



AGENDA
Committee of the Whole
Monday, October 26, 2020 @ 5:00 p.m.

<https://us02web.zoom.us/j/82739307418>; ID: 827 3930 7418; Dial in: (646) 876 9923
email comments prior to the meeting to sherrie.boak@lansingmi.gov

Council Member Spadafore, Chairperson
Council Member Hussain, Vice Chairperson

- 1) **Call to Order**
- 2) **Roll Call**
- 3) **Minutes**
 - September 21, 2020
- 4) **Public Comment on Agenda Items (Up to 3 Minutes)**
- 5) **Discussion/Action:**
 - A. RESOLUTION – Procedures Pursuant to Open Meetings Act (OMA) Amendments
 - B. RESOLUTION – LFD Cadet Explorer Program
 - C. RESOLUTION – Authorize Co-Counsel- Clark Hill for Election Integrity Fund
 - D. RESOLUTION - Introduce and Set Public Hearing; Ordinance to Amend Chapter 602, Section 602.11; To Prevent Disease, Prolong Life and Promote Public Health by Providing for Enforcement of Local Health Orders or Regulations issues pursuant to the Michigan Public Health Code
 - E. ORDINANCE - EMERGENCY ORDINANCE – Ordinance to Amend Chapter 602, Section 602.11; To Prevent Disease, Prolong Life and Promote Public Health by Providing for Enforcement of Local Health Orders or Regulations issues pursuant to the Michigan Public Health Code
 - F. RESOLUTION – Reset Public Hearing; Lansing Economic Development Corporation (LEDC) Downtown Lansing Riverfront Project, Lansing Shuffleboard and Social Club LLC
 - G. RESOLUTION – Set Public Hearing; Lease Agreement; Lansing Shuffleboard and Social Club, LLC 325 Riverfront Drive
 - H. RESOLUTION – Reset Public Hearing; Special Assessment Montgomery Drainage District Improvements
- 7.) **Other**
- 8.) **Adjourn**

To mitigate the spread of COVID-19 and to provide essential protections to vulnerable Michiganders and this State's health care system and other critical infrastructure, it is crucial that all Michiganders take steps to-limit in-person contact, particularly in the context of large groups. Therefore, the above meetings will be conducted via audio/video conference.

The meetings are being held virtually in accordance with the Open Meetings Act, as amended in an effort to protect the health and safety of the public. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meetings using the website or phone number above, and meeting ID provided. To provide input or ask questions on any item that is listed on the agenda, members of the public may contact the email address listed above under the meeting link.

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

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

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



MINUTES
Committee of the Whole
Monday, September 21, 2020 @ 5:00 p.m.

<https://us02web.zoom.us/j/85315048120>; ID 853 1504 8120; Dial In: (646) 876 9923

CALL TO ORDER

Council President Spadafore called the meeting to order at 5:01 p.m.

PRESENT- via audio/video

Councilmember Peter Spadafore
Councilmember Adam Hussain
Councilmember Carol Wood
Councilmember Patricia Spitzley
Councilmember Kathie Dunbar
Councilmember Brandon Betz
Councilmember Jeremy Garza
Councilmember Brian T. Jackson

MEMBERS PRESENT- via audio/video

Sherrie Boak, Council Staff
Jim Smiertka, City Attorney
Lisa Hagen, Assistant City Attorney
Samantha Harkins, Deputy Mayor
Greg Venker, Assistant City Attorney
Kris Klein, LEDC
Karl Dorshimer, LEDC
Greg Venker, Assistant City Attorney
Sarah, Lehr, LSJ
Brian McGrain, Economic Development & Planning Director
Melina Brann
Katie Fournier
Rachel Diskin
Tobias Webb
Tashmica Torok
Apryl Elizabeth Pooley
Michael Lynn
Erica Lynn
Nathan Jemison
Daniel Long Hoffman
Valisa DeMello
Laura Drotar

Kirstie Hardy, Detroit Rising Development, RE: Lansing Shuffleboard and Social Club LLC
Jon, Detroit Rising Development, RE: Lansing Shuffleboard and Social Club LLC
Cathleen Edgerly, DLI

Minutes

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE MINUTES FROM SEPTEMBER 14, 2020 AS PRESENTED. ROLL CALL VOTE, MOTION CARRIED 8-0.

Public Comment

Ms. Brann spoke in support of budget priorities proposed by Council Member Betz.

Ms. Fournier spoke in support of Council Member Betz budget priorities that would defund the police.

Ms. Diskin spoke in support of Council Member Betz budget priorities to defund the police for social communities.

Mr. Webb spoke in support of the budget priorities proposed by Council Member Betz in defunding the police, and stated there would be more protests if the City Council does not act in that way.

Ms. Torok spoke in support of Council Member Betz proposed budget priorities to reduce funding to the police.

Ms. Pooley spoke in support of the budget priorities to reduce police budget towards youth education. Supported a police department with less power.

Mr. Lynn spoke in support of the budget priorities to reduce the police budget.

Ms. Lynn spoke in support of the budget priorities by Council Member Betz to reduce police budget, put the funds in social workers, but did not support those social workers in the police department.

Mr. Jemison spoke in support of Council Member Betz budget priorities to reduce the police budget by 10%.

Mr. Hoffman spoke in support of Council Member Betz budget priorities to reduce the budget in the police department.

Ms. DeMello spoke in support of the proposed budget reduction in the police department.

Ms. Drotar spoke in support of the proposed budget priority to reduce the funding to the police department.

Presentations

Lansing Shuffleboard and Social Club, LLC

Council Member Betz asked for specifics on what the public hearing would be held for. Mr. Smiertka stated the hearing is required for the LBRA funding for the eligible activities.

Ms. Hardy began the presentation with outlining the vision for the space, gathering space, food options, and engaging programming. This included a presentation that was included in the packet, noting it will include 70 new construction and permanent jobs and will measure 15,650 sq. ft. after the renovation. The company representative spoke briefly about the project currently Detroit Shipping Company and process for the food vendors to represent the

community. Mr. Smiertka again stated the Council was setting the public hearing tonight for the LBRA and LEDC plan, and after the lease has sat on file for 30 days, they will set that hearing.

Council Member Spitzley asked for the location of the Detroit site, and was told 474 Peterboro, and then she asked if the Administration had visited that site. Mr. McGrain acknowledged he had, along with the Mayor and his staff. Council Member Spitzley asked how long the lease was for and was told 40 years, she then inquired if the applicant had already entered into letters of intent of contacts with food vendors. The representatives stated they did not anticipate opening until fall 2021, but with COVID it might be spring 2022. The applicants were asked if they had a liquor license or if there was one at the site still. The applicants confirmed they would have to purchase one. There was a brief discussion on the layout of the building and shared areas.

Council Member Wood asked the Administration how many proposals they received for the RFP on the site and if Council could get copies of those. Mr. McGrain acknowledged the request, noting some proposals were incomplete so not viable. He was then asked if Detroit Shipping applied under the RFP or if they were sought out, and Mr. McGrain confirmed the City did seek them out. Council Member Wood asked the applicants if they have done a market analysis on the Detroit site for before COVID and during. The applicants confirmed that COVID has affected their April and May, but they opened up in July with outdoor seating and capacity of 210. The revenue has fluctuated and it is at about 40% in August and September is out performing that by 20% weekly. Council Member Wood referenced the lease and asked if the lease cover the riverfront and new Rotary Park. Mr. Klein explained that those areas are part of the project plan because it is in the parcel boundaries, but the only improvements by the applicants are in the building site. The group was then referred to page 5 of the document by Council Member Wood, which spoke to \$465,000 loan from LEAP and the Brownfield combined. Mr. Klein broke it down noting the project plan portion is \$65,000 LEDC and the \$400,000 is the Brownfield Authority. Council Member Wood then inquired if the loans to two restaurants downtown have ever been paid off, and Mr. Dorshimer confirmed that they were letters of credit and they did recover those funds. He added that in this case the liquor license will be collateral. Council Member Wood asked the Administration to provide an analysis on what the rental rate would be in a commercial setting. The discussion then moved to the parking allotment in the agreement, noting the applicant would get 125 spaces for employees and tenants. The question was asked what the cost would be on those spaces and what the current rate is. The applicants were asked again on their timeline, and stated they hope to be open by spring 2022. Ms. Edgerly came into the meeting and spoke in support of the project.

Council Member Betz asked the Administration how often the City has signed a 40 year lease at a 1/3 of the rate of the last tenant. Mr. McGrain admitted it was his first 40 year lease, and it is a challenge being publicly owned. Council Member Betz then asked about the eligible improvements, admitted they do not have a specific list as of yet. Council Member Betz spoke in opposition to a decision until they could provide what the funds would cover. He then asked if the lease would allow them to use the public spaces. Mr. Venker was asked to provide specifics, and Council Member Betz pointed out the lease current states "contemplated", so he wondered what their future intentions are.

Council Member Jackson encouraged the applicants to work with VOA and Lansing Rescue Mission on helping the most vulnerable population.

Council Member Hussain asked if it would be legally enforceable to hold them to housing local businesses. Mr. Smiertka confirmed there will be a MOU and required prevailing wage because it is a City building. MOU will address local labor. Council Member Hussain again asked about local vendors. Mr. Venker states the lease clearly delineates they would control it, and there is an incentive to seek out Lansing based businesses, and offer reduced rates to any Lansing based entity. The lease will have an annual escalation of rent at inflation or 2.5%

per year for first 10 years. Mr. McGrain noted that currently utilities for the site are \$40,000-\$65,000 a year, and with this lease the City will not be responsible.

Mr. Klein confirmed the project area for LEDC covers the entire parcel, and has portions of rotary and public park. Council Member Dunbar asked if there was an appraisal on the building, at which Mr. McGrain was not aware of one, and Mr. Klein stated the 2018 one was \$720,000. Council Member Dunbar asked what potential tenant sources of income are there for the developer. The applicant outlined the podcast station, sublet food vendors, merchandise, the shuffleboard league and rentals, and the bar area. Regarding rental amounts, it was noted that would be mixed but programming for \$20/sq.ft for the 8,000 sq ft open space and 2,200 tenant spaces.

Council Member Spitzley asked if in the 40 years they plan to purchase. The applicant acknowledged they would be interested in purchasing.

Mr. Venker noted to the Committee that under the lease the proposed changes are specified and since it is a City building, any changes will have to come to Council.

Council Member Wood voice her concern on how they would choose contractors and the prevailing wage. Mr. Venker clarified that prevailing wages applies to all and the developer was aware of that.

Council Member Wood asked the group if the applicant did purchase it before the lease is up, does the lease address payment of back property taxes. Mr. Venker stated it would not be permissible and the lease would terminate, with the sale putting the property back on the tax roll. Mr. Smiertka explained that Council Member Wood was interested in retroactive tax capture.

Council President Spadafore inquired if there would be an anchor tenant. The applicant stated there would not, that they manage and operate the facility with lease rotations every 3-4 years. This allows vendors to get exposure over that time, create their aspirations and then move into something bigger.

Mr. Smiertka referred the Committee to page 5 of the lease which spoke to liquidation damages and Council Member Wood asked for what the pay back would be at the public hearing.

Discussion/Action

RESOLUTION– Set Public Hearing; Lansing Economic Development Corporation (LEDC) Downtown Lansing Riverfront Project, Lansing Shuffleboard and Social Club, LLC

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR OCTOBER 12, 2020. ROLL CALL VOTE, MOTION CARRIED 8-0.

DISCUSSION – Lease Agreement; Lansing Shuffleboard and Social Club, LLC 325 Riverfront Drive

Place on file pending the 30 day requirement to sit on file before a hearing.

RESOLUTION – Fiscal Year 2021/2022 Budget Priorities

Council Member Spitzley read into the record the following recommendations from the Committee on Development and Planning:

1. \$50,000-\$80,000: (1) FTE Financial Empowerment Employee; RE: Focus on Small Business, Minority Businesses; Female Owned Businesses
2. \$165,000: Reactivation of the Façade Improvement Grant Program
3. \$TBD: Analysis of Façade Improvement Grant Program to include Return on Equity Report on Previous Façade Grants provided to small businesses
4. \$40,000: Initiate an RFP for Engagement of Stakeholders and Completion of Community Facilities Plan, including school and county buildings, complete with inventory of assets and goals/objectives for facilities that will serve as the basis for community facility decisions into the future.

5. End the LEAP subsidy of \$500,000 taking those funds to:
\$400,000: (5) FTE Economic Development for Economic Role previously done by LEDC/LEAP
\$100,000: Façade Improvement Grant Program

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RECOMMENDED BUDGET PRIORITIES FROM THE COMMITTEE ON DEVELOPMENT AND PLANNING.

Council Member Wood asked about the proposed \$165,000 for the façade program reactivation, thinking it was still active. Council Member Hussain explained that their understanding is that the official budget that was adopted no longer included the program. Council Member Wood then asked if the proposed \$165,000 was in addition to the \$100,000 proposed in item #5, so a total of \$265,000. Council Member Betz explained it was his suggestion and would support consolidating into \$265,000. Council Member Spitzley proposed adding \$50,000 with a new total of \$215,000 and taking \$50,000 to #3. Council Member Dunbar asked that item #5 be considered separately.

COUNCIL MEMBER SPITZLEY AMENDED THE MOTION TO MAKE THE FOLLOWING CHANGES AND REMOVE #5 FROM THE MOTION AT THIS TIME:

2. \$215,000: Reactivation of the Façade Improvement Grant Program
3. \$50,000: Analysis of Facade Improvement Grant Program to include Return on Equity Report on Previous Façade Grants provided to small businesses

ROLL CALL VOTE, MOTION CARRIED 8-0.

Council Member Dunbar asked Council Member Betz where he got the \$500,000 funding amount, and he explained he saw it in the administrative budget for LEDC/LEAP. Council Member Dunbar questioned if it was actually \$300,000. Council President Spadafore noted to the Committee that at this time the exact amount is not necessary for this document because the priorities are recommendations to the Mayor to use when rethinking the economic development aspect of the budget. Council Member Dunbar then noted there is a hiring freeze, and asked how the Committee proposed to fill the FTE and if they spoke to the department director on his thoughts. Council Member Betz confirmed he had not had a discussion recently, but anticipated the hiring freeze would not last into FY2021/2022. Council Member Spitzley asked Council Member Betz the reasoning for proposing the reduction in the LEDC.

Council Member President explained to the public the Committee meeting was still in session at 7 pm, and Council would start after this meeting.

Council Member Wood asked Council Member Betz if he was proposing to place the (5) FTE in the EDP or LEDC department, because in the past City employees did the work of LEDC, but were housed in LEDC and held no legacy costs. Council Member Betz stated he anticipated them to be housed in the EDP Department, and explained the reason for this request was because he has heard of concerns that the LEAP/LEDC as it stands now does more work regionally instead of for the City, and it would be best for the City to spend the \$500,000 in helping the City and with positions housed as City FTE, the Council and Administration would have more oversight. Council Member Dunbar again stated her concern

MOTION BY COUNCILMEMBER SPITZLEY TO APPROVE RECOMMENDATION #5 AS AMENDED BELOW:

5. End the LEAP subsidy of \$500,000 taking those funds to:

\$400,000: (5) FTE Economic Development for Economic Role previously done by LEDC/LEAP

\$50,000: Façade Improvement Grant Program

\$50,000: Analysis of Façade Improvement Grant Program

ROLL CALL VOTE, MOTION CARRIED 6-2.

Council Member Spitzley read into the record the following recommendations from the Committee on Equity, Diversity and Inclusion:

1. \$500,000: (4) FTE Social Workers-(1) FTE Administrative Assistant (Dept.(s) TBD)
2. \$250,000: Lansing Police Department Officer Training- External Sources
3. \$125,000: (1) FTE Grant Writer (Neighborhood Citizen Engagement OR HRCS); RE: Assist Local Groups and organizations in grant research, grant writing and monitoring.

Council Member Dunbar stated her concerns with the proposed amount of \$250,000 for LPD training, noting she did not want those funds in the police department. She added that she did not want the proposed social workers in the police department either. Council President Spadafore asked where the training budget would be, and she suggested the training funds be placed in HR for the training. Council Member Garza asked if the discussion was on the statement the social workers would not be in the LPD or did they not make a determination. He noted his understanding was that the priorities were not setting the budget and allocating to departments but to tell the Administration what Council's priorities are to be considered during the preparation of the budget. Council Member Betz stated if the social workers were to be placed in the LPD he would not vote in favor of that. Council Member Spitzley assured them her thoughts for consideration were to create a new department specific to social workers. Council Member Betz noted his opinion that training the LPD would not dismantle what he believes is white supremacy in the police department.

Council Member Hussain reiterate to the Council that this is a "wish list" of Council priorities and if the Administration does not include them in the budget for FY2021/2022 they need to explain why.

Council Member Dunbar concurred with the recommendation for an independent department for the social workers but it needs to be someone in the 911 infrastructure, therefore she would lean towards accepting placement in the LFD. Regarding the training budget, she thought the Committee discussion was taking it from \$130,000 and adding more but in another department. Council President Spadafore clarified what was his suggestion at the Committee, it would be \$250,000 in addition to what they had already.

Regarding the Social Workers item, Council Member Wood suggested strike "Dept TBD".

Then when the budget comes to Council the Council will have the opportunity at that time to move the funds in or out of LPD. She also noted that keeping the training in the LPD now, and when it comes back to them in the budget if it is not listed they can make their specific recommendations then on which department. Council Member Betz explained he proposed his recommendations because he believes that budget priorities show values, and part of the values is in reimagining the public safety. Regarding the training item, he added that LPD already has a training budget, and Council needs to know what they spend it on, and he did not believe that trainings lead to less bias and therefore is reluctant to agree to more funding on training. Council Member Dunbar suggested taking #2 Training, out of the list.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE FOLLOWING RECOMMENDATION:

\$500,000: (4) FTE Social Workers-(1) FTE Administrative Assistant (LFD)

ROLL CALL VOTE, MOTION CARRIED 8-0.

Regarding item #2, Council Member Spitzley did not supported in completely cutting it, but wanted further discussion at the Committee level to restructure the recommendation. Therefore, at this time she removed item #2 for the recommendations.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE FOLLOWING RECOMMENDATION:

\$125,000: (1) FTE Grant Writer (Neighborhood Citizen Engagement OR HRCS); RE: Assist Local Groups and organizations in grant research, grant writing and monitoring.

ROLL CALL VOTE, MOTION CARRIED 8-0.

Council Member Hussain read into the record the following recommendations from the Committee on General Services:

1. \$5,000: Training Modules on Ethics Ordinance and Related Policies, Conflicts of Interest Policies, and the Open Meetings Act, among others, for Boards and Commissions (Dept. OCA)
2. \$10,000: Printing Costs to Provide Written Materials to Residents who do not have access to computers, internet or cell phones with document capability

No discussion.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RECOMMENDATIONS FROM THE COMMITTEE ON GENERAL SERVICES. ROLL CALL VOTE, MOTION CARRIED 8-0.

Council President Spadafore noted the Committee on Intergovernmental Relations had no recommendations, therefore this section was removed from the document.

Council Member Garza read into the record the following recommendations from the Committee on Public Safety:

1. \$11,000: Traffic Speed Wagons (Public Service Department)
2. \$10,000: Portable Speed Bumps (Public Service Department)
3. \$140,000: Reinstate the LFD apprenticeship/cadet program (Lansing Fire Department)

Council Member Hussain asked if the Committee considered getting the traffic wagons that would read the license plates. Council President Spadafore informed the Committee that license plate reading is illegal.

Council Member Betz asked the Committee Members how many speed bumps the \$10,000 would purchase and Council Member Garza stated that in doing his research he believed enough for five (5) streets. Council Member Betz then noted he would be interested in purchasing more. Council Member Wood noted first that the OCA has confirmed to Council in the past that tickets cannot be issued based on photos in the State of Michigan. She then recapped the proposed speed bumps are portable, so a neighborhood could request them for 6 months, then they can moved to another neighborhood.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE RECOMMENDATIONS FROM THE COMMITTEE ON PUBLIC SAFETY. ROLL CALL VOTE, MOTION CARRIED 8-0.

Council Member Dunbar referenced the document and the list under the Committee on Public Service. She explained to the Committee that annually the Board of Public Service provides a list of their recommendations to the Council Committee on Public Service to consider and this year the Committee on Public Service agreed with their requests. Council Member Dunbar concluded stating the list should not be listed as Committee on Public Service recommendations, but attached to this document as it has been done in the past. The consensus of the Committee was to remove the list and add to the end of the document.

Council Member Wood read into the record the following recommendations from the Committee on Ways and Means

1. Encourage the Administration to focus in on budget allocations and centralize the fees and costs associated with items such as Information Technology, utilities, etc.
2. Encourage the Chief Strategy Officer to perform an audit report on short and long term resolutions for the current forecast of the City's revenues and expenditures within all departments.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RECOMMENDATIONS FROM THE COMMITTEE ON WAYS AND MEANS. ROLL CALL VOTE, MOTION CARRIED 8-0.

Council President Spadafore read into the record the items listed as a continued commitment, if funding is available, to:

- Maintain and improve the City's infrastructure;
- Preserve and ensure clean, safe, well-maintained housing and neighborhoods;
- Provide comprehensive and affordable recreational programs and youth and family services;
- Explore alternatives for improved efficiency in service and delivery.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THOSE 4 ITEMS. ROLL CALL VOTE, MOTION CARRIED 8-0.

For discussion under recommendations for budget priorities from the Committee of the Whole, Council Member Betz cited the following items he was proposing that were in the document under his name:

1. Divest 10% (\$4.6 million) from the LPD operating and personnel budgets. Hire 6 FTE social workers within LFD (\$480,000), allocate \$1 million to a newly created fund specifically for youth education and employment programs housed either within the city or at applicable non-profits throughout the city, and allocate the remainder (\$3.12 million) to a newly created fund specifically to address the recommendations from the Equity, Diversity, and Inclusion committee's research on re-imagining public safety.
2. Hire 1 FTE staff in the Office of the City Attorney (\$100,000) to focus specifically on housing legal assistance for tenants and homeowners in the city.
3. Increase General Fund sidewalk repair funding by \$200,000 for a total of \$500,000, with a priority placed on underserved areas.
4. Increase General Fund local street repair funding by \$1.7 million for a total of \$5 million, with a priority placed on underserved areas.

Council Member Betz asked to present each item separately with an explanation on why he was proposing them.

Regarding item 1.

Divest 10% (\$4.6 million) from the LPD operating and personnel budgets. Hire 6 FTE social workers within LFD (\$480,000), allocate \$1 million to a newly created fund specifically for youth education and employment programs housed either within the city or at applicable non-profits throughout the city, and allocate the remainder (\$3.12 million) to a newly created fund specifically to address the recommendations from the Equity, Diversity, and Inclusion committee's research on re-imagining public safety.

Council Member Betz explained that he sees this is a way to invest and divest in the City to make the community safer. He noted the reason for this priority in particular shows where the money would go directly, including investing in the Lansing youth. He cited news articles from the Lansing State Journal and the Lansing City Pulse about arrests of youth in relation to their ethnicity. Council Member Betz concluded that with the amount of \$3.12 million in this item, he hoped to have the Committee on Equity Diversity and Inclusion make their recommendations on dismantling racism, and make those decisions before the Mayor finalizes his budget proposal in 2020. Council Member Betz then read statements by Angela Waters-Austin, BLM of Lansing, regarding increased funding to the police, protesting rights, engaging neighbors in making residents safe. The statement listed items from Ms. Waters-Austin included a call for defunding the police and invest community organizations, ensure livable wages, and create systems that promote and encourage wealth building.

MOTION BY COUNCIL MEMBER BETZ TO APPROVE THE FOLLOWING RECOMMENDATION:

Divest 10% (\$4.6 million) from the LPD operating and personnel budgets. Hire 6 FTE social workers within LFD (\$480,000), allocate \$1 million to a newly created fund specifically for youth education and employment programs housed either within the city or at applicable non-profits throughout the city, and allocate the remainder (\$3.12 million) to a newly created fund specifically to address the recommendations from the Equity Diversity, and Inclusion committee's research on re-imagining public safety.

Council Member Garza asked for any details on where he got the statistics on the youth arrests, and where the data could be found that the articles obtained their information. Council Member Jackson spoke on the LPD budget and asked the Committee what could be done with their responsibilities so they would have less to do, and therefore would need less funds.

Council Member Hussain stated his confusion on this proposal since there is a resolution in front of the Committee on Equity Diversity and Inclusion, which was created for review of diversity and establish findings on funding. He asked if the resolution from Council Member Betz was pulling his earlier resolution. Council Member Betz said the idea of the resolution would create another committee on decide how to divest, and the \$3.12 million is being proposed for the Committee on Equity Diversity and Inclusion to utilize in making their determinations. He concluded he believed this recommendation and his resolution would work in tandem.

Council Member Spitzley supported making a determination or research should continue with the Committee on Equity Diversity and Inclusion. At this time she was not in support of this proposal but believes the Committee needs further time to research.

Council Member Dunbar supported divesting and reinvesting. Her proposal would be 10% reduction in active accounts and issues, so moving forward would like to see it is separated out for legacy costs, so significant cuts can be made in the other accounts.

Council Member Betz reiterated that the budget priorities are a "Wish list" of items that this is the work the Council wants to see.

Council Member Spadafore acknowledged Council Member Betz for the work and was encouraged by it. He supports better public services, supports reimagining the police department, and hopes the Mayor's office works to find a better public safety department.

Council Member Betz acknowledged the statement stating he understands the concerns, and need to change the hearts and minds of the people in the City before rethinking the police department. He asked for action now, to dismantle racism because his belief is it is the only way because it is born out of white supremacy.

ROLL CALL VOTE, MOTION FAILED 5-3.

MOTION BY COUNCIL MEMBER BETZ TO APPROVE THE FOLLOWING RECOMMENDATION:

Hire 1 FTE staff in the Office of the City Attorney (\$100,000) to focus specifically on housing legal assistance for tenants and homeowners in the city.

Council Member Betz stated he was proposing was because he has heard when people are referred to organizations for assistance they are not able to speak to anyone.

Council Member Wood explained to the Committee, with referral to the OCA also.

Discussions on this in the past the OCA has informed the Council that since it is a private issue, the OCA is not able to represent. A position was created in HRCS, the Housing Ombudsman, and Council was told that position has legal background experience and can assist the residents. Council Member Wood asked OCA if this past information was correct. Mr. Smiertka noted it depends on the scope of the duties, and the statements were correct, but they could not represent private individuals because it would be a violation of the Charter. Currently there is a vacancy in the OCA.

Council Member Spitzley concurred with Council Member Wood, but noted if that role was not being done, and asked if the housing ombudsman position has evolved into what Council was looking into.

Council President Spadafore this is asking for the services, but it would be open to interpretation of obtaining those services. Council Member Betz agreed it could be an extension of the housing ombudsman position.

Council Member Spitzley recommended taking out the words "Office of the City Attorney"

ROLL CALL VOTE, MOTION CARRIED 8-0.

MOTION BY COUNCIL MEMBER BETZ TO APPROVE THE FOLLOWING RECOMMENDATIONS:

Fund sidewalk repair by \$200,000 for a total of \$500,000, with a priority placed on underserved areas.

Fund local street repair funding by \$1.7 million for a total of \$5 million, with a priority placed on underserved areas.

Council Member Betz explained these items were from the Board of Public Service list, but he just added funds to the request.

Council Member Wood asked that since it was mentioned in the Board of Public Service recommendations already, would it be necessary to have it listed in this also. Council President Spadafore confirmed he did not want the funding in the Board list. In this case he recommended changing the language to state "using potential increases in revenues funding at these levels".

Council Member Dunbar referred back to the other items in the document, it is not proposing where the funds are coming from.

ROLL CALL VOTE, MOTION CARRIED 8-0.

Council President Spadafore concluded the discussion on the budget priorities. Council Member Jackson asked to propose two amendments to add to the document at this time. One was to consider funding for GED programs and one was to add funding to the LPD for printing so they can put complaint information on the back of their business cards. Council President Spadafore reiterated that those proposals were not submitted in writing as requested prior to the meeting, and there were ample opportunities at other meetings and Committee meetings for him to propose his recommendations, therefore a motion on the document would be called, and he could request discussion at the Council meeting following this meeting.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE BUDGET PRIORITIES AS AMENDED. ROLL CALL VOTE, MOTION CARRIED 7-1.

ORDINANCE – Amend Property Tax Exemption Guidelines

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE ORDINANCE TO AMEND THE PROPERTY TAX EXEMPTION GUIDELINES. ROLL CALL VOTE, MOTION CARRIED 8-0.

Adjourn

The meeting adjourned at 8:43 pm
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by the Committee

RESOLUTION #

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

WHEREAS, the Open Meetings Act (“OMA”) has been amended to allow for public bodies to hold meetings virtually; and

WHEREAS, pursuant to the amended OMA, a member of a public body may attend a public meeting virtually if he/she is not able to attend in person due to military duty, a medical condition, or a local or state declared state of emergency; and

WHEREAS, procedures are required under OMA to be established in order to accommodate a member who must attend a public meeting virtually; and

WHEREAS, these procedures shall apply to all City of Lansing boards and commissions that are considered “public bodies” pursuant to OMA; and

NOW, THEREFORE, BE IT RESOLVED that the following are the established procedures related to the hosting of virtual meetings and accommodating for the virtual presence of any member, in accordance with the Open Meetings Act, as amended:

- Virtual meetings may be held due to any of the qualifying reasons articulated in the OMA.
 - In person meetings are preferred, however, military duty, a medical condition, or a state of emergency may require a member of the public body to attend a meeting virtually
 - On and after January 1, 2021, meetings of the public body, in whole or in part, may be held virtually only to accommodate absences due to military duty, a medical condition, or a declared local or statewide state of emergency or disaster. The local state of emergency or state of disaster exception only applies to permit the virtual attendance of a member of the public body who resides in the affected area or to permit the electronic meeting of a public body that usually holds its meetings in the affected area.
- Virtual meetings shall take place via telephonic conferencing or video conferencing system which enables two-way communication between the public body, and members of the public
- For members of the public body who are attending a public meeting virtually, he/she must announce at the outset of the meeting their virtual presence, and their physical location by stating the City and State from which he/she is attending
 - This does not apply for public body members who are attending the meeting virtually due to military duty
 - The stated location for the member(s) attending virtually must be included in the meeting minutes
 - If the entire public body is participating in the meeting virtually, the reason for the virtual meeting must be provided at the outset of the meeting, and be included in the meeting minutes.

- Notice of a public meeting held virtually shall be provided on the City of Lansing's weekly meeting schedule, and the meeting's agenda, which is posted online in accordance with the OMA provisions
 - Notice shall include information describing how to access the meeting, the reason for the meeting to be held virtually, instructions on how to participate, and information regarding how persons with disabilities may participate in the meeting
 - If a member will be attending the public meeting virtually, then the meeting notice shall indicate such, and provide contact information of that member so that the public may ask questions or provide input prior to the scheduled meeting
- If any member of the public body is attending the public meeting virtually, then all votes shall be taken via roll call. This provision suspends Council Rule 36.
- Pursuant to OMA, these procedures shall expire on December 31, 2021, unless otherwise extended by the State Legislature.

BE IT FINALLY RESOLVED that the COVID-19 pandemic presents a public health crisis and local state of emergency, which necessitates the holding of virtual meetings in compliance with this resolution until further action by Council.



Michael Tobin, Interim Fire Chief

CITY OF LANSING
Fire Department

120 E. Shiawassee Street

Lansing MI 48933

(517) 483-4200

Fax (517) 483-4488

lansingmi.gov/Fire-Department



Andy Schor, Mayor

September 22, 2020

The City of Lansing Fire Department in partnership with the Lansing School District has created a Lansing Fire Cadet program for our Lansing High School students. The goal of this program is to increase the interest in the fire service as a career and to give graduating students the skill set and certifications need for entry level firefighter positions in the City of Lansing.

The body of the curriculum is the State of Michigan Firefighter I & II certification program. The State of Michigan Firefighter Training requires any certification program where students are 16 or 17 years old to be registered as a Cadet or BSA Explorer program. We feel our best option is to register as a Cadet program. The State of Michigan requires a resolution giving the Fire Chief the authority to establish a Cadet program. I have attached a sample language resolution that was provided by the State.

I truly believe in this program and it being successful. This will open career opportunities to the students in the Lansing Schools in an honorable and we paying profession.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael C. Tobin".

Michael C. Tobin
Interim Fire Chief
Lansing Fire Department

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING
A resolution supporting the Fire Cadet/Explorer Program

WHEREAS, the City of Lansing recognizes the importance of a properly staffed professional fire department, for the well being of residents and visitors to our community, and

WHEREAS, it is further recognized, that a Cadet/Explorer Program will help to assure the availability of competent well-trained individuals to consider for future fire department vacancies.

THEREFORE, be it resolved that the City of Lansing City Council hereby authorizes the City of Lansing Fire Chief to establish and maintain a Cadet/Explorer Program within the fire department, comprised of individuals ages 16 years through 17 years.

Lansing City Clerk Chris Swope certifies
that this is a true copy of the Resolution
passed by the City of Lansing on October 12, 2020.

Chris Swope

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

WHEREAS the City of Lansing has been served in the matter of *Election Integrity Fund, et al. v. City of Lansing and City of Flint*, pending in the United States District Court, Western District of Michigan; and

WHEREAS the law firm of Clark Hill, PLC, which is on the City's approved Council List, has agreed to the representation of the City of Flint, and has offered Joint Representation for and with the City of Lansing, but with the understanding that the legal fees of Clark Hill for any services rendered to the City of Lansing will not be paid by the City of Lansing; and

WHEREAS the City Attorney has reviewed the complaint and agrees that the interests of the City of Lansing are aligned with the City of Flint in this lawsuit.

NOW THEREFORE BE IT RESOLVED that the City Council approves and accepts the offer of Joint Representation by Clark Hill, with the understanding that any services rendered by Clark Hill to the City of Lansing will not be paid by the City of Lansing.

INTRODUCTION OF ORDINANCE

Council President Peter Spadafore introduced:

An ordinance of the City of Lansing, Michigan, to amend Section 602.11 of the Lansing Code for the purpose of preventing disease, prolonging life and promoting public health by providing for enforcement of local health orders or regulations issued pursuant to the Michigan public health code, being 1978 PA 368, as amended, MCL 333.1101, et seq.; to provide for penalties for willful violation of such orders or regulations with personal knowledge as a misdemeanor, or upon being informed of such order or regulation by a law enforcement officer, as a civil infraction.

The Ordinance is referred to the Committee on _____

RESOLUTION SETTING PUBLIC HEARING BY CITY COUNCIL

Resolved by the City Council of the City of Lansing that a public hearing be set for _____ at 7 p.m. in Tony Benavides Lansing City Council Chambers, Tenth Floor, Lansing City Hall, 124 West Michigan Avenue, Lansing, Michigan, or by electronic interactive means, for the purpose of to prevent disease, prolong life and promote public health by providing for enforcement of local health orders or regulations issued pursuant to the Michigan public health code, being 1978 PA 368, as amended, MCL 333.1101, et seq.; to provide for penalties for willful violation of such orders or regulations with personal knowledge as a misdemeanor, or upon being informed of such order or regulation by a law enforcement officer, as a civil infraction.

