) 676-8395

Fax: (517) 676-8364

<http://dr.ingham.org>



Cara Florence Cios
Deputy Drain Commissioner

Pau C. Pratt
Deputy Drain Commissioner

David C. Low
Chief of Engineering and Inspection

Stephan Lewis
Administrative Assistant

RECEIVED

APR 17 2019

LANSING CITY COUNCIL

April 17th, 2019

Dear Mayor Schor, Council President Wood, and Councilors Dunbar, Garza, Hussain, Jackson, Spadafore, Spitzley, and Washington,

During the public comment periods of several recent public meetings before some or all of you, many questions have been raised about the Red Cedar Development, its potential to increase flooding up or downstream, and its effect on the Montgomery Drain project. In an effort to clarify what was being asked, I have prepared a response to these statements and questions with the help of my engineers. This is not a comprehensive list of all questions raised, but only of those relating to the Montgomery Drain and flooding. It is important to set the record straight on the engineering that has gone into these projects.

1. A meeting attendee stated that properties downstream of the Red Cedar Development (RCD) will experience more flooding as a result of the development.

Flooding will not be worsened by developing Red Cedar Park. The developer's engineer has certified the "no harmful impact" standard has been met. The "no harmful impact" standard means that properties up and downstream will not experience a higher flood stage as a result of the development. The way "no harmful impact" is guaranteed is by the rules governing compensating cut (Part 31 of the Michigan Natural Resources Environmental Protection Act) and on-site storage, as well as control of runoff (Rules of Ingham County Drain Commissioner).

2. Another attendee stated that the stormwater from the development will runoff directly into the river.

The fact is that stormwater will not runoff directly to the river. The purpose of the drain project is to stop pollution from going straight to the river. The Ingham County Drain Commissioner has first flush storage and treatment requirements that are more stringent than the state's requirements. The Red Cedar Development will meet first flush storage and treatment requirements. The development is utilizing low impact design (LID) methods that will go beyond the Ingham County Drain Commissioner's first flush requirements. RCD is required by the Ingham County Drain Office to store and treat 3 acre-feet, which would account for the first inch of rainfall (called the first flush). RCD's treatment and storage contribution is closer to 5 or 6 acre-feet, almost double the requirement. One acre-foot is one foot of water on one acre. 5 or 6 acre-feet is roughly equivalent to a football field under 4.5 or 5.5 feet of water.

However, the attendee's statement could instead refer to storage of Red Cedar River's flood waters. Any loss of floodplain storage by the construction of the development is being compensated, as required by the developer's permit from the Michigan Department of Environmental Quality. The developer recently added a 3.5-acre pond that further compensates for floodplain loss.

3. There were questions raised about the cost of the drain project if the development did not store water or did not occur.

There are several ways to interpret this question. It is important to understand the two projects are accounted for separately. However, the stormwater components of the Red Cedar Development are complementary to the stormwater design of the drain project.

Where the drain commissioner has jurisdiction over stormwater and stormwater infrastructure, all development projects are required to meet and pay for first flush standards. First flush standards of the Ingham County Drain Commissioner are stormwater detention requirements created to prevent polluted water from entering waterways.

Since Lansing residents voted to sell and develop Red Cedar Park, the drain commissioner must treat the property as if it will be developed, whether this particular development occurs or not.

Without this development, the added cost to the drain project would be at least \$500,000 or more. Part of the increased cost would be the drain commissioner's obligation to make up the unbuilt detention elsewhere. The alternate detention location would be required to be upstream and above the floodplain. This could not be on Red Cedar Park, because no developer would have built the infrastructure that raises the related low impact design above the floodplain.

If the development does not occur, there are other complications that would increase the cost of the drain project as well. The drain office has been coordinating with the Red Cedar Development to install water quality structures that will cost the drain more if it must seek alternative installation locations. Additionally, most of the underground utility coordination is complete and would have to be done over if the development does not occur, adding more cost to the drain project.

4. An attendee objected to the increased imperviousness caused by the development. The development is required to comply with stormwater rules, effectively addressing imperviousness. As discussed above in question 3, the developers intend to implement low impact design which will retain more water than the property does in its present condition. When it is complete, the property's stormwater runoff will mimic pre-settlement conditions, which is an improvement from the uncontrolled runoff occurring today.

5. The February 2018 flood event was brought up during the meetings previously mentioned. What year storm was the flood last year? What year flood event?
On February 22, 2018, at Red Cedar Park, the flood elevation was 829.5 feet above sea level at its peak. The 10-year flood elevation at this location is 830 feet above sea level.

The flooding from the river was not directly caused by the rainfall. The rain event was slightly less than a 2-year event, with a total of 2.73 inches of rain falling over 48 hours. Flooding was compounded by snow melt and runoff from frozen ground in the entire Red Cedar River watershed.

6. The drain commissioner brought up the berm divider along the floodway boundary north to the development. For what flood event does the berm divider along the floodway boundary protect?

The design intent of the berm divider is to provide 10-year floodplain protection from the Red Cedar River. The 10-year floodplain elevation is 830 feet above sea level. This refers to the flood frequency, not rainfall depth. The 10-year rainfall depth is 3.38 inches over 24 hours according to the National Oceanic and Atmospheric Administration's (NOAA) Atlas 14 precipitation frequency model. This number does not directly relate to the 10-year floodplain protection. The river can flood without a rainfall event in the Montgomery Drain's service area, or the drain could experience a 10-year rain event that does not cause significant flooding.

The 100-year rain fall event is 5.45 inches over 24 hours for this site (Atlas 14 – NOAA). The 100-year Red Cedar River flood elevation is 836.2 feet above sea level (Flood insurance study from the Federal Emergency Management Association). The base flow elevation of the river is 819.5 feet above sea level.

7. One attendee brought up the cost of the drain assessments from the Montgomery Drain relating to the Red Cedar Development's assessment. How much more would other property owners pay if the development does not go through?

For this type of drain (Chapter 20 drain under the Michigan Drain Code), municipalities are assessed to pay for the improvement project, not individual properties. The decision to assess individual properties, including the development, is made by the City of Lansing. The city has reserved the right under the Drain Code to assess some or all of the drain costs to individual properties. The drain commissioner will make recommendations to the city on how to assess the project cost if the costs are to be assessed to individual properties. The City of Lansing makes the ultimate decision as to assessments. The Ingham County Drain Commissioner's recommendation, under normal assessing practices would likely result in an assessment to the RCD as high as 20% (\$4.42 million) of Lansing's share of the overall drain costs assessed to it. If the development does not occur, that amount would be spread to other property owners in the service area or be absorbed by the City of Lansing.

I hope this information is helpful in the City Council's deliberations. Should you want more information, the Ingham County Drain Office and my consultants stand at the ready to answer questions. It is an honor and privilege to serve the public of the City of Lansing and Ingham County.

Sincerely,



Patrick E. Lindemann
Ingham County Drain Commissioner

**REVISED SEVENTH AMENDMENT TO THE AMENDED AND RESTATED
REAL ESTATE PURCHASE AND DEVELOPMENT AGREEMENT**

This is the Revised Seventh Amendment (the “Amendment”) to the Amended and Restated Real Estate Purchase and Development Agreement dated July 23, 2018, as amended by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, and Sixth Amendment (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”).

RECITALS

WHEREAS, the Developer and the City entered into the Amended and Restated Real Estate Purchase and Development Agreement which was amended by the First Amendment to the Amended and Restated Real Estate Purchase and Development Agreement; and

WHEREAS, the Second Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of November 30, 2018 in Section 2.1 and replaced it with December 14, 2018; and

WHEREAS, the Third Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of December 14, 2018 in Section 2.1 and replaced it with January 11, 2019; and

WHEREAS, the Fourth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of January 11, 2019 in Section 2.1 and replaced it with February 11, 2019; and

WHEREAS, the Fifth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of February 11, 2019 in Section 2.1 and replaced it with March 4, 2019; and

WHEREAS, the Sixth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of March 4, 2019 in Section 2.1 and replaced it with April 26, 2019; and

WHEREAS, a Seventh Amendment to the Amended and Restated Real Estate Purchase and Development Agreement was negotiated by the Parties, executed by Developer, and placed on file with the City Clerk for Council consideration on February 25, 2019, and the Parties have jointly revised the Seventh Amendment prior to execution by the City in order to clarify requirements for Hotels, Restaurants and In-Line Retail, and Multifamily Housing; and

WHEREAS, the Developer and City are hereby agreeing to amend the Agreement according to the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual promises hereinafter contained and other good and valuable consideration, the parties agree as follows:

AMENDMENTS TO THE AGREEMENT

1. Section 1.2 is amended to increase the Purchase Price from Two Million Two Hundred Thousand and 00/100 Dollars (\$2,200,000.00) to Two Million Two Hundred Twenty One Thousand Six Hundred Seventy and 00/100 Dollars (\$2,221,670.00), in consideration for the delay in Closing.
2. Section 2.1, is amended to remove the date of April 26, 2019, and replace it with July 31, 2019.
3. Section 5.1.1 (b) is amended to remove all text and replace it with, "Within the same structure that contains the Full Service Hotel, but within a separate, independent tower from the Full Service Hotel, a Select Service Hotel containing not less than 128 guest rooms ("Select Service Hotel")."
4. Section 5.1.1 (c) is amended to remove "collectively, the" and replace it with "including the", and to remove "Exhibit C-1" and replace it with "Exhibits C-1 and C-2".
5. Section 5.1.1 (d) is amended to remove "two hundred (200) units" and replace it with "one hundred and fifty (150) units, and not less than thirty (30) percent of those units will contain 2 bedrooms. Further, Developer covenants to not market the Multifamily Housing to students"
6. Section 5.1.1 (d1) is removed in its entirety.
7. Section 5.1.1 (e) is amended to remove "exclusively in that portion of the Purchase Property that is east of the easternmost point of the portion of the Red Cedar Property" and replace it with "in the eastern and southern portions of the Purchase Property that front on Michigan Avenue", and to remove "1,222" and replace it with "1,100".
8. Section 5.1.1 (h) is amended to removed "116" and replace it with "120".
9. Section 5.1.1 (j) is amended to remove "will be owned constructed and maintained by the Developer" and replace it with, "may be partially publicly owned, but will be constructed and maintained exclusively by Developer."
10. Section 5.6 is amended to insert ", and associated site preparation" to the end of the first sentence, and to insert ", and anything owned, maintained, and operated by a public entity so long as it is within a public right of way or easement" to the end of the third sentence.
11. Section 7.3.1. is amended to remove "City will reasonably pursue" and replace it with "Developer will reasonably pursue".

12. Section 7.3.1 (a) is amended to remove, "Ten Million Seven Hundred Fifteen Thousand Six Hundred Sixty-Nine and 00/100 Dollars (\$10,715,669.00)", and replace it with, "the Project costs that qualify for tax exempt bonding, as determined by the LBRA in its sole and exclusive discretion in consultation with its bond counsel,".
13. Section 7.4 is amended to strike the dates October 1, 2017 through September 30, 2018 and replace them with the dates October 1, 2018 through September 30, 2019.
14. At the end of the Agreement, the Exhibits are modified as follows:
 - a. Exhibit C-1 is replaced with Revised Exhibit C-1, dated January 18, 2019, as attached to this Amendment;
 - b. Exhibit C-2 is replaced with Revised Exhibit C-2, dated April 19, 2019, as attached to this Amendment;
 - c. Exhibit D is replaced with Revised Exhibit D, dated January 16, 2019, as attached to this Amendment;
15. An electronic copy of a signature to this Amendment or the Agreement will be deemed the same as an original.
16. This Agreement may be executed in counterparts, each of which shall be an original and all of which should constitute the same instrument.
17. All other terms and conditions of the Agreement, except as modified herein, remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

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

CONTINENTAL/FERGUSON LANSING, LLC:

By: Hallmark Lansing, LLC

Its: Member

By: Franklin E. Kass

Its: Member

STATE OF OHIO)
)ss
COUNTY OF FRANKLIN)

The foregoing instrument was acknowledged before me this 19th day of April, 2019 by Franklin E. Kass, as Member of Hallmark Lansing, LLC as Member of Ferguson/Continental Lansing, LLC, by him to be his free act and voluntary deed.



NANNETTE C. BUEL
Notary Public, State of Ohio
My Commission Expires 10-07-19

Nannette C. Buel
_____, Notary Public
_____, County, _____
My commission expires: _____

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 19th day of April, 2019 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.

PATRICK T. REID II
NOTARY PUBLIC-STATE OF MICHIGAN
COUNTY OF CLINTON
My Commission Expires November 17, 2024
Acting in the County of Ingham

Patrick T. Reid II
_____, Notary Public
_____, County, _____
My commission expires: _____

IN WITNESS WHEREOF, the City has executed this Revised Seventh 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 _____, 2019 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