BE IT FURTHER RESOLVED, due to COVID -19, the public hearing may be held electronically in accordance with the Open Meetings Act in an effort to protect the health and safety of the public. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meetings using the website or phone number and Meeting ID provided on the _____, 2020 meeting agenda.

Interested Persons are invited to attend this Public Hearing

DRAFT
NON-EMERGENCY ORDINANCE
DATE: 10/19/2020

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, TO AMEND THE LANSING CODIFIED ORDINANCES (CODE) BY AMENDING CHAPTER 602 SECTION 602.11, TO PREVENT DISEASE, PROLONG LIFE AND PROMOTE PUBLIC HEALTH BY PROVIDING FOR ENFORCEMENT OF LOCAL HEALTH ORDERS OR REGULATIONS ISSUED PURSUANT TO THE MICHIGAN PUBLIC HEALTH CODE, BEING 1978 PA 368, AS AMENDED, MCL 333.1101, ET SEQ.; TO PROVIDE FOR PENALTIES FOR WILLFUL VIOLATION OF SUCH ORDERS OR REGULATIONS WITH PERSONAL KNOWLEDGE AS A MISDEMEANOR, OR UPON BEING INFORMED OF SUCH ORDER OR REGULATION BY A LAW ENFORCEMENT OFFICER, AS A CIVIL INFRACTION.

THE CITY OF LANSING ORDAINS:

Section 1. That Chapter 602, Section 602.11, of the Code be and is hereby amended in its entirety to read as follows:

(A) NO PERSON SHALL WILLFULLY AND KNOWINGLY FAIL TO OBEY ANY EMERGENCY ORDER OR REGULATION ISSUED BY THE LOCAL HEALTH OFFICER OF INGHAM OR EATON COUNTY PURSUANT TO THE MICHIGAN PUBLIC HEALTH CODE, BEING 1978 PA 368; MCL 333.1101, ET SEQ. TO PROTECT PUBLIC HEALTH AND CONTROL THE SPREAD OF THE COVID-19 PANDEMIC, INCLUDING, BUT NOT LIMITED TO, REGULATED ACTIONS DESCRIBED IN ORDERS NAMED INGHAM 2020-21, INGHAM 2020-22, INGHAM 2020-23 AND INGHAM 2020-24.

DRAFT
NON-EMERGENCY ORDINANCE
DATE: 10/19/2020

(B) VIOLATION OF SUBSECTION (A) IS A MISDEMEANOR PUNISHABLE AS
PROVIDED IN CODE SECTION 202.99.

(C) NO PERSON WITH KNOWLEDGE OF AN ORDER OR REGULATION ISSUED
BY A LOCAL PUBLIC HEALTH OFFICER DESCRIBED IN SUBSECTION (A), OR
AFTER BEING INFORMED OF THE ORDER OR REGULATION BY A LAW
ENFORCEMENT OFFICER OF THE ACT PROSCRIBED BY AN ORDER OR
REGULATION DESCRIBED IN SUBSECTION (A), SHALL FAIL TO
IMMEDIATELY OR REPEATEDLY COMPLY WITH A DIRECTIVE OF A LAW
ENFORCEMENT OFFICER TO OBEY THE ORDER OR REGULATION.

(D) VIOLATION OF SUBSECTION (C) IS A MUNICIPAL CIVIL INFRACTION
PUNISHABLE AS PROVIDED IN CODE SECTION 202.99(C).

Section 2. All ordinances, resolutions or rules, parts of ordinances, resolutions or rules
inconsistent with the provisions are repealed.

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

Section 4. This ordinance shall take effect on the 30th day after enactment, unless given
immediate effect by City Council and shall expire December 31, 2029.

Approved as to form:

City Attorney
Dated: _____

DRAFT
EMERGENCY ORDINANCE
DATE: 10/19/2020

ORDINANCE NO. _____

AN EMERGENCY ORDINANCE OF THE CITY OF LANSING, MICHIGAN, TO
AMEND THE LANSING CODIFIED ORDINANCES (CODE) BY AMENDING CHAPTER
602 SECTION 602.11, TO PREVENT DISEASE, PROLONG LIFE AND PROMOTE PUBLIC
HEALTH BY PROVIDING FOR ENFORCEMENT OF LOCAL HEALTH ORDERS OR
REGULATIONS ISSUED PURSUANT TO THE MICHIGAN PUBLIC HEALTH CODE,
BEING 1978 PA 368, AS AMENDED, MCL 333.1101, ET SEQ.; TO PROVIDE FOR
PENALTIES FOR WILLFUL VIOLATION OF SUCH ORDERS OR REGULATIONS WITH
PERSONAL KNOWLEDGE AS A MISDEMEANOR, OR UPON BEING INFORMED OF
SUCH ORDER OR REGULATION BY A LAW ENFORCEMENT OFFICER, AS A CIVIL
INFRACTION.

THE CITY OF LANSING ORDAINS AND FINDS AN EMERGENCY EXISTS TO
CONTROL THE SPREAD OF THE COVID-19 PANDEMIC:

Section 1. That Chapter 602, Section 602.11, of the Code be and is hereby amended in
its entirety to read as follows:

(A) NO PERSON SHALL WILLFULLY AND KNOWINGLY FAIL TO OBEY ANY
EMERGENCY ORDER OR REGULATION ISSUED BY THE LOCAL HEALTH
OFFICER OF INGHAM OR EATON COUNTY PURSUANT TO THE MICHIGAN
PUBLIC HEALTH CODE, BEING 1978 PA 368; MCL 333.1101, ET SEQ. TO
PROTECT PUBLIC HEALTH AND CONTROL THE SPREAD OF THE COVID-19
PANDEMIC, INCLUDING, BUT NOT LIMITED TO, REGULATED ACTIONS

DRAFT
EMERGENCY ORDINANCE
DATE: 10/19/2020

DESCRIBED IN ORDERS NAMED INGHAM 2020-21, INGHAM 2020-22,
INGHAM 2020-23 AND INGHAM 2020-24

(B) VIOLATION OF SUBSECTION (A) IS A MISDEMEANOR PUNISHABLE AS
PROVIDED IN CODE SECTION 202.99.

(C) NO PERSON WITH KNOWLEDGE OF AN ORDER OR REGULATION ISSUED
BY A LOCAL PUBLIC HEALTH OFFICER DESCRIBED IN SUBSECTION (A),
OR AFTER BEING INFORMED OF THE ORDER OR REGULATION BY A LAW
ENFORCEMENT OFFICER OF THE ACT PROSCRIBED BY AN ORDER OR
REGULATION DESCRIBED IN SUBSECTION (A), SHALL FAIL TO
IMMEDIATELY OR REPEATEDLY COMPLY WITH A DIRECTIVE OF A LAW
ENFORCEMENT OFFICER TO OBEY THE ORDER OR REGULATION.

(D) VIOLATION OF SUBSECTION (C) IS A MUNICIPAL CIVIL INFRACTION
PUNISHABLE AS PROVIDED IN CODE SECTION 202.99(C).

Section 2. All ordinances, resolutions or rules, parts of ordinances, resolutions or rules
inconsistent with the provisions are repealed.

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

Section 4. This emergency ordinance is enacted pursuant to Section 3-308 of the City
Charter to compel compliance with public health regulations and orders issued under the

DRAFT
EMERGENCY ORDINANCE
DATE: 10/19/2020

1 Michigan Public Health Code to control the spread of the COVID-19 pandemic and shall take
2 effect immediately upon publication and shall expire at the end of 60 days.

3 Approved as to form:

4 _____
5 City Attorney
6
7

Dated: _____

New Lansing City Market Building

Project: Lansing Shuffleboard & Social Club



Lansing City Market Building Site

Background

- The new Lansing City Market building was constructed in 2010 to operate as a city managed and programmed urban market space
- After years of increasing vacancy and rising costs to taxpayers, the building began to close in 2018
- In 2018, the City of Lansing released a Request For Information (RFI) for the reuse and reactivation of the building

Lansing City Market Building Site **Appraisal Conclusions***

Appraised Value: \$720,000

Market Rent Estimate: \$8.00 SF/Year (Triple-Net)

Estimated Stabilized Net Operating Income (NOI): \$5.99 SF/Year

*Valbridge Appraisal Report, Sept. 2018



Lansing City Market Building Site

Project: Lansing Shuffleboard & Social Club

Developer: Detroit Rising Development

Proposal Summary: Transform the former Lansing City Market building and connected patio into the Lansing Shuffleboard and Social Club, a multi-purpose social experience offering local residents a gathering space with a variety of affordable food options, entertainment, and employment opportunities.

Additional project information provided later in the presentation



DETROIT **RISING**

Lansing Shuffleboard & Social Club Project

City of Lansing

Lease Agreement Summary

Term: 40 Years

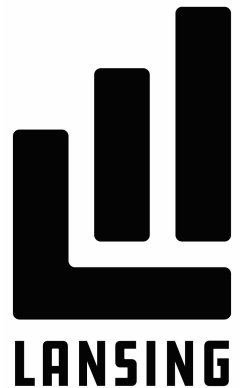
Rent: \$24,000/year (initial)

Annual increase and recalculation at year 10

Parking

Maximum of 25 dedicated spaces provided

Option to purchase up to 2,000 2-hour parking validations per month



Lansing Shuffleboard & Social Club Project

City of Lansing

Lease Agreement Summary (cont.)

Use, Requirements and Conditions

- Building shall be used as food hall and events space
- Marijuana or cannabidiol related uses by Lessee or tenants are prohibited
- Lessee shall host free weekly community programming
- Lessee shall make event space available for use by community groups and allow reduced rates for City of Lansing based groups or individuals.
- Violations of use may result in damages to the City (\$10,000/month)



Lansing Shuffleboard & Social Club Project

City of Lansing

Lease Agreement Summary (cont.)

Additional Use, Requirements and Conditions

- Lessee must maintain restroom facilities for public/non-patron use
- Lansing-based vendors are eligible for rent reduction
- City's written consent is needed to sublet or otherwise assign the lease
- Prevailing Wage is required for all construction workers under this project



Lansing Shuffleboard & Social Club Project
Lansing Economic Development Corporation
LEDC Loan Request Summary*

Funding Source: LEDC Business Loan Fund

Amount: up to \$65,000 plus LEDC Closing Costs

Term: 60 months amortization, with a balloon at maturity (1 year)

Interest Rate: est. 3.25% fixed

Debt Service: Monthly (est. \$1,175.20)

Security: Liquor License

*Designation of Project Area and Approval of Project Plan by Council required before consideration of collateralized loan by the Lansing EDC Board.



Lansing Shuffleboard & Social Club Project
Lansing Brownfield Redevelopment Authority
LBRA Loan Request Summary*

Funding Source: Lansing Brownfield Revolving Fund (LBRF)

Amount: up to \$400,000

Term/Repayment:

- Developer reimbursed for performing approved Eligible Activities
- Loan repaid via capture from adjacent brownfield plan (est. at 2-3 years)

Use: Public Improvements to Real Property

Security:

Surety Bond, Tax Increment from Active Plans, Promise to Pay

*Loan Requires Lansing BRA Board Approval



BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING
RESOLUTION TO SET A PUBLIC HEARING
(Lansing Shuffleboard and Social Club LLC Project)

WHEREAS, under Resolution 2020-184 City Council set a public hearing for October 12, 2020 for the Lansing Shuffleboard and Social Club LLC Project Plan and Project Area, as designated by the LEDC, under Public Act 338 of 1974; and

WHEREAS, given the Michigan Supreme Court's ruling on October 9, 2020 about the validity of the Governor's executive orders and the then-pending Senate Bill 1108 to amend the Open Meetings Act (OMA), the Council meeting on October 12, 2020 was canceled and therefore the public hearing was not held; and

WHEREAS, Lansing Shuffleboard and Social Club LLC has made application with the Lansing Economic Development Corporation (LEDC) for a business financing assistance loan to obtain operational licenses necessary to open a proposed food hall concept and event space on the property commonly known as 325 Riverfront Drive, formerly City Market Drive, Lansing (the Project); and

WHEREAS, with a continued effort to foster business development, expansion and renovation of properties within the City of Lansing, the LEDC has initiated a Business Financing Assistance Program and finds the Project to be within the targeted area for revitalization; and

WHEREAS, the Business Financing Assistance Program may utilize a portion of the LEDC's capital to make funds available for financing the Project; and

WHEREAS, the LEDC Board of Directors, in conformity with Public Act 338 of 1974, as amended (the "Act"), has approved the Project Plan, including a Project Area and Project District Area for the Project; and

WHEREAS, Section 8 of the Act requires that before the LEDC acquires an interest in property or incurs obligations for a specific project, the corporation shall prepare a project plan, conduct a public hearing on the matter and secure the approval of the City Council; and

WHEREAS, at such hearing, the City Council shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference to the hearing; and

WHEREAS, Section 4 of the Act requires the appointment of 2 additional Directors of the LEDC who shall serve only in respect to this project and shall be representative of neighborhood residents and business interests likely to be affected by the project proposed by the corporation and who shall cease to serve when the project is either abandoned or, if undertaken, is completed in accordance with the project plan;

NOW, THEREFORE, BE IT RESOLVED that City Council will reset the public hearing to be held in the City Council Chambers of the City of Lansing, 10th Floor, Lansing City Hall, Lansing, Michigan, on November 9, 2020 at 7:00 p.m. for the Lansing Shuffleboard and Social Club LLC Project Plan and Project Area, as designated by the LEDC, under Public Act 338 of 1974 more particularly described as:

325 RIVERFRONT DRIVE, FORMERLY CITY MARKET DRIVE, LANSING, MI
48933

Parcel Number: 33-01-01-16-253-002

COM 360 FT W OF NE COR LOT 1, TH S 00DEG 05MIN 21SCD W 323 FT, S 32DEG 43MIN 09SCD E 212.85 FT, SE'LY ON 451.57 FT RAD CURVE TO RT CHORD BEARING S 25DEG 08MIN 02SCD W 480.55 FT, S 07DEG 00MIN 46SCD E 12.59 FT, N 24DEG 26MIN 12SCD W 37.25 FT, N 89DEG 58MIN 20SCD W 140.91 FT TO GRAND RIVER, N'LY ALONG RIVER TO S R/W LINE OF SHIAWASSEE ST, S 89DEG 58MIN 20SCD E 167.38 FT TO BEG; BLOCK 245 ORIG PLAT

BE IT FURTHER RESOLVED that the territory surrounding said designated Project Area will not be significantly affected by the Project and, therefore, a Project District Area is hereby recognized as having the same description as the Project Area.

BE IT FURTHER RESOLVED, due to COVID -19, the public hearing may be held electronically in accordance with the Open Meetings Act in an effort to protect the health and safety of the public. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meetings using the website or phone number and Meeting ID provided on the November 9, 2020 meeting agenda.

BE IT FURTHER RESOLVED that the City Clerk shall provide notice of the time and place of the hearing given by publication once in a newspaper of general circulation designated by the municipality, not less than 10 days before the date set for the hearing.



Detroit Rising Development
1515 W. Lafayette
Detroit, MI 48216
www.detroitrisingdevelopment.com

DSC HOSPITALITY, LLC

DETROIT, MI

PREPARED FOR:

Lansing Shuffleboard & Social Club
325 Riverfront Drive
Lansing, Michigan

PREPARED BY:

DETROIT RISING DEVELOPMENT
Jonathan Hartzell



**Something new, something unique,
with a flavor that is all Lansing.**

PROJECT INSPIRATION

2017 Project Rendering



PROJECT INSPIRATION

2018 Completed Project Photo



EXECUTIVE SUMMARY

We will transform former Lansing City Market into the Lansing Shuffleboard and Social Club, a multi-purpose social experience offering local residents a gathering space with a variety of affordable food options, entertainment, and employment opportunities.

Brought to you by Detroit Rising Development, it will be modeled after our award-winning food hall and beer garden, Detroit Shipping Company. Lansing Shuffleboard and Social Club will be fashioned on these same principles: a distinctive atmosphere, first-rate food, and engaging programming.

We will activate the site by programming community and social events, such as weekly open mic nights, cooking classes, bar tastings, educational programming, and fun community date nights that are open to the public. We will build out a second-floor mezzanine to contain a bar, six shuffleboard courts, and an art gallery. We have seen the success of this concept at Detroit Shipping Co. and know it can work at the Lansing City Market property, a great location adjacent to the riverfront and nearby to large institutional and event anchors.



WE ARE

Focused on food and social gatherings.

An inclusive, all-ages, open environment.

A meeting spot for those attending Lansing events (Lansing Center, sports, etc).

A low risk entry for entrepreneurs.

A place to sit and eat and work on weekdays.

Family-friendly during appropriate hours.

A venue for local bands and atmospheric live music (think Sunday Jazz brunch).

An event space.

Dog friendly.



WE ARE NOT

A concert hall.

A dive bar.

A dance club.

A chain or part of a large corporation.

An after-hours bar.

An exclusive club.

THE MIX

6-7 Restaurants

Full service bar with pop-up stations for best experience

Art gallery featuring local artists

Private lounges with movable walls to allow for a variety of party sizes and activities

6 Shuffleboard courts

1 Stage

Outdoor covered patio

70+ new construction & permanent jobs

15,650 sq/ft after activation

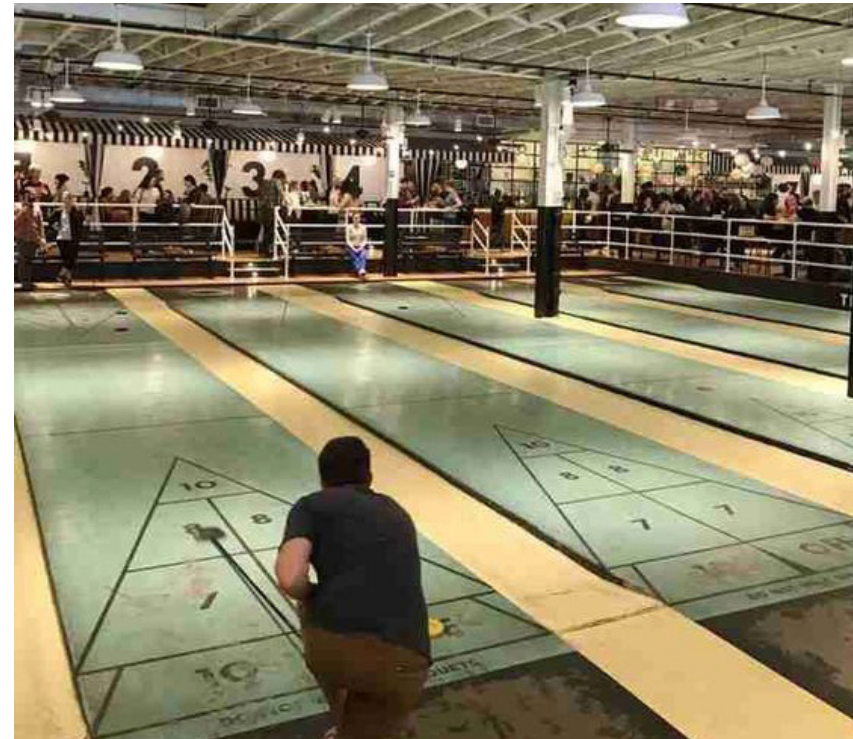


SHUFFLEBOARD CLUB

Private weeknight shuffleboard league by private reservation.

Courts open to public during weekends.

Helps attract happy hour crowds during slower business days.



SAMPLE WEEKLY PROGRAMMING

	MAIN FLOOR	SECOND FLOOR	PATIO
MONDAY	Retail Pop-Up Launch Event	Shuffleboard League Semi-Finals	Private Party
TUESDAY	Local Artist Gallery Opening	Michigan Animal Rescue League Happy Hour	Cooking Class
WEDNESDAY	Local Business Networking Lunch	Lansing Center Conference Event	Bar Class
THURSDAY	Accident Insurance Fund Marketing Lunch	Local Acousting Band Performance	Private Party
FRIDAY	Lansing Lugnuts Game Crowd	Local R&B Singer Performance	Private Party
SATURDAY	College Football Brunch	Open Mic Night	Jazz Brunch
SUNDAY	Bridal Shower Party	NFL Football Brunch	Private Party



INVESTMENT

Hard Construction Costs	\$2,040,000
Contingency, Permit, Insurance, General Conditions	\$564,000
Soft Costs	\$615,000
Total Investment	\$3,219,000









THANK YOU.

DETROIT  **RI**SING



Valbridge
PROPERTY ADVISORS

Appraisal Report

Lansing City Market
425 City Market Drive
Lansing, Ingham County, Michigan 48912

Report Date: September 27, 2018



FOR:

City of Lansing
Mr. Chad Gamble, P.E., Parking Manager
219 North Grand Avenue
Lansing, Michigan 48933

**Valbridge Property Advisors |
The Oetzel-Hartman Group**

2127 University Park Drive, Suite 390
Okemos, Michigan 48864

517-336-0001 phone
517-336-0009 fax

valbridge.com

Valbridge File Number:
MI01-18-0131



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

2127 University Park Drive
Suite 390
Okemos, MI 48864
517-336-0001
valbridge.com

September 27, 2018

Mr. Chad Gamble, P.E., Parking Manager
City of Lansing
219 North Grand Avenue
Lansing, Michigan 48933

Re: Appraisal Report
Lansing City Market, 425 City Market Drive, Lansing, Ingham County, Michigan 48912

Dear Mr. Gamble:

In accordance with your request, I have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to my value opinions. This letter of transmittal is not valid if separated from the appraisal report.

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

The subject property, as referenced above, is located on the northwest side of City Market Drive, between Grand River and North Cedar Street and is further identified as part of Assessor's Parcel Number (APN) 33-01-01-16-253-002. The parcel currently totals 3.736 acres or 162,740 square feet, but there is a proposed parcel split in progress which will reduce the parcel size to approximately 0.71 acres or 30,988 square feet. The site is improved with a one-story, retail building totaling 11,120 gross square feet commonly known as Lansing City Market. The improvements consist of one building which was constructed in 2009. It has been well-maintained over the years and the overall condition is deemed good.

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

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, if any, which might have affected the assignment results:

Extraordinary Assumptions:

- A site survey reflecting the land size after the proposed parcel split was requested but not provided. At the time of the property walk-through, the appraiser was provided a site plan with hand-drawn boundaries delineating the new subject parcel after the proposed parcel split. The hand-drawn boundaries were used to measure the subject's new land size. This analysis is under the extraordinary assumption that the new site size (after the parcel split) estimated herein is reasonably accurate
- The subject property does not have adequate on-site parking. It currently relies on an easement with the property to the north for additional parking. It also depends on parking from a neighboring municipal lot. This analysis is subject to the extraordinary assumption that access to the existing off-site parking easements and arrangements will remain available.
- The property is currently zoned "A" Residential District. I have assumed that the property would be rezoned to allow for commercial use.

Hypothetical Conditions:

- None

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

Value Conclusions

Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	July 13, 2018
Value Conclusion	\$720,000
	\$64.75 psf

This letter of transmittal is not considered valid if separated from this report and must be accompanied by all sections of this report, as outlined in the table of contents, in order for the value opinions set forth above to be valid.

Respectfully submitted,

VALBRIDGE PROPERTY ADVISORS | THE OETZEL – HARTMAN GROUP



James T. Hartman, MAI, SGA, AI-GRS
Certified General Real Estate Appraiser
State of Michigan, License # 1201005950
jhartman@valbridge.com

JTH:JEP/paw
File #MI01-18-0131

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Summary of Salient Facts

Property Identification

Property Name	Lansing City Market
Property Address	425 City Market Drive Lansing, Ingham County, Michigan 48912
Latitude & Longitude	42.735809, -84.547852
Part of Tax Parcel Number	33-01-01-16-253-002
Property Owner	City of Lansing

Site

Zoning	Residential District (A)
FEMA Flood Map No.	26065C0131D
Flood Zone	AE
Primary Land Area (After Split)	0.711 acres

Existing Improvements

Property Use	Retail
Investment Class	C
Occupancy Type	Tenant-occupied
Gross Building Area (GBA)	11,120 sf
Net Rentable Area (NRA)	11,120 sf
Number of Buildings	1
Number of Stories	1
Year Built	2009
Condition	Good
Construction Class	S - Steel Frame
Construction Quality	Average
Surface Parking	14 spaces

Valuation Opinions

Highest & Best Use - As Vacant	Commercial development
Highest & Best Use - As Improved	Continuation of existing retail use
Reasonable Exposure Time	6 to 12 months
Reasonable Marketing Time	6 to 12 months

Value Indications

Approach to Value	As Is
Cost	Not Developed
Sales Comparison	\$720,000
Income Capitalization	
Direct Capitalization	\$720,000

Value Conclusions

Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	July 13, 2018
Value Conclusion	\$720,000
	\$64.75 psf

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

Extraordinary Assumptions:

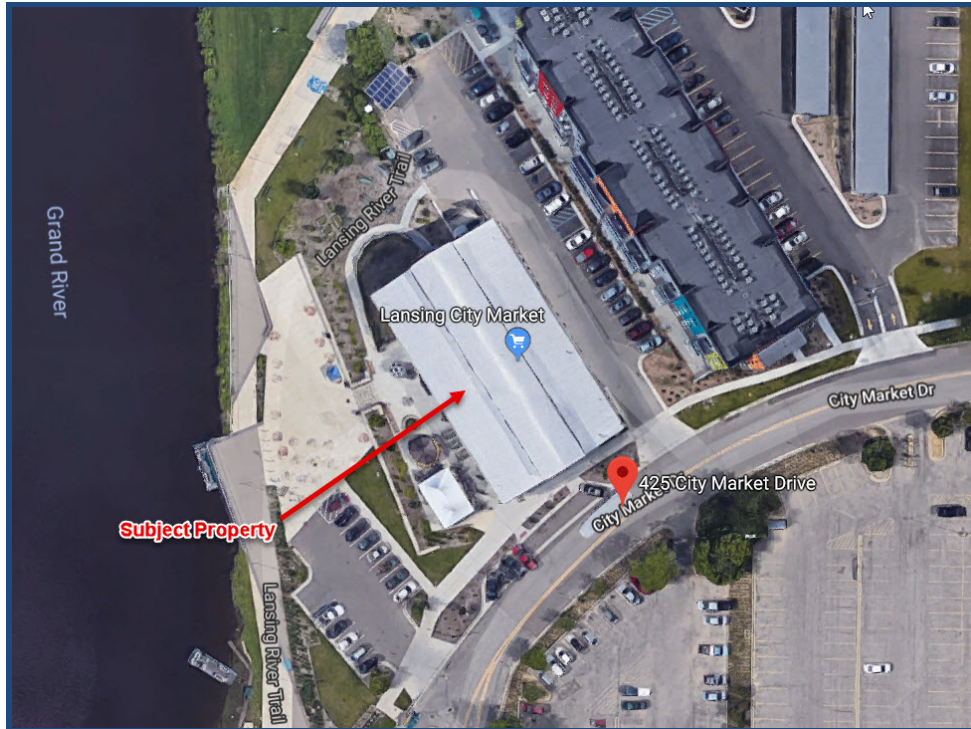
- A site survey reflecting the land size after the proposed parcel split was requested but not provided. At the time of the property walk-through, the appraiser was provided a site plan with hand-drawn boundaries delineating the new subject parcel after the proposed parcel split. The hand-drawn boundaries were used to measure the subject's new land size. This analysis is under the extraordinary assumption that the new site size (after the parcel split) estimated herein is reasonably accurate
- The subject property does not have adequate on-site parking. It currently relies on an easement with the property to the north for additional parking. It also depends on parking from a neighboring municipal lot. This analysis is subject to the extraordinary assumption that access to the existing off-site parking easements and arrangements will remain available.
- The property is currently zoned "A" Residential District. I have assumed that the property would be rezoned to allow for commercial use.

Hypothetical Conditions:

- None

Aerial and Front Views

AERIAL VIEW

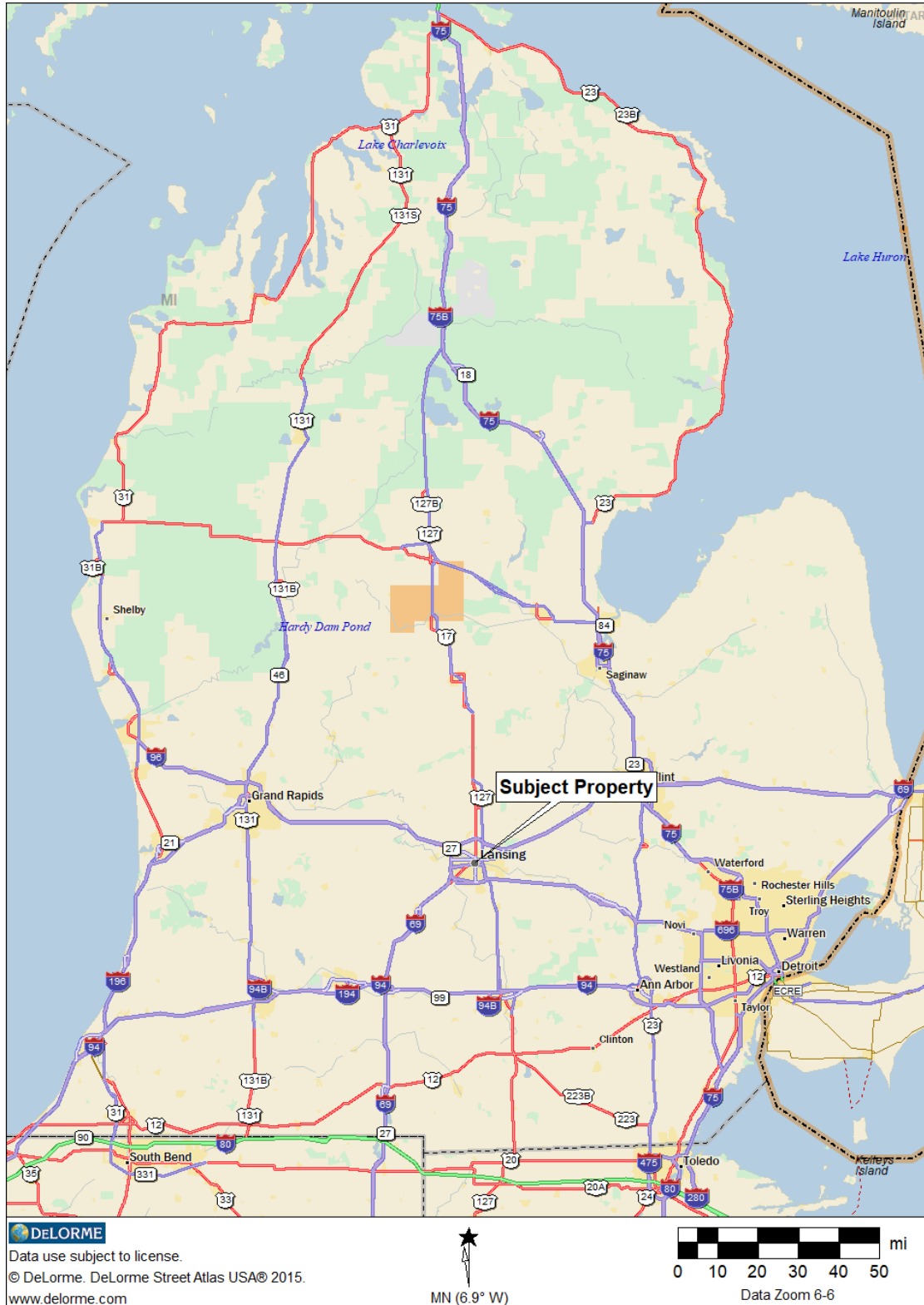


FRONT VIEW



Location Map

STATE OF MICHIGAN L.P. AREA LOCATION MAP



Introduction

Client and Intended Users of the Appraisal

The client in this assignment is City of Lansing and the intended user of this report is City of Lansing and no others. Under no circumstances, shall any of the following parties be entitled to use or rely on the appraisal or this appraisal report: (i) the borrower(s) on any loans or financing relating to or secured by the subject property, (ii) any guarantor(s) of such loans or financing, or (iii) principals, shareholders, investors, members or partners in such borrower(s) or guarantor(s).

Intended Use of the Appraisal

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

Real Estate Identification

The subject property is located at 425 City Market Drive, Lansing, Ingham County, Michigan 48912. The subject property is further identified as part of Assessor Parcel Number 33-01-01-16-253-002. The site is improved with a one-story, retail building totaling 11,120 gross square feet commonly known as Lansing City Market. The improvements consist of one building which was constructed in 2009. It has been well-maintained over the years and the overall condition is deemed good.

Legal Description (Prior to Parcel Split)

COM 360 FT W OF NE COR LOT 1, TH S 00DEG 05MIN 21SCD W 323 FT, S 32DEG 43MIN 09SCD E 212.85 FT, SE'LY ON 451.57 FT RAD CURVE TO RT CHORD BEARING S 25DEG 08MIN 02SCD W 480.55 FT, S 07DEG 00MIN 46SCD E 12.59 FT, N 24DEG 26MIN 12SCD W 37.25 FT, N 89DEG 58MIN 20SCD W 140.91 FT TO GRAND RIVER, N'LY ALONG RIVER TO S R/W LINE OF SHIAWASSEE ST, S 89DEG 58MIN 20SCD E 167.38 FT TO BEG; BLOCK 245 ORIG PLAT

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject was a retail property.

Use of Real Estate as Reflected in this Appraisal

Same as above.

Ownership of the Property

According to Assessment Records, title to the subject property is vested in City of Lansing.

History of the Property

Ownership of the subject property has not changed within the past three years. When appropriate, I have considered and analyzed the known history of the subject in the development of my opinions and conclusions.

Listings/Offers/Contracts

The subject is not currently listed for sale or under contract for sale.

Type and Definition of Value

The appraisal problem (the term "Purpose of Appraisal" has been retired from appraisal terminology) is to develop an opinion of the market value of the subject property. "Market Value," as used in this appraisal, is defined as "the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus." Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated.*
- *Both parties are well informed or well advised, each acting in what they consider their own best interests;*
- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale."*¹

The value conclusions apply to the value of the subject property under the market conditions presumed on the effective date(s) of value.

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

Valuation Scenario, Property Rights Appraised, and Effective Date of Value

Per the scope of my assignment I developed an opinion of value for the subject property under the following scenario of value:

Valuation Scenario	Effective Date of Value
As Is Market Value of the Fee Simple Interest	July 13, 2018

I completed an appraisal inspection of the subject property on July 13, 2018.

Date of Report

The date of this report is September 27, 2018, which is the same as the date of the letter of transmittal.

List of Items Requested but Not Provided

- A site survey reflecting the land size after the proposed parcel split was requested but not provided.