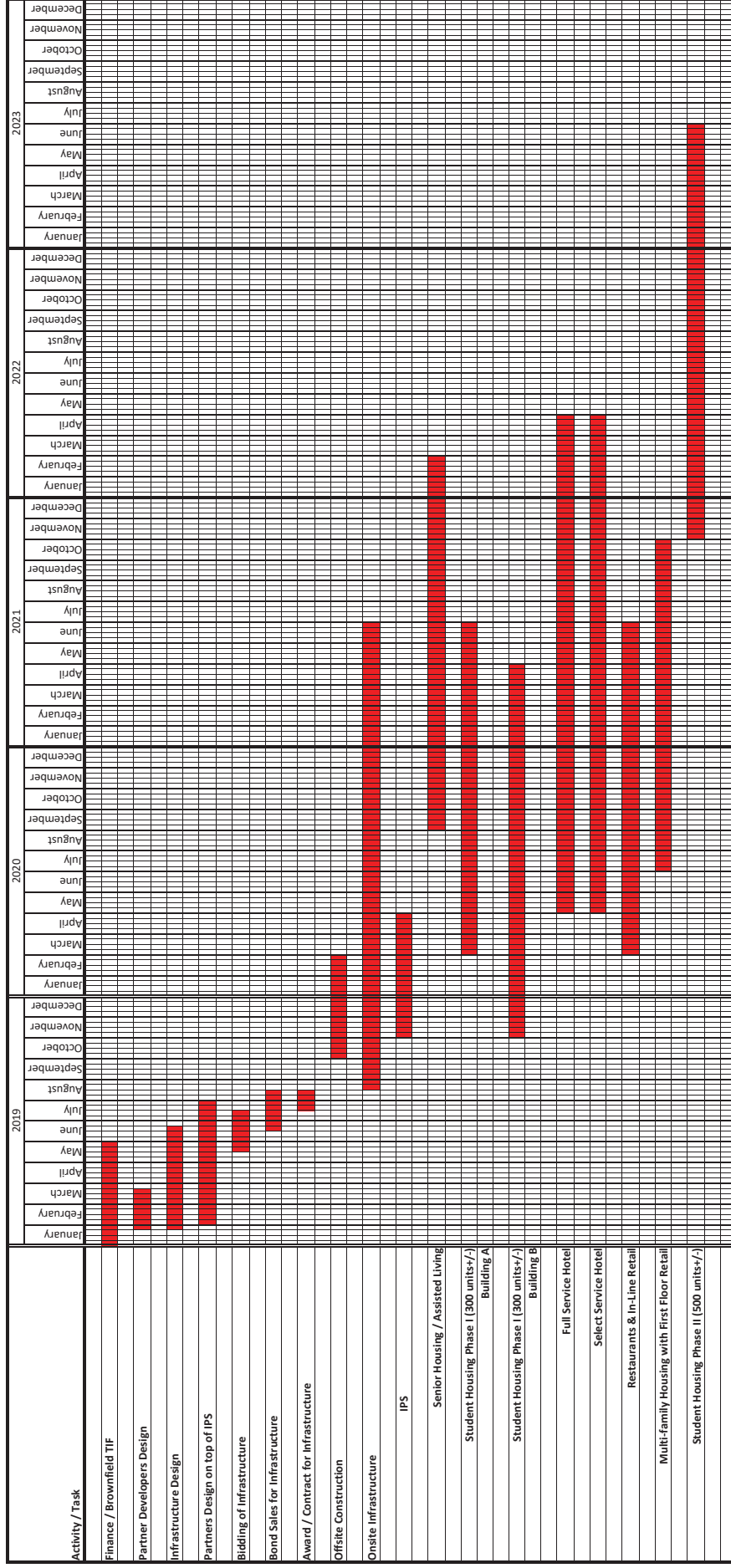
LANSING, MI
January 18, 2019

EDGE
PLANNING
LANDSCAPE ARCHITECTURE
LIFESPACE DESIGN

- LEGEND**
- 1 MULTIFAMILY HOUSING WITH FIRST FLOOR RETAIL
 - 2 SENIOR VILLAGE
 - 3 HOTELS (2 - DUAL BRAND) WITH FIRST FLOOR RETAIL
 - 4 STUDENT HOUSING WITH FIRST FLOOR RETAIL
 - 5 RESTAURANTS AND IN LINE RETAIL
 - 6 STUDENT HOUSING
 - 7 IPS
 - 8 SURFACE PARKING
 - 9 VEHICLE ACCESS POINT
 - 10 NON-VEHICLE ACCESS POINT

Exhibit C-2: Red Cedar Development - Lansing, Michigan			
as of April 19, 2019 (per January 18, 2019 Red Cedar Development "Conceptual Master Plan")			24550
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 - 152 Keys, Restaurant {6,000 SF} and Ballrooms with Supportive Space {5,000 SF})	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 - 128 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 (24,550 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 (10,000 SF) (55 feet above Michigan Ave., 5-stories - 150 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 (55 feet above Michigan Ave., 5-stories on IPS - 1,100 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. - 120 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 Structure)			
Privately Funded Improvements	Public and private infrastructure, environmental remediation, asbestos abatement, demolition and site preparation.	Continental/Ferguson Lansing, LLC-Tax-Exempt/Taxable Revenue Bonds and Private Lender Financing	
Lansing Board Water & Light Improvements	Public infrastructure in public rights-of-way and easements.	Lansing Board Water & Light	

Exhibit D: Project Schedule
Red Cedar Redevelopment - Lansing, Michigan
Preliminary as of January 16, 2019



**REVISED SEVENTH AMENDMENT TO THE AMENDED AND RESTATED
REAL ESTATE PURCHASE AND DEVELOPMENT AGREEMENT**

This is the Revised Seventh Amendment (the “Amendment”) to the Amended and Restated Real Estate Purchase and Development Agreement dated July 23, 2018, as amended by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, and Sixth Amendment (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”).

RECITALS

WHEREAS, the Developer and the City entered into the Amended and Restated Real Estate Purchase and Development Agreement which was amended by the First Amendment to the Amended and Restated Real Estate Purchase and Development Agreement; and

WHEREAS, the Second Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of November 30, 2018 in Section 2.1 and replaced it with December 14, 2018; and

WHEREAS, the Third Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of December 14, 2018 in Section 2.1 and replaced it with January 11, 2019; and

WHEREAS, the Fourth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of January 11, 2019 in Section 2.1 and replaced it with February 11, 2019; and

WHEREAS, the Fifth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of February 11, 2019 in Section 2.1 and replaced it with March 4, 2019; and

WHEREAS, the Sixth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement removed the date of March 4, 2019 in Section 2.1 and replaced it with April 26, 2019; and

WHEREAS, a Seventh Amendment to the Amended and Restated Real Estate Purchase and Development Agreement was negotiated by the Parties, executed by Developer, and placed on file with the City Clerk for Council consideration on February 25, 2019, and the Parties have jointly revised the Seventh Amendment prior to execution by the City in order to clarify requirements for Hotels, Restaurants and In-Line Retail, and Multifamily Housing; and

WHEREAS, the Developer and City are hereby agreeing to amend the Agreement according to the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual promises hereinafter contained and other good and valuable consideration, the parties agree as follows:

AMENDMENTS TO THE AGREEMENT

1. Section 1.2 is amended to increase the Purchase Price from Two Million Two Hundred Thousand and 00/100 Dollars (\$2,200,000.00) to Two Million Two Hundred Twenty One Thousand Six Hundred Seventy and 00/100 Dollars (\$2,221,670.00), in consideration for the delay in Closing.
2. Section 2.1, is amended to remove the date of April 26, 2019, and replace it with July 31, 2019.
3. Section 5.1.1 (b) is amended to remove all text and replace it with, "Within the same structure that contains the Full Service Hotel, **but within a separate, independent tower from the Full Service Hotel**, a Select Service Hotel containing not less than 128 guest rooms ("Select Service Hotel")."
4. Section 5.1.1 (c) is amended **to remove "collectively, the" and replace it with "including the", and to remove "Exhibit C-1" and replace it with "Exhibits C-1 and C-2".**
5. Section 5.1.1 (d) is amended to remove "two hundred (200) units" and replace it with **"one hundred and fifty (150) units, and not less than thirty (30) percent of those units will contain 2 bedrooms. Further, Developer covenants to not market the Multifamily Housing to students"**
6. Section 5.1.1 (d1) is removed in its entirety.
7. Section 5.1.1 (e) is amended to remove "exclusively in that portion of the Purchase Property that is east of the easternmost point of the portion of the Red Cedar Property" and replace it with "in the eastern and southern portions of the Purchase Property that front on Michigan Avenue", and to remove "1,222" and replace it with "1,100".
8. Section 5.1.1 (h) is amended to removed "116" and replace it with "120".
9. Section 5.1.1 (j) is amended to remove "will be owned constructed and maintained by the Developer" and replace it with, "may be partially publicly owned, but will be constructed and maintained exclusively by Developer."
10. Section 5.6 is amended to insert ", and associated site preparation" to the end of the first sentence, and to insert ", and anything owned, maintained, and operated by a public entity so long as it is within a public right of way or easement" to the end of the third sentence.
11. Section 7.3.1. is amended to remove "City will reasonably pursue" and replace it with "Developer will reasonably pursue".

12. Section 7.3.1 (a) is amended to remove, “Ten Million Seven Hundred Fifteen Thousand Six Hundred Sixty-Nine and 00/100 Dollars (\$10,715,669.00)”, and replace it with, “the Project costs that qualify for tax exempt bonding, as determined by the LBRA in its sole and exclusive discretion in consultation with its bond counsel,”.
13. Section 7.4 is amended to strike the dates October 1, 2017 through September 30, 2018 and replace them with the dates October 1, 2018 through September 30, 2019.
14. At the end of the Agreement, the Exhibits are modified as follows:
 - a. Exhibit C-1 is replaced with Revised Exhibit C-1, dated January 18, 2019, as attached to this Amendment;
 - b. Exhibit C-2 is replaced with Revised Exhibit C-2, dated April 19, 2019, as attached to this Amendment;
 - c. Exhibit D is replaced with Revised Exhibit D, dated January 16, 2019, as attached to this Amendment;
15. An electronic copy of a signature to this Amendment or the Agreement will be deemed the same as an original.
16. This Agreement may be executed in counterparts, each of which shall be an original and all of which should constitute the same instrument.
17. All other terms and conditions of the Agreement, except as modified herein, remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

STATE OF OHIO)
)ss
COUNTY OF FRANKLIN)

CONTINENTAL/FERGUSON LANSING, LLC:
By: Hallmark Lansing, LLC
Its: Member

By: Franklin E. Kass
Its: Member

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

CONTINENTAL/FERGUSON LANSING, LLC:
By: Red Cedar Investor, LLC
Its: Member

STATE OF MICHIGAN)
)ss
COUNTY OF INGHAM)

By: Joel I. Ferguson
Its: Member

The foregoing instrument was acknowledged before me this ____ day of _____, 2019 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
_____, County, _____
My commission expires: _____

IN WITNESS WHEREOF, the City has executed this Revised Seventh 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 _____, 2019 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



U. A. of Plumbers & Pipefitters

Local 333

5405 S. Martin Luther King, Jr. Blvd.

Lansing, MI 48911

Phone: (517) 393-5480

Fax: (517) 393-0798

Toll Free: (888) 258-8333

April 22, 2019

President Carol Wood
Lansing City Council
124 W. Michigan Ave.
Lansing, MI. 48933

RE: Support of the Red Cedar Project

Dear President Wood,

Please accept this letter as a formal notice of strong support for the Red Cedar Project on behalf of the Plumbers and Pipe Fitters, Local Union 333 of Lansing. I also want to be sure to thank you for your strong leadership on the project as well as City Council as a whole. All of the Council members did their due-diligence on the project and it is a better project today because of it. I also need to thank Mayor Schor for his great leadership and seeing to it that the Citizens of Lansing and Council members were heard and their concerns were met with action.

Lastly, this is a project as you know that has been challenging to say the least due to all of the unique challenges the property presents. We would not be here today without Mayor Schor, City Council, LEAP, Joel Ferguson and Frank Kass. All of them should be commended for their vision and commitment to Lansing.

My membership and I are excited to be a part of the construction process but equally as important we are looking forward to seeing the advancement of the Lansing-Michigan Ave. Corridor and returning to the Red Cedar site for years to come as patrons of the new businesses and citizens utilizing the public spaces to be created on the project.

Thank you,

Price Dobernack
Business Manager

Boak, Sherrie

From: Christopher S <cstralkowski@outlook.com>
Sent: Wednesday, April 3, 2019 10:43 AM
To: Spitzley, Patricia; Spadafore, Peter
Cc: City Council; Boak, Sherrie; Smiertka, Jim; Lansing Mayor; Harkins, Samantha; johndpirich@gmail.com; Jcdavis; Terry Terry; Venker, Gregory; jaferg@sbcglobal.net
Subject: Re: Red Cedar Clarification Requested
Attachments: Council concerns 4.3.19.pdf

Dear Councilperson Spitzley and Spadefore ~

I have not been able to reach Councilperson Spitzley via email or phone so I will provide this PDF document that addresses the known concerns.

As well, I will respectfully decline any and all efforts to discuss this document (issues) through media outlets, this is includes social media platforms.

This embargo includes all of the members of the Development team. We are always available to discuss one on one, any and all issues related to this project based upon your requests.

As well, we are looking forward to the discussions, questions and comments this Saturday at Councilperson Washington's town hall meeting.

Very best regards.

Christopher Stralkowski *MSEd.*

Executive Project Manager
Ferguson Development, LLC
Lansing, Michigan 48906

C 219.898.6667 O 517.371.2515

This message is being sent by Ferguson Development LLC and is intended exclusively for the individuals and entities to whom it is addressed. This communication, including any attachments may contain information that is proprietary, privileged, confidential or otherwise legally exempt from disclosure. If you are not the intended recipient, you are not authorized to read, print, retain, copy, disseminate this message or any part of it. If you have received this message in error, please notify the sender immediately and delete all electronically maintained copies and destroy all printed copies of this message. Email transmission cannot be guaranteed to be secured or error-free, as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or contain viruses. The sender, therefore, does not accept liability for any errors or omissions in the contents of this message which arise as a result of the electronic transmission thereof.

From: Spitzley, Patricia <Patricia.Spitzley@lansingmi.gov>
Sent: Wednesday, March 27, 2019 6:11 PM
To: Spadafore, Peter
Cc: cstralkowski@outlook.com; City Council; Boak, Sherrie; Smiertka, Jim; bob@purelansing.com; Lansing Mayor; Harkins, Samantha
Subject: Re: Red Cedar Clarification Requested

Christopher,

Peter's concerns are shared by me as well. I look forward to your explanation.

Patricia Spitzley
At Large Councilmember
124 W. Michigan Ave
10th Floor, City Hall
Lansing, MI 48933

517-388-3248

On Mar 26, 2019, at 8:31 PM, Spadafore, Peter <Peter.Spadafore@lansingmi.gov> wrote:

Mr. Stralkowski,

On March 26, 2019, you were quoted on WLNS as stating, "The reality is that the numbers that they were talking about yesterday at council with the one-bedroom and the studios were absolutely flat out wrong...There are no studio apartments. There's one and two-bedrooms. anything that's changed really just comes down to where the student housing was and where it is now and the re-configuration of the multi-family."

For clarity, you can find the video here: <https://www.wlns.com/news/red-cedar-development-raises-doubts-after-lansing-city-council-meeting/1879105636>

I would like to understand why your team was so misinformed about the project as to present "absolutely flat out wrong" information in front of City Council? This is a very serious mistake and I would ask that you please clarify by the end of the day Wednesday to Sherrie Boak in the Council office what the minimums are in the current development agreement for every proposed property, since the exhibits and the development agreement or so out of sync with reality.

Thank you for your quick attention on this clarification.

Peter Spadafore
At Large Councilmember
Lansing Cit Council

O: 517.483.4180 | T: @PeterSpadafore | E: peter.spadafore@lansingmi.gov

The current plan was changed based upon real savings for the infrastructure portion of the project's costs. Yet the total investment on the project has increased and the Brownfield plan's costs were reduced.

1.

There is the same amount of impervious pavement on the site as there was when the project was approved by Council last year.