¹ Source: Code of Federal Regulations, Title 12, Banks and Banking, Part 722.2-Definitions

Assumptions and Conditions of the Appraisal

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, if any, which might have affected the assignment results:

Extraordinary Assumptions

- A site survey reflecting the land size after the proposed parcel split was requested but not provided. At the time of the property walk-through, the appraiser was provided a site plan with hand-drawn boundaries delineating the new subject parcel after the proposed parcel split. The hand-drawn boundaries were used to measure the subject's new land size. This analysis is under the extraordinary assumption that the new site size (after the parcel split) estimated herein is reasonably accurate
- The subject property does not have adequate on-site parking. It currently relies on an easement with the property to the north for additional parking. It also depends on parking from a neighboring municipal lot. This analysis is subject to the extraordinary assumption that access to the existing off-site parking easements and arrangements will remain available.
- The property is currently zoned "A" Residential District. I have assumed that the property would be rezoned to allow for commercial use.

Hypothetical Conditions

- None

Scope of Work

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

Extent to Which the Property Was Identified

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

- Legal Characteristics - The subject was legally identified via address provided as part of the appraisal request, site plan contained herein, and assessing records.
- Economic Characteristics - Economic characteristics of the subject property were identified via the rent roll, leases, operating statements, market participant surveys, my company database, third party sources, as well as a comparison to properties with similar locational and physical characteristics.
- Physical Characteristics - The subject was physically identified via an appraisal inspection that consisted of interior and exterior observations.

Extent to Which the Property Was Inspected

The subject property was inspected on July 13, 2018. The improvements were not measured during the course of the inspection.

Type and Extent of Data Researched

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

Type and Extent of Analysis Applied (Valuation Methodology)

I observed surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations in concluding a highest and best use. I then valued the subject based on that highest and best use conclusion.

Appraisers develop an opinion of property value with specific appraisal procedures that reflect three distinct methods of data analysis: the cost approach, sales comparison approach, and income capitalization approach. One or more of these approaches are used in all estimations of value.

- Cost Approach - In the cost approach, the value indication reflects the sum of current depreciated replacement or reproduction cost, land value, and an appropriate entrepreneurial incentive or profit.
- Sales Comparison Approach - In the sales comparison approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.

- Income Capitalization Approach - In the income capitalization approach, value is indicated by the capitalization of anticipated future income. There are two types of capitalization: direct capitalization and yield capitalization, more commonly known as discounted cash flow (DCF) analysis.
- Approaches Applied - All of these approaches to value were considered. I assessed the availability of data and applicability of each approach to value within the context of the characteristics of the subject property and the needs and requirements of the client. Based on this assessment the Sales Comparison and Income Capitalization Approaches were developed. The Cost Approach was not used because market participants rarely employ the Cost Approach in their buy/sell decision making processes for properties like the subject. Further discussion of the extent of my analysis and the methodology of each approach is provided later in the respective valuation sections.

Appraisal Conformity and Report Type

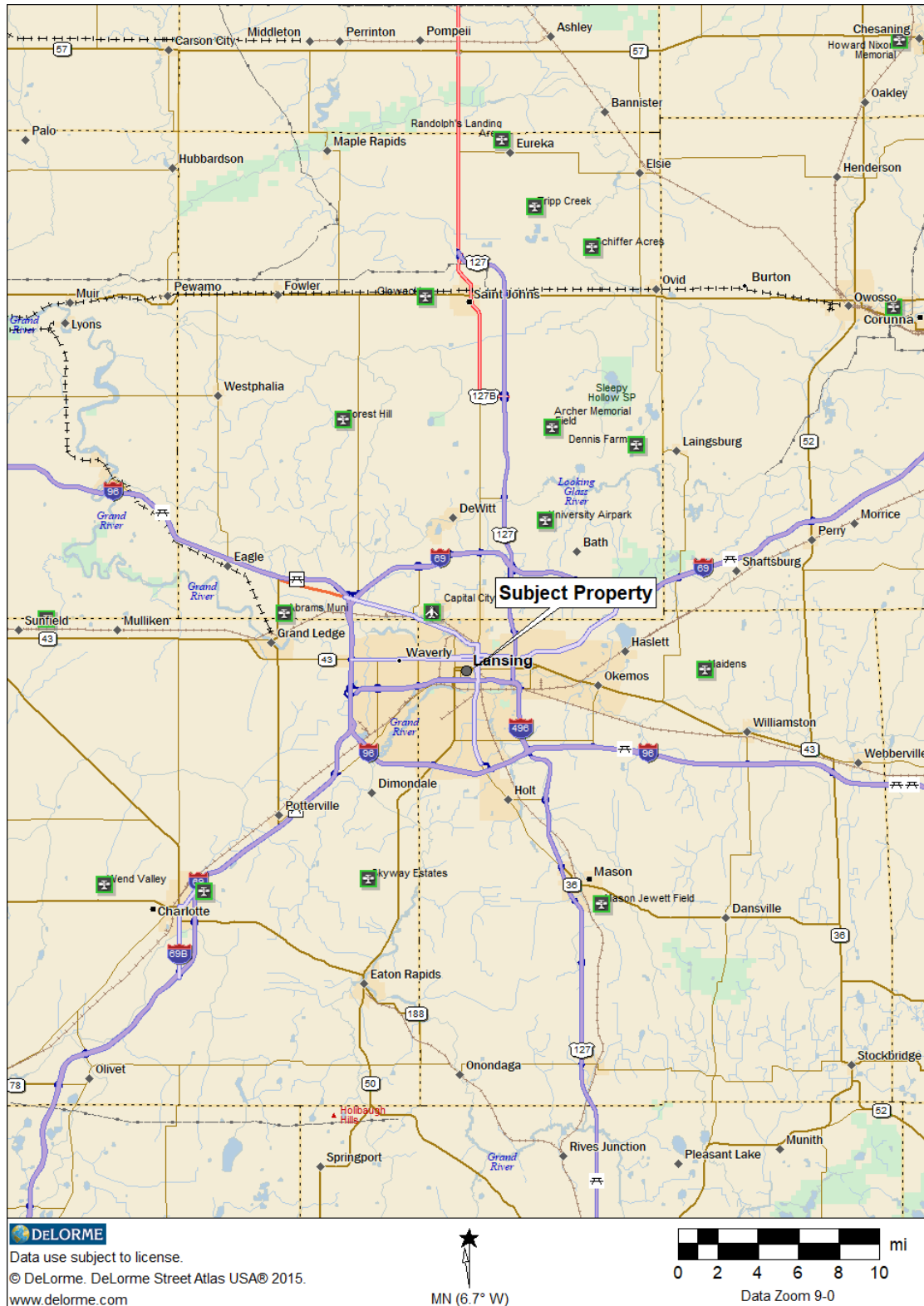
I developed my analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the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

Personal Property/FF&E

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

Regional and Market Area Analysis

REGIONAL AREA LOCATION MAP



Region and Area Data

Any valuation of real property involves an analysis of the historic and forecasted economic conditions in which the property is located. The following is a discussion of the location and transportation characteristics, demographic and economic conditions, and development trends for the Greater Lansing Area.

Definition & Location

The subject property is located in the Lansing-East Lansing Metropolitan Statistical Area (MSA), whose urban core is the Lansing urbanized area, and component counties are Clinton, Eaton and Ingham. The cities of Lansing, East Lansing, Charlotte, Grand Ledge, Mason, Dewitt and St. Johns, and Townships of Bath, Delhi, Delta, DeWitt, Meridian, and Williamston are the most populated areas within the Lansing-East Lansing MSA.

The Lansing-East Lansing MSA is centrally located in the southern portion of Michigan's Lower Peninsula, placing it within 90 minutes of 90 percent of Michigan's population, and within a four hour driving time of the following urban centers:

Chicago	217 miles Southwest	Grand Rapids	69 miles West
Cleveland	236 miles Southeast	Indianapolis	255 miles South
Columbus	260 miles Southeast	Toronto	330 miles East
Detroit	96 miles Southeast		

Population

The table below provides the population for the Lansing-East Lansing MSA, and component counties of Clinton, Eaton, and Ingham.

POPULATION										
Year	Clinton County		Eaton County		Ingham County		Lansing MSA		State of Michigan	
	Number	Change	Number	Change	Number	Change	Number	Change	Number	Change
2000	64,753		103,655		279,320		447,728		9,938,444	
2010	75,382	1.64%	107,759	0.40%	280,895	0.06%	464,036	0.36%	9,883,640	-0.06%
2017	79,202	2.53%	110,013	1.05%	288,724	1.39%	477,939	1.50%	10,024,786	0.71%
2022	82,896	0.93%	111,857	0.34%	295,766	0.49%	489,519	0.48%	10,131,034	0.21%

Source: STDBonline.com

Income

The table below provides historical and forecasted average household income data for the Lansing-East Lansing MSA, and component counties of Clinton, Eaton, and Ingham.

AVERAGE HOUSEHOLD INCOME						
Municipality	2000 Census	2010 Census	2017 Estimate	2022 Forecast	Annual Change	
					2000 to 2017	2017 2022
State of Michigan	\$57,400	n/a	\$71,379	\$80,599	1.4%	2.6%
Lansing Area MSA	\$55,361	n/a	\$69,186	\$78,119	1.5%	2.6%
Clinton County	\$62,287	n/a	\$75,943	\$85,754	1.3%	2.6%
Eaton County	\$57,189	n/a	\$70,406	\$80,173	1.4%	2.8%
Ingham County	\$53,170	n/a	\$66,934	\$75,305	1.5%	2.5%

Source: STDBonline.com

The average household income for all of the above geographies are expected to increase at a faster rate of growth than past historical rates experienced during the preceding decade.

Employment Economic Base Analysis

Lansing became the capital of the State of Michigan by an act of the legislature in 1847. Michigan State University, located in East Lansing, was founded in 1855 and was the first land grant college in the nation. In the first part of the century, Lansing pioneered the REO cars, Durant, Fisher Body, Oldsmobile, and Motor Wheel. These plants have become part of the General Motors Industrial Complex that today places Lansing as a leading city in the automotive manufacturing industry.

Employment

Michigan's employment peaked in June of 2000 and experienced a continuous declining trend throughout the past decade. The following table summarizes the job losses/gains in total employment and manufacturing employment over the 17½ +/- year period from June 2000 through 2017.

STATE OF MICHIGAN EMPLOYMENT				
Year	Total Non-Farm Employment	Annual Job Loss/Gain	Manufacturing Employment	Annual Mfg. Job Loss/Gain
Jun-00	4,744,900		911,200	
2000	4,676,400	(68,500)	896,699	(14,501)
2001	4,563,700	(112,700)	821,200	(75,499)
2002	4,486,900	(76,800)	761,400	(59,800)
2003	4,415,900	(71,000)	717,500	(43,900)
2004	4,399,000	(16,900)	698,300	(19,200)
2005	4,389,700	(9,300)	677,500	(20,800)
2006	4,326,500	(63,200)	648,200	(29,300)
2007	4,267,800	(58,700)	617,300	(30,900)
2008	4,162,100	(105,700)	562,700	(54,600)
2009	3,870,500	(291,600)	454,900	(107,800)
2010	3,863,300	(7,200)	466,000	11,100
2011	3,952,100	88,800	501,400	35,400
2012	4,033,700	81,600	529,200	27,800
2013	4,109,700	76,000	548,400	19,200
2014	4,182,000	72,300	574,200	25,800
2015	4,243,500	61,500	590,900	16,700
2016	4,319,100	75,600	604,500	13,600
2017	4,371,300	52,200	614,700	10,200
Total Job Loss		(373,600)		(296,500)
% Decline over 17 1/2 +/- years		(7.9%)		(32.5%)

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

Unless noted, employment numbers are annualized

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

Based on the 2017 year-end employment levels, the continuing recovery in manufacturing has helped to turn overall non-farm employment in the State. Over the last 5 years the State has added 337,600 jobs. According to Robert Dye, Chief Economist at Comerica Bank, *Overall manufacturing conditions remain positive in Michigan. Non-auto related manufacturing is expected to show ongoing gains in 2018, supported by strong domestic and international economic conditions. NAFTA renegotiation is a wild card for the state in 2018. We expect to see some further moderation in auto sales through 2018. Auto and light truck assemblies have increased in recent months in response to the late 2017 surge in sales, but we expect production to ease as sales moderate this year. Michigan's unemployment rate reached a low of 3.7 percent last July. After five straight monthly increases, it regained a full percentage point, registering 4.7 percent in December.*

Employers

The top 10 employers in the Greater Lansing area are listed in the following table. The list was obtained from the Lansing Economic Area Partnership.

Top Employers		
Name of Company	Industry Cluster	Number of Employees
STATE OF MICHIGAN	Government	14,390
MICHIGAN STATE UNIVERSITY	Education	12,781
SPARROW HEALTH SYSTEM	Healthcare	7,600
GENERAL MOTORS	Manufacturing	4,549
AUTO-OWNERS INSURANCE GROUP	Insurance	3,700
LANSING COMMUNITY COLLEGE	Education	3,144
MCLAREN HEALTH	Healthcare	3,000
PECKHAM	Manufacturing	2,510
JACKSON NATIONAL LIFE INS CO	Insurance	2,400
DART CONTAINER CORP	Manufacturing	2,000

The top 25 private industry employers in the Greater Lansing area are listed in the following table. The list was obtained from the Lansing Economic Area Partnership.

Top Private Industry Employers		
Name of Company	Industry Cluster	Number of Employees
GENERAL MOTORS	Automotive	4,549
AUTO-OWNERS INSURANCE GROUP	Insurance	3,700
PECKHAM INC	Apparel	2,510
JACKSON NATIONAL LIFE INS CO	Insurance	2,400
DART CONTAINER CORP	Foodservice Packaging	2,000
MEIJER DISTRIBUTION CTR	Logistics	1,500
DEAN TRANSPORTATION INC	Transportation Equipment	800
DELTA DENTAL	Insurance	800
MSUFCU	Financial Services	800
QUALITY DAIRY	Food Processing	730
SPARTAN MOTORS CHASSIS INC	Automotive	730
DAKKOTA INTEGRATED SYSTEMS	Automotive	670
MULTI-PACKAGING SOLUTIONS	Logistics	600
NEOGEN CORP	Biotech	550
BRIDGEWATER INTERIORS	Automotive	500
ORCHID ORTHOPEDIC SOLUTIONS	Medical Device	500
PRATT & WHITNEY	Aerospace	500
PNC BANK	Financial Services	500
GESTAMP	Automotive	489
ACCIDENT FUND INSURANCE CO	Insurance	445
TECOMET	Aerospace; Medical Device	430
AIR WAY MANUFACTURING	Industrial Equipment	410
MAHLE ENGINE COMPONENTS USA	Automotive	365
MERIDIAN LIGHTWEIGHT TECHNOLOGIES INC	Automotive	360
EMERGENT BIODEFENSE OPERATIONS	Biotech; Defense	310

The presence of the State Government and Michigan State University provides the greater Lansing area with an economic diversification unlike any other Michigan community of similar size. The State of Michigan employs 14,390 people in the Greater Lansing area. For a number of years, the State has been consolidating its offices in Lansing. The State of Michigan is a high wage employer that has a high degree of stability.

Michigan State University reported a fall 2017 enrollment of 50,019 students, an increase of 8,901 students since the fall of 2000 (www.reg.msu.edu). Michigan State University is another stable high-wage employer that brings young and educated consumers to the area. Sparrow Health Systems, a local hospital operator, is the third largest employer replacing GM which had been the area's third major employer for a number of years.

HISTORICAL ENROLLMENT			
	Students Enrolled	Average Annual Student Increase	Average Annual Percentage Increase
2017	50,019	(325)	-0.6%
2016	50,344	(199)	-0.4%
2015	50,543	458	0.9%
2014	50,085	785	1.6%
2013	49,300	394	0.8%
2012	48,906	3,733	8.3%
2011	45,173	196	0.4%
2010	44,977	445	1.0%
2005	42,751	327	0.8%
2000	41,118	656	1.7%

General Motors closed the GM Lansing Car Assembly Verlinden Avenue plant, Craft Center and Metal Center in 2006/2007. Upon the closing of these three plants, GM opened its new Lansing Delta Township Assembly Plant consisting of three buildings covering 3.4 million square feet, and representing an investment of more than \$1.1 billion dollars. The construction and start of production at this new Delta Township GM facility also spurred new construction and employment in the Delta Township area by suppliers positioning operations in support of the plant. GM has continued to expand in the area, as they are expanding the Delta Township Assembly plant, building a new logistics center at the Grand River Assembly plant.

Many small to medium sized companies are also a strong contributor in trade, distribution, office and medical activities within the Greater Lansing area. The geographic location of the City of Lansing, when combined with its excellent north/south and east/west expressway systems, places the Lansing market within 90-minutes of 90% of the state's population. This has undoubtedly influenced the area into developing as a retail, wholesale and distribution center. Lansing's proximity to the state government and Michigan State University has increased the attractiveness of the area as an office, research, and medical center.

Unemployment Rates

Lansing's employment is typically much better than the State average. This is primarily due to the presence of the State of Michigan and Michigan State University, which provides a large employment base that is not as susceptible to typical economic downturns. The unemployment rate for the Greater Lansing area has decreased since the end of the Great Recession, coinciding with the end of the national economic recession and on-going structural changes occurring in Michigan's automotive/manufacturing sectors. During much of the 1990s and 2000s, the annual average was typically 4%, fluctuating between 3% and 6% primarily due to temporary work adjustments at the General Motors Lansing Automotive Division.

The National Bureau of Economic Research ("NBER") determines the start and end dates of a recession. The NBER determined the most recent recession started in December 2007 and lasted until June 2009. The 2007 to 2009 recession is the longest in the post WWII period. When determining the end of a recession, the NBER committee is not concluding that economic conditions since June 2009 have been favorable or that the economy has returned to operating at normal capacity. Rather, the NBER committee only determines that the recession ended and a recovery began in that month. Prior to this most recent recession the United States had experienced an expansion that lasted 73 months, from November 2001 to December 2007. The previous expansion of the 1990's lasted 120 months. The 2001 – 2007 expansion saw unemployment rates generally increasing in the State of Michigan from 3.7% in 2000 to 7.1% in 2007. However, the financial crisis and ensuing 2007 to 2009 recession saw annual unemployment rates balloon to 13.4% in 2009, but have gradually improved to 4.6% annual unemployment rate in 2017.

The following table summarizes the unemployment rates for the United States, State of Michigan, Lansing-East Lansing MSA, and Counties of Ingham, Clinton, and Eaton for the years 2007 through 2017. Unemployment rates are year-end averages.

UNEMPLOYMENT RATES						
	United	State of	Lansing	Ingham	Eaton	Clinton
Year	States	Michigan	MSA	County	County	County
2007	4.6%	7.1%	5.7%	6.2%	5.3%	5.5%
2008	5.8%	8.3%	6.7%	6.9%	6.1%	5.8%
2009	9.3%	13.4%	10.6%	11.4%	10.4%	9.4%
2010	9.6%	12.6%	9.8%	10.3%	9.6%	8.4%
2011	8.9%	10.4%	8.3%	8.8%	8.0%	7.0%
2012	8.1%	9.1%	7.4%	7.9%	6.9%	6.1%
2013	7.4%	8.8%	7.2%	7.7%	6.7%	6.1%
2014	6.2%	7.3%	5.9%	6.2%	5.7%	5.0%
2015	5.3%	5.4%	4.3%	4.4%	4.2%	3.7%
2016	4.9%	4.9%	4.0%	4.1%	4.0%	3.6%
2017	4.4%	4.6%	4.2%	4.4%	4.2%	3.7%

Source: Michigan Bureau of Labor Department

The Lansing-East Lansing MSA's unemployment rate through the early 2000's generally was 1% to 2% below the national average, but starting in 2004 as various structural changes were occurring tended to be somewhat higher than the indicated national average. Beginning in 2011, the area has returned to its historic trend, with local unemployment rates lower than the national average. The MSA has also consistently been 1% to 2% below the State of Michigan average. While peak unemployment statewide occurred in January 2010 at 12.6%, peak unemployment levels for the Lansing MSA occurred earlier in July of 2009 at 10.6%. The most recent unemployment levels for 2017 are shown above, reflecting a decline in unemployment levels at the statewide with a slight increase at the local economy level.

The amount of job losses experienced within the State had a dramatic impact on all economic activity. The decline in market share by the Big Three and resulting reduction/restructuring that had occurred had a negative impact on the State's economy. However, post restructuring the Big Three have streamlined operations and seen strong sales over the past few years. With the structural changes which have taken place in the state of Michigan's economy, future commercial and residential development.

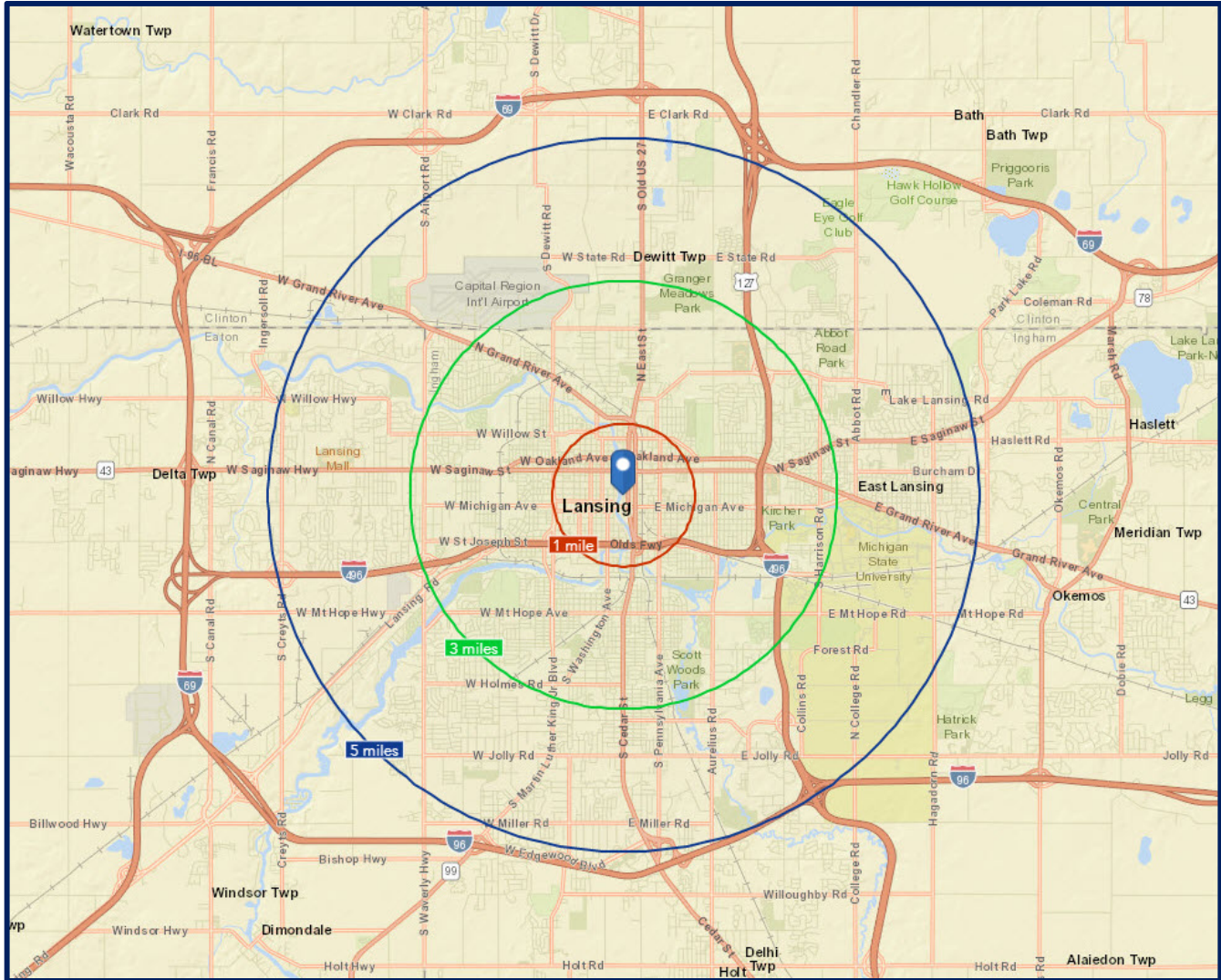
Summary

While the Lansing MSA population declined from 2000 to 2010, the current estimate shows moderate growth, with modest growth projected for the next few years. The employment characteristics for the Greater Lansing area are unlike any other Michigan Community. The presence of the State of Michigan governmental offices, Michigan State University, Sparrow and McLaren Greater Lansing Hospitals, and General Motors Corporation provide a diverse relatively stable employment base. The unemployment rate is cyclical, primarily due to the automotive industry; however, the large governmental service employment base tends to moderate the cyclical nature of the automotive industry. The labor base and unemployment rate is forecasted to remain relatively stable.

The office, industrial, and retail markets are showing improved occupancies and increased demand than has been experienced in the recent past. The Greater Lansing area has seen a gradual improvement in unemployment since manufacturing employment spurred the turn in 2010. The expectation is for some continued improvement during 2018. Demand and growth is forecasted to remain in a moderate state in the office, retail, and industrial markets.

City and Neighborhood Analysis

NEIGHBORHOOD AREA LOCATION MAP



Overview

The subject is located in the City of Lansing in Ingham County. According to the United States Census Bureau, the city has a total area of 36.68 miles; as of 2016, the city's population was 116,020. The City of Lansing is the capital of Michigan and the fifth largest city in the State of Michigan in terms of population, according to the 2010 census.

Neighborhood Location and Boundaries

The subject neighborhood is located in the central section of Lansing. The area is urban in nature. The neighborhood is bounded by Saginaw Street to the north, Pennsylvania Avenue to the east, I-496 to the south, and Martin Luther King, Jr. Blvd. to the west.

Demographics

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

Neighborhood Demographics

Radius	1 mile	3 miles	5 miles
Population Summary			
2000 Population	14,243	93,333	198,928
2010 Population	13,503	87,802	198,268
2018 Population	13,970	91,029	205,045
2023 Population Estimate	14,320	93,375	210,075
Annual % Change (2018 - 2023)	0.5%	0.5%	0.5%
Housing Unit Summary			
2000 Housing Units	7,433	42,472	83,803
% Owner Occupied	25.1%	52.2%	50.8%
% Renter Occupied	61.9%	40.1%	42.9%
2010 Housing Units	7,505	41,891	87,219
% Owner Occupied	21.8%	48.8%	46.2%
% Renter Occupied	62.1%	40.2%	44.6%
2018 Housing Units	7,870	43,554	90,387
% Owner Occupied	19.4%	46.3%	43.6%
% Renter Occupied	64.8%	42.8%	47.4%
2023 Housing Units	8,051	44,695	92,729
% Owner Occupied	19.8%	46.8%	44.0%
% Renter Occupied	65.0%	42.6%	47.1%
Annual % Change (2018 - 2023)	0.5%	0.5%	0.5%
Income Summary			
2018 Median Household Income	\$28,017	\$40,669	\$40,386
2023 Median Household Income Estimate	\$31,800	\$46,465	\$46,197
Annual % Change	2.6%	2.7%	2.7%
2018 Per Capita Income	\$20,282	\$23,860	\$23,216
2023 Per Capita Income Estimate	\$23,567	\$28,083	\$27,282
Annual % Change	3.0%	3.3%	3.3%

Source: Site-to-Do-Business (STDB Online)

Transportation Access

Within the immediate area of the subject property, transportation access helps define the character of its development. Major travel and commuter routes within the area of the subject property include Interstate 496, Michigan Avenue, Michigan Highway 43 (Saginaw Street) and Martin Luther King Jr. Boulevard, Cedar Street/Larch Street, and Pennsylvania Avenue. The subject property is located approximately one-half mile northeast east of the Greyhound & Capital Area Transit Authority (CATA) bus station and 3.5 miles southeast of the Capital Area International Airport. Access to the area is considered good.

Conclusions

Overall, the subject neighborhood is in the stability stage of its life cycle.

Site Description

Site Characteristics

Location:	The northwest side of City Market Drive, between Grand River and North Cedar Street
Gross Land Area (after split):	0.71 Acres or 30,988 SF
Usable Land Area (after split):	0.71 Acres or 30,988 SF
Usable Land %:	100.0%
Shape:	Slightly Irregular
Average Depth:	254.00 feet
Topography:	Level to Sloping
Drainage:	Appears adequate
Grade:	At street grade
Utilities:	All available
Off-Site Improvements:	None
Interior or Corner:	Interior
Signalized Intersection:	No: No traffic signal at, or near, the site
Excess Land:	None
Surplus Land:	None

Street Frontage / Access

Frontage Road	Primary
Street Name:	City Market Drive
Street Type:	Commercial
Frontage (Linear Ft.):	144.00
Number of Curb Cuts:	None (after proposed split)
Traffic Count (Cars/Day):	Not available

Additional Access

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

Flood Zone Data

Flood Map Panel/Number: 26065C0131D

Flood Map Date: 08-16-2011

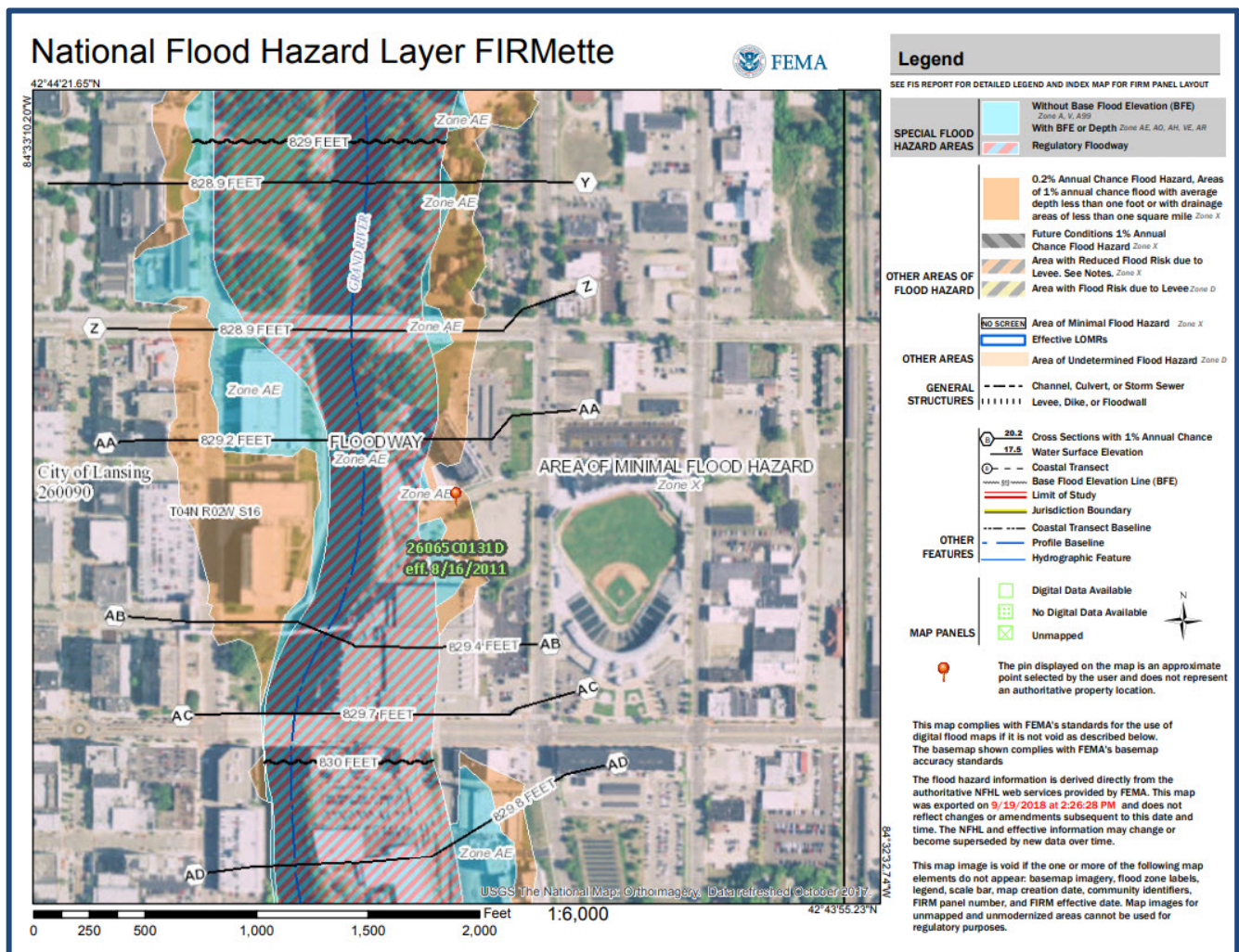
Flood Zone: AE

Zones AE and A1-A30 are the flood insurance rate zones that correspond to the 1-percent annual chance floodplains that are determined in the Flood Insurance Study by detailed methods of analysis. In most instances, Base Flood Elevations derived from the detailed hydraulic analyses are shown at selected intervals within this zone. Mandatory flood insurance purchase requirements apply.

Site Area in Flood:

A portion of the site is located within Flood Zone AE, however the exact site area within the flood plain is not known. As evidenced by the existing building improvements, it is possible to build within the designated flood plain.

FLOOD MAP



Other Site Conditions

Soil Type:	No soil report of the subject has been made available or reviewed. However, it is assumed that the soil is of sufficient load-bearing capacity to support the present improvements.
Environmental Issues:	The reader of this report is cautioned that the appraiser is not a qualified environmental inspector. It is recommended that any user obtain an environmental audit of the entire property to ascertain its status relative to these items. Also, it is assumed that no hazardous substance, past, present, or future exists on the subject property that would affect the subject's marketability or market value.
Easements/Encroachments:	The subject property does not have adequate on-site parking. It currently relies on an easement with the property to the north for additional parking. It also depends on parking from a neighboring municipal lot. This analysis is subject to the extraordinary assumption that access to the existing off-site parking easements and arrangements will remain available.
Earthquake Zone:	The site is not located in an Earthquake Zone.

Adjacent Land Uses

North:	Public park, Lansing River Trail
South:	Public parking lot, Lansing Center
East:	Multi-family
West:	Public park, Lansing River Trail, Grand River

Site Ratings

Access:	Average
Visibility:	Fair

Zoning Designation

Zoning Jurisdiction:	City of East Lansing
Zoning Classification:	A, Residential District
Permitted Uses:	Primarily single-family dwellings
Zoning Comments:	The intent of the "A" Residential District is to provide for an environment of predominantly low-density one-family dwellings, along with other residentially related facilities which serve residents in the Districts. Principal permitted uses include one-family dwellings, public parks or playgrounds, and family day care homes. Single-family residential development does not conform to the surrounding land uses. I have assumed that the property would likely be rezoned to allow for commercial use.