The difference is the former site plan had an IPS/building hiding the pavement below. This IPS for student housing was the most expensive to build and had to be eliminated.

By moving student housing to the Michigan Avenue frontage allows for a "future development" to replace the student housing building. Think of a three story, 30,000 square foot office building in that place. We have already been in discussions about this future opportunity.

As well, this new parking area will be obscured by landscaping and designed as a green as possible with bio-swales, rain-gardens complete with native plants and trees surrounding the lot. It (parking) cannot be seen from MI Ave.

The parking is located behind the former Sawyer Pontiac dealership and the existing DTN student apartments to the north. NOT on the river and north of the project's road that separates the floodplain and floodway.

Be clear, the student housing beds have decreased by 148 beds, and is now planned in two phases. Due to our knowledge of the market, absorption rates and other market factors. The previously approved plan had MORE student housing beds.

2.

The building for market-rate housing on the corner of Clippert and MI Ave are 1- and 2-bedroom luxury units. High end products. Not marketed to students. Will be marketed to Professionals, Couples, Empty nesters.

150 +/- one bedroom, one bath, one bedroom, two baths, with two bed, one bath, two bed, two bath mix. 100 or so one bedroom and 50 two bed units. NO STUDIO unit are being proposed.

3.

The changes to the project are minimal and are market driven and cost driven. Hotel rooms have increased. Commercial and Retail has been and continues to be 40, 000 square feet. LEAP requested the re-classification of the 5,000 feet of commercial in the Hotel be separated out of the total. It is their restaurant space. A full-service upscale restaurant serving the hotel's breakfast, lunch and dinner along with providing room service. The only full-service hotel in the region outside of Grand Rapids and Ann Arbor. There are 2 hotels with a select service included with the full-service hotel.

4.

We will be fully responsible and participate in the paying a proportional share of the expected Montgomery Drain repair costs. Expecting to be around 20-25%. If this project goes away, each and every taxpayer assessed with a drain bill will see a 20-25% percentage increase in their tax bill for the drain repairs. Lansing's taxpayers will see a tax increase over the next 30 years.

5.

There is nothing in Frank or Joel's development portfolio that reflects either of them building an eyesore that would result in a foolishly designed and poorly managed project. Frank has more than \$3 billion dollars of development experience. Same for Joel's buildings in and around Lansing and throughout the state.

6.

This is the only private development project that has contained in the purchase and development agreement, a prevailing wage clause. The Unions, the Chamber fully support this project.

7.

The C-2 exhibit is reflected in the Agreement. Councilperson Spitzley said descriptions were only an attachment. It is detailed and described in 5.1.1. This section, 5.1.1 refers to the C-2 exhibit.

8.

Adding up all the units being built on the site, not referring to rooms, beds or keys, just units, the Hotel is 288, Senior Village 122, Market rate 150 and student housing, phase one, 170 units this equals 730 units. Student housing represents 23% of the total units on the project. See #1 explanation.

9.

Andersen Economic Group estimated more than \$516 million dollars of output, taxes and revenue over 30 years will be generated for Lansing ONLY by this project. 1400 jobs created. These tax, revenue and output dollars will be helpful to fix roads, increase the payments for the pension liabilities, pay for a portion of the CSO.

10.

7 amendments to the Agreement have occurred. 5 of those amendments were date extensions only. LEAP/Mayor would only allow for a 30-day period of time to lapse to ensure progress. The other 2 represented changes to the project and legal changes. One was adding the Local Labor agreement. Another was the increase to the purchase price and programming adjustments.

11.

There will be a new 22-acre Public park constructed complete with an Amphitheatre. The \$2.22 million dollar purchase price will be earmarked for the Parks department.

12.

Over the last 4 years, the City's full faith and credit bond obligation has gone from \$38 million, to \$10.7 million to zero.

12.

This project has been supported by 2 Mayors and approved by 3 different City Councils and the LBRA unanimously over the past 5 years. We have had 3 Charettes, meet with local groups, presented the project at least 25 times publicly for stakeholders and been extremely open and transparent.

13.

I thought we had a great meeting with Jody and Peter last Thursday.



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Belmont Village Goes Big on Intergenerational Living with University, Mixed-Use Projects

By Tim Mullaney | March 4, 2019

Belmont Village Albany, Courtesy Belmont Village

Share

Through robust university partnerships as well as mixed-use developments, Belmont Village is creating senior living communities with strong intergenerational components — and CEO Patricia Will expects that this trend will gain steam in the coming years.

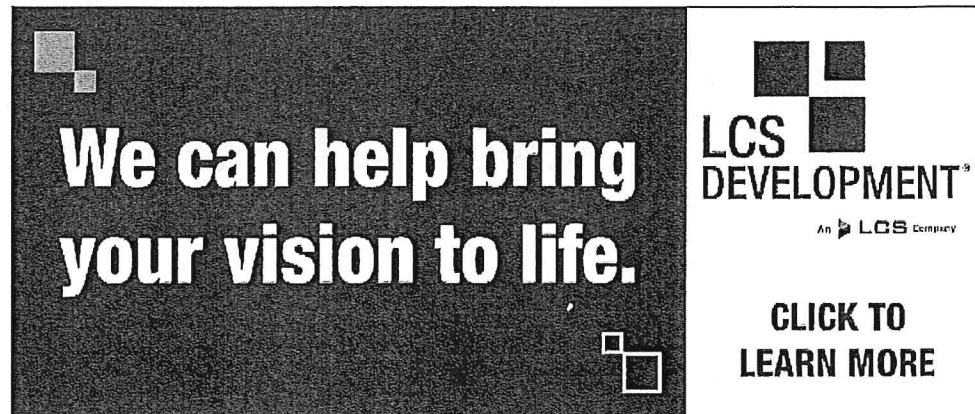
In fact, don't be surprised if student housing and senior living communities are co-located in the future, perhaps sharing the same building, she told Senior Housing News. In addition to being CEO, Will founded Houston-based Belmont Village, which operates 27 senior living communities.

Will made her comments during a recent interview for the Senior Housing News podcast Transform, sponsored by PointClickCare. Transform focuses on the people and ideas shaping the future of

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the baby boomer generation in particular is seeking, and so intergenerational living is moving front-and-center as developers and operators plan for the future.



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“Invariably, we’ve found that to the maximum extent possible, seniors want to be where the action is,” Will said.

Highlights from the interview with Will are below, edited for length and clarity. Subscribe to Transform via [Apple Podcasts](#), [SoundCloud](#) or [Google Play](#).

On what intergenerational senior living means to Belmont Village:

From our point of view, intergenerational senior living that you genuinely create an environment where multiple generations are sharing in everyday life and activities, experiences, in a very rich and deliberate way. For us, the most pointed examples of this come from the communities that we’ve built in affiliation with major universities, where you have the opportunity to engage undergraduate students and graduate students as well as professors in the fiber of everyday life at the community.

SENIOR HOUSING NEWS**Building & Design Communities Finance Law & Regulation
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We've combined [university affiliation and mixed-use development] at a project we completed on UC Berkeley land about a year and a half ago ... it's a site that belonged to the university within a mile or so of campus ... Together with a retail developer, we developed it mixed-use, and so it's ground-zero with respect to its location and the other generations that live adjacent. But again, more importantly, we planned this community with a very, very rich group of emeriti and the retiree center at the university, to take everything that we could think of and they could think of with respect to combining programming for the two.

Popular Reports**Multi-brand Strategies in Senior Housing**[LEARN MORE](#)**The Primary Care Opportunity In Senior Living**[LEARN MORE](#)**The Senior Living Smart Home Revolution**[LEARN MORE](#)

So you've got both mixed-use, retail, restaurant, the senior housing building all together, [and] you've got the intergenerational housing with their graduate student housing, and you've got a school for little kids. And on top of that, very, very rich programming that occurs on campus for our residents, but also at our building and the number of programs that we engage in there. Cal-Berkeley students do a readers theater at the community where they visit the community to talk about a book and lead an activity and discussion, we have an art competition among the fine arts students, and the vernissage for the competition is at our community ... We've got an after-school university for science, technology, engineering, arts and math that

 SENIOR HOUSING NEWS

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it is, yes, coming from the seniors. Not really, to be honest, yet the baby boom generation. We're a ways from taking care of and housing that generation, but from the seniors themselves who want to continue to engage in a manner they did when they were younger with younger generations, specifically on campuses.

With respect to the mixed-use, invariably we've found that to the maximum extent possible, seniors want to be where the action is. To the extent that, whether it's Lincoln Park in Chicago, where we're part of a wonderful mixed-use campus, or the one that I'm describing in Berkeley, or the one that we built that is truly mixed-use in Mexico City, the impetus to be close to where there's vibrancy, activity, where — notwithstanding mobility restraints — people can get out and enjoy something beyond the community, and where it's very easy, within walking distance, to bring the community in, is something that I think our seniors thrive on.

On securing the land for these intergenerational communities:

Our experience in acquiring the land has been varied but I would say two things. Whether you have university land, [and] in the case of UC-Berkeley we did, or you're acquiring the land, as in the case of Lincoln Park as part of a mixed-use, you've got to have a lot of patience.

It's very, very difficult, even if people appreciate the use and even if you have the support of the proximate university, it's very difficult to get zoning and entitlement. So you've got to have a lot of patience. Start to finish, before we ever broke ground on the Berkeley project, we were at it for five years. And in Lincoln Park, seven. So it's a long process and you have to have a long-term point of view with respect to the residual value you're creating, both economic and otherwise.



about all the different things we can do, pretty much because the Lincoln Park [Belmont Village] campus is adjacent to them. It will afford a very rich experience for our residents and their students.

These are conversations we're having with another university right now about on-campus land. These are conversations that are very slow. These are not-for-profit institutions that are by their very nature state-sponsored and cautious. And rightfully so. So it takes a lot of patience and tenacity. With respect to anything urban infill, it's also quite expensive. And complex.

On whether it's too bold to expect student housing co-located with senior housing in the future:

It's not too bold at all. And in fact, we've begun to engage in those kinds of mixed-use conversations. We have not yet looked at sharing a building, comparable to our Mexico City building where we have retail below us and a Hyatt Hotel above us ... that we have not yet looked at in a university context, although in a land-constrained environment, I could see that happening.

I think that there are challenges, to be honest with you, that mostly happen at night ... So that type of development has to be very sensitive to issues of noise. But there are trends on campuses now that are very interesting also. There are campuses that are moving toward healthy lifestyles, sobriety, exercise, where students sign a contract to abide by all those things in exchange for a really rich environment. I could easily see a combination of that kind of a dorm life with a seniors housing building.

Subscribe to Transform via [Apple Podcasts](#), [SoundCloud](#) or [Google Play](#). Click below to listen to the whole episode:

[Cookie policy](#)**Companies featured in this article:**

[Belmont Village](#), [PointClickCare](#), [University of California Berkeley](#).

**Tim Mullaney**

If he's not in the newsroom, Tim likes to be on the tennis court or traveling to a new destination. Recent highlights include Sri Lanka and Iceland.



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Jack Silverstein

**Inside Otterbein
SeniorLife's
Effort to Develop
a 1,200-Acre
Intergenerational
Community**

Jack Silverstein

4/22/2019 2:01 p.m.

Here is a pdf of the original CDA, showing redlines of the two substantive amendments. The changes from the First Amendment, which was approved by Council with its approval of the CDA back in 2018, are shown in blue. The changes from the Revised Seventh Amendment, which was sent up today and currently under consideration, are shown in red.

Thank you,

Gregory S. Venker
Assistant City Attorney
Office of the City Attorney

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 ⁺attached 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 1

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)~~ Two Million Two Hundred Twenty One Thousand Six Hundred Seventy and 00/100 Dollars (\$2,221,670.00) (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~~July 31, 2019, 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") Within the same structure that contains the Full Service Hotel, but within a separate, independent tower from the Full Service Hotel, a Select Service Hotel containing not less than 128 guest rooms ("Select Service Hotel");

(c) Commercial spaces for full-service restaurants, plus other general commercial and retail space (~~collectively, the~~ including 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-~~ Exhibits C-1 and C-2; 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 or 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 one hundred and fifty (150) units, and not less than thirty (30) percent of those units will contain 2 bedrooms. Further Developer covenants to not market the Multifamily Housing to students;

~~(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;~~

(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~~ in the eastern and southern

portions of the Purchase Property that front on Michigan Avenue as depicted in Exhibit C-1 and shall consist of at least ~~4,248~~1,222~~1,100~~ 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 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) 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~~may be partially publicly owned, but will be constructed and maintained exclusively by 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 Derossett-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, and associated site preparation. 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, and anything owned, maintained, and operated by a public entity so long as it is within a public right of way or easement. 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-Developer~~ 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 Project costs that qualify for tax exempt bonding, as determined by the LBRA in its sole and exclusive discretion in consultation with its bond counsel, (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~~2018 through September 30, ~~2018~~2019, 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 ~~4~~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]

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Real Estate Purchase and Development Agreement on the date first written above.

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

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Real Estate Purchase and Development Agreement on the date first written above.

CONTINENTAL/FERGUSON LANSING, LLC:

By: Continental Red Cedar, LLC

Its: Member

By: Franklin E. Kass

Its: Member

STATE OF MICHIGAN)
)ss
COUNTY OF _____)

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

_____, Notary Public

_____ County, _____

My commission expires: _____

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 ____ day of _____, 2018 by Joel I. Ferguson, as Member of Red Cedar Investor, LLC as Member of Continental/Ferguson Lansing, LLC, by him to be his free act and voluntary deed.