Analysis/Comments on Site

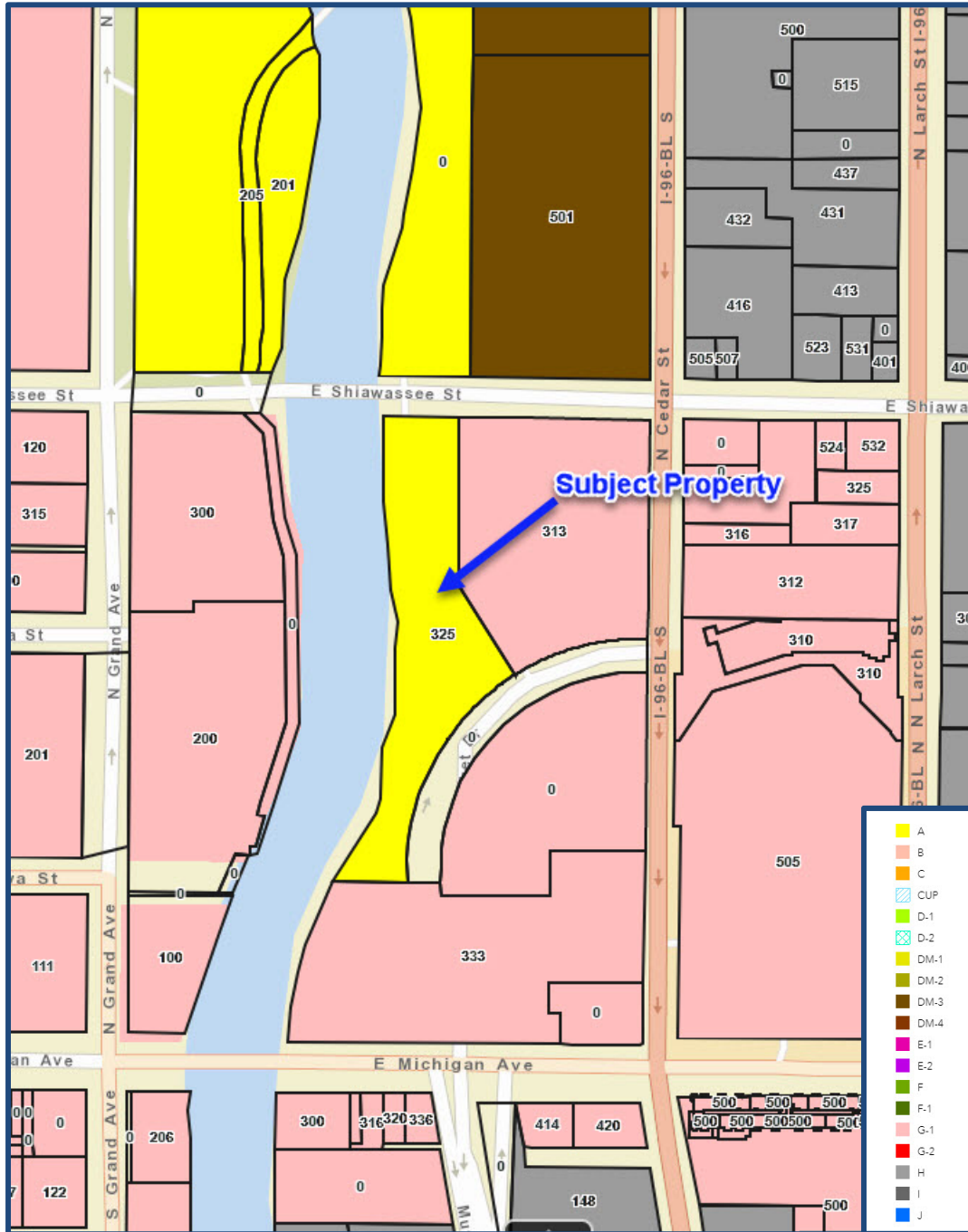
Based on the characteristics above, the site is suitable for a variety of legal uses.

TAX/PLAT MAP



Note: Image is before pending parcel split.

ZONING MAP



Improvements Description

The site is improved with a one-story, retail building totaling 11,120 gross square feet commonly known as Lansing City Market. The following is a summary of the existing building improvements.

Improvement Characteristics

Property Type:	Retail
Occupancy Type:	Tenant-occupied
Tenancy:	The property operates as a public market with multiple vendors. It functions as a multi-tenant space, but does contain interior load-bearing walls. Due to the configuration of the building, it is treated as a single-tenant facility in this analysis.
Investment Class:	Class C
Number of Buildings:	1
Number of Stories	1
Construction Class:	S - Steel Frame per Marshall Valuation Service
Construction Quality:	Average
Gross Building Area (GBA):	11,120 SF (based on Assessment Records)
Net Rentable Area (NRA):	11,120 SF (based on Assessment Records)

Ratios & Parking

Land-to-Building Ratio:	2.79 to 1 (Usable Land/GBA)
Floor Area Ratio (FAR):	0.36 (based on GBA)
Parking Spaces:	3; The subject property does not have adequate on-site parking. It currently relies on an easement with the property to the north for additional parking. It also depends on parking from a neighboring municipal lot. This analysis is subject to the extraordinary assumption that access to the existing off-site parking easements and arrangements will remain available.
Parking Ratio:	0.26 (per 1,000 sf of GBA)

Age / Life

Year Built:	2009
Yr. Blt./Renovated Comments:	Recent capital improvements include the following: new signage (2015); sidewalk improvements (2015); camera system (2015); concrete sidewalks and dumpster pad (2015); security gates (2015); irrigation system (2016); and new LED lighting throughout (2016).
Condition:	Good
Actual Age:	9 years
Effective Age:	5 years

Structural Characteristics

Foundation:	Concrete
Building Frame:	Steel frame
Exterior Walls:	Metal sandwich panels
Roof Type / Material:	Monitor roof with clerestory windows/ standing seam metal

Interior Characteristics

Floors:	Concrete
Walls:	Metal and concrete block
Ceiling:	Unfinished
Lighting:	LED throughout
Restrooms:	Adequate for current use

Mechanical Systems

Electrical:	Adequate for current use
Plumbing:	Adequate for current use
Heating:	Suspended package units
Air Conditioning:	Suspended package Units
Fire Protection/Sprinklers:	Wet system/100% sprinklered
Number of Elevators:	None; property has elevator shaft and was reportedly built with the load-bearing capacity to support a second floor.

Site Improvements

Site Improvements:	Sidewalks, asphalt paved parking lot, Lansing BWL solar charging station
Landscaping:	Landscaping is typical for type of building.

Legal, Conforming Status

Legally Permitted Use:	No, subject property is a legally non-conforming use within the zoning district
Conformity Conclusion:	The subject is zoned "A" Residential District. Its intent is to provide for an environment of predominantly low-density one-family dwellings, along with other residentially related facilities which serve residents in the Districts. Principal permitted uses include one-family dwellings, public parks or playgrounds, and family day care homes. Single-family residential development does not conform to the surrounding land uses. I have assumed that the property would likely be rezoned to allow for commercial use.

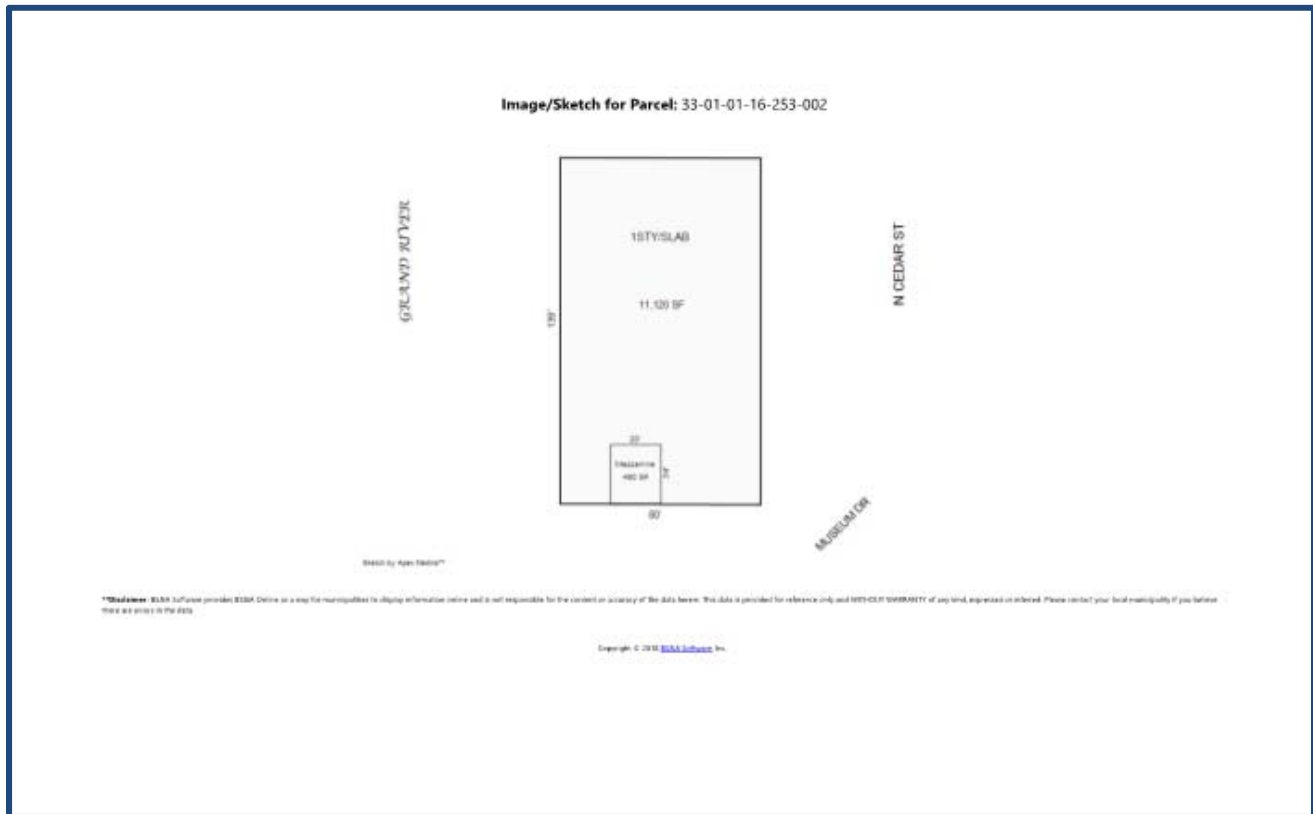
Deferred Maintenance

The subject property does not appear to suffer from deferred maintenance.

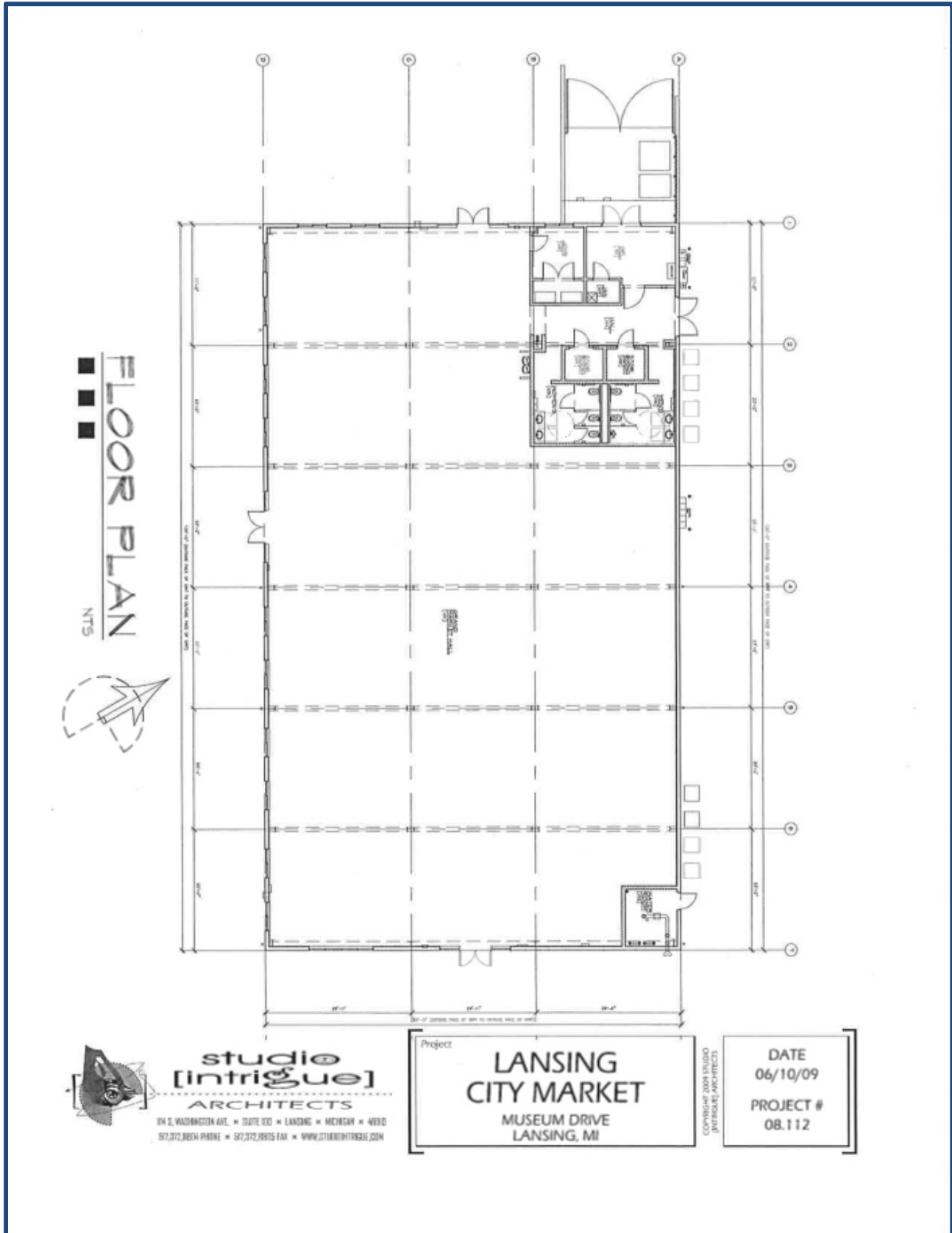
Analysis/Comments on Improvements

While larger than typical retail spaces located within a CBD, the functional utility of the property is average based upon a comparison of similar properties in the market area.

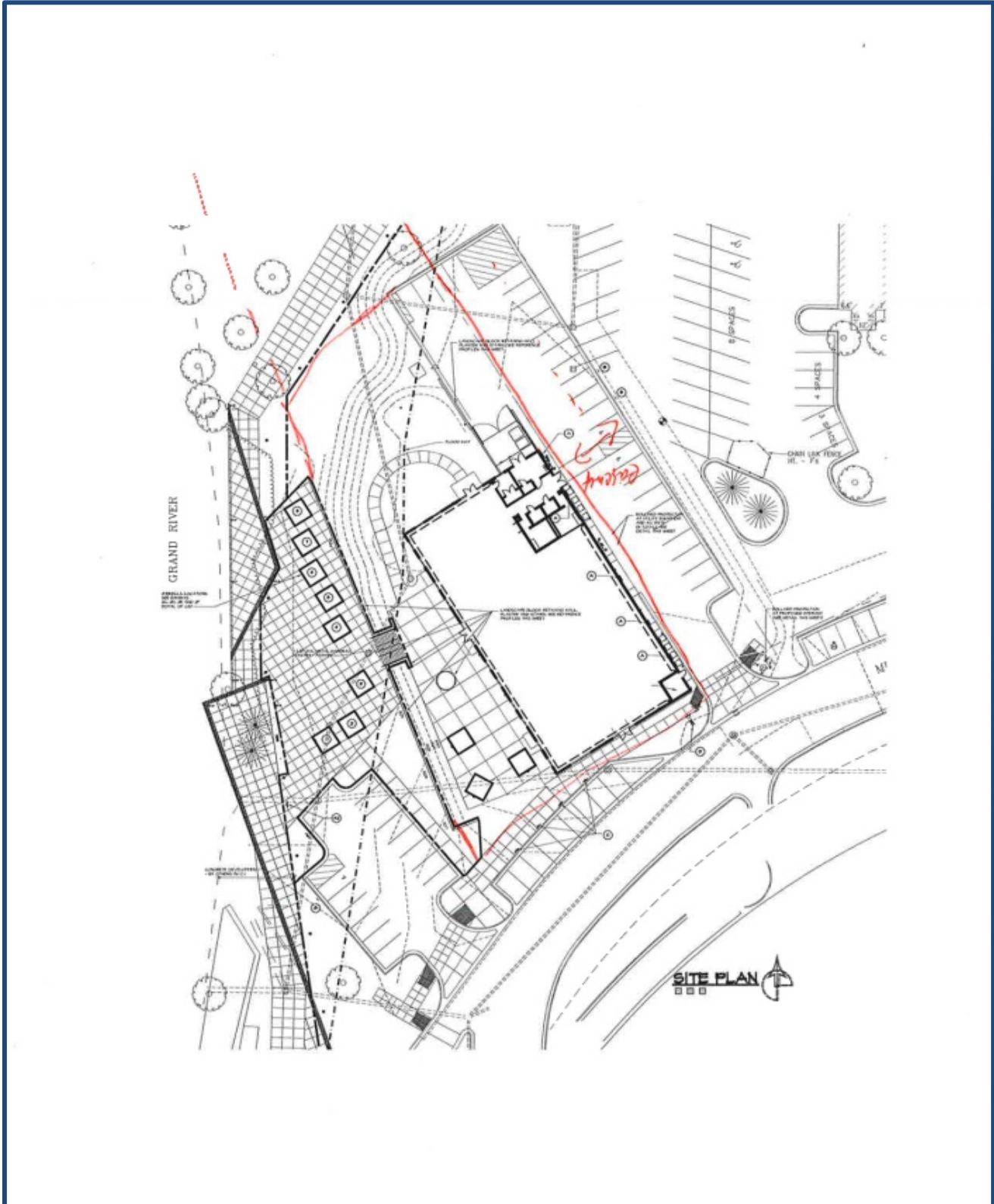
BUILDING SKETCH



FLOOR PLAN



SITE PLAN



The red markings are the hand-drawn boundaries for the proposed site are after the current parcel is split.

Assessment and Tax Data

Assessment Methodology

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

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

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

Assessed Values and Property Taxes

The subject property is owned by the City of Lansing and is exempt from property taxes.

Special Assessments

Despite its exemption status, the subject property is encumbered by an on-going special assessment titled PSD – Principal Shopping District. PSDs are initiated through a municipality’s master planning process and are designed to revitalize and maintain the area with the district. Revitalization efforts include, but are not limited to, Old Town Main Street Initiative, special events, retail promotions, business retention and recruitment, physical improvements and marketing campaigns. In addition, the PSD oversees and manages the PSD “A” District Maintenance Contracts for general clean up, landscaping and snow removal. The historical PSD assessments for the subject property are presented in the following table.

Principal Shopping District

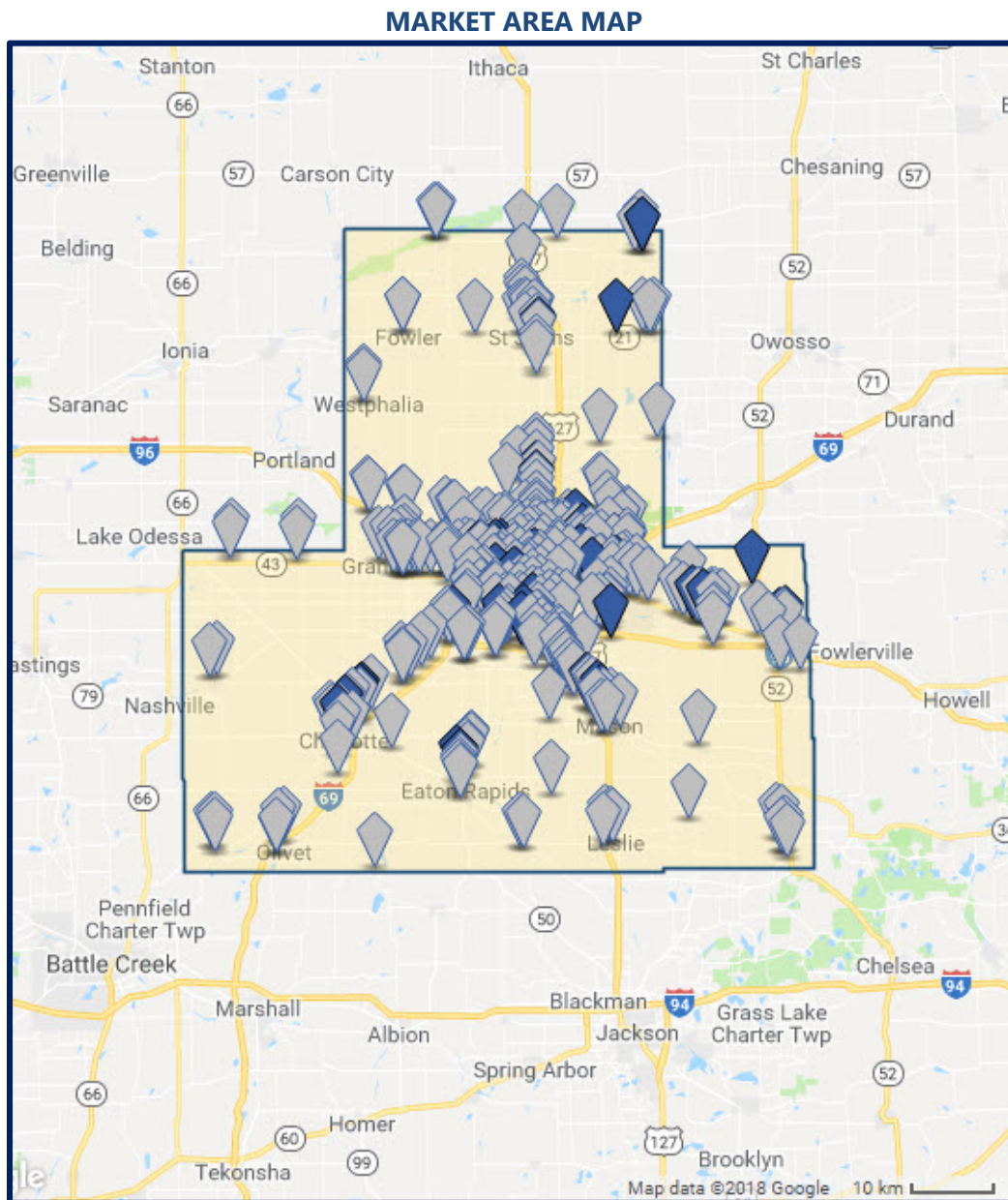
Tax Season	Assessment	% Change
Winter 2014	\$1,497	---
Winter 2015	\$1,497	0.00%
Winter 2016	\$1,497	0.00%
Winter 2017	\$1,542	3.04%
Average	\$1,508	

Market Analysis

The following market analysis of the Lansing Metropolitan Statistical Area (MSA) retail property market is based on data obtained from the CoStar Group, Inc., a leading provider of real estate information services. The analysis presents the subject property's macro and micro retail markets and includes a breakdown of freestanding retail space, under 30,000 square feet.

Lansing MSA Metropolitan Market

The following is the Lansing MSA retail market map, as presented by CoStar Group, Inc.:



The following table illustrates the historical market performance of the Lansing MSA market:

Retail Market Statistics
Lansing MSA Market

Quarter	Lansing MSA - All Retail Space					Lansing MSA - Freestanding Retail, under 30,000 SF Space Only				
	Total Square Feet	Square Feet Under Construction	Total Net Absorption	Total Percent Vacant	Direct Rental Rate (Triple Net)	Total Square Feet	Square Feet Under Construction	Total Net Absorption	Total Percent Vacant	Direct Rental Rate (Triple Net)
2018 Q2	30,473,427	68,425	-334,641	4.9%	\$10.67 psf	4,866,309	39,525	8,563	3.6%	\$12.87 psf
2018 Q1	30,479,324	51,425	176,994	3.8%	\$10.46 psf	4,866,309	39,525	25,961	3.8%	\$11.81 psf
2017 Q4	30,468,425	62,324	99,401	4.3%	\$10.21 psf	4,859,809	46,025	-14,752	4.2%	\$11.70 psf
2017 Q3	30,283,394	207,830	49,037	4.1%	\$10.46 psf	4,859,809	6,500	38,677	3.9%	\$11.93 psf
2017 Q2	30,285,956	210,071	109,595	4.3%	\$10.89 psf	4,878,011	0	15,664	5.1%	\$11.55 psf
2017 Q1	30,277,858	40,169	-74,764	4.7%	\$10.92 psf	4,878,011	0	-26,169	5.4%	\$11.71 psf
2016 Q4	30,291,530	33,757	-23,968	4.6%	\$10.02 psf	4,870,783	7,228	6,712	5.0%	\$10.57 psf
2016 Q3	30,235,435	65,323	254,578	4.4%	\$9.55 psf	4,866,688	11,323	54,680	5.1%	\$10.41 psf
2016 Q2	30,245,596	71,078	162,790	5.3%	\$9.44 psf	4,866,688	4,095	4,166	6.4%	\$10.39 psf
2016 Q1	30,224,066	35,637	110,427	5.8%	\$9.50 psf	4,847,783	23,000	3,223	6.1%	\$10.50 psf
2015 Q4	30,197,374	82,240	76,343	6.3%	\$9.51 psf	4,841,885	24,803	16,431	6.1%	\$10.06 psf
2015 Q3	30,207,565	111,766	-75,491	6.6%	\$9.41 psf	4,841,885	24,803	17,362	6.5%	\$10.01 psf
2015 Q2	30,196,601	63,362	55,362	6.4%	\$9.40 psf	4,830,921	16,862	2,541	6.8%	\$10.17 psf
2015 Q1	30,200,411	6,912	9,967	6.6%	\$9.45 psf	4,830,921	6,912	-2,980	6.9%	\$10.16 psf
2014 Q4	30,189,395	11,016	74,652	6.6%	\$9.57 psf	4,823,341	7,580	20,239	6.7%	\$9.94 psf
2014 Q3	30,189,395	11,016	120,907	6.9%	\$9.93 psf	4,823,341	7,580	44,308	7.1%	\$10.22 psf
2014 Q2	30,177,395	19,580	-365	7.3%	\$9.71 psf	4,823,341	7,580	30,030	8.1%	\$10.35 psf
2014 Q1	30,191,509	19,580	134,931	7.3%	\$9.70 psf	4,834,955	7,580	26,840	8.9%	\$10.38 psf
2013 Q4	30,173,521	25,568	25,178	7.7%	\$9.59 psf	4,834,955	7,580	37,687	9.5%	\$10.15 psf
2013 Q3	30,161,239	35,334	-47,224	7.8%	\$10.14 psf	4,817,609	17,346	-40,729	9.9%	\$10.38 psf

Source: CoStar Group, Inc.

Rental Rates

The Lansing MSA had a 2018 2nd Quarter average quoted rental rate of \$10.67 per square foot for all retail space, compared to \$10.89 in the 2017 2nd Quarter, or a 2.0% decrease over the last year. Quoted rental rates for freestanding retail space, under 30,000 square feet only were approximately 21% higher at \$12.87 per square foot.

Vacancy

The Lansing MSA has a 2018 2nd Quarter vacancy of 4.9% for all retail space and 3.6% for freestanding retail space, under 30,000 square feet. Overall, vacancy rates for retail space have increased over the prior year, but declined for freestanding space under 30,000 square feet.

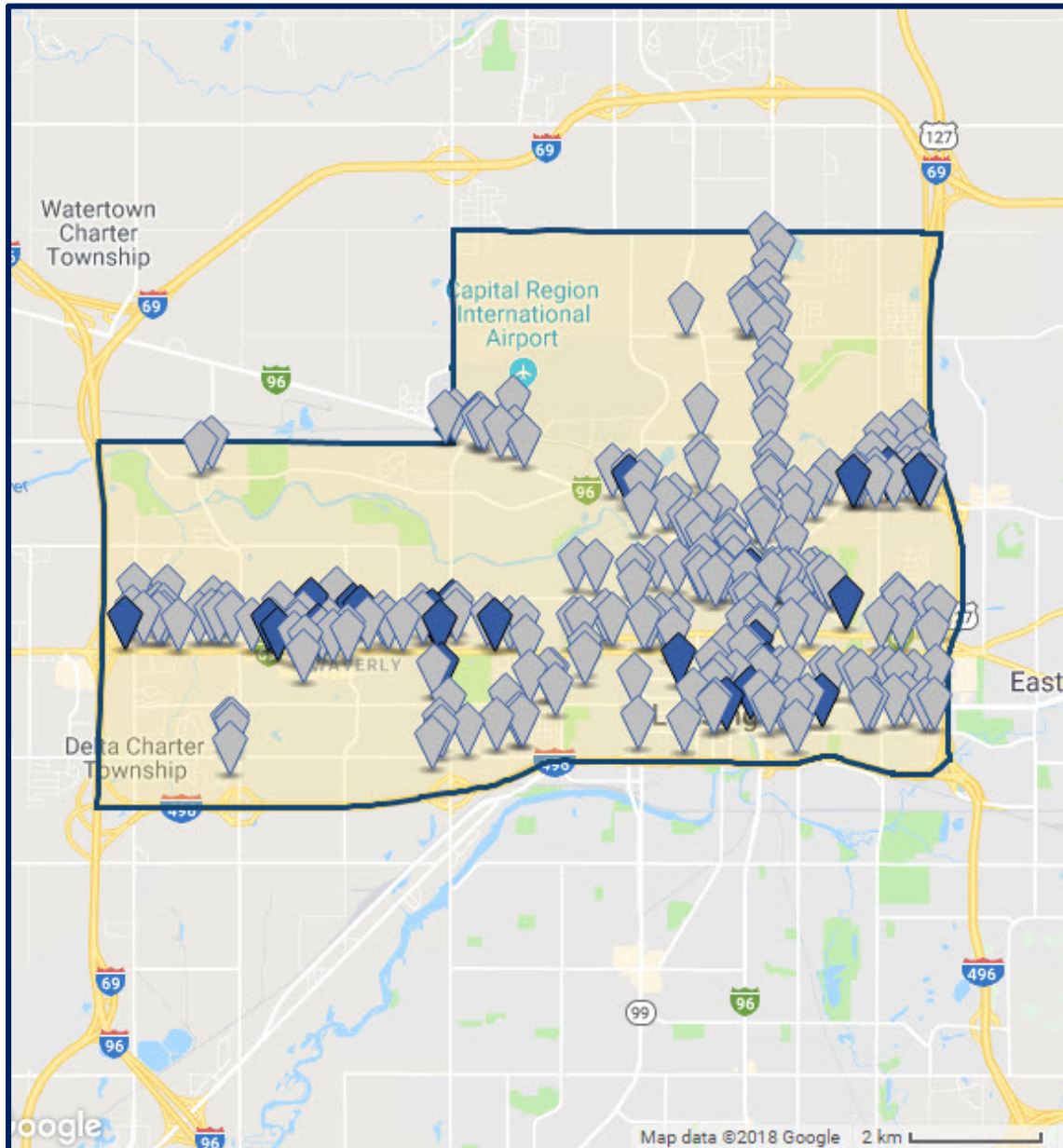
Construction and Absorption

There is currently 68,425 square feet of retail space under construction in the market, of which 57.8% is freestanding retail, under 30,000 square feet. Net absorption for the prior year was negative overall, but positive for space under 30,000 square feet.

Central Lansing Submarket

The following is the Central Lansing retail submarket map, as presented by CoStar Group, Inc.:

MARKET AREA MAP



The following table illustrates the historical market performance of the Central Lansing submarket:

Retail Market Statistics

Central Lansing Submarket

Quarter	Central Lansing - All Retail Space					Central Lansing - Freestanding Retail, under 30,000 SF Space Only				
	Total Square Feet	Square Feet Under Construction	Total Net Absorption	Total Percent Vacant	Direct Rental Rate (Triple Net)	Total Square Feet	Square Feet Under Construction	Total Net Absorption	Total Percent Vacant	Direct Rental Rate (Triple Net)
2018 Q2	6,975,074	34,900	-3,948	4.1%	\$13.95 psf	1,038,650	23,000	-3,484	5.7%	\$13.32 psf
2018 Q1	6,976,292	34,900	-17,568	4.0%	\$13.33 psf	1,038,650	23,000	2,200	5.4%	\$12.75 psf
2017 Q4	6,976,292	34,900	35,202	3.8%	\$13.08 psf	1,038,650	23,000	1,898	5.6%	\$11.49 psf
2017 Q3	6,965,292	22,900	-526	4.1%	\$12.91 psf	1,038,650	0	13,826	5.8%	\$11.20 psf
2017 Q2	6,975,792	22,900	2,260	4.3%	\$12.34 psf	1,049,150	0	6,183	8.2%	\$10.89 psf
2017 Q1	6,975,792	11,000	-35,346	4.3%	\$12.56 psf	1,049,150	0	-29,123	8.8%	\$11.51 psf
2016 Q4	6,975,792	11,000	10,371	3.8%	\$10.29 psf	1,049,150	0	8,672	6.0%	\$10.11 psf
2016 Q3	6,975,792	0	76,376	4.0%	\$10.23 psf	1,049,150	0	9,554	6.9%	\$9.99 psf
2016 Q2	6,985,953	14,983	77,701	5.2%	\$9.95 psf	1,049,150	0	16,160	7.8%	\$9.68 psf
2016 Q1	6,985,953	10,012	5,517	6.4%	\$10.27 psf	1,049,150	0	4,465	9.3%	\$9.98 psf
2015 Q4	6,985,953	10,012	39,276	6.5%	\$10.48 psf	1,049,150	0	-3,647	9.7%	\$10.03 psf
2015 Q3	6,985,953	10,012	7,898	7.1%	\$9.96 psf	1,049,150	0	808	9.4%	\$9.53 psf
2015 Q2	6,985,953	0	26,635	7.2%	\$9.90 psf	1,049,150	0	4,171	9.5%	\$9.68 psf
2015 Q1	6,989,763	0	-30,874	7.8%	\$9.88 psf	1,049,150	0	-4,246	9.9%	\$9.58 psf
2014 Q4	6,989,763	0	9,755	7.4%	\$9.68 psf	1,049,150	0	4,356	9.5%	\$9.47 psf
2014 Q3	6,989,763	0	28,385	7.5%	\$10.00 psf	1,049,150	0	7,455	9.9%	\$9.37 psf
2014 Q2	6,989,763	0	-28	7.9%	\$10.03 psf	1,049,150	0	3,695	10.6%	\$9.50 psf
2014 Q1	7,003,877	0	85,050	8.1%	\$9.91 psf	1,060,764	0	11,000	11.9%	\$9.52 psf
2013 Q4	6,993,935	9,942	22,364	9.4%	\$9.93 psf	1,060,764	0	9,333	12.9%	\$9.61 psf
2013 Q3	6,993,935	9,942	-71,559	9.7%	\$11.40 psf	1,060,764	0	-1,850	13.8%	\$10.22 psf

Source: CoStar Group, Inc.

Rental Rates

The Central Lansing submarket had a 2018 2nd Quarter average quoted rental rate of \$13.95 per square foot for all retail space, compared to \$12.34 in 2017 2nd Quarter, or a 13.0% increase over the last year. Quoted rental rates for freestanding retail under 30,000 square feet space only were approximately 5% lower at \$13.32 per square foot.

Vacancy

The Central Lansing submarket has a 2018 2nd Quarter vacancy of 4.1% for all retail space and 5.7% for freestanding retail space under 30,000 square feet only. Vacancy rates are relatively unchanged over the prior year for all retail space. Vacancy rates for space under 30,000 square feet declined by 2.5% year-over-year.

Construction and Absorption

There is currently 34,900 square feet of retail space under construction in the market, of which 65.9% is freestanding retail under 30,000 square feet. Net absorption for the prior year was positive.

Market Analysis Conclusions

The rental rates trends, inventory and new construction levels, vacancy rates and absorption trends indicate the market is in undersupply.

Highest and Best Use Analysis

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

Analysis of Highest and Best Use as if Vacant

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

Legally Permissible

The subject site is zoned A, Residential District which controls the general nature of permissible uses but is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general neighborhood. The subject is zoned "A" Residential District. Its intent is to provide for an environment of predominantly low-density one-family dwellings, along with other residentially related facilities which serve residents in the Districts. Principal permitted uses include one-family dwellings, public parks or playgrounds, and family day care homes. Single-family residential development does not conform to the surrounding land uses. I have assumed that the property would likely be rezoned to allow for commercial use. There are no known easements, encroachments, covenants or other use restrictions that would unduly limit or impede development.

Physically Possible

The physical attributes allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences are described in the Site Description and have been considered. There are no items of a physical nature that would materially limit appropriate and likely development.

Financially Feasible

The probable use of the site for commercial development conforms to the pattern of land use in the market area. A review of published yield, rental and occupancy rates suggest that there is an undersupply and demand is sufficient to support construction costs and ensure timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is financially feasible.

Maximally Productive

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

Conclusion of Highest and Best Use as if Vacant

The conclusion of the highest and best use as if vacant is for commercial use.

Analysis of Highest and Best Use as Improved

In determining the highest and best use of the property as improved, the focus is on three possibilities for the property: (1) continuation of the existing use, (2) modification of the existing use, or (3) demolition and redevelopment of the land.

Retaining the improvements as they exist meets the tests for physical possibility, legal permissibility and financial feasibility. The improvements are in good condition and any alternative use of the existing improvements is unlikely to be economically feasible. The market value of the property as improved exceeds the combination of vacant site value less cost of demolition of the improvements. Therefore, demolition and redevelopment of the site is not maximally productive.

Conclusion of Highest and Best Use as Improved

The highest and best use of the subject property, as improved, is continuation of existing retail use.

Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is an investor or owner-occupant.

Sales Comparison Approach

Methodology

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

Unit of Comparison

The primary unit of comparison selected depends on the appraisal problem and nature of the property. The primary unit of comparison in the market for retail properties such as the subject property is price per square foot.

Elements of Comparison

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

Comparable Sales Data

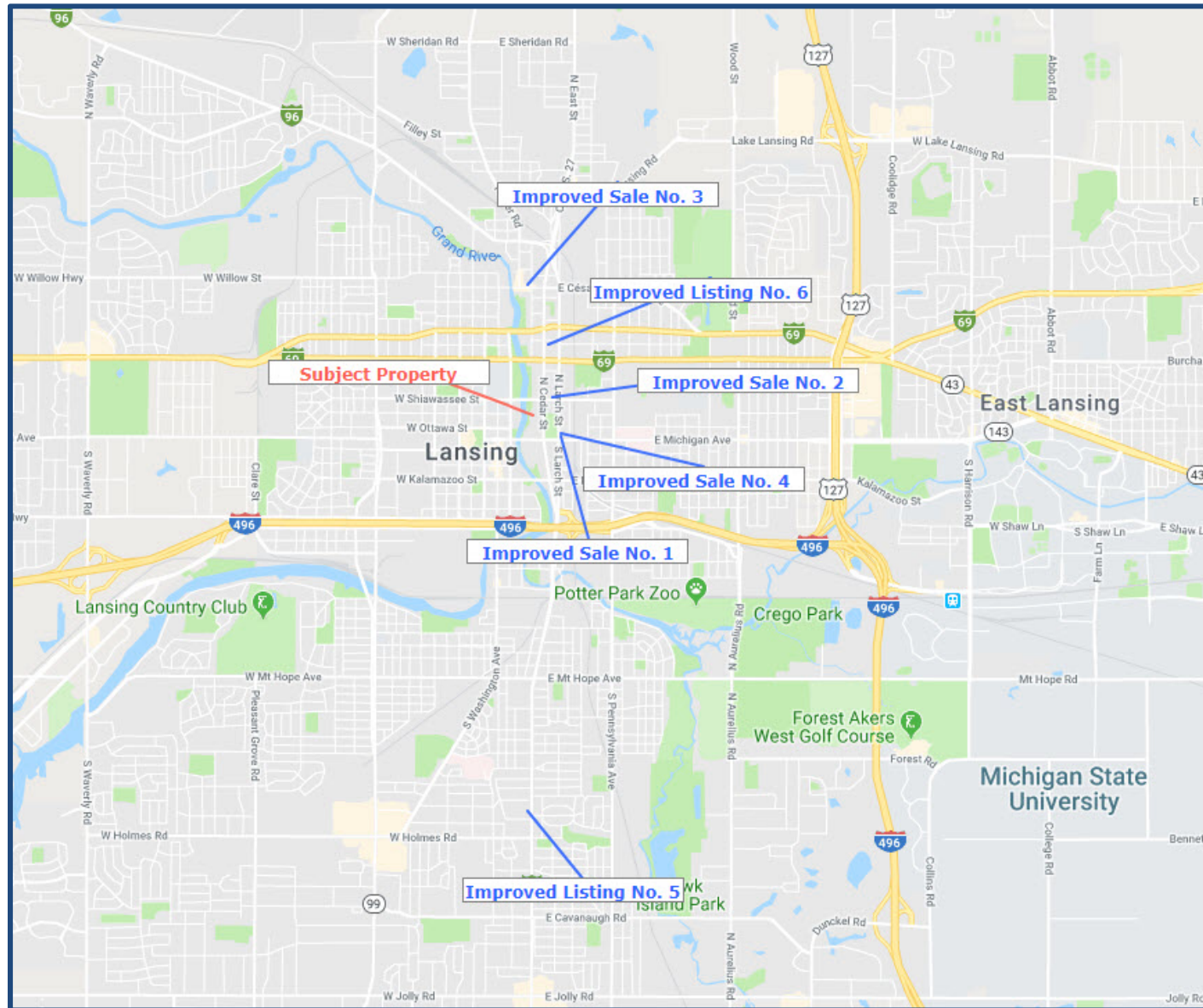
To obtain and verify comparable sales and listings of retail properties, I conducted a search of public records, field surveys, interviews with knowledgeable real estate professionals in the area, as well as a review of my internal database.

I included six sales in my analysis; these sales were judged to be the most comparable to develop an indication of market value for the subject property. The following is a table summarizing each sale comparable and a map illustrating the location of each in relation to the subject. Details of each comparable follow the location map.

Improved Sales Summary

Comp. No.	Date of Sale	Location		Year Built	NRA	Occupancy at Sale	Unadjusted Sale Price	PSF
1	May-17	601 East Michigan Avenue	Lansing, Michigan	1907	4,578	0.0%	\$318,999	\$69.68
2	January-16	523 E Shiawassee Street	Lansing, Michigan	1966	6,380	0.0%	\$375,000	\$58.78
3	April-15	319 E Grand River Avenue	Lansing, Michigan	1928	6,600	0.0%	\$415,000	\$62.88
4	February-14	112 N Larch Street	Lansing, Michigan	1920	9,600	0.0%	\$399,000	\$41.56
5	N/A	3130 South Cedar Street	Lansing, Michigan	1952	9,935	0.0%	\$425,000	\$42.78
6	N/A	750 North Cedar Street	Lansing, Michigan	2005	5,964	100.0%	\$750,000	\$125.75

COMPARABLE SALES MAP



RETAIL COMPARABLE 1



Property Identification

Property/Sale ID	3124/28546
Property Type	Retail
Address	601 East Michigan Avenue
City, State Zip	Lansing, Michigan 48912
County	Ingham
MSA	Lansing-East Lansing
Latitude/Longitude	42.733843/-84.544456
Tax ID	33-01-01-16-277-171

Transaction Data

Sale Date	05-22-2017	Conditions of Sale	Arms Length
Sale Status	Closed	Deed Book/Page	2017/020571
Grantor	Excellent 601 Property LLC	Days on Market	404
Grantee	Eugene Paul Rathbun, Jr.	Sale Price	\$318,999
Property Rights	Fee Simple	Adjusted Price	\$318,999
Financing	Cash to Seller		

Property Description

Gross Building SF	4,578	Tenancy	Single-Tenant
Net Rentable SF	4,578	Parking Spaces	0
No. of Lots	1	Gross Acres	0.06
Stories	2	Usable Acres	0.06
Building Condition	Average	Flr. Area Ratio (FAR)	1.64
Building Quality	Average	Gross Land to Bldg	0.61
Construction Class	C - Masonry	Usable Land to Bldg	0.61
Year Built	1907	Access	Average
Investment Class	C	Visibility	Good
Occupancy Type	Vacant	Corner/Interior	Corner

Flood Hazard Zone X
Earthquake Zone The site is not located in an Earthquake Zone.

Physical Indicators

\$/SF GBA	\$69.68	Occupancy at Sale	0.0%
\$/SF NRA	\$69.68		

Verification

Confirmed With	Listing Agent - Terry Shellhorn of Century 21 Looking Glass, Assessment Records
Confirmed By	Jennifer Passmore
Confirmation Date	09-05-2018

Remarks

There are no transfers in the three-year period preceding this sale or thereafter.

Former Rum Runners restaurant and bar. Buyer planned to the turn 2nd floor into his primary residence and lease out the ground floor as general retail space. Deal was structured so that sale price above is for real estate only. SWMRIC MLS indicates sale price of \$344,000 because it also takes into account value of liquor license, allocated at \$25,000. Broker states property was in average condition overall, and included an elevator and full basement.

RETAIL COMPARABLE 2



Property Identification

Property/Sale ID	9001287/26698
Property Type	Retail
Current Use	Auto Parts Store
Property Name	523 E Shiawassee Street
Address	523 E Shiawassee Street
City, State Zip	Lansing, Michigan 48912
County	Ingham
MSA	Lansing-East Lansing
Latitude/Longitude	42.737449/-84.545398
Tax ID	33-01-01-16-228-171

Transaction Data

Sale Date	01-26-2016	Conditions of Sale	Arms Length
Sale Status	Closed	Deed Book/Page	2016/003417
Grantor	Micro Investment Co	Days on Market	352
Grantee	523 E Shiawassee LLC	Sale Price	\$375,000
Property Rights	Fee Simple	Adjusted Price	\$375,000
Financing	Cash to Seller		

Property Description

Gross Building SF	6,380	Investment Class	C
Net Rentable SF	6,380	Occupancy Type	Vacant
No. of Lots	1	Elevators	0
Stories	2	Office Space %	0.0%
Building Condition	Fair	Parking Conforms	Yes
Building Quality	Average	Parking Spaces	16
Construction Class	C - Masonry	Gross Acres	0.30
Year Built	1966	Usable Acres	0.30

Flr. Area Ratio (FAR) 0.49
Gross Land to Bldg 2.05
Usable Land to Bldg 2.05
Access Adequate
Visibility Average
Corner/Interior Interior
Flood Hazard Zone X or C

Earthquake Zone The site is not located in an earthquake zone.
Land Use Desig. The property is not subject to a general plan designation.
Zoning Jurisdiction City of Lansing
Zoning Code H

Physical Indicators

\$/SF GBA \$58.78
\$/SF NRA \$58.78

Occupancy at Sale 0.0%

Verification

Confirmed With City of Lansing Assessing
Confirmed By Michael Knapp
Confirmation Date 02-02-2016

RETAIL COMPARABLE 3



Property Identification

Property/Sale ID	9001290/26701
Property Type	Retail
Address	319 E Grand River Avenue
City, State Zip	Lansing, Michigan 48906
County	Ingham
MSA	Lansing-East Lansing
Latitude/Longitude	42.747587/-84.548509
Tax ID	33-01-01-09-257-145

Transaction Data

Sale Date	04-16-2015	Financing	Cash to Seller
Sale Status	Closed	Conditions of Sale	Arms Length
Grantor	Powers Thomas & Karen	Deed Book/Page	2015-016312
Grantee	Mortons Otm LLC	Sale Price	\$415,000
Property Rights	Fee Simple	Adjusted Price	\$415,000

Property Description

Gross Building SF	6,600	Tenancy	Single-Tenant
Net Rentable SF	6,600	Office Space %	0.0%
Stories	1	Gross Acres	0.16
Building Condition	Average	Usable Acres	0.16
Building Quality	Average	Fir. Area Ratio (FAR)	0.97
Construction Class	C - Masonry	Gross Land to Bldg	1.03
Year Built	1928	Usable Land to Bldg	1.03
Occupancy Type	Owner Occupied	Corner/Interior	Interior

Physical Indicators

\$/SF GBA	\$62.88	Occupancy at Sale	0.0%
\$/SF NRA	\$62.88		

Verification

Confirmed With	Costar, City of Lansing Assessing, Tom Morton (Owner)
Confirmed By	Michael Knapp
Confirmation Date	02-03-2016

Remarks

The year built is an estimate based on surrounding buildings.

RETAIL COMPARABLE 4



Property Identification

Property/Sale ID	1130/26703
Property Type	Retail
Property Name	American Fifth Spirits
Address	112 N Larch Street
City, State Zip	Lansing, Michigan 48912
County	Ingham
MSA	Lansing-East Lansing
Latitude/Longitude	42.734136/-84.544399
Tax ID	33-01-01-16-277-152

Transaction Data

Sale Date	02-06-2014	Financing	Cash to Seller
Sale Status	Closed	Conditions of Sale	Arms Length
Grantor	Shaver Stephan & Marilyn	Deed Book/Page	2014-004950
Grantee	A5 LLC	Sale Price	\$399,000
Property Rights	Fee Simple	Adjusted Price	\$399,000

Property Description

Gross Building SF	9,600	Tenancy	Single-Tenant
Net Rentable SF	9,600	Office Space %	0.0%
Stories	2	Gross Acres	0.23
Building Condition	Fair	Usable Acres	0.23
Building Quality	Average	Fir. Area Ratio (FAR)	0.96
Construction Class	C - Masonry	Gross Land to Bldg	1.04
Year Built	1920	Usable Land to Bldg	1.04
Yr. Blt. Comments	Renov 1983	Corner/Interior	Interior
Occupancy Type	Owner Occupied		

Physical Indicators

\$/SF GBA	\$41.56	Occupancy at Sale	0.0%
\$/SF NRA	\$41.56		

Verification

Confirmed With	Loopnet, Costar, City of Lansing Assessing, Rick Wyble (Owner)
Confirmed By	Michael Knapp
Confirmation Date	02-03-2016

Remarks

The building was sold on a land contract but the owner indicated they did not have favorable terms and the selling price was at market. The building was essentially a shell at the time of purchase.

RETAIL COMPARABLE 5



Property Identification

Property/Sale ID	1007674/28549
Property Type	Retail Other
Current Use	Retail Commercial
Address	3130 South Cedar Street
City, State Zip	Lansing, Michigan 48910
County	Ingham
MSA	Lansing-East Lansing
Latitude/Longitude	42.699850/-84.548550
Tax ID	33-01-01-28-452-182

Transaction Data

Sale Status	Listing	Days on Market	400
Grantor	CJCB LLC	Sale Price	\$425,000
Property Rights	Fee Simple	Adjusted Price	\$425,000
Financing	Cash to Seller		

Property Description

Gross Building SF	9,935	Parking Spaces	10
Net Rentable SF	9,935	Pkg/1,000 SF GBA	1.01
No. of Lots	1	Pkg/1,000 SF NRA	1.01
Stories	1	Gross Acres	0.73
Building Condition	Average	Usable Acres	0.73
Building Quality	Average	Fir. Area Ratio (FAR)	0.31
Construction Class	C - Masonry	Gross Land to Bldg	3.20
Year Built	1952	Usable Land to Bldg	3.20
Investment Class	C	Access	Average
Occupancy Type	Vacant	Visibility	Average
Tenancy	Single-Tenant	Corner/Interior	Mid-Block

Earthquake Zone The site is not located in an Earthquake Zone.

Physical Indicators

\$/SF GBA	\$42.78	\$/SF NRA	\$42.78
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Verification

Confirmed With	Marketing brochure, broker's website
Confirmation Date	09-11-2018

Remarks

No transfers listed in the three-year period preceding this listing.

9,935-square foot retail/showroom currently setup as a large showroom with approximately 2,500 square feet of storage space. Building has clear span construction, loading platform and dock, and 10-foot overhead door. Adjacent lots can be acquired for additional parking.

RETAIL COMPARABLE 6



Property Identification

Property/Sale ID	9001308/28550
Property Type	Retail
Address	750 North Cedar Street
City, State Zip	Lansing, Michigan 48906
County	Clinton
MSA	Lansing-East Lansing
Latitude/Longitude	42.742163/-84.545939
Tax ID	33-01-01-09-480-002, 33-01-01-09-480-062

Transaction Data

Sale Status	Listing	Days on Market	189
Grantor	Cedar & Monroe LLC	Sale Price	\$750,000
Property Rights	Leased Fee	Adjusted Price	\$750,000

Property Description

Gross Building SF	5,964	Pkg/1,000 SF GBA	6.71
Net Rentable SF	5,964	Pkg/1,000 SF NRA	6.71
No. of Lots	2	Gross Acres	1.38
Stories	1	Usable Acres	1.38
Building Condition	Good	Flr. Area Ratio (FAR)	0.10
Building Quality	Average	Gross Land to Bldg	10.04
Construction Class	C - Masonry	Usable Land to Bldg	10.04
Year Built	2005	Access	Adequate
Investment Class	C	Visibility	Average
Occupancy Type	Tenant-occupied	Corner/Interior	Corner
Tenancy	Multi-Tenant	Flood Hazard Zone	X
Office Space %	0.0%	Earthquake Zone	The site is not located in an Earthquake Zone.
Parking Spaces	40		

Financial Data & Indicators (Actual)

NOI	\$65,873	OAR	8.78%
NOI/SF	\$11.05		

Physical Indicators

\$/SF GBA	\$125.75
\$/SF NRA	\$125.75
Occupancy at Sale	100.0%

Verification

Confirmed With	Russ S. Bono - NAI Wisinski of West Michigan
Confirmation Date	09-11-2018

Remarks

Property includes main parcel (corner lot -002 with building) and vacant adjacent lot (-062). Property has drive-thru capability.

Sales Comparison Analysis

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

Transaction Adjustments

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

Real Property Rights Conveyed

In the case of the subject property, the fee simple interest is considered. All of the comparables, except #6, conveyed the fee simple interest and no adjustments were required. Comparable 6 conveyed the leased fee interest at the time of sale and warranted a downward adjustment.

Financing Terms

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

Conditions of Sale

Atypical conditions of sale may result in a price that is higher or lower than a normal transaction. Such atypical conditions of sale often occur in conjunction with sales between related parties or those in which one of the parties is atypically motivated to complete the transaction. Additionally, a downward adjustment may be applied to a listing price, which usually reflects the upper limit of value. The sale comparables do not indicate any condition of sale adjustments were warranted for atypical conditions or for-sale listings.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to cure deferred maintenance, costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, costs to remediate environmental contamination and/or costs to occupy or stabilize the property. The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller. The parties to the sale comparables did not anticipate expenditures immediately after purchase; no adjustments were required.

Market Conditions Adjustment

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

Discussions with market participants and a review of market data indicated overall market conditions for retail properties have been improving with recent transactions confirming this trend. As such, I applied an adjustment to each comparable based on a factor of 2.00% per year.

Property Adjustments

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

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, freeway accessibility, street exposure, corner- versus interior-lot location, neighboring properties, view amenities, and other factors. The subject property is located within the City of Lansing CBD, along City Market Drive, which is considered a below average retail location. The site has reasonably access, but visibility is considered fair, at best. Sites with strong pedestrian and vehicular traffic and good access are preferred for retail locations. All comparables, except #5, have superior locations and warranted a downward adjustment. Comparable 5 was adjusted upward due to its inferior market area.

Size

This adjustment addresses variance in the size of the comparables and that of the subject, as a larger building typically commands a lower sale price per unit than a smaller building. This inverse relationship is due, in part, to the principle of "economies of scale." The subject property consists of 11,120 square feet of net rentable area. The improved sales range in size from 4,578 to 9,600 square feet and required size adjustments. Significant variations were accounted for.

Age/Condition

All else being equal, older properties typically command a lower price per square foot than newer properties. However, although a property may be physically older than another property, the effective age may be similar to a newer property and no adjustment may be indicated. This may be due to the older property being well-maintained or a recent renovation. This adjustment considers the chronological age of each property as well as any information known about the upkeep, deferred maintenance, and the like. The subject property was constructed in 2009 and is in good condition, overall. All comparables, except #6, were adjusted upward, as they are considered inferior in terms of age and condition in varying degrees.

Construction Quality

The subject property consists of average quality steel frame construction. All of the comparables feature average quality, masonry construction, which is similar enough to the subject property to not warrant an adjustment.

Design/Functional Utility

The subject property is currently a one-story building. It was built with an elevator shaft and reportedly has the load-bearing capacity to add a second floor. The likelihood of building the second floor depends highly upon the future availability of parking and the zoning designation of the site, which are both yet to be determined. The feasibility of constructing the second floor is also hindered due to the subject's below average retail location. Typically, ceiling heights are an important factor for industrial improvements, not retail. As such, this appraisal assignment values the subject property in its current one-story configuration. No adjustments were applied.

Land-to-Building Ratio

The subject property has a land-to-building (LTB) ratio of 2.79-to-1. The LTB ratios for the comparables range from 0.61- to 10.04-to -1. Significant variations have been accounted for.

Summary of Adjustments

Presented on the following page is a summary of the adjustments made to the sale comparables. As noted earlier, these quantitative adjustments were based on my market research, best judgment, and experience in the appraisal of similar properties.

COMPARABLE SALES ADJUSTMENT GRID

Subject		Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5	Sale # 6
Sale ID		28546	26698	26701	26703	28549	28550
Date of Value & Sale		July-18	May-17	January-16	April-15	February-14	N/A
Net Rentable Area		11,120 sf	4,578	6,380	6,600	9,600	5,964
Land Area (acres)		0.7114	0.0640	0.3000	0.1560	0.2300	1.3750
Unadjusted Sales Price		\$318,999	\$375,000	\$415,000	\$399,000	\$425,000	\$750,000
Unadjusted Sales Price PSF of NRA		\$69.68	\$58.78	\$62.88	\$41.56	\$42.78	\$125.75
Transactional Adjustments							
Property Rights Conveyed		<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Leased Fee</i>
Adjustment		-	-	-	-	-	-30.0%
Adjusted Sales Price		\$69.68	\$58.78	\$62.88	\$41.56	\$42.78	\$88.03
Financing Terms		<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	
Adjusted Sales Price		\$69.68	\$58.78	\$62.88	\$41.56	\$42.78	\$88.03
Conditions of Sale		<i>Typical</i>	<i>Arms Length</i>	<i>Arms Length</i>	<i>Arms Length</i>	<i>N/A - Active Listing</i>	<i>N/A - Active Listing</i>
Adjusted Sales Price		\$69.68	\$58.78	\$62.88	\$41.56	\$42.78	\$88.03
Expenditures after Sale							
Adjustment		-	-	-	-	-	-
Adjusted Sales Price		\$69.68	\$58.78	\$62.88	\$41.56	\$42.78	\$88.03
Market Conditions Adjustments							
Elapsed Time from Date of Value		<i>1.14 years</i>	<i>2.46 years</i>	<i>3.24 years</i>	<i>4.43 years</i>	<i>0.00 years</i>	<i>0.00 years</i>
Market Trend Through		July-18	2.3%	4.9%	6.5%	8.9%	-
Analyzed Sales Price		\$71.27	\$61.67	\$66.96	\$45.25	\$42.78	\$88.03
Property Adjustments							
Location		<i>425 City Market Drive</i>	<i>601 East Michigan Avenue</i>	<i>523 E Shiawassee Street</i>	<i>319 E Grand River Avenue</i>	<i>112 N Larch Street</i>	<i>3130 South Cedar Street</i>
		<i>Lansing, Michigan</i>	<i>Lansing, Michigan</i>	<i>Lansing, Michigan</i>	<i>Lansing, Michigan</i>	<i>Lansing, Michigan</i>	<i>Lansing, Michigan</i>
Adjustment			-15.0%	-5.0%	-10.0%	-5.0%	15.0%
Size		<i>11,120 sf</i>	<i>4,578 sf</i>	<i>6,380 sf</i>	<i>6,600 sf</i>	<i>9,600 sf</i>	<i>9,935 sf</i>
Adjustment			-5.0%	-	-	-	-
Age/Condition		<i>2009</i>	<i>1907</i>	<i>1966</i>	<i>1928</i>	<i>1920</i>	<i>1952</i>
Year Built		<i>Good</i>	<i>Average</i>	<i>Fair</i>	<i>Average</i>	<i>Fair</i>	<i>Average</i>
Adjustment			10.0%	15.0%	10.0%	20.0%	10.0%
Construction Quality		<i>Average Class S - Steel Frame</i>	<i>Average Class C - Masonry</i>	<i>Average Class C - Masonry</i>	<i>Average Class C - Masonry</i>	<i>Average Class C - Masonry</i>	<i>Average Class C - Masonry</i>
Adjustment			-	-	-	-	-
Design/Functional Utility		<i>Average</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
Adjustment			-	-	-	-	-
Land-to-Building Ratio		<i>2.79-to-1</i>	<i>0.61-to-1</i>	<i>2.05-to-1</i>	<i>1.03-to-1</i>	<i>1.04-to-1</i>	<i>3.20-to-1</i>
Adjustment			10.0%	-	10.0%	10.0%	-
Net Physical Adjustment			-	10.0%	10.0%	25.0%	25.0%
Adjusted Sales Price PSF of NRA		\$71.27	\$67.84	\$73.65	\$56.56	\$53.47	\$66.02

Sales Comparison Approach Value Indication

From the market data available, I used retail sales in competitive market areas which were adjusted based on pertinent elements of comparison. The following table summarizes the unadjusted and adjusted sale prices:

Improved Sales Statistics

Metric	Unadjusted	Analyzed	Adjusted
Minimum Sale Price per Sq. Ft.	\$41.56	\$42.78	\$53.47
Maximum Sale Price per Sq. Ft.	\$125.75	\$88.03	\$73.65
Median Sale Price per Sq. Ft.	\$60.83	\$64.32	\$66.93
Mean Sale Price per Sq. Ft.	\$66.91	\$62.66	\$64.80

The adjusted comparables present a value range from \$53.47 to \$73.65 per square foot, with a median of \$66.93 and mean of \$64.80. Based on the adjusted prices and the most comparable sales, a unit value for the subject property is near the middle of the adjusted range, or \$65.00 per square foot. This indicated an as is fee simple market value indication of \$722,800, rounded to \$720,000.

Preliminary As Is Fee Simple Market Value Indication

Based on this analysis, the sales comparison indication is summarized as follows:

Improved Sales Comparison Approach Value Indication

As Is Fee Simple Market Value Indication

11,120 sf	x	\$65.00	=	\$722,800
			(Rounded)	\$720,000

Income Capitalization Approach

Methodology

The income capitalization approach is developed by converting anticipated future income into a present value by a capitalization process. There are two types of capitalization: direct capitalization and yield capitalization, more commonly known as discounted cash flow (DCF) analysis.

Income-producing properties, by nature, are developed and purchased for investment purposes, where earning power, including an income stream and return of investment, are the most critical elements affecting value. The forecast of income and selection of appropriate rate(s) are therefore important aspects of the valuation process. The process of developing the income approach consists of the following analyses: Market Rent Analysis, Income Analysis, Vacancy Analysis, Expense Analysis, and Rate Analysis.

Application of Methodology

Given the nature of the property in question, in this appraisal, I employed the direct capitalization method to develop an indication of market value.

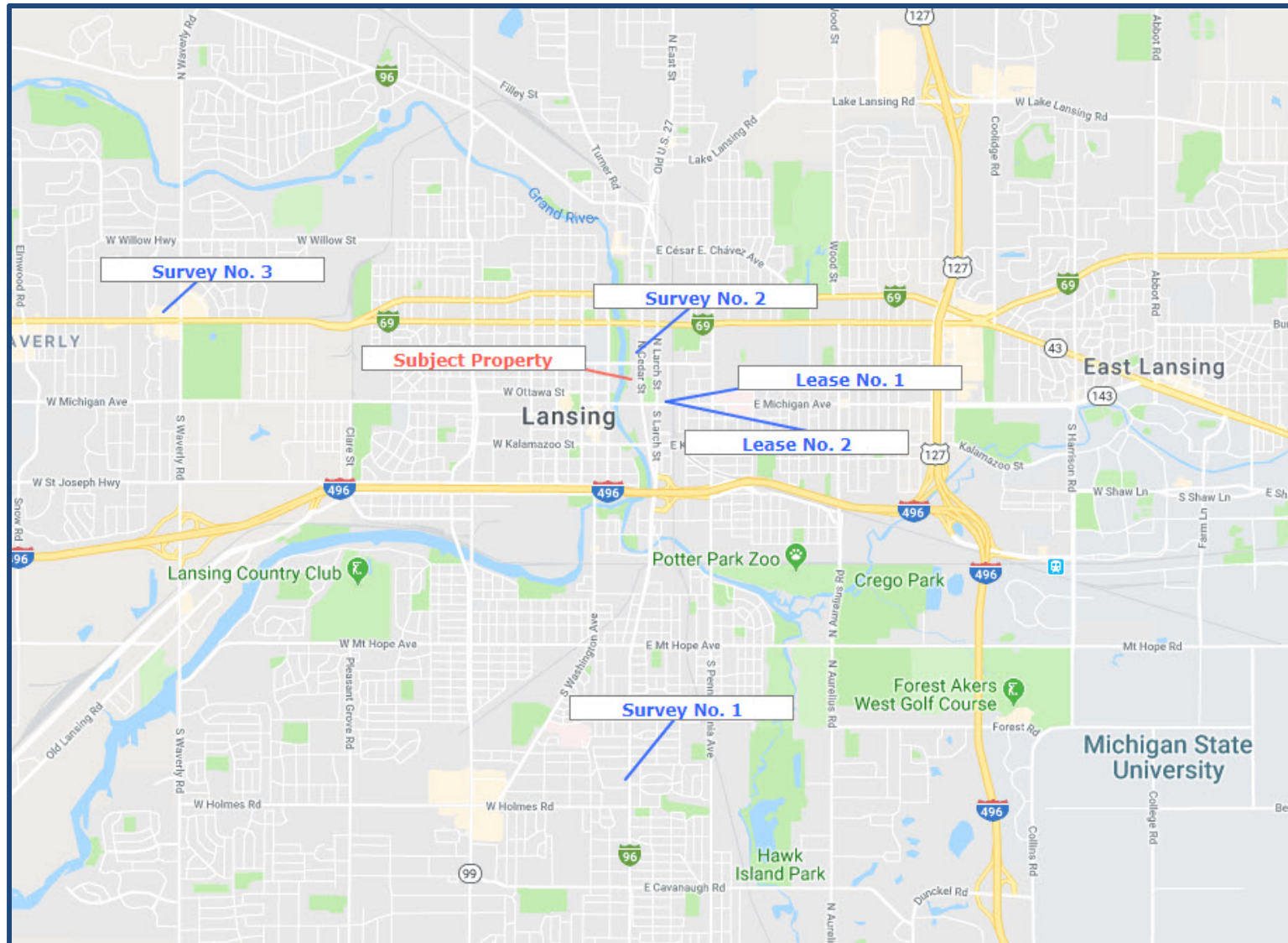
Estimate of Market Rent

To develop an opinion of market rent, I surveyed representatives of comparable and competitive properties in the local market area, focusing on those offering the greatest similarity in terms of location, size and market appeal. I used five rent comparables to derive an appropriate market rent for the subject property. Following is a table summarizing each rent comparable and a map illustrating the location of each comparable in relation to the subject. Details of each comparable follow the location map.

Rent Comparable Summary

Comp. No.	Date of Survey / Lease	Comp. Type	Location	Year Built	Rental Rate / SF	Lease Structure
1	January-17	Lease	621 E Michigan Avenue	Lansing, Michigan	1908	\$8.89 NNN
2	January-16	Lease	621 E Michigan Avenue	Lansing, Michigan	1908	\$8.33 NNN
3	September-18	Survey	3130 South Cedar Street	Lansing, Michigan	1952	\$6.00 NNN
4	September-18	Survey	428-432 North Cedar Street	Lansing, Michigan	1975	\$10.00 NNN
5	September-18	Survey	4002 W Saginaw Highway	Lansing, Michigan	1959	\$15.00 Mod. Gross

RENT COMPARABLE LOCATION MAP



RETAIL RENT COMPARABLE 1



Property Identification

Property/Rent ID	9002082/13265
Property Type	Mixed Use
Current Use	Commercial storefront and apartment
Address	621 E Michigan Avenue
City, State Zip	Lansing, Michigan 48912
County	Ingham
MSA	Lansing-East Lansing
Latitude/Longitude	42.733787/-84.543654
Tax ID	33-01-01-16-277-272

Transaction Data

Lessee	Batter Up Bistro	Term (mos.)	36
Suite No.	621	Lease Type	NNN
Tenant SF	1,890	Rent Escalation	Increase to \$2,500 per month in the fourth month
Entire Bldg Lease	No		
Lease Status	Executed		
Lease Signed	03-01-2016		
Commencement	01-01-2017		
Expiration	02-28-2019		

Rental Rates

Initial Rent/SF	\$8.89
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Property Description

Gross Building SF	6,180	Stories	2
Net Rentable SF	6,030	Units	3
Year Built	1908	Elevators	0
Tenancy	Multi-Tenant	Office Ratio	0.0%
Occupancy Type	Multi-tenant	Sprinklers	None
Building Quality	Average	Parking Spaces	0
Building Condition	Fair	Gross Acres	0.10

Usable Acres 0.10
Flr. Area Ratio (FAR) 1.40
Land to Bldg Ratio 0.71

Access Good
Visibility Good
Corner/Interior Interior

Verification

Confirmed With Copy of lease agreement
Confirmed By RMR
Confirmation Date 11-15-2016

Remarks

Apartment sizes are an estimate based upon building size and the approximate makeup of the tenant space. Tenant was given the first four months of the lease at a reduced rate of \$1,400 for build out. Rent will increase to \$2,500 after the fourth month.