_____, Notary Public

_____ County, _____

My commission expires: _____

EXHIBIT A-1

PURCHASE PROPERTY LEGAL DESCRIPTION

Legal Description: Red Cedar Development Property – North of Floodway

Situated in the City of Lansing, County of Ingham and State of Michigan:

Part of Lots 6, 15, 17, and Outlot "A", also vacated portion of Church Street, part of vacated Cooper Street, part of vacated Olin Avenue and vacated portion of Reniger Court (platted as Fredrick Street), Supervisor's Plat No. 1 as recorded in Liber 12 of Plats, Page 27, Ingham County Records; also part of the plat of Riverside as recorded in Liber 3 of Plats, Page 25, Ingham County Records; also part of the "Plat of the Subdivision of all that part of the Southeast quarter of Section 14 and all of that part of Section 23 lying North of the Cedar River" according to the True Copy of the Original recorded June 13th, 1856; also part of the Southwest 1/4 of Section 13 and part of the Southeast 1/4 of Section 14, T4N, R2W, City of Lansing, Ingham County, Michigan, all being more particularly described as follows; Commencing at the West 1/4 corner of Section 13 also being the East 1/4 corner of Section 14, T4N, R2W; thence S00°33'40"W, 119.50 feet along the West line of Section 13 and the East line of Section 14 to the South line of Michigan Avenue and the North line of Lot 19 of Supervisor's Plat No. 1; thence S89°49'55"W, 1.85 feet along the South line of Michigan Avenue to the Northwest corner of Supervisor's Plat No. 1 and the Point of Beginning of following described parcel; thence S00°44'26"W (platted as South), 540.51 feet along the West line of Supervisor's Plat No. 1 to the Southwest corner of Lot 23; thence S89°58'26"E (platted as N89°15'E), 182.60 feet along the South line of Lot 23 and its Easterly extension; thence N00°22'22"W, 100.00 feet along the West line of the East 1/2 of vacated Olin Avenue; thence S89°58'26"E, 998.91 feet along the North line of the South 100 feet of the East 1/2 of vacated Olin Avenue, the North line of the South 100 feet of Lot 17, the North line of the South 100 feet of vacated Cooper Street, the North line of the South 100 feet of Lot 15, the North line of the South 100 feet of vacated portion of Reniger Court (platted as Fredrick Street) and the North line of the South 100 feet of Lot 6 to the East line of Lot 6; thence S00°15'20"E, 50.00 feet along the East line of Lot 6; thence N89°49'17"E, 330.21 feet to the East line of Supervisor's Plat No. 1; thence S00°16'54"E (platted as S01°09'E), 690.78 feet to the Northerly floodway limit of the Red Cedar River; thence along said floodway limit, the following thirty (30) courses:

- 1) N46°10'15"W, 15.48 feet;
- 2) N56°47'13"W, 30.48 feet;
- 3) N55°43'09"W, 66.24 feet;
- 4) N65°03'09"W, 93.92 feet;
- 5) N64°01'30"W, 216.39 feet;
- 6) N70°25'57"W, 74.47 feet;
- 7) N61°25'31"W, 56.19 feet;
- 8) N60°47'42"W, 67.03 feet;
- 9) N57°32'05"W, 71.96 feet;

- 10)N65°20'26"W, 16.79 feet;
- 11)N57°44'47"W, 53.83 feet;
- 12)N73°17'40"W, 35.93 feet;
- 13)N86°48'53"W, 39.97 feet;
- 14)S86°37'02"W, 46.11 feet;
- 15)S84°50'08"W, 84.32 feet;
- 16)S82°06'51"W, 75.07 feet;
- 17)S86°19'27"W, 52.44 feet;
- 18)S88°21'50"W, 138.94 feet;
- 19)N77°32'06"W, 66.35 feet;
- 20)N78°22'00"W, 73.45 feet;
- 21)N83°02'49"W, 104.05 feet;
- 22)N80°18'41"W, 104.78 feet;
- 23)N81°25'50"W, 29.98 feet to the West line of Section 13;
- 24)continuing N81°25'50"W, 63.00 feet;
- 25)N84°40'04"W, 94.88 feet;
- 26)N84°12'26"W, 174.71 feet;
- 27)N86°42'58"W, 153.92 feet;
- 28)N87°08'16"W, 100.89 feet;
- 29)West, 119.66 feet;
- 30)S82°46'50"W, 89.82 feet;

thence N53°29'47"W, 224.96 feet; thence S89°26'11"W, 305.00 feet to a point which as 24.75 feet East of the West line of the East 1/2 of the Southeast 1/4 of Section 14, according to the plat of Urbandale as recorded in Liber 4 of Plats, Page 49, Ingham County Records; thence N00°30'13"E, 608.40 feet parallel with said West line to the South right-of-way line of Michigan Avenue; thence S89°51'10"E, 1279.97 feet along the South right-of-way line of Michigan Avenue to the Point of Beginning. Contains 35.57 acres, more or less.

REVISED: 11/1/2017

EXHIBIT A-1-A

RED CEDAR PROPERTY LEGAL DESCRIPTION

Part of Lots 6, 15, 17, and Outlot "A", also part of Church Street, part of vacated Cooper Street and part of vacated Olin Avenue, Supervisor's Plat No. 1 as recorded in Liber 12 of Plats, Page 27, Ingham County Records; also part of the plat of Riverside as recorded in Liber 3 of Plats, Page 25, Ingham County Records; also part of the "Plat of the Subdivision of all that part of the Southeast quarter of Section 14 and all of that part of Section 23 lying North of the Cedar River" according to the True Copy of the Original recorded June 13th, 1856; also part of the Southwest 1/4 of Section 13 and part of the Southeast 1/4 of Section 14, T4N, R2W, City of Lansing, Ingham County, Michigan, all being more particularly described as follows; Commencing at the West 1/4 corner of Section 13 also being the East 1/4 corner of Section 14, T4N, R2W; thence S00°33'40"W, 119.50 feet along the West line of Section 13 and the East line of Section 14 to the South line of Michigan Avenue and the North line of Lot 19 of Supervisor's Plat No. 1; thence S89°49'55"W, 1.85 feet along the South line of Michigan Avenue, to the Northwest corner of Supervisor's Plat No. 1 and the Point of Beginning of following described parcel; thence S00°44'26"W (platted as South) , 540.51 feet along the West line of Supervisor's Plat No. 1, to the Southwest corner of Lot 23; thence S89°58'26"E (platted as N89°15'E) , 182.60 feet along the South line of Supervisor's Plat No. 1; thence N00°22'22"W, 100.00 feet along the West line of the East 1/2 of vacated Olin Avenue; thence S89°58'26"E, 749.62 feet along the North line of the South 100 feet of Lot 17, the North line of the South 100 feet of vacated Cooper Street and the North line of the South 100 feet of Lot 15 to the West line of Reniger Court (platted as Fredrick Street) ; thence S00°18'28"E, 100.00 feet along the West line of Reniger Court to the Southeast corner of Lot 15; thence S89°58'26"E (platted as N89°15'E) , 50.00 feet along the South line of Supervisor's Plat No. 1 to the Southwest corner of Lot 6; thence N00°18'28"W, 100.00 feet along the East line of Reniger Court; thence S89°58'26"E, 199.29 feet to the East line of Lot 6; thence S00°15'20"E 50.00 feet along the East line of Lot 6; thence N89°49'17"E, 330.21 feet to the East line of Supervisor's Plat No. 1; thence S00°16'54"E (platted as S01°09'E) , 690.78 feet to the Northerly floodway limit of the Red Cedar River; thence along said floodway limit, the following thirty (30) courses: 1) N46°10'15"W, 15.48 feet; 2) N56°47'13"W, 30.48 feet; 3) N55°43'09"W, 66.24 feet; 4) N65°03'09"W, 93.92 feet; 5) N64°01'30"W, 216.39 feet; 6) N70°25'57"W, 74.47 feet; 7) N61°25'31"W, 56.19 feet; 8) N60°47'42"W, 67.03 feet; 9) N57°32'05"W, 71.96 feet; 10) N65°20'26"W, 16.79 feet; 11) N57°44'47"W, 53.83 feet; 12) N73°17'40"W, 35.93 feet; 13) N86°48'53"W, 39.97 feet; 14) S86°37'02"W, 46.11 feet; 15) S84°50'08"W, 84.32 feet; 16) S82°06'51"W, 75.07 feet; 17) S86°19'27"W, 52.44 feet; 18) S88°21'50"W, 138.94 feet; 19) N77°32'06"W, 66.35 feet; 20) N78°22'00"W, 73.45 feet; 21) N83°02'49"W, 104.05 feet; 22) N80°18'41"W, 104.78 feet; 23) N81°25'50"W, 29.98 feet to the West line of Section 13; 24) continuing N81°25'50"W, 63.00 feet; 25) N84°40'04"W, 94.88 feet; 26) N84°12'26"W, 174.71 feet; 27) N86°42'58"W, 153.92 feet; 28) N87°08'16"W, 100.89 feet; 29) West, 119.66 feet; 30) S82°46'50"W, 89.82 feet; thence N53°29'47"W, 224.96 feet; thence S89°26'11"W, 305.00 feet to a point which is 24.75 feet East of the West line of the East 1/2 of the Southeast 1/4 of Section 14, according to the plat of Urbandale as recorded in Liber 4 of Plats, Page 49, Ingham County Records; thence N00°30'13"E, 53.81 feet parallel with said West line; thence S89°51'10"E, 398.78 feet parallel with the South right-of-way line of Michigan Avenue; thence N00°08'50"E, 554.58 feet to the South right-of-way line of Michigan Avenue; thence S89°51'10"E, 884.64 feet along the South right-of-way line of Michigan Avenue to the Point of Beginning.