RETAIL RENT COMPARABLE 2



Property Identification

Property/Rent ID	9002082/13266
Property Type	Mixed Use
Current Use	Commercial storefront and apartment
Address	621 E Michigan Avenue
City, State Zip	Lansing, Michigan 48912
County	Ingham
MSA	Lansing-East Lansing
Latitude/Longitude	42.733787/-84.543654
Tax ID	33-01-01-16-277-272

Transaction Data

Lessee	MyBrew	Lease Type	NNN
Suite No.	621 B	Renewal Options	Unknown
Tenant SF	1,440	Rent Escalation	Rent will become \$1,500 during the 13th month
Entire Bldg Lease	No		
Lease Status	Executed		
Lease Signed	01-01-2016		
Commencement	01-01-2016		
Expiration	12-31-2017		
Term (mos.)	24		

Rental Rates

Initial Rent/SF	\$8.33
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Property Description

Gross Building SF	6,180	Building Condition	Fair
Net Rentable SF	6,030	Stories	2
Year Built	1908	Units	3
Tenancy	Multi-Tenant	Elevators	0
Occupancy Type	Multi-tenant	Office Ratio	0.0%
Building Quality	Average	Sprinklers	None

Parking Spaces 0
Gross Acres 0.10
Usable Acres 0.10
Flr. Area Ratio (FAR) 1.40

Land to Bldg Ratio 0.71
Access Good
Visibility Good
Corner/Interior Interior

Verification

Confirmed With Copy of lease agreement
Confirmed By RMR
Confirmation Date 11-15-2016

Remarks

Apartment sizes are an estimate based upon building size and the approximate makeup of the tenant space. Tenant was given a reduced rate to help with build out expenses.

RETAIL RENT COMPARABLE 3



Property Identification

Property/Rent ID	1007674/14277
Property Type	Retail Other
Current Use	Retail Commercial
Address	3130 South Cedar Street
City, State Zip	Lansing, Michigan 48910
County	Ingham
MSA	Lansing-East Lansing
Latitude/Longitude	42.699850/-84.548550
Tax ID	33-01-01-28-452-182

Transaction Data

Tenant SF	9,935	Rent Escalation	2-3% per annum
Lease Status	Listing	Property Occupancy	0.0%
Term (mos.)	60		
Lease Type	NNN		
Renewal Detail	Two 5-year terms		
%/Overage Clause	No		

Rental Rates

Quoted Avg \$/SF	\$6.00
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Property Description

Gross Building SF	9,935	Pkg/1,000 SF GBA	1.01
Net Rentable SF	9,935	Pkg/1,000 SF NRA	1.01
Year Built	1952	Gross Acres	0.73
Investment Class	C	Usable Acres	0.73
Tenancy	Single-Tenant	Flr. Area Ratio (FAR)	0.31
Occupancy Type	Vacant	Land to Bldg Ratio	3.20
Building Quality	Average	Access	Average
Building Condition	Average	Visibility	Average
Stories	1	Corner/Interior	Mid-Block
Parking Spaces	10		

Verification

Confirmed With	Marketing brochure, assessment records
Confirmation Date	09-08-2018

Remarks

9,935-square foot retail/showroom currently setup as a large showroom with approximately 2,500 square feet of storage space. Building has clear span construction, loading platform and dock, and 10-foot overhead door. Adjacent lots can be acquired for additional parking.

RETAIL RENT COMPARABLE 4



Property Identification

Property/Rent ID	9003872/14280
Property Type	Retail
Address	428-432 North Cedar Street
City, State Zip	Lansing, Michigan 48912
County	Ingham
MSA	Lansing-East Lansing
Latitude/Longitude	42.738246/-84.547248
Tax ID	33-01-01-16-228-042

Transaction Data

Tenant SF	5,662	Rental Rates	
Lease Status	Listing	Quoted Avg \$/SF	\$10.00
Term (mos.)	60		
Lease Type	NNN		
Rent Escalation	2-3% per annum		

Property Description

Gross Building SF	5,662	Stories	1
Net Rentable SF	5,662	Gross Acres	0.50
Year Built	1975	Usable Acres	0.50
Investment Class	C	Flr. Area Ratio (FAR)	0.26
Tenancy	Single-Tenant	Land to Bldg Ratio	3.87
Occupancy Type	Owner Occupied	Access	Average
Building Quality	Average	Visibility	Average
Building Condition	Fair to Average	Corner/Interior	Mid-Block

RETAIL RENT COMPARABLE 5



Property Identification

Property/Rent ID	9003680/14278
Property Type	Retail
Property Name	West Saginaw Plaza
Address	4002 W Saginaw Highway
City, State Zip	Lansing, Michigan 48917
County	Eaton
MSA	Lansing-East Lansing
Latitude/Longitude	42.741853/-84.604979
Tax ID	040-058-000-011-00

Transaction Data

Tenant SF	10,000	Rent Escalation	2-3% per annum
Lease Status	Listing		
Term (mos.)	60	Rental Rates	
Lease Type	Mod. Gross	Quoted Avg \$/SF	\$15.00
Renewal Detail	Two 5-year terms		

Property Description

Gross Building SF	10,000	Usable Acres	5.00
Net Rentable SF	10,000	Flr. Area Ratio (FAR)	0.05
Year Built	1959	Land to Bldg Ratio	21.78
Building Quality	Average	Access	Adequate
Building Condition	Average	Visibility	Fair
Stories	1	Corner/Interior	Interior
Gross Acres	5.00		

Verification

Confirmed With Marketing brochure, assessment records
Confirmation Date 09-08-2018

Remarks

Former Blockbuster suite; property is located along a bus line; has pylon signage and ample parking. Space is being offered on a modified gross basis, with the tenant responsible for utilities.

Market Rent Analysis

The rental comparables are retail leases and surveys from the City of Lansing CBD and neighboring communities. The rent comparables ranged from \$6.00 per square foot to \$15.00 per square foot and have varying lease structures which include triple net (NNN) and modified gross. When necessary, adjustments were made for differences in the various elements of comparison, including lease structure, market conditions, location, size and other relevant factors. If the element in comparison is considered superior to that of the subject, I applied a negative adjustment. Conversely, a positive adjustment is applied if inferior. The lower end of the spectrum represents space in inferior market areas. The spaces toward the upper end of the range are ground-floor retail suites with prime locations with heavy pedestrian and vehicular. Considering the characteristics of the subject, the appraiser concluded that the base market rent is \$8.00 per square foot triple-net (NNN). Under this lease structure, the tenant pays a base rent and its pro rata share of real estate taxes, insurance, utilities and repairs and maintenance (inclusive of common area maintenance charges).

Income Analysis

The income analysis encompasses a review of the existing subject leases (if any) and comparison to market rent levels as established in the preceding analysis, as well as additional income sources, expense recoveries, and rent escalations. The sum of all income develops potential gross income (PGI).

The property operates as a public market with multiple vendors. It offers below-market leases on month-to-month terms and relies on government subsidies for operation. A general ledger report furnished by the property contact indicated credits from only two existing tenants in 2018: Hills Cheese and The Waterfront Restaurant. Quoted rental rates published in the Lansing City Market 2017-2018 Lease Packet lists rates from \$1.35 to \$1.45 per square foot. This is 83% below the estimated market rental rate of \$8.00. The due to the short-term nature of tenancy and below market rates, this analysis considers the subject property effectively vacant and values the improvements on a fee simple basis.

Potential Rental Income

Potential rental income during the first year of the analysis was projected at \$88,960 based on the market rent applied to entire space.

Expense Recoveries

The predominant lease structure indicated by the market data is a triple net lease structure with real estate taxes, property insurance, utilities, repairs & maintenance and common area maintenance expenses reimbursable. Stabilized expense recoveries total \$69,896.

Vacancy/Collection Loss

In this section, the market vacancy is analyzed. The application of vacancy loss develops effective gross income (EGI), discussed as follows. The historical vacancy for retail space in the Lansing MSA area and Central Lansing submarket is presented in the following table:

Historical Vacancy Levels

12 Month Period Ending	Lansing MSA Metro Market		Central Lansing Submarket	
	Retail - All Space	Freestanding Retail, Under 30,000 SF	Retail - All Space	Freestanding Retail, Under 30,000 SF Space
		Space Only		Only
Current	4.9%	3.6%	4.1%	5.7%
2018 Q2	4.3%	3.9%	4.0%	5.6%
2017 Q2	4.5%	5.2%	4.1%	7.5%
2016 Q2	6.0%	6.3%	6.3%	9.1%
2015 Q2	6.6%	6.9%	7.5%	9.7%
2014 Q2	7.5%	9.1%	8.8%	12.3%
Average	5.8%	6.3%	6.1%	8.8%

Given the subject's location and the market data presented, a stabilized vacancy of 10% was projected, which also takes into consideration the possibility for collection loss.

Effective Gross Income (EGI)

Effective gross income consists of the annual income from all sources remaining after vacancy and collection loss has been applied. The combination of revenue, vacancy, and collection loss estimates discussed in the prior sections indicated a stabilized effective gross income projection of \$142,970 for the subject property.

Expense Analysis

Operating expenses represent deductions from the effective gross income that are necessary to maintain the leasing operations of the property. The subject property leases are based on triple net lease structures with tenants reimbursing the following expenses: real estate taxes, property insurance, utilities, repairs & maintenance and common area maintenance. My analysis accounts for all expense categories, as the landlord will be responsible for all expenses during periods of vacancy.

Subject Expense History

To estimate expenses for the subject property, I reviewed the subject's operating history, which is presented in the following table:

Subject Operating Statements

Statement Type	Actual			Actual		
Period Ending	December-16			December-17		
Occupancy						
Revenue	Amount	PSF	% of EGI	Amount	PSF	% of EGI
Rental Income	\$79,888	\$7.18	79.6%	\$82,005	\$7.37	78.6%
Other Income	\$20,526	\$1.85	20.4%	\$22,263	\$2.00	21.4%
Effective Gross Income	\$100,414	\$9.03	100.0%	\$104,268	\$9.38	100.0%
Operating Expenses						
Real Estate Taxes			N/A			N/A
Property Insurance	\$1,805	\$0.16	1.8%	\$1,802	\$0.16	1.7%
Management Fees	\$70,024	\$6.30	69.7%	\$75,259	\$6.77	72.2%
Administrative	\$15,636	\$1.41	15.6%	\$28,115	\$2.53	27.0%
Utilities	\$56,297	\$5.06	56.1%	\$49,583	\$4.46	47.6%
Repairs & Maintenance	\$9,205	\$0.83	9.2%	\$13,946	\$1.25	13.4%
Total Operating Expenses	\$152,967	\$13.76	152.3%	\$168,705	\$15.17	161.8%
Net Operating Income	-\$52,553	-\$4.73	-52.3%	-\$64,437	-\$5.79	-61.8%

Expense Comparables

Expense comparables, as well as market data published by IREM were compared to the subject property historical expenses. The following is a summary of the comparable expense data:

Expense Comparables

	Expense Comp # 1			Expense Comp # 2			Expense Comp # 3			Expense Comp # 4		
Expense ID	387			380			194			92		
Location	East Lansing, Michigan			Adrian, Michigan			Marshall, Michigan			IREM Region V,		
Statement Type	Actual			Actual			Actual			Actual		
Period Ending	December-17			December-17			December-15			December-15		
Rentable Area	5,224 sf			4,015 sf			48,483 sf			10,000 sf		
	Amount	PSF	% of EGI	Amount	PSF	% of EGI	Amount	PSF	% of EGI	Amount	PSF	% of EGI
Effective Gross Income	\$94,939	\$18.17	100.0%	\$26,025	\$6.48	100.0%	\$268,547	\$5.54	100.0%	\$193,200	\$19.32	100.0%
Operating Expenses												
Real Estate Taxes	\$18,261	\$3.50	19.2%	\$3,413	\$0.85	13.1%	\$42,851	\$0.88	16.0%	\$29,200	\$2.92	15.1%
Property Insurance	\$2,380	\$0.46	2.5%	\$2,450	\$0.61	9.4%	\$4,814	\$0.10	1.8%	\$2,000	\$0.20	1.0%
Management Fees	\$4,795	\$0.92	5.1%				\$4,281	\$0.09	1.6%	\$9,400	\$0.94	4.9%
Administrative	\$4,818	\$0.92	5.1%	\$520	\$0.13	2.0%	\$0			\$0		
Utilities	\$3,782	\$0.72	4.0%	\$821	\$0.20	3.2%	\$8,221	\$0.17	3.1%	\$0		
Repairs & Maintenance	\$2,028	\$0.39	2.1%	\$1,908	\$0.48	7.3%	\$47,919	\$0.99	17.8%	\$17,200	\$1.72	8.9%
Total Operating Expenses	\$36,064	\$6.90	38.0%	\$9,112	\$2.27	35.0%	\$108,086	\$2.23	40.2%	\$60,800	\$6.08	31.5%

Reimbursable Expenses

Management Fees

The following table presents the subject historical expense and comparable expense data used to estimate management fees for the subject property and my stabilized estimate:

Management Fees	Per Sq. Ft.	% of EGI
Expense Comp # 1 - East Lansing, Michigan - Actual - 12/2017	\$0.92	5.1%
Expense Comp # 3 - Marshall, Michigan - Actual - 12/2015	\$0.09	1.6%
Expense Comp # 4 - IREM Region V, - Actual - 12/2015	\$0.94	4.9%
Subject Actual - 12/2016	\$6.30	69.7%
Subject Actual - 12/2017	\$6.77	72.2%
<i>Indicator Average</i>	<i>\$3.00</i>	<i>30.7%</i>
<i>Stabilized Estimate:</i>	<i>\$0.39</i>	<i>3.0%</i>

As a single-tenant net-leased property, management expenses are anticipated to be minimal. As such, the subject property has been stabilized near the lower portion of the comparable range at 3.0% of the effective gross income.

Administrative

The following table presents the subject historical expense and comparable expense data used to estimate administrative expense for the subject property and my stabilized estimate:

Administrative	Per Sq. Ft.	% of EGI
Expense Comp # 1 - East Lansing, Michigan - Actual - 12/2017	\$0.92	5.1%
Expense Comp # 2 - Adrian, Michigan - Actual - 12/2017	\$0.13	2.0%
Subject Actual - 12/2016	\$1.41	15.6%
Subject Actual - 12/2017	\$2.53	27.0%
<i>Indicator Average</i>	<i>\$1.25</i>	<i>12.4%</i>
<i>Stabilized Estimate:</i>	<i>\$0.20</i>	<i>1.6%</i>

As with the management expenses, administrative costs for a single-tenant, net leased building are anticipated to be minimal. I estimated the administrative expense near the lower end of the range presented by the expense comparables figures at \$0.20 per square foot.

Non-Reimbursable Expenses

Real Estate Taxes

In the Assessment and Tax Data section of this report, I explained despite the subject property's exemption status, it is encumbered by an on-going special assessment titled PSD – Principal Shopping District, which has averaged \$1,508 per annum over the preceding four years. The historical PSD assessments for the subject property are presented in the following table.

Principal Shopping District

Tax Season	Assessment	% Change
Winter 2014	\$1,497	---
Winter 2015	\$1,497	0.00%
Winter 2016	\$1,497	0.00%
Winter 2017	\$1,542	3.04%
Average	\$1,508	

The remaining real estate tax liability for the subject property is based on the SEV and TV, which are not indicated in the historical tax records. Therefore, a tax load has been applied to the base capitalization rate at the conclusion of this analysis.

Property Insurance

I estimated the property insurance expense near the lower end of the range presented by the subject historical expense and comparable expense figures, or \$0.15 per square foot. The following table presents the subject historical expense and comparable expense data used to estimate property insurance expense for the subject property and my stabilized estimate:

Property Insurance	Per Sq. Ft.	% of EGI
Expense Comp # 1 - East Lansing, Michigan - Actual - 12/2017	\$0.46	2.5%
Expense Comp # 2 - Adrian, Michigan - Actual - 12/2017	\$0.61	9.4%
Expense Comp # 3 - Marshall, Michigan - Actual - 12/2015	\$0.10	1.8%
Expense Comp # 4 - IREM Region V, - Actual - 12/2015	\$0.20	1.0%
Subject Actual - 12/2016	\$0.16	1.8%
Subject Actual - 12/2017	\$0.16	1.7%
<i>Indicator Average</i>	<i>\$0.28</i>	<i>3.0%</i>
<i>Stabilized Estimate:</i>	<i>\$0.15</i>	<i>1.2%</i>

Utilities

Utility expenses can vary greatly dependent upon a property's energy sources, efficiency, and type. I estimated the utilities expense in-line with the subject historical expense figures, or \$5.00 per square foot. The following table presents the subject historical expense data used to estimate utilities expense for the subject property and my stabilized estimate:

Utilities	Per Sq. Ft.	% of EGI
Expense Comp # 1 - East Lansing, Michigan - Actual - 12/2017	\$0.72	4.0%
Expense Comp # 2 - Adrian, Michigan - Actual - 12/2017	\$0.20	3.2%
Expense Comp # 3 - Marshall, Michigan - Actual - 12/2015	\$0.17	3.1%
Subject Actual - 12/2016	\$5.06	56.1%
Subject Actual - 12/2017	\$4.46	47.6%
<i>Indicator Average</i>	\$2.12	22.8%
<i>Stabilized Estimate:</i>	\$5.00	38.9%

Repairs & Maintenance

I estimated the repairs & maintenance expense near the lower end of the range presented by the subject historical expense and comparable expense figures, or \$1.00 per square foot. The following table presents the subject historical expense data used to estimate repairs and maintenance expense for the subject property and my stabilized estimate:

Repairs & Maintenance	Per Sq. Ft.	% of EGI
Expense Comp # 1 - East Lansing, Michigan - Actual - 12/2017	\$0.39	2.1%
Expense Comp # 2 - Adrian, Michigan - Actual - 12/2017	\$0.48	7.3%
Expense Comp # 3 - Marshall, Michigan - Actual - 12/2015	\$0.99	17.8%
Expense Comp # 4 - IREM Region V, - Actual - 12/2015	\$1.72	8.9%
Subject Actual - 12/2016	\$0.83	9.2%
Subject Actual - 12/2017	\$1.25	13.4%
<i>Indicator Average</i>	\$0.94	9.8%
<i>Stabilized Estimate:</i>	\$1.00	7.8%

Replacement Reserves

While I believe it is necessary to create a reserve for long-lived items, I have not estimated a reserve expense. The comparable sales indicated capitalization rates which have been derived without a reserve expense for long-lived items.

Total Expense Estimate Comparison

The total stabilized expense for the subject property was projected at \$76,409, or \$6.87 per square foot. Of this, \$66,561 or \$5.99 per square foot is reimbursable.

Stabilized Net Operating Income (NOI)

Net operating income consists of the income that remains after all operating expenses are deducted from effective gross income, but before mortgage debt service, and other non-periodic leasing and capital expenditures. The stabilized net operating income calculation is presented in the following table:

Stabilized Net Operating Income Schedule

Category	NRA		Per Sq. Ft.		Total	% of EGI
Potential Rental Income						
Medium Retail	11,120 sf	x	\$8.00	=	\$88,960	62.2%
Total Potential Rental Income	11,120 sf	x	\$8.00	=	\$88,960	62.2%
Potential Gross Non-Rental Income						
Expense Reimbursements			\$6.29		\$69,896	48.9%
Plus: Total Potential Gross Non-Rental Income			\$6.29		\$69,896	48.9%
Potential Gross Income (PGI)			\$14.29		\$158,856	111.1%
Less: Vacancy & Collection Loss @ 10.0%			\$1.43		\$15,886	11.1%
Effective Gross Income (EGI)			\$12.86		\$142,970	100.0%
Reimbursable Expenses						
Real Estate Taxes			\$0.14		\$1,508	1.1%
Property Insurance			\$0.15		\$1,668	1.2%
Utilities			\$5.00		\$55,600	38.9%
Repairs & Maintenance			\$1.00		\$11,120	7.8%
Total Reimbursable Expenses			\$6.29		\$69,896	48.9%
Non-Reimbursable Expenses						
Management Fees			\$0.39		\$4,289	3.0%
Administrative			\$0.20		\$2,224	1.6%
Total Non-Reimbursable Expenses			\$0.59		\$6,513	4.6%
Less: Total Operating Expenses			\$6.87		\$76,409	53.4%
Stabilized Net Operating Income (NOI)			\$5.99		\$66,561	46.6%

Direct Capitalization Analysis

The income capitalization approach to value is based on the premise that a direct relationship exists between the value of a property and the stabilized level of net income it is capable of generating. Direct capitalization is the process of converting a stabilized income stream into an estimate of value and is obtained by applying an overall capitalization rate (OAR) to the net operating income (NOI) before debt service. The direct capitalization rate is the ratio between a single year's net operating income expectancy and the total property price or value. Several techniques were employed in the determination of an appropriate overall capitalization rate for the subject. These are discussed below.

Overall Capitalization Rate (OAR)

Market comparables, investor surveys, and the band of investment technique were employed in order to estimate an appropriate overall capitalization rate for the subject.

Market Comparables

The overall capitalization rates exhibited by comparable sales are presented in the following table:

Market Overall Capitalization Rate (OAR) Comparables

Comp. No.	Date of Sale	Location	Year Built	Occupancy at Time of Sale	Actual OAR
1	N/A	750 North Cedar Street Lansing, Michigan	2005	100.0%	8.78%

Investor Surveys

The following table illustrates anticipated overall capitalization rates as published by the investor surveys:

Investor Surveys - Overall Capitalization Rates

Survey	Date	Rate Range	Average
RealtyRates.com - Freestanding Retail	2Q2018	5.24% to 13.91%	10.55%
Situs RERC - Midwest 2nd-Tier - Neigh/Comm Retail	1Q2018	6.30% to 9.50%	7.80%
Situs RERC - Midwest 3rd-Tier - Neigh/Comm Retail	1Q2018	7.00% to 10.50%	8.60%
PWC - Noninstitutional-Grade Strip Shopping Center	2Q2018	4.25% to 10.00%	7.90%
Average		5.70% to 10.98%	8.71%

Band of Investment Technique

Shown below are the assumptions and calculations involved in deriving an indication from the band of investment technique:

Band of Investment Technique					
Mortgage Interest Rate	=	5.75%			
Mortgage Term	=	25 years			
Mortgage Ratio (M)	=	70.0%			
Mortgage Constant (R _M)	=	0.07549			
Equity Dividend Rate (R _E)	=	12.00%			
Mortgage (LTV) Ratio (M)		Mortgage Constant (R _M)		Mortgage Component	
70.0%	x	0.07549	=	0.05284	
1 - Mortgage Ratio (1-M)		Equity Dividend Rate (R _E)		Equity Component	
30.0%	x	12.00%	=	0.03600	
Overall Rate (R_O)			=	8.88%	

The overall capitalization rate indications are as follows:

- Stabilized Market Range: 8.78%
- Investors Survey Range: 7.80% to 10.55%
- Band of Investment: 8.88%

Overall Capitalization Rate Conclusion

Based on my analysis an overall capitalization rate near the middle of the presented data range, or 9.0% was used for the Fee Simple Interest.

Tax Load Factor

The subject's net operating income was projected without full consideration of real property tax expenses. In order to account for real estate taxes, a tax load factor was added to the base capitalization rate. The tax load factor is calculated by dividing the millage rate for the subject property by 2,000, which equates to 0.23. Once the millage rate is converted into a tax load factor, that amount is multiplied by the vacancy/collection loss factor (10%), as real estate tax expenses will only be incurred by the owner during periods of vacancy. This amount was added to the going-in overall capitalization rate of 9.0%, which resulted in a "loaded" capitalization rate of 9.23%.

Direct Capitalization Conclusions

As previously discussed, I estimated a stabilized occupancy of 90%. Using the estimated loaded capitalization rate of 9.23% indicated an as is fee simple market value indication of \$720,911, rounded to \$720,000.

Preliminary As Is Fee Simple Market Value Indication

The direct capitalization calculation is presented as follows:

Direct Capitalization Technique Value Indication

Stabilized Net Operating Income (NOI)		\$66,561
Divided by Overall Capitalization Rate	÷	9.23%
As Is Fee Simple Market Value Indication		\$720,911
	(Rounded)	\$720,000

Reconciliation

Summary of Value Indications

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

Value Indications

Approach to Value	As Is
Cost	Not Developed
Sales Comparison	\$720,000
Income Capitalization	
Direct Capitalization	\$720,000

Value Conclusions

Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	July 13, 2018
Value Conclusion	\$720,000
	\$64.75 psf

To reach a final opinion of value, I considered the reliability and relevance of each value indication based upon the quality of the data and applicability of the assumptions underlying each approach. Given the availability and reliability of data within the Sales Comparison Approach, I gave this approach primary weight in arriving at my final value conclusions. Furthermore, retail properties such as the subject property are typically purchased by an investor or owner-occupants, who primarily rely upon the methods employed by the Sales Comparison Approach.

Exposure Time and Marketing Periods

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

General Assumptions and Limiting Conditions

This appraisal is subject to the following limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | The Oetzel-Hartman Group will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | The Oetzel-Hartman Group is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.

9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | The Oetzel-Hartman Group and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | The Oetzel-Hartman Group.

17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.

24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). We reserve the right to use an alternative source of building size and amend the analysis, narrative and concluded values (at additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered.
28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.

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

35. You and Valbridge Property Advisors | The Oetzel-Hartman Group both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | The Oetzel-Hartman Group and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against The Oetzel-Hartman Group or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | The Oetzel-Hartman Group for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | The Oetzel-Hartman Group shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | The Oetzel-Hartman Group. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | The Oetzel-Hartman Group and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | The Oetzel-Hartman Group harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | The Oetzel-Hartman Group in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by The Oetzel-Hartman Group. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.

39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification

In Michigan, appraisers are required to be licensed/certified and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, Michigan 48909. James T. Hartman, MAI, SGA, AI-GRS is currently licensed as a Certified General Real Estate Appraiser with the State of Michigan, Number 1201005950. Mr. Hartman is also licensed in the State of Indiana, the State of Ohio, and the State of Illinois.

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

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

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

- Jennifer E. Passmore, limited real estate appraiser with the State of Michigan, License Number 1201074733, provided significant real property appraisal assistance to the person signing this certification. Ms. Passmore assisted in the property inspection, neighborhood analysis and description, research and verification of comparable sales, approaches to value, and final reconciliation.
- The reported analyses, opinion, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.
- The appraiser signing this report is competent to complete the assignment. The appraiser has the knowledge and experience to complete the assignment competently or has disclosed the lack of knowledge and/or experience to the client, taken all steps necessary or appropriate to complete the assignment competently and has described in the report the lack of knowledge and/or experience and the steps taken to complete the assignment competently.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

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

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



James T. Hartman, MAI, SGA, AI-GRS
Certified General Real Estate Appraiser
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Addenda

Glossary
Subject Photos
Assessment Records
Qualifications of Appraisers
Information on Valbridge Property Advisors
Office Locations

Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 6th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

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

Amortization

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

As Is Market Value

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

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

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

Building Common Area

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

Building Rentable Area

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

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

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

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

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

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

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

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI/Im$), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

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

Depreciation

- 1) In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.
- 2) In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

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

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time;
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Easement

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

EIFS

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

Effective Date

- 1) The date on which the appraisal or review opinion applies. (SVP)
- 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

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

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

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

Escalation Clause

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

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land

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

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

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

Exposure Time

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

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

Fee Simple Estate

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

Floor Common Area

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

Full Service (Gross) Lease

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

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

- 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
- 2) Gross leasable area plus all common areas.
- 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area

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

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Retail Sellout

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the *aggregate of the retail values*, *aggregate retail selling price* or *sum of the retail values*. (Dictionary)

Ground Lease

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

Ground Rent

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

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

- 1) The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
- 2) The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
- 3) [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

- 1) A condition that is presumed to be true when it is known to be false. (SVP – Standards of Valuation Practice, effective January 1, 2015)
- 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) (Dictionary)

Industrial Gross Lease

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

Insurable Value

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

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value

because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation

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

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary)

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

Lessee (Tenant)

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

Lessor (Landlord)

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

Liquidation Value

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

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

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

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

Market Rent

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

Market Value

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

(Dictionary)

Marketing Time

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

Master Lease

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

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

Operating Expense Ratio

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

Option

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

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common, easement, or life interest. (Dictionary)

Pass Through

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

Potential Gross Income (PGI)

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

Prospective Future Value Upon Completion

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. ... The prospective market value –as completed- reflects the property's market value as of the time that development is expected to be complete. (Dictionary)

Prospective Future Value Upon Stabilization

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report ...The prospective market value – as stabilized – reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (Dictionary)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

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

Retrospective Value Opinion

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

with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

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

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

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

Surplus Land

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

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *net net net lease*, or *fully net lease*. (Dictionary)

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

Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

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

Photographs of Subject Property



Southern Elevation (Front)



Eastern Elevation



Northern Elevation (Rear)



Western Elevation (Facing Grand River)



Street View Facing Southwest Along City Market Drive



Street View Facing Northeast Along City Market Drive



Interior View – Retail Floor



Interior View – Retail Floor



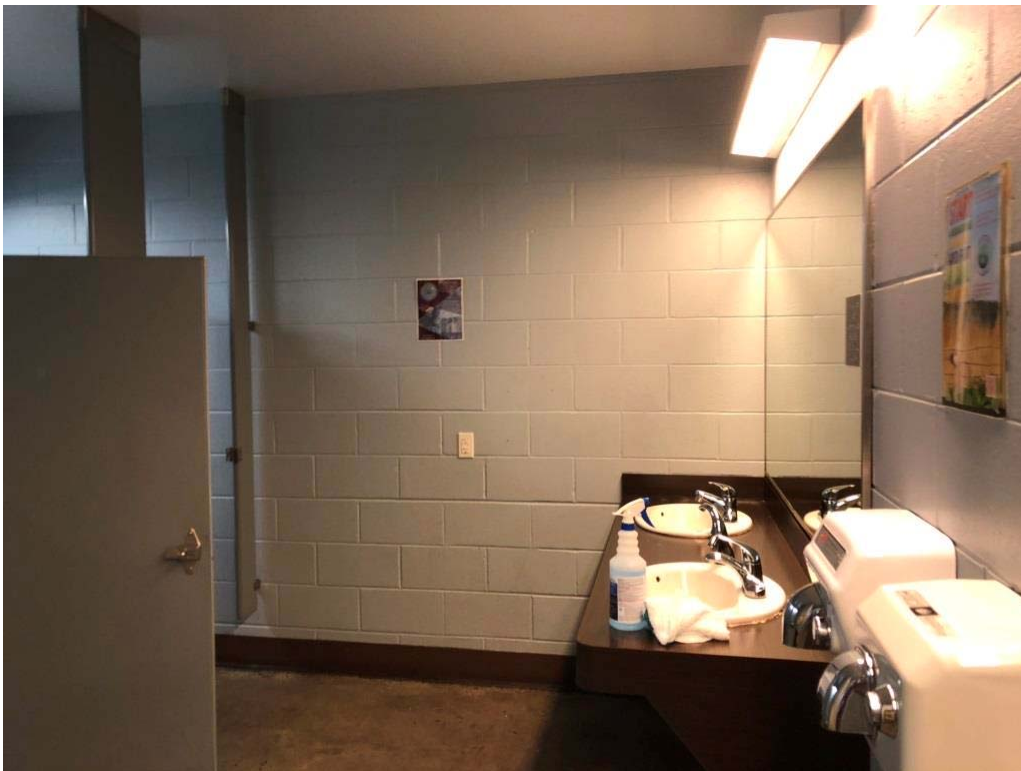
Interior View – Retail Floor



Interior View – Retail Floor



Interior View – Office Space



Interior View – Typical Restroom



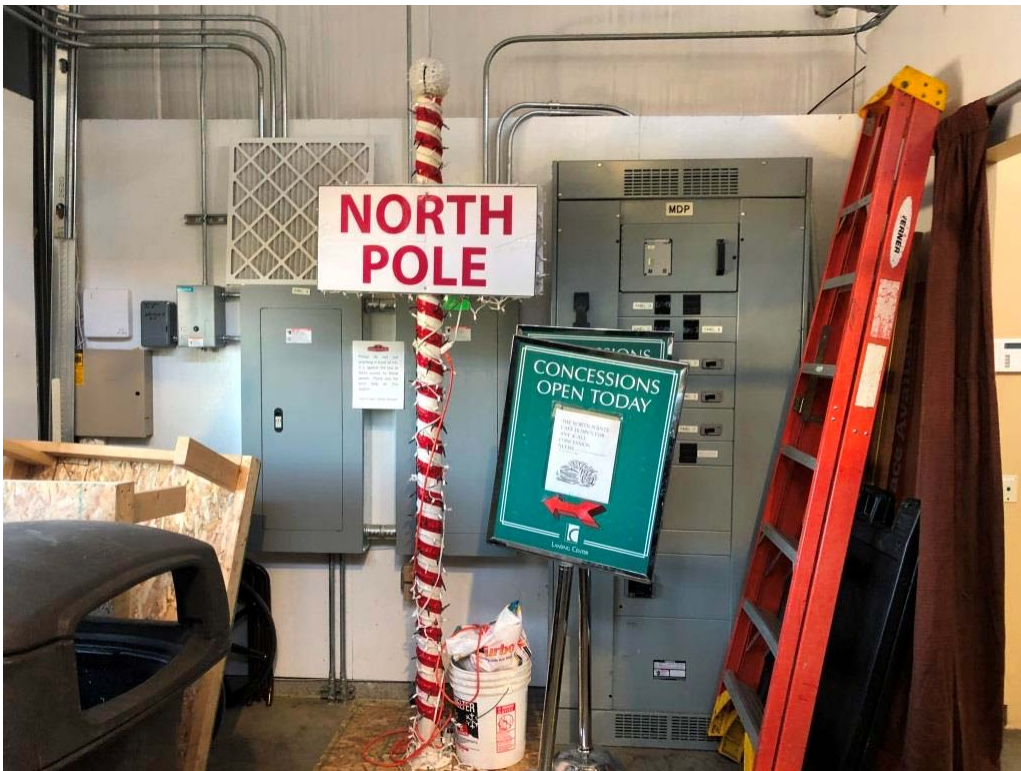
Interior View – Mechanicals



Exterior View – Mechanicals



Interior View – Mechanicals



Interior View – Mechanicals

Assessment records

325 CITY MARKET DR LANSING, MI 48933 (Property Address)
 Parcel Number: 33-01-01-16-253-002



Item 1 of 6 4 Images / 2 Sketches

Property Owner: CITY OF LANSING

Summary Information

- > Commercial/Industrial Building Summary
 - Yr Built: 2009
 - # of Buildings: 1
 - Total Sq Ft: 11,120
- > Property Tax information found
- > 7 Invoices Found, Amount Due: 0.00

- > Assessed Value: \$0 | Taxable Value: \$0
- > 29 Building Department records found

Owner and Taxpayer Information

Owner	CITY OF LANSING 124 W MICHIGAN AVE FL 8TH LANSING, MI 48933-1665	Taxpayer	CITY OF LANSING FINANCE DEPT 124 W MICHIGAN AVE LANSING, MI 48933
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General Information for Tax Year 2018

Property Class	EXEMPT - REAL	Unit	33 CITY OF LANSING - INGHAM
School District	LANSING	Assessed Value	\$0
MAP #	B -0245 -0018	Taxable Value	\$0
TOP TEN	Not Available	State Equalized Value	\$0
NEW PERMITS	Not Available	Date of Last Name Change	06/04/2018
USER ALPHA 3	Not Available	Notes	Not Available
Historical District	Not Available	Census Block Group	Not Available
TYPE CODE	Not Available	Exemption	No Data to Display

Principal Residence Exemption Information

Homestead Date 12/30/1997

Principal Residence Exemption	June 1st	Final
2018	0.0000 %	0.0000 %

Previous Year Information

Year	MBOR Assessed	Final SEV	Final Taxable
2017	\$0	\$0	\$0

2016		\$0	\$0	\$0
2015		\$0	\$0	\$0

Land Information

Zoning Code	<i>Not Available</i>	Total Acres	3.736
Land Value	\$0	Land Improvements	\$0
Renaissance Zone	No	Renaissance Zone Expiration Date	<i>No Data to Display</i>
ECF Neighborhood	M220-EAST DOWNTOWN-MISC	Mortgage Code	00805
Lot Dimensions/Comments	IRREGULAR SEE SKETCH	Neighborhood Enterprise Zone	No

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

Legal Description

COM 360 FT W OF NE COR LOT 1, TH S 00DEG 05MIN 21SCD W 323 FT, S 32DEG 43MIN 09SCD E 212.85 FT, SE'LY ON 451.57 FT RAD CURVE TO RT CHORD BEARING S 25DEG 08MIN 02SCD W 480.55 FT, S 07DEG 00MIN 46SCD E 12.59 FT, N 24DEG 26MIN 12SCD W 37.25 FT, N 89DEG 58MIN 20SCD W 140.91 FT TO GRAND RIVER, N'LY ALONG RIVER TO S R/W LINE OF SHIawassee ST, S 89DEG 58MIN 20SCD E 167.38 FT TO BEG; BLOCK 245 ORIG PLAT

Sale History

Sale Date	Sale Price	Instrument	Grantor	Grantee	Terms of Sale	Liberty/Page
No sales history found.						

Building Information - 11120.00 sq ft Stores - Warehouse Food (Commercial)

Floor Area	11,120 sq ft	Estimated TCV	<i>Not Available</i>
Occupancy	Stores - Warehouse Food	Class	S
Stories Above Ground	1	Average Story Height	11 ft
Basement Wall Height	<i>Not Available</i>	Identical Units	<i>Not Available</i>
Year Built	2009	Year Remodeled	<i>Not Available</i>
Percent Complete	100%	Heat	Space Heaters, Gas with Fan
Physical Percent Good	83%	Functional Percent Good	100%
Economic Percent Good	100%	Effective Age	6 yrs

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Qualifications of Appraisers

James T. Hartman, MAI, SGA, AI-GRS

Senior Managing Director

Valbridge Property Advisors | The Oetzel-Hartman Group

Education:

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

License:

In Michigan, appraisers are required to be licensed/certified and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, Michigan 48909. James T. Hartman is currently licensed as a Certified General Real Estate Appraiser with the State of Michigan, License #1201005950, with the State of Indiana, License #CG40600034, with the State of Ohio, License #2007005970, and with the State of Illinois, License #553.002225.

Real Estate Appraisal Curriculum, Appraisal Institute:

Classes:

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

Seminars:

- Demonstration Appraisal Report Writing
- Regulation of Financial Information Sharing & Information Brokering
- REITS and the Role of the Real Estate Professional
- Partial Interest Valuation – Divided
- Appraisal Symposium – Real Estate Underwriting
- Still Standing – The US Real Estate Market
- Michigan Appraising Licensing Law and Rules
- Appraisal Consulting: A Solutions Approach for Professionals
- Scope of Work: Expanding your Range of Services

Seminars: (continued)

Supervising Appraisal Trainees
Land Valuation Adjustments Workshop
Analyzing Distressed Real Estate
Market Analysis and the Site to Do Business
Valuation & Litigations Services SIG Kick-Off – SIG2006
Fair Housing
Introduction to International Valuation Standards
Environmental Solutions for Commercial RE Transactions
Spotlight on USPAP: Common Errors and Issues
Michigan Economy 2009
Appraising Convenience Stores
Michigan Economy 2010
Spotlight on USPAP – Appraisal Review
Analyzing Distressed Real Estate
Spotlight on USPAP: Agreement for Services-Instructions
Loss Prevention program for Real Estate Appraisers
Liability Issues for Appraisers Performing Litigation & Other Non-Lender Work
Small Hotel/Motel Valuation
Government and the Housing Market

Other Seminars/Courses:

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

Appraisal Assignments:

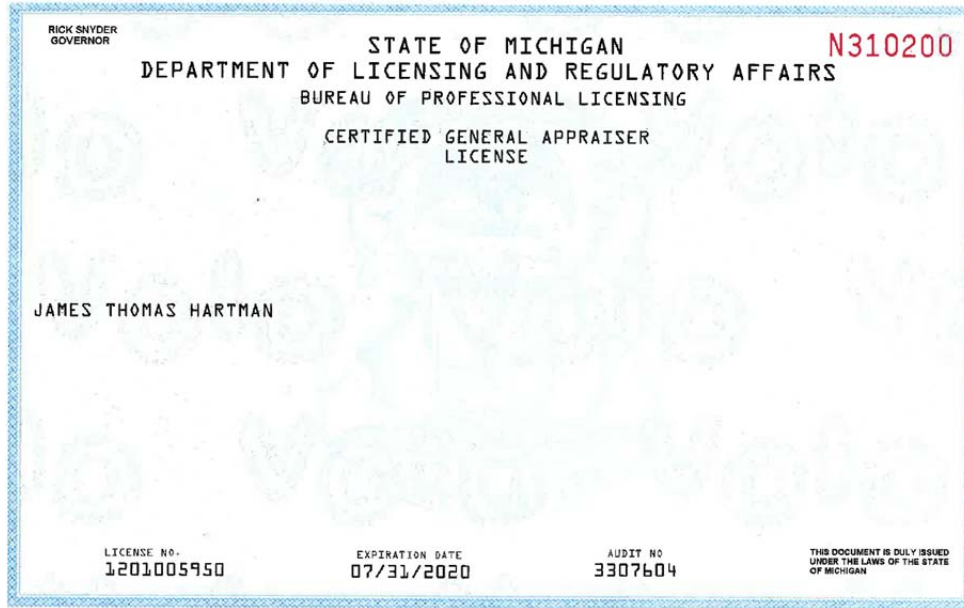
Performed a variety of appraisal assignments including appraisals of vacant land, subdivisions, industrial buildings, hotels, golf courses, resorts, shopping centers, manufactured home parks, elderly care facilities, condominium construction and conversion, restaurants, and office buildings.

Counseling Services:

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

Professional Recognition:

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



Jennifer E. Passmore

Appraiser

Valbridge Property Advisors | The Oetzel-Hartman Group

Education:

Michigan State University
Bachelor of Science in Urban Planning

License:

In Michigan, appraisers are required to be licensed/certified and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, Michigan 48909. Jennifer E. Passmore is currently licensed as a Limited Real Estate Appraiser with the State of Michigan, License #1201074733.

Appraisal Assignments:

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

Types of Assignments:

Single Family Residences	Apartments
2-4 Family Residences	Self-Storage Facilities
Convenience Stores/Gas Stations	Retail Buildings
Industrial/Warehouse	Shopping Centers
Office Buildings	Mixed-Use Development
Residential Subdivisions	Flex Space
Vacant Land	Going Concern

Valuation and Advisory Services for All Types of Property and Land

- Office
- Industrial
- Retail
- Apartments/multifamily/senior living
- Lodging/hospitality/recreational
- Other special-purpose properties

SPECIALTY SERVICES

- Portfolio valuation
- REO/foreclosure evaluation
- Real estate market and feasibility analysis
- Property and lease comparables, including lease review
- Due diligence
- Property tax assessment and appeal-support services
- Valuations and analysis of property under eminent domain proceedings
- Valuations of property for financial reporting, including goodwill impairment, impairment or disposal of long-lived assets, fair value and leasehold valuations
- Valuation of property for insurance, estate planning and trusteeship, including fractional interest valuation for gifting and IRS purposes
- Litigation support, including expert witness testimony
- Business and partnership valuation and advisory services, including partial interests



Valbridge
PROPERTY ADVISORS

OFFICE LOCATIONS

ALABAMA

Valbridge Property Advisors | Real Estate Appraisers, LLC
4732 Woodmere Boulevard
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334-277-5077

ARIZONA

Valbridge Property Advisors | MJN Enterprises, Inc.
6061 E. Grant Road, Suite 121
Tucson, AZ 85712
520-321-0000

CALIFORNIA

Valbridge Property Advisors | Michael Burger & Associates
4915 Calloway Drive, Suite 101
Bakersfield, CA 93312
661-587-1010

Valbridge Property Advisors | Cummings Appraisal Group, Inc.
99 S. Lake Avenue, Suite 21
Pasadena, CA 91101
626-744-0428

Valbridge Property Advisors | Hulberg & Associates, Inc.
225 Crossroads Blvd., Suite 326
Carmel, CA 93923
831-917-0383

2813 Coffee Road, Suite E-2
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One North Market Street
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408-279-1520

3160 Crow Canyon Place, Suite 245
San Ramon, CA 94583
925-327-1660

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1370 N. Brea Boulevard, Suite 255
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714-449-0852

Valbridge Property Advisors | Ribacchi & Associates
10301 Placer Lane, Suite 100
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303-443-9600

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West Palm Beach, FL 33407
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Valbridge Property Advisors | Broom, Moody, Johnson & Grainger, Inc.
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904-296-3000

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1875 N. Lakewood Drive, Suite 100
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1459 Tyrell Lane, Suite B
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820 Fort Wayne Avenue
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913-451-1451

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214 South 8th Street, Suite 200
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7607 Fern Avenue, Suite 104
Shreveport, LA 71105
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Valbridge Property Advisors | Lipman Frizzell & Mitchell LLC
6240 Old Dobbin Lane, Suite 140
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410-423-2300

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21 Muzzey Street, Suite 2
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2127 University Park Drive, Suite 390
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526 E. Superior Avenue, Suite 455
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412-881-6080

Valbridge Property Advisors | Lukens & Wolf, LLC
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King of Prussia, PA 19406
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Hilton Head Island, SC 29926
843-342-2302

1250 Fairmont Avenue
Mt. Pleasant, SC 29464
843-884-1266

Valbridge Property Advisors | Robinson Company
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Greenville, SC 29601
864-233-6277

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Brentwood, TN 37027
615-369-0670

Valbridge Property Advisors | C & I Appraisal Services, Inc.
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Memphis, TN 38138
901-753-6977

Valbridge Property Advisors | Meridian Realty Advisors, LLC
701 Broad Street, Suite 209
Chattanooga, TN 37402
423-285-8435

213 Fox Road
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865-522-2424

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Valbridge Property Advisors | Dugger, Canaday, Graft, Inc.
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San Antonio, TX 78205
210-227-6229

Valbridge Property Advisors | The Gerald A. Teel Company, Inc.
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Dallas, TX 75206
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974 Campbell Road, Suite 204
Houston, TX 77024
713-467-5858

Valbridge Property Advisors
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Lubbock, TX 79423
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Pleasant Grove, UT 84062
801-492-9328

1100 East 6600 South, Suite 201
Salt Lake City, UT 84121
801-262-3388

20 North Main, Suite 304
St. George, UT 84770
435-773-6300

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Valbridge Property Advisors | Axial Advisory Group, LLC
656 Independence Parkway, Suite 220
Chesapeake, VA 23320
757-410-1222

7400 Beaufort Springs Drive, Suite 300
Richmond, VA 23225
804-672-4473

5107 Center Street, Unit 2B
Williamsburg, VA 23188
757-345-0010

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18728 Bothell Way, NE, Suite B
Bothell, WA 98011
425-450-4040

2927 Colby Avenue, Suite 100
Everett, WA 98201
425-258-2611

419 Berkeley Avenue, Suite A
Fircrest, WA 98466
253-274-0099

506 Second Avenue, Suite 101
Seattle, WA 98104
206-209-3016

Valbridge Property Advisors | Auble, Jolicœur & Gentry, Inc.
7601 West Clearwater Ave., Suite 320
Kennewick, WA 99336
509-221-1540

324 N. Mullan Road
Spokane Valley, WA 99206
509-747-0999

WISCONSIN

Valbridge Property Advisors | Vitale Realty Advisors, LLC
12660 W. North Avenue
Brookfield, WI 53005
262-782-7990

CORPORATE OFFICE

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Naples, FL 34109

239-325-8234 phone
239-325-8356 fax

valbridge.com

Simmons PROPERTIES

530 E. Grand River Road
Williamston, MI 48895
517-655-5400

Open Call for Request for Information (RFI)
For the Reuse and Reactivataion of the Lansing City Market
August 2018

City of Lansing
The Department of Economic Development and Planning
316 N. Capitol Avenue
Ste. D-1
Lansing, MI 48933
ATTN: Brian McGrain, Director
(517) 483-4060
Brian.McGrain@lansingmi.gov

Submission from Simmons Properties, LLC

- A. Transmittal: Lead Entity is Simmons Properties, LLC. Contacts: President of Simmons Properties is Scott Simmons who can be reached at scott@glelevators.com or 517-719-6466. Vice President of Operations is Patrice Drainville who can be reached at info@glelevators.com or 810-625-9404.
- B. Project Understanding and Approach to the Project
 - a. Simmons Properties, LLC, as the only remaining tenant in the market at 325 City Market Drive for 9 years, has a large interest in seeing the further development of this property. Simmons Properties, LLC has a successful bar and grill in the Market building boasting the only riverfront bar and grill in Lansing, MI. Simmons Properties wants to see the space that they have invested much time, money, and dedication into throughout the nine years of tenancy succeed. Throughout the term of the lease, Simmons Properties has volunteered to help out other tenants with integrating the businesses together to succeed. Simmons Properties has had a large interest in seeing other tenants in the market succeed.
 - b. Simmons Properties, LLC's concept is to restore the space in the building at the City Market. The idea would be to keep the Waterfront Bar & Grill and to get a fresh set of vendors into the market such as a BBQ restaurant, a gift shop, a coffee shop, a kayak and bike rental, a barber shop, a nail salon, entertainment space and other vendors that would make the market an interest to the residents around the downtown area. Simmons Properties, LLC would be **interested in listening to the public views** on what vendors they would be interested in seeing in the market so that it attracts more customers.
 - c. Space would be drawn out for each vendor who wanted to rent and rent would be based on the vendor's needs. Rent would be charged by Simmons Properties in order to sustain the payment made to the city for the lease.
 - d. Simmons Properties, LLC would manage the vendors and be responsible for the ultimate monthly payment and management of the space.
- C. Proposal:
 - a. Simmons Properties would propose the following to lease the building.

- i. Lease would be \$15,000 a month paid to the City of Lansing. The cost of utilities, maintenance, and groundskeeping will also be absorbed by Simmons Properties.
- ii. All utilities would be paid by Simmons Properties, LLC to each utility provider.
- iii. All building and outdoor maintenance would be the responsibility of Simmons Properties, LLC except for the public streets and sidewalks that would be maintained responsibly by the City of Lansing
- iv. The back parking lot (formerly the City Market Parking for Patrons only) and the front parking lot (formerly the City Market Parking for Patrons only) would be leased with the building for the above mentioned price. Simmons Properties would be responsible for policing these parking lots for unauthorized parking.
- v. The City Lot across from the City Market would allow for 25 spots to be dedicated to the building to be included in the above mentioned lease price.
- vi. Build outs for vendors will be the responsibility of the vendor and will not be denied permitting by the City of Lansing for un-reasonable causes.

D. Financial Approach

- a. Simmons Properties, LLC will be solely financially responsible for the upkeep and lease payments of the building. Simmons Properties, LLC has successfully managed 6 restaurants, numerous commercial buildings, numerous residential properties, and an elevator installation, modernization, maintenance, service and repair company for over a decade.

Transmittal Letter

**Entity:**

Veritas Vineyard LLC
dba. Grand River Brewery
117 W. Louis Glick Hwy.
Jackson, MI 49201
(517) 962-2427
www.grandriverbrewery.com

Contact Person:

John Burtka
President and Founder
e. Jburtka@hotmail.com
c. (517) 937-4272
117 W. Louis Glick Hwy.
Jackson, MI 49201

Officers and Partners:

Justin Dalenberg
Partner, Veritas Vineyard
e. chefjrvp@gmail.com
c. (810) 434-2798

Ari Sussman
Master Distiller / Strategic Partner
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Key Players:

Carly Bower
Hospitality Director, Grand River Brewery
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c. (734) 678-8963

Wyatt Andrews
Brewmaster, Grand River Brewery
e. dncolt@gmail.com
c. (248) 568-2760

Jeff O'Harrow
Corporate Chef, Grand River Brewery
e. joharrow1980@gmail.com
c. (517) 817-8344

B. Project Understanding and Approach to the Project

a.

The Lansing City Market Property – consisting of the Market building, outdoor patios and adjacent waterfront – is the natural centerpiece of Lansing's Entertainment District. The location has unparalleled potential as a vibrant, dynamic meeting ground for community members and groups with a wide range of interests and commonalities. At Grand River Brewery & Stillhouse we believe that quality food and drink, accompanied by high level, professional hospitality creates the right environment for people to come together in meaningful ways. In fact, at Grand River Brewery & Stillhouse, bringing people together is at the reason for everything we do. We believe that the Lansing City Market, rebranded as Grand River Brewery & Stillhouse will become a destination that will both fortify Lansing's already growing Riverfront District and serve as a driver to bring more people to the District, in general.

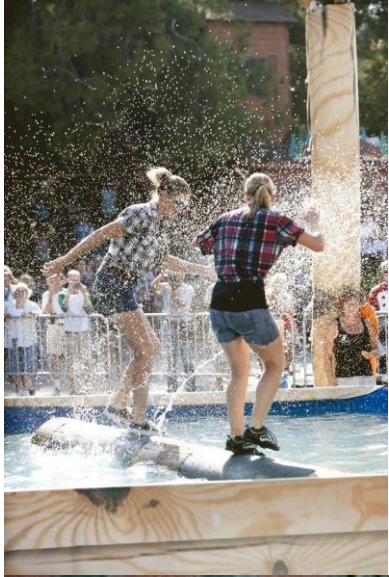
b.

DESIGN: The design will be a modern industrial decor with a tasteful steampunk vibe. The working assets of the business such as the stills and brewing equipment will serve both as functional and artistic elements to the space. The color scheme and artwork will be consistent with the Grand River Brewery Brand. The lighting and overall space will be clean and well lit. Also, because great design adds value in both form and function, our design strategy (see floor plan) includes several unique spaces for meetings, classes, showing art, having a private meal, celebrations *ad infinitum*. In our design, the space is adaptable to serve the needs of the community in many innovative ways.



PROGRAM: The business will be broken up into 3 elements, Restaurant/Entertainment, Manufacturing of craft beverage products, and Events/Education. We will highlight our work with local farmers and producers in the restaurant, brewery, and distillery. We will do contract distilling from this facility. We will highlight industry leaders in our educational seminars and classes. Our events will public forums (think: Issues & Ale, political debates), weddings, regular music series (both indoor and outdoor), social celebratory events, political gatherings, and corporate functions.

Our programming philosophy is simple: create compelling reasons for people to come to the waterfront any time on any day. The highest and best use of the property involves creating many reasons for people to visit. Whether to canoe, dance to live music, enjoy a seasonal chef's dinner, screen a movie in the conference room, make a barrel of whiskey with friends in the distillery, do yoga on the river, participate in an outdoor curling league, or just to drink beer with friends, the waterfront will become a natural place to congregate. We believe that along with great food and service, robust and well-executed programming is the best way of reaching our goal of bringing people together on the waterfront.



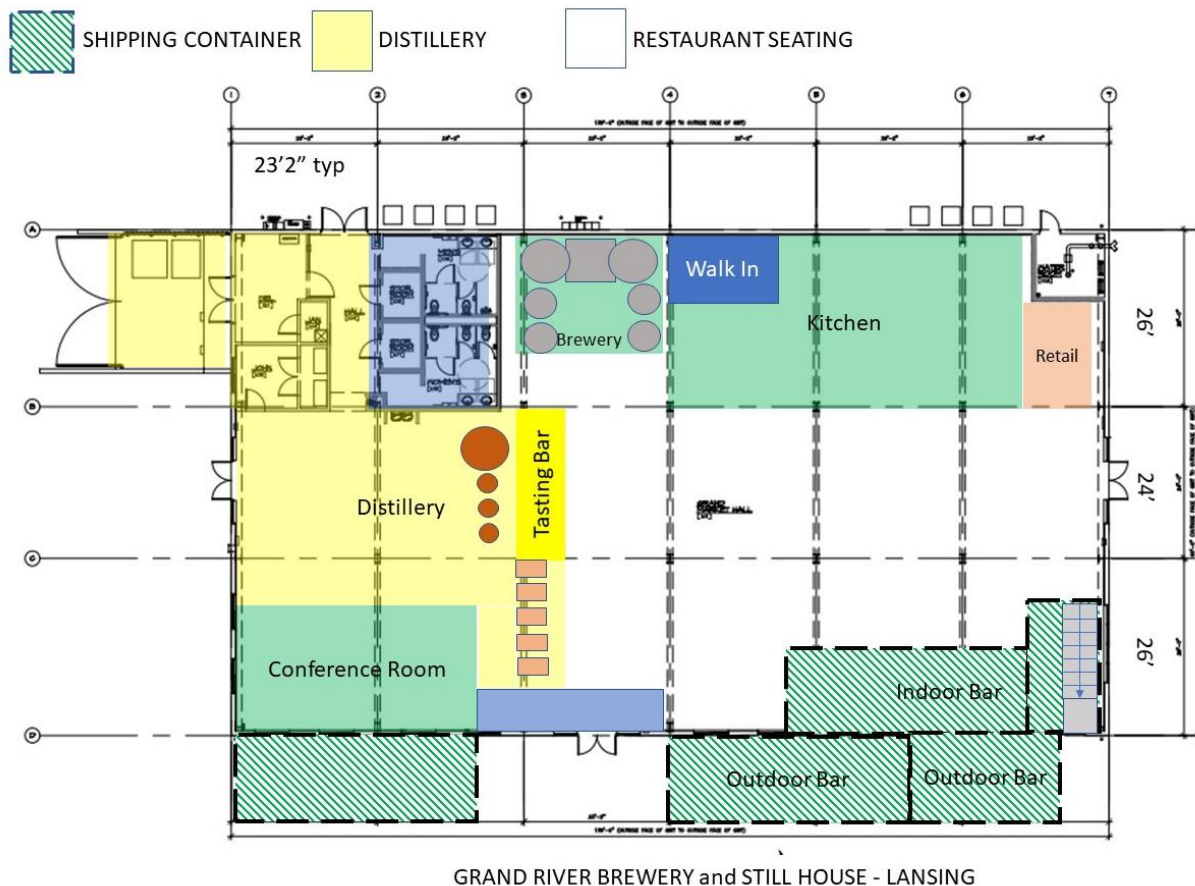


OPERATIONS: The restaurant will be operated by Partner and Hospitality Director Chef Justin Dalenberg. The Distillery will be operated by Partner and Distiller Ari Sussman. The Brewery will be managed and operated by Brewmaster Wyatt Andrews. A seasoned, local Program Director (yet to be hired) will plan and manage events and report directly to the Partners. Grand River Brewing & Stillhouse maintains in house design, accounting and legal teams.

PUBLIC BENEFITS: Grand River Brewery & Stillhouse will act as custodian and curator of this unique space in Lansing's Riverfront District. The location will serve as a meeting place, a cultural center that welcomes all, and an entertainment venue that will be a unifying catalyst for the area's existing entertainment businesses. We will create over 50 full time careers – including health benefits, 401k, and other benefits. Based on our experience, we are planning to generate 245,000 unique visitors a year and over \$4 million dollars a year in annual revenue. Grand River Brewery & Stillhouse will also serve as a venue for local artists, designers and musicians. Through our consulting company and distillery we will also offer incubation opportunities to up-and-coming industry hopefuls.

c.

Floorplan:



Central to our proposal is an explanation of how the design promotes not only our aesthetic sense, but to promote our overall goal of bringing people together. Whether it's a family going out to dinner in our dining room, a group of 20-30 on our rooftop indoor-outdoor mezzanine, a group of 25-100 people in the indoor-outdoor conference room, a group of 10-15 for a private distilling course or 200-400 people for a concert outside, our design will accommodate groups of all shapes and sizes.

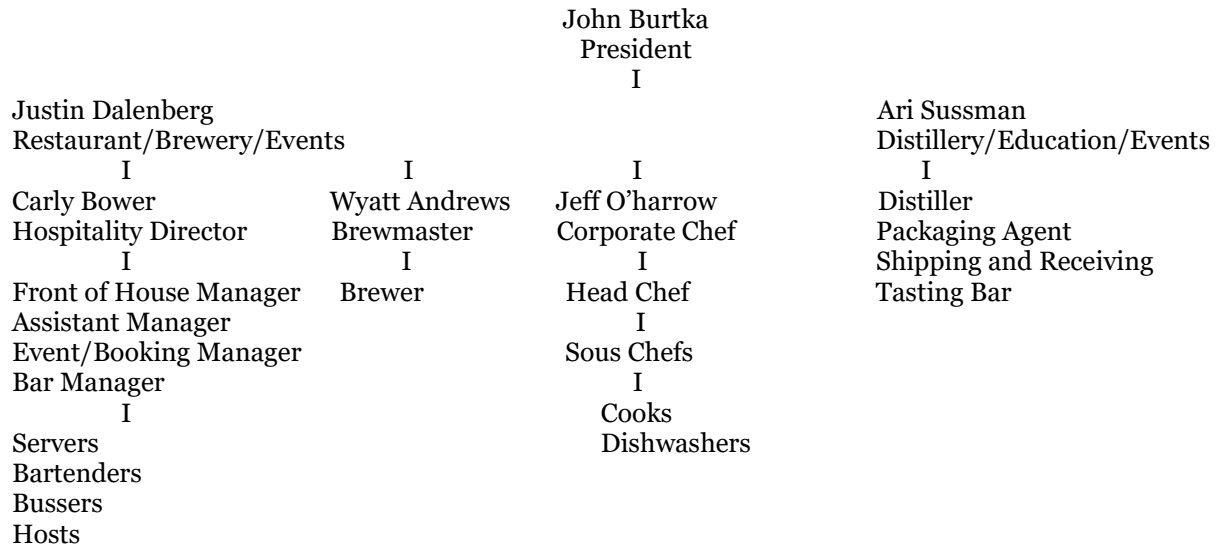
Our floorplan maximizes customer interaction with the waterfront while sequestering kitchen, distilling and storage along the outer edge of the building. Furthermore, the flow of inputs and outputs for our manufacturing operations have been carefully thought out to maximize ease of use.

E. Financial Approach

Our business plan is built as an amalgamation of projects we have personally completed, not conjecture. Our business case and corporate history lend itself to standard conventional financing with institutions we already do business with. Even-though our core business should require no special government subsidies beyond standard PA-198 and OPRA programs, we look forward to cooperating with local government to facilitate many activities on the riverfront. We will be forming an Opportunity Zone Fund and have several people verbally committed to funding the project.

d.

ORGANIZATIONAL STRUCTURE:



C. Project Leadership and Team Partners

John Burtka

The 2016 Jackson Small Business Person of the Year got his start in the Automotive Industry. After undergraduate studies at Northern Michigan University, he attended grad school in Business Administration at Bowling Green State and post graduate seminars at University of Michigan and Insead. In his career he has worked in R&D, Sales, Marketing, and Global Operations. Noted as a turn-around specialist, John expertise includes Lean Manufacturing, Lean Healthcare, and a Six Sigma Black Belt. After a prolific career in manufacturing he turned his attention to the Food & Beverage Industry. He has founded two wineries, a distillery and two breweries. As a winemaker, he has had wines served by the President & First Lady on three different occasions. John's teams have led a renaissance in the Jackson's Downtown and have helped revitalize the city core. His latest projects include building Jackson's first market rate housing in 35 years and renovating a closed iconic fine dining restaurant.



Justin Dalenberg

Justin brings 20 years of industry experience to the table with a wide range of disciplines. While Justin spent most of his career in the kitchens of some of the country's top restaurants and hotels, he has also developed a skill in cultural leadership development and financial planning systems management. Justin was formally educated at the St. Clair Hospitality Academy and Johnson and Wales University in Providence, Rhode Island. With a passion for great food and service, Justin loves to work with company culture and business logistics, from menu development to business planning. Justin is able to help you with your Food and Beverage goals. Justin started his career learning the ins and outs of how to run a commercial kitchen and front of the house expertly, however, he spent the last years of his career learning how to run a business from Zingerman's Community of Businesses and Amway Hotel Corporation to round out his experience. While at Zingerman's just learned the value of open book finance and now teaches it to our clients, this is an extremely powerful and game changing business tool.



When Justin is not helping businesses GROW, he enjoys spending time with Roberta, their three children, Corbyn 10, Juliana 7, Lucca 3, and their two dogs, Puppy the Dachshund and Ginger the Labradoodle. Justin is also an avid outdoorsman, a farmer, and a novice musician.

Ari Sussman

A former resident of Lansing, Ari attended Michigan State University before training as a wine and brandy maker in Langeudoc, France. Upon returning to Michigan, Ari managed and developed several award-

winning beverage hospitality programs in Ann Arbor. In 2011, Ari was hired to manage and operate the public-private partnership Red Cedar Spirits, a collaboration between MSU and Uncle John's, that housed the newly-founded Artisan Distilling Program. At Red Cedar Spirits, Ari was responsible for teaching MSU undergraduate and graduate students, managing safety and compliance within the distillery, creating and managing an onsite tasting/cocktail program and planning educational seminars. As the first production scale laboratory affiliated with a major research university in the US, Red Cedar Spirits was widely regarded as one of the most innovative distilleries in the US. In 2015, Ari founded Ann Arbor Distilling Company (A2DC), an award-winning craft distillery, tasting room and events venue. Ari now manages strategic growth and manufacturing for multiple national-distributed premium brands, representing over \$15M in investment. When not making spirits or teaching distilling courses around the country, Ari is at home with his wife, two children and dog. He helps organize the Ann Arbor Blues Festival and is active in his community.



Support Team

Carly Bower

Carly began consulting with G.R.O.W. in early 2017 after running the bar program at Zingerman's Roadhouse in Ann Arbor, MI for several years. Her expertise lies in creating a dynamic front-of-house experience and curating world-class beverage programs.

Carly started her professional career in secondary education and has never stopped learning! A Certified Sommelier, she loves working in the restaurant industry and has been able to combine her appreciation for great food and drink with her dedication to service and passion for training. Carly lives in Ypsilanti with her husband Paul and their two energetic young sons. She enjoys wine tasting, mini golf, bad movies and rowing down the Huron river. When she is not entertaining friends and family at home, she can usually be found checking out a new restaurant.



Wyatt Andrews



Born February 23 1991 Mission Viejo California, my parents moved back to the great state of Michigan when I was just a toddler. I grew up in Metro Detroit and went to college at Northern Michigan University. After graduating with a Bachelors in Creative Writing and a minor in Outdoor Recreation/Leadership Management, I discovered my true passion inside a hand crafted Ryan Dalman mug. Nestled in Marquette's Third St. district was a funny looking, orange and yellow Victorian style house, that is Blackrocks Brewery. After becoming a regular at the brewpub, I discovered the inspiration to brew my own. From this, Rusty Spudz was born, a small, nonprofit, homebrew venture. After a couple of years tweaking recipes, supplying grad parties and throwing all night college "keggers", it was time to move on. More than anything I lusted to "go pro" and would stop at nothing until I entered craft brew Valhalla. My "big break"

came at the end of a long road trip handing out resumes to every brewery I could find. After about 20 breweries I ended at Dark Horse Brewing Company, met Bryan Wiggs and was hired in less than a month at entry level. I like to refer to my 2 years at The Horse as brewery boot camp. Starting at the lowest level of stacking cases, getting trained on every position of packaging and learning the overall flow and trade of the industry. By the time I left in late 2015 I was Head Cellarman, with a plethora of experience and a hunger to leave my own mark in such a competitive beer State. I started as Assistant Brewer at Grand River Brewery in December 2016. Apprenticing under Dave Scott, my scope of the industry and responsibilities expanded rapidly. In the next two years I saw another Head Brewer come and go, and finally got my chance at the elusive dream that I'd been chancing. Now into my third year at Grand River Brewery there has never been a more exciting and fulfilling time of my life than wearing the title Head Brewer and working with Owners John Burtka and Justin Dalenberg.

OFFER

Based on comparables and the replacement cost of the building only, Veritas Vineyard LLC would like to offer \$350,000 for the purchase of the marketplace. In addition to bringing an estimated 50+ jobs to Lansing, we also assume all the maintenance costs for the facility which will save the City a significant amount of money in future years.

We would also like to secure a 40-year lease on the building grounds and parking for the sum of \$100 per year.

A development agreement could be created to address the details like Available Parking Strategies, Sign usage, Building Sign Variances (if needed), and Right of First Refusal for the City if the improved building is sold.

We would also commit to opening an outdoor Food Truck & Bar area to operate ASAP, while we are undergoing construction and building improvements.

Please send any questions or concerns to jburtka@hotmail.com or call me at 517-937-4272



PUP HOUSE®

Business Plan by Erika Hodges



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executive summary

Pup House is creating the ultimate destination for dog and beer lovers. Pup House will be an indoor/outdoor park and bar where humans and their dogs can enjoy an expansive, year-round space and delicious beverages. Pup House distinguishes itself from competition by offering local beverages, allowing dogs to be off-leash, regulating safety, and visually designing a space unlike any park or bar in area. Pup House is a dream-come-true for dog owners and dogs. No longer does a human have to sit at their favorite watering hole wishing their dog was with them. Pup House is creating that reality. We are the solution to dog lovers' limited entertainment options. Pup House will offer affordable yet profitable memberships and daily pass options for dog members, but all humans over 21 can come for free just like any other bar. Pup House aims to open by summer of 2020 providing ample time to finalize funding, obtain and renovate property, and advertise accordingly. The Lansing City Market location is top of mind for Pup House because of it's proximity to the river trail and because it is centrally located in the heart of Lansing surrounded by dog-friendly apartments and rental property.

Pup House believes in building strong, transparent relationships with local businesses, veterinarians, nonprofits, and the public. With these relationships, Pup House will help bring Lansing, MI to the forefront of the innovative, entrepreneurial world. Lansing has a growing, changing economy with a bright future. Pup House believes the millennial dog owners in the area will benefit from the park and bar combo, and will put Lansing on the map as a sought-after destination for statewide dog lovers. Pup House is a new concept that is taking a leap in the right direction. There is a gap in the entertainment market for this kind of business, as well as a gap in Lansing for dog-friendly activities and venues. Austin, Seattle, Omaha, and many more cities have proven success rates with similar dog park and bar concepts, yet Michigan is behind. Pup House is excited to fill that hole and give the dog-loving community what they want. Pup House will prove profitable for years to come, building a capital city enterprise and blossoming into a nationwide network of Pup House franchises to spread the love of dogs and community across the country.