EXHIBIT A-1-B

SUPPLEMENTAL PARCEL LEGAL DESCRIPTION

EXHIBIT A-1-C

CORNER PARCEL LEGAL DESCRIPTION

A parcel of land in the Southwest $\frac{1}{4}$ of Section 14, T4N, R2W, City of Lansing, Ingham County, Michigan, described as follows: Commencing at the East $\frac{1}{4}$ Corner of Section 14, thence South 660.00 feet; thence West 1,020.84 feet to the Point of Beginning; thence North 540.50 feet to the south right of way line of Michigan Avenue; thence West 264.00 feet to the east right of way line of Clippert Street; thence South 540.50 feet; thence East 264.00 feet to the Point of Beginning and containing approximately 3.28 acres.

EXHIBIT A-2

PARK PROPERTY LEGAL DESCRIPTION

PARK PROPERTY – SOUTH OF FLOODWAY

Situated in the City of Lansing, County of Ingham and State of Michigan:

Part of Outlot "A" and part of vacated portion of Church Street, Supervisor's Plat No. 1 as recorded in Liber 12 of Plats, Page 27, Ingham County Record; also part of the plat of Riverside as recorded in Liber 3 of Plats, Page 25, Ingham County Records; also part of the "Plat of the Subdivision all that part of the Southeast quarter of Section 14 and part of Section 23 lying North of the Cedar River" according to the True Copy of the Original recorded June 13th, 1856; also part of the Southwest 1/4 of Section 13 and part of the Southeast 1/4 of Section 14, T4N, R2W, City of Lansing, Ingham County, Michigan, all being more particularly described as follows; Commencing at the West 1/4 corner of Section 13 also being the East 1/4 corner of Section 14, T4N, R2W; thence S00°33'40"W, 119.50 feet along the West line of Section 13 and the East line of Section 14 to the South line of Michigan Avenue and the North line of Lot 19 of Supervisor's Plat No. 1; thence S89°49'55"W, 1.85 feet along the South line of Michigan Avenue, to the Northwest corner of Supervisor's Plat No. 1; thence N89°51'10"W, 1279.97 feet along the South right-of-way line of Michigan Avenue to a point which is 24.75 feet East of the West line of the East 1/2 of the Southeast 1/4 of Section 14, according to the plat of Urbandale as recorded in Liber 4 of Plats, Page 49, Ingham County Records; thence S00°30'13"W, 608.40 feet along the East right-of-way line of Clippert Street and parallel with said West line; thence N89°26'11"E, 305.00 feet; thence S53°29'47"E, 224.96 feet to the Northerly floodway limit of the Red Cedar River and the Point of Beginning of following described parcel; thence along said floodway limit, the following thirty (30) courses:

- 1) N82°46'50"E, 89.82 feet;
- 2) East, 119.66 feet;
- 3) S87°08'16"E, 100.89 feet;
- 4) S86°42'58"E, 153.92 feet;
- 5) S84°12'26"E, 174.71 feet;
- 6) S84°40'04"E, 94.88 feet;
- 7) S81°25'50"E, 63.00 feet to the East line of Section 14;
- 8) continuing S81°25'50"E, 29.98 feet;
- 9) S80°18'41"E, 104.78 feet;
- 10) S83°02'49"E, 104.05 feet;
- 11) S78°22'00"E, 73.45 feet;
- 12) S77°32'06"E, 66.35 feet;
- 13) N88°21'50"E, 138.94 feet;
- 14) N86°19'27"E, 52.44 feet;
- 15) N82°06'51"E, 75.07 feet;

- 16) N84°50'08"E, 84.32 feet;
- 17) N86°37'02"E, 46.11 feet;
- 18) S86°48'53"E, 39.97 feet;
- 19) S73°17'40"E, 35.93 feet;
- 20) S57°44'47"E, 53.83 feet;
- 21) S65°20'26"E, 16.79 feet;
- 22) S57°32'05"E, 71.96 feet;
- 23) S60°47'42"E, 67.03 feet;
- 24) S61°25'31"E, 56.19 feet;
- 25) S70°25'57"E, 74.47 feet;
- 26) S64°01'30"E, 216.39 feet;
- 27) S65°03'09"E, 93.92 feet;
- 28) S55°43'09"E, 66.24 feet;
- 29) S56°47'13"E, 30.48 feet;
- 30) S46°10'15"E, 15.48 feet;

to the East line of East line of Supervisor's Plat No. 1; thence S00°16'54"E (platted as S01°09'E), 9.22 feet along the East line of Supervisor's Plat No. 1 to Intermediate Traverse Point "A", said Point being N00°16'54"W, 21 feet, more or less, from the water's edge of the Red Cedar River; thence along an Intermediate Traverse line of the Red Cedar River, the following 11 courses:

- 1) N58°27'06"W, 171.48 feet;
- 2) S81°37'23"W, 249.48 feet;
- 3) S66°28'57"W, 275.37 feet;
- 4) S45°05'12"W, 407.42 feet;
- 5) N77°13'57"W, 468.14 feet;
- 6) N12°52'47"E, 254.73 feet;
- 7) N41°46'43"W, 111.64 feet;
- 8) S73°22'30"W, 113.60 feet to the West line of Section 13 and the East line of Section 14,
- 9) S73°22'30"W, 156.18 feet;
- 10) S51°08'46"W, 249.04 feet;
- 11) N40°34'49"W, 269.03 feet

to Intermediate Traverse Point "B", said point being N00°30'13"E, 43.5 feet, more or less, from the water's edge of the Red Cedar River thence N00°30'13"E, 190.00 feet; thence N53°29'47"W, 340.04 feet to the Point of Beginning. Containing 19.90 acres, more or less, within the traverse area. Also includes that area between the Intermediate Traverse line and the water's edge of the Red Cedar River.

EXHIBIT B-1

APPROVED DEVELOPMENT PLANS

(To Be Attached)

EXHIBIT B-2

APPROVED PARK PROPERTY RIVERWALK PLANS AND SPECIFICATION

(To Be Attached)

EXHIBIT D
PROJECT SCHEDULE