Pup House will become a dog beer empire...it's time to tap into our potential.



vision

Pup House brings your dog to the party with an innovative venue built on the values of friendship and sustainability.

Founder, Erika Hodges, values strong relationships with nonprofits and considered how Pup House could serve them during the business planning. Producing an establishment that is original and timeless was the objective for Pup House. Erika noticed the gap in the Mid-Michigan area for dog-friendly entertainment, which is of great importance to the millennial dog-owning generation. Taking your dog to work and doggy day care is becoming commonplace, yet after work activities usually include leaving them behind.

Pup House aims to bring a new, accepting energy to the capital city. The unique atmosphere is where humans and dogs can gather for an unmatched entertainment experience. Pup House will lay the foundation for the most logical form of entertainment for humans and canines alike.

Safety is at the forefront of the company values. Pup House is determined to pursue the highest regulation dog park in the state of Michigan, ensuring safety for a fun, off-leash gathering place where delicious beverages can be enjoyed. Being one of a -kind in Michigan, Pup House will offer extraordinary quality, service, and endless amenities that dog owners have been dreaming of. The year-round, indoor park facility will rival the few others that exist in the nation and allows for year-round business in during the frigid Michigan winters.

Erika's marketing and technical background has proved profitable since forming Pup House in 2019. With efficient, creative advertising efforts and successful events featuring sneak peeks of the future business. Pup House aims to be a venue for local organizations and groups to congregate, relax, or fundraise. Pup House will be a strong asset of the Greater Lansing area working as a partner for economic growth and setting the precedent for entrepreneurial ventures for years to come.

the business



Pup House is equal parts dog park and bar. Dogs will be evaluated for thorough vetting, socialization, and behavior. Dog members will have access to an indoor and outdoor off-leash park and any humans over 21 will enjoy the company of dogs while sipping their beverage of choice. No dog parks in the area currently allow alcohol and all bars in the area that consider themselves dog-friendly require dogs to be on a leash.

Company Ownership/Legal Entity

Pup House is a single-member LLC owned by Erika Hodges. This new business will be an entertainment service business type and aims to build franchises in the long term.

Values

When community calls, Pup House will answer. Part of the mission, as well as filling a need for dog-friendly space, is being there for our area's non-profit establishments. We will give space, money, and time to animal shelters and rescues in the area because we understand the limited resources our non-profit neighbors have. We will do our philanthropic part by providing these resources for them. With a shared

love for the human-canine connection, nothing is more important than making sure each and every dog has its day. By partnering with shelters and rescues, providing free rental spaces and event amenities, we will maximize the number of dogs adopted annually in the state of Michigan. Pup House will donate a percentage of annual membership revenue to animal welfare groups on a quarterly basis. Our team will work with our partners to end breed discrimination by not limiting our members to nonsensical rules about breed stereotypes. Service dogs and therapy dogs will enjoy the same amenities as all members at a reduced cost, so those special members can enjoy the best off-leash experience the nation has to offer.

Products and Services

Access to a clean, safe, and regulated park offers customers peace of mind that their animals can burn energy unconfined from the restrictions of a leash.

Our service and memberships go above and beyond when it comes to safety and amenities for dogs and their humans. We will have top notch dog experts weighing in on important business objectives and park regulations to ensure customers that Pup House

provides a seamless experience. Pup House Bark Rangers will be on watch, ready to step in if a situation permits. Drinks will continue to flow, quenching the thirst of canine parents and allowing for a social environment filled with new friends.

Pup House is one-of-a-kind in Michigan and our brand persona and experience will rival competitors in the nation for quality and community engagement.

Suppliers

Our suppliers and partners will work side-by-side with Pup House to create sustainable solutions to ensure the business is planet-friendly. Pup House will incorporate planet-friendly practices into the business model by including recycling, energy-efficient resources, and healthy experiences. Pup House plans to work with local breweries to offer their beer as a top priority and create fun event tap releases for the community to enjoy.

Hours of Operation

Sunday-Wednesday: 12pm-10pm
Thursday-Saturday: 12pm- 12am

**Subject to change with expansion and new staff*

**First few months may be limited days of week and shorter hours*



*Pup House Flannels and Fido Event at
Midtown Brewing Co., October 2019*

location



Location

Pup House is requesting to lease the City Market building and patio because of the centrality in Lansing and the structure of the building is ideal for an expansive indoor park. The Marketplace apartments are dog-friendly, the river trail is a commonplace for dog walkers, the happy hour crowd from downtown workers, and much more. Lansing is where the capital city population meets with a major university and engaged, dog-loving surrounding communities. Being centrally located in Mid-Michigan allows for dog lovers from large Michigan cities like Grand Rapids and Detroit to be regulars with a short drive for the day or long visits on the weekend, making Pup House not only a local's weekday go-to spot, but a dog-loving tourist's weekend day out.

Lansing residents make up a large portion of our target market, with special emphasis on millennial dog owners. Millennials are flocking to Lansing for the excitement of economic growth, a hip nightlife scene, and housing.

Being located in the Lansing is ideal for attracting college students or young professionals that have limited access to large off-leash areas for their

"Each year, there's new bars and restaurants to take out-of-town friends to. There's a stable job market. And Lansing is centrally located in the state, making day trips to other cities easy."

-Jack Nowakowski
[Lansing resident quoted in LSJ]

dogs from living in constrained apartment buildings and crowded campuses. Michigan State University students would account for the majority of monthly memberships since they return home for the summer. Dog-owning Lansing residents will account for annual and VIP memberships. Vistors and tourists from across the state will make up the daily visits.

There are over 10 breweries in the Lansing region that Pup House plans to partner with. To ensure safety of our members in the event of an emergency, Pup House will be a short drive to Michigan State University Veterinary Medical Center which is open 24 hours a day, 7 days a week. Being located in the Lansing area gives customers access to ride sharing programs and public transportation to avoid drinking and driving. Pup House will aim to partner

10 Most Popular Cities for Millennial Home Buyers

01 – Des Moines, IA

02 – Pittsburgh, PA

03 – Buffalo, NY

04 – Lansing, MI

05 – Fort Wayne, IN

06 – Grand Rapids, MI

07 – Scranton, PA

08 – Syracuse, NY

09 – Youngstown, OH

10 – Minneapolis, MN

[Source: Lending Tree]

with ride sharing programs for dog-friendly ride options. The city market location is close to entertainment venues like Lansing Center and Cooley Law Stadium which would blend Pup House smoothly into the entertainment and event scene. Pup House will be courteous when it comes to our crowds and cleanliness, so residents and businesses alike are proud to be our neighbors. We would have very clear signage aligning with local ordinance laws to ensure or customers have a stress-free time locating Pup House.

Interior

Pup House plans to obtain, build, or renovate a large indoor facility for the indoor dog park and bar. The interior of Pup House will be at least 4,500 sq. ft. allowing for ample indoor play space for the dogs and a bar seating area. A larger indoor space will be pursued in years to come depending on the growth and needs of Pup House members.

The interior of Pup House is our competitive edge. A majority of dog parks are outdoor, but Pup House will have an extraordinary, sprawling indoor facility where the cold winter months of Michigan will bring customers inside to a spacious off-leash park. Equipped with agility obstacles, comfortable seating areas, and large garage door windows for natural light, the indoor section of Pup House will keep customers returning all year long. The indoor park surface will be made of recycled turf to align with our planet-friendly values. The turf will allow for easy sanitation and a safe covering for our rough-and-tumble play members. This groundbreaking indoor dog park will become the dream for other dog parks and bars in the country that lack year-round facilities. Pup House will set the precedent for dog-lover entertainment services.

The bar will be set up warehouse-style with an open concept and spacious seating to accommodate big and small groups. To abide with Ingham County health code, the bar will have a separate entrance and guests can order drinks via a kiosk or mobile app. If customers need to get a drink but they have their dog, we will have "dog stalls" that have a leash clip, walls on all four sides, and open top accompanied by Bark Ranger supervision.



The style of Pup House will set itself apart from other Lansing area breweries and bars by bringing the outside in. With white walls reflecting natural light from large windows, hanging greenery, and fun, modern seating, Pup House will be a dream escape from the lulls of everyday life. Pup House is a home away from home and Lansing's breath of fresh air.

Even on the darkest day, the interior of Pup House will appear that humans and dogs alike are basking in a sunny meadow with a cold brew in hand. The bright natural feel of lighting will aid in our efforts to rejuvenate the mental health of our customers. From all angles, delightfully simple decor with grace the eyes of members and guests. Brand colors will be showcased in the details from bar stools to flowers. The interior will be a subtle amplification of the Pup House brand. Pup House will be a great alternative to nightclubs and rustic, industrial brewpubs in the area with a sort of greenhouse je ne sais quoi sprinkled with oversized picnic tables and corner booths.

Pup House guests will walk through an airy atmosphere filled with buzzing happy humans and canines to the gates of the park. The expansive indoor park is an extension of the bar's class and charm. The only difference between the bar and indoor park will be dogs in "play mode" romping around on cushy turf and less seating to allow for more play space. The interior is an illustration of the outdoor park for days when the weather doesn't permit [common for Michigan]. Pup House knows dogs exclusively care about being off-leash, spending time with their humans, and having lots of space. Pup House sets itself apart from the typical dog park style without excessive paw prints or bones visible. The aesthetic of the interior design will be catered to our human guests. Eye catching local art will be painted on the walls decorating the space within the indoor park while branded, original illustrations carrying the Pup House persona will be peppered throughout. Simplistic sketches of humans, canines, and outdoor scenes will make up the illustrative decor. Use of branded colors will be thoughtfully incorporated for fluidity and a cohesive design. Pup House is new, fresh, and thoughtful in our composition and functionality.



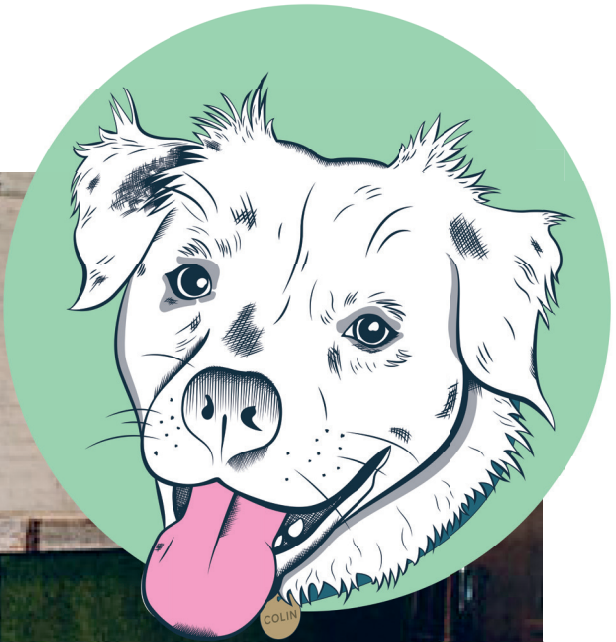
[Credit: Dylan and Jeni]



[Credit: Dylan and Jeni]



[Credit: Gardening for Life]



[Credit: Pierre Curry]



[Credit: Elise Hennigan]

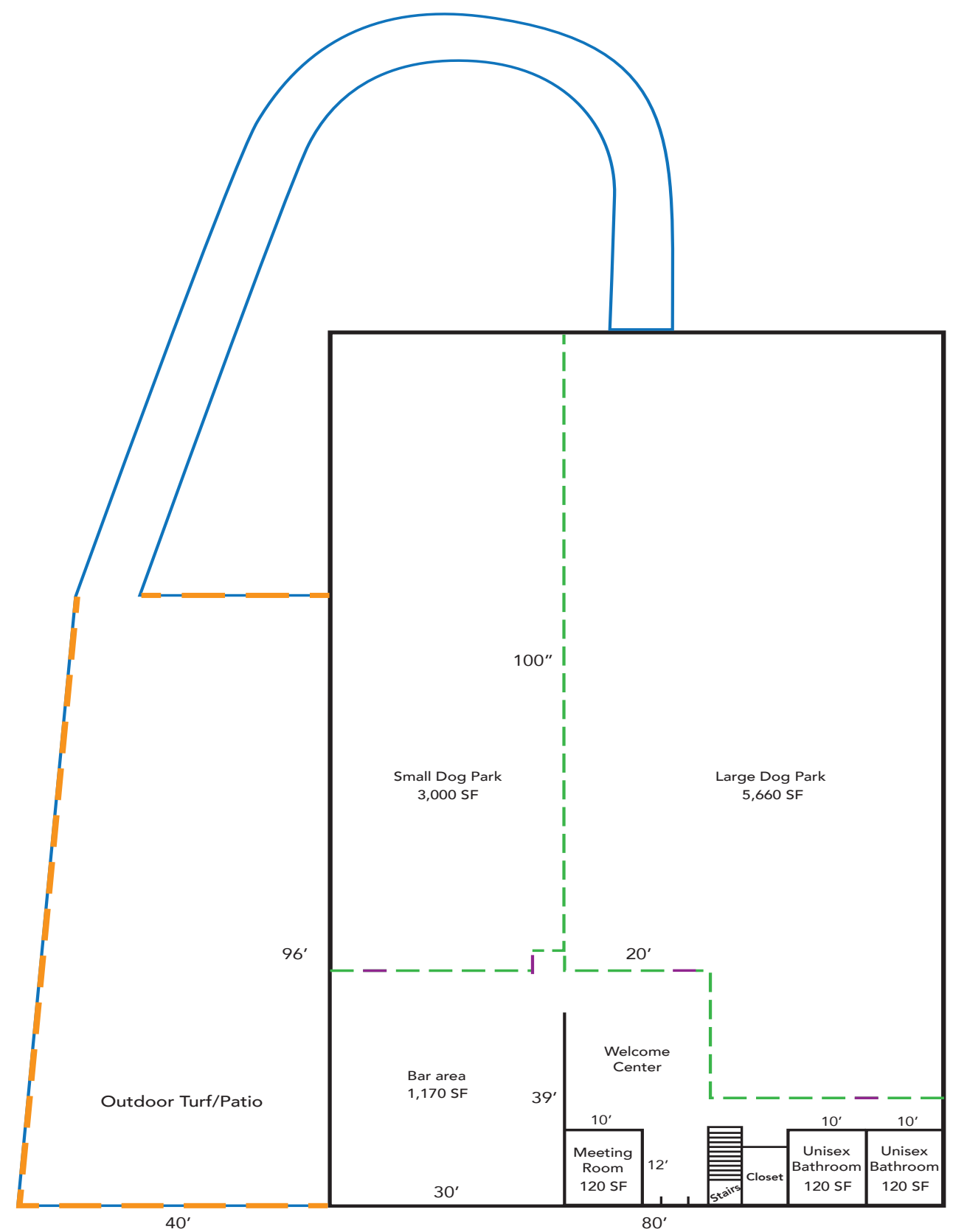


[Credit: etsy.com/people/gintaroo]

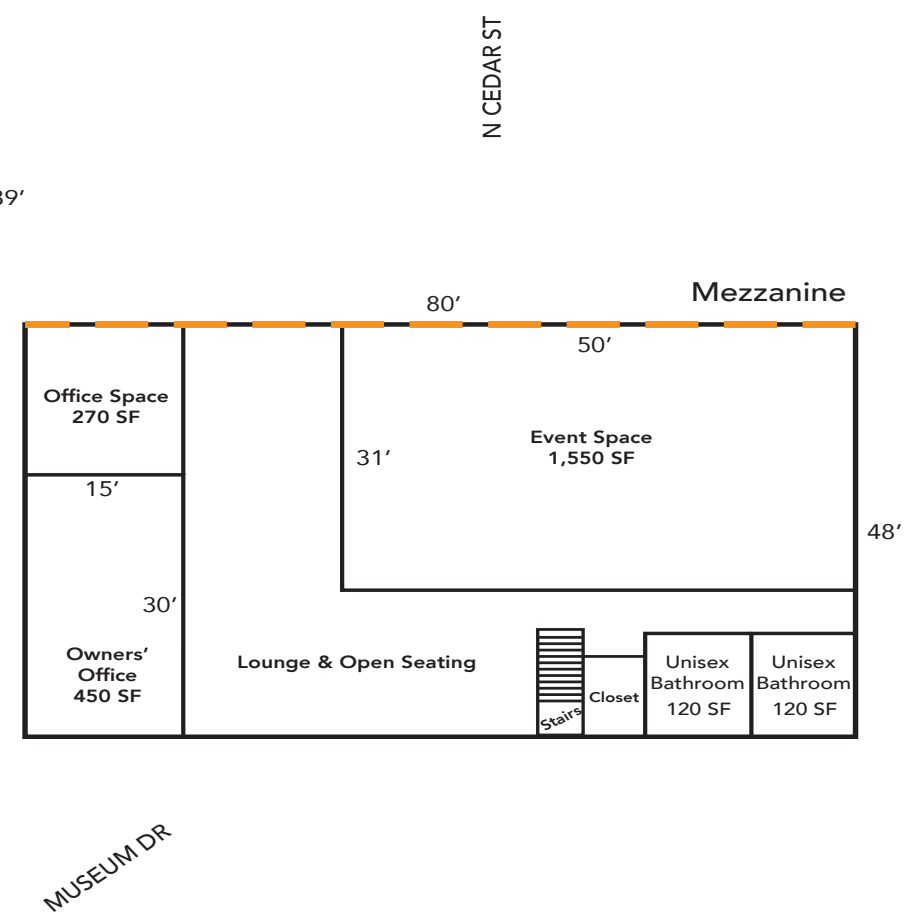
City Market

[full building layout]

GRAND RIVER



- KEY:
- Total SQFT: 11,120 SF
 - Mezzanine: 3,840 SF
 - Patio: Approx. 3,450 SF
 - Bar Area: 1,170 SF
 - Small Dog Park: 3,000 SF
 - Large Dog Park: 5,660 SF
- Fencing: - - - - -
- Gate: - - - - -
- Glass wall: - - - - -



market analysis & segmentation

Lansing is ranked the fourth location in the United States for millennial home buyers according to Lending Tree, a nationwide leading online loan marketplace [Kapfidge, 2018]. While a lot of millennials are looking for homes in Lansing, a majority are currently renting. The average 2-bedroom apartment size in Lansing is 970 sq. ft. [Lansing, MI Rental Market, 2018] leaving little to no room for dogs to exercise. The American Humane Society notes that 72% of renters have pets and there are 30 million pets currently living in rentals across the nation [Statement on Pets and Rental, n.d.].

"A third of millennials who purchased their first home cited they were influenced by needing more space for their dog. For those who haven't purchased a home, 42% admit their dog, or the desire to have one, would be a key factor in buying one," stated Media Post, [Gazdik, 2018]. There is a huge need for a space for dogs to get their exercise off-leash.

residents consume upwards of 186.7 million gallons of beer annually

Dog parks are among the fastest growing amenities in US City park systems. From 2009 to 2017, there was a 40% increase in dog parks across the nation. In the top 100 largest U.S. cities, there are 774 dog parks and that number is increasing exponentially [Center for City Park Excellence, 2018]. Looking at Michigan in particular, residents consume upwards of 186.7 million gallons of beer annually, [Sauter, 2018].

The Pup House's main target market is dog-owning millennials. As stated in the Location section, Lansing is an ideal home for millennials and the reason they are flocking to the capital city is because of new bars and a changing, growing environment. According to the US Census Bureau, the median age in Lansing, MI is 32 with the largest residing age group being 25-44, making up 30% of the population [Census Bureau, 2017]. Not only does Lansing house a plethora



of millennials, but research shows millennials are dedicated dog owners. Three-fourths of Americans in their 30s own a dog. 82% of millennials say that owning a dog is a step in preparing for a family.

Millennials are now the largest segment of pet owners, with a more humanized approach than generations before. Millennials invest more time and money on their animal companions than baby boomers who previously held the title of the majority of dog owners, [Becker, 2018]. *The American Pet Product Association's* 2016 Report, based on over 2,500 completed U.S. pet owner surveys, determined that 38% of millennials own a dog. If we use these statistics applied to the Lansing area then that equates to roughly 13,000 Lansing dog-owning millennials. That is a large target audience, that the Pup House is excited and prepared to pursue.

the median age in Lansing, MI is 32

Millennials take the humanization of their dogs to the next level. Millennials are more likely to:

- Pay for any pet service such as daycare or pet sitting at home
 - ◊ Dog owners spent an average of \$322 annually on dog boarding
- Visit a pet-friendly restaurant
- Take their dogs on errands
- Take their dogs to a dog park
- Hold parties for their dogs
 - ◊ 11% of dog owners have held a holiday or birthday party for their dogs
- Spend money on gifts for their dogs
 - ◊ 78% of dog owners give their dogs gifts, average gift cost \$14

[Springer, 2017-2018]

82%

of millennials say that owning a dog is a step in preparing for a family



To illustrate the spending behaviors of dog owners further, we can refer to a report from the *National Retail Federation*: “In America alone people spend a whopping \$44 billion annually on pet food, supplies and toys, and that figure is growing. Last year they shelled out around \$400m for pet Halloween costumes. In 2017, they will spend \$593m on Valentine’s Day gifts for their animals.”

Media Post addresses an astonishing statistic that, “Millennial pet owners are so attached to their pets that 71% would take a pay cut if it meant they could bring their pet[s] to work every day, with 1 in 5 [21%] opting to take a pay cut of 20% or more,” [Gazdik, 2018].

As research shows, Lansing dog-owning millennials are the quintessential target market for the Pup House. Whether residing in Mid-Michigan to watch it grow, build a family, or find a career path, millennials are in need of after-work entertainment for their friends and their fur-children. Millennial dog owners have proven to allocate their budgets for their dogs and a Pup House membership is a reasonable

Pup House prides itself on entrepreneurial, community-oriented morals that will strengthen the economy and respect the innovative and cooperative spirit of millennial customers.

and affordable option. Pup House prides itself on entrepreneurial, community-oriented morals that will strengthen the economy and respect the innovative and cooperative spirit of millennial customers. Not only is our target market going to make up the Pup House majority share of customers, but they will be our partners for years to come.

In an effort to accomplish our mission and provide the community with a blissful escape for dogs and humans, Pup House is open to addressing mental illness. 1 in 5 millennials experience depression in the workplace and are reported to be the most anxious generation. Also, according to *The Thirty*, 75% of the millennials are open to discussing their mental illness in healthy ways, [Hoff, 2018].

Pup House believes in taking an open and transparent approach to aiding mental illness with the love of dogs. With Michigan State University students being



one of our major customers, mental health of college students is on our radar as well. Research has proven that dogs can improve mental health and physical health in many ways.

The American Pet Product Association emphasizes how dogs improve the lives of people. The report states the main reason millennials own dogs are for companionship and love, they are fun to watch, live with, they provide relaxation and relieve stress, [Springer, 2017-2018].

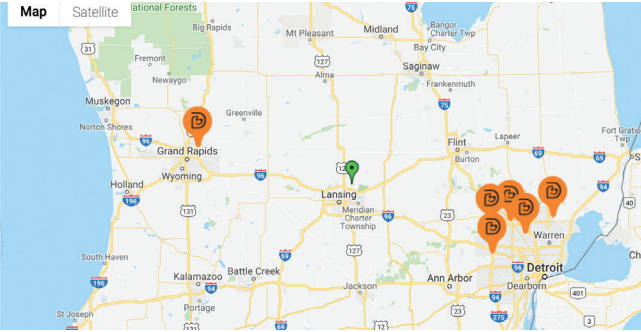
- 81% of dog owners receive happiness and emotional support from their dog
- 67% say dogs relieve stress
- 57% have less anxiety or depression from owning a dog
- 44% exercise more with a dog
- 35% say dogs lower their blood pressure

Competition

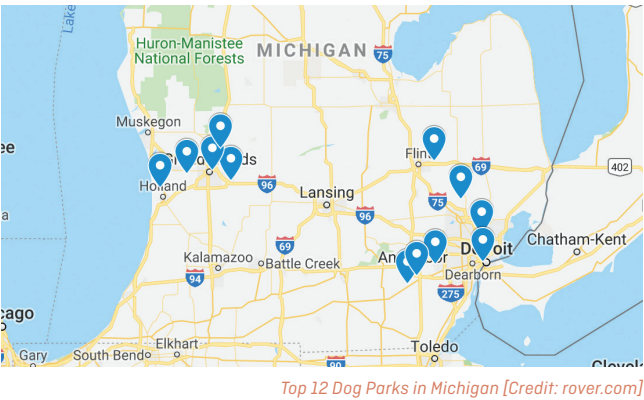
Pup House differentiates its business model from competitors by being the first of its kind in Michigan, offering the atmosphere of a bar with the freedom of an unleashed dog park. There are bars that allow leashed dogs and there are parks that allowed unleashed dogs without beer. We are the solution.

Pup House Indirect Competition

There are 32 pet friendly restaurants in Lansing, MI that welcome dogs at their outdoor tables and only 12 of those restaurants offer alcohol, [BringFido, 2018]. Lansing restaurants that offer alcohol and allow dogs outside still require dogs to be on a leash. Doggy Daycares like Dogtopia or locally-owned Nana-N-Paws are specifically for dog boarding, training, or grooming.



While they do have indoor facilities, their primary focus is taking care of the customer’s dog while they are away. Shaggy Pines in Ada, MI is a strong indirect dog park competitor, but it is a high-priced option lacking a bar. Also, Shaggy Pines is an outdoor park only and about an hour outside of Lansing. The Lansing area has three outdoor dog parks reported on Bring Fido, the world’s leading pet travel and lifestyle brand. Below a chart illustrates how Pup House will be a superior option to dog parks in the area. Pup House differs in many ways from the indirect competition because we are an off-leash, indoor and outdoor dog park and bar where dog owners and non-dog owners can enjoy the love of dogs and beer in one space. Pup House is where dogs and humans live their best life.



Pros and Cons of Highest Rated Dog Parks in Michigan by Rover and Bring Fido

[BringFido, 2018], [Solorio, 2017]

Pup House’s amenities are in bold and future additions or pending location specifics are in italics

Pros

- *Easy to get to**
 - ◊ *Right off highway**
 - **Water pump**
 - **Big outdoor space**
 - *Hiking trails**
 - **Lots of other owners and dogs**
 - **Benches**
 - *Scenic [big trees]**
 - **Friendly people**
 - **Pools during summer**
 - **Timeout Areas**
 - *Land size*
 - **Dog washing stations**
 - **Small and large dog separation**
- **Bathrooms**
 - **Waste stations**
 - **High fences**
 - **Providing toys and water/bowls**
- Cons:**

 - Price
 - Areas that get too muddy
 - Too large that owners lose track of dogs and don’t clean up after them
 - Flooding

Lansing Dog Parks

Pup House

Soldan’s

Northern Trail

Indoor Facility	Yes	No	No
Small and large dog separation	Yes	No	No
Free parking	Yes	No	Yes
Health Check	Yes	License only	No
Socialization check	Yes	No	No
Park Supervisor	Yes	No	No
Beer	Yes	No	No

2019 events

supporters

Events	Merchandise	Tickets	Donations
Mutt Madness	\$ 193.00	2134	--
Soldens Easter Egg Hunt	\$ 15.58	free event	10
Lansing Made 517 day	\$ 3.00	free event	--
Lugnuts Pride Night	\$ 147.96	free event	30
Lansing Dog Days of Summer	\$ 16.55	free event	--
National Spoil Your Dog Day	\$ 8.00	free event	2
Flannels & Fido	\$ 73.00	free event	12
Preuss Pet's Howloween	\$ 23.00	free event	5
A Howly, Jowly Christmas Pawty	\$ 76.00	655	16
Total Sales	\$556.09	\$2,789.00	\$75



78% of Mutt Madness Survey Respondents said they would buy a Pup House membership



89% of Lansing Dog Owner survey responders (based on 28 surveys) said they would pay for an indoor membership at a year round dog park and bar.

100% of respondents said that Lansing needs more dog-friendly entertainment.



Future Objectives

Grand Opening

Offer food truck and gourmet coffee options



Grand Opening

Open in-store retail shop

March 2025

Lease ends, Buy Property and build ideal Pup House based on customer feedback

March 2025

Franchise roll- out

March 2030

5-10 Franchises

erika and future team



Pup House staff will be strategic in the future of the business, employing a passionate and innovative pack for this new venture. Employees will be held to the highest standard of animal safety and welfare while having the character of your best drinking pal. Pup House will hire local Lansing residents that have the same passion for the Capital city as our customers. Pup House employees will be given a unique experience where they can pursue a rewarding career serving people and dogs.

Erika Hodges [Owner]

- Park and bar oversight, dog safety and health, nonprofit partnerships, vendor relationships , events, marketing, and overall business needs
- Expert dog mom, rescue animal advocate, tattoo enthusiast, outdoors adventurer, and hoppy beverage lover.
- Michigan State University graduate in Media and Information with 5 years of professional marketing experience
- Small Animal Clinic receptionist at Michigan State Veterinary Medical Center for 4 years.
- Grant Writer, Volunteer Coordinator and Media Intern at Capital Area Humane Society in 2015
- New Hope Pet Rescue Volunteer
 - Fostered 13 dogs in 2019
 - Screen adoption applications
 - Run instagram, created website, and continue website maintenance

Staff

- ◇ 3 full time Bark Rangers
 - ◇ Trained in dog park safety and responsible for cleanliness of the park
- ◇ 2 Full Time Bartenders
- ◇ 2 Part-time Bartenders-
- ◇ 2 Floaters
 - ◇ Trained in both bar tending and Bark Ranger responsibilities
- ◇ Hourly Graphic Designer
 - ◇ Paid by the hour/freelance
- ◇ Part-time accountant
 - ◇ Responsible for overall accounting and payroll of employees



park rules & amenities:

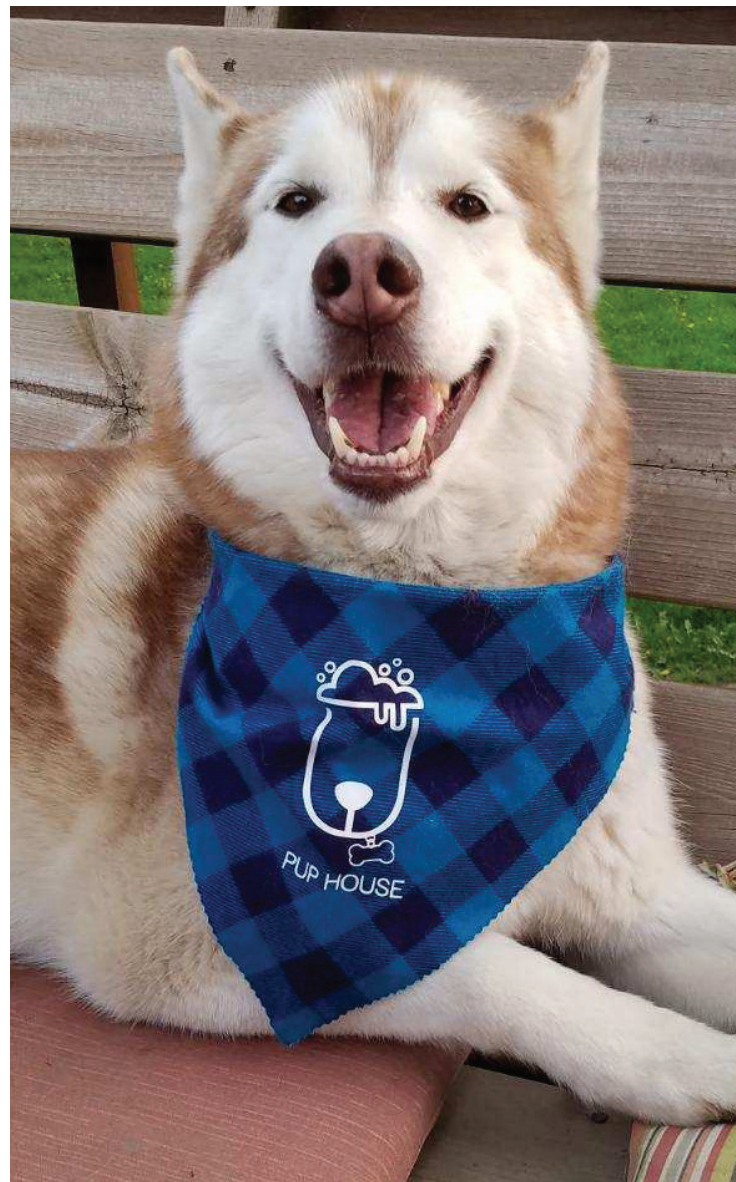
The indoor/outdoor park will have designated big dogs and small dogs sections to ensure safety for members of all sizes. The parks will be surrounded with tall, sturdy fencing equipped with secure double gating at all entrances and exits to keep dogs from escaping. The park will offer agility obstacles and comfortable seating for guests. The surface of the indoor park and a section of the outdoor park will be made of turf created from recycled materials. The turf will allow for safe and easy sanitation with minimum wear and tear. Lighting for the outdoor park will be available, so no one has to cut their outdoor time short. Dog washing stations will be offered at the exits of the outdoor park to reduce messes before going home.

Membership applications will require proper vetting and understanding of park rules. Pup House takes safety very seriously and requires members to have a full understanding of the rules before stepping foot in the parks. Timeout areas, known as the penalty box, will be used for dogs that are showing initial signs of breaking the rules and will have a chance to compose themselves before park re-entry. Pup House prides itself with accepting all breeds and not tolerating breed discrimination from employees or members. We believe all dogs deserve a chance to live their best life with their human unrestrained from the confines of a leash. Our Bark Rangers will be on duty to keep the area clean and break up situations that are a nuisance or have the potential to turn dangerous.

Overall, humans are responsible for their dogs at all times as laid out in the Pup House rules. Humans must be 21 years old to enter Pup House.

Member Requirements:

- Dog must be spayed/neutered



- Dog must be older than 4 months of age
- Dogs must be up to date on flea and tick prevention
- Dogs must be up to date on heart worm preventative
- Dogs must be up to date on Rabies, Bordetella, Canine Influenza and DHPP vaccines
- Dogs must have a registered license
- Dog must pass a basic socialization test administered by Pup House staff

Park Rules:

- Small dog section is for dogs 25-30 pounds and under
- Big dog section is for dogs over 25-30 pounds
owner can decide whether their 25-30 pound dog is more comfortable in the big or small dog section
- If humans have a big and a small dog, they may only bring one at a time or bring someone they trust to watch one of the dogs due to park separation.
- Dogs must be off-leash when inside the park area
- Dogs can be on a leash in the bar if the owner chooses, but they are not required to be
- Dogs must be on leash on walkways, entrances, and parking lots
- Bark Rangers have the right to remove dogs and owners not complying with park rules

Human Rules:

- Owner is fully responsible for their dog[s] at all times
- Owner cannot exit the park or bar area without their dog
- Owner is responsible for immediate clean up after dog relieves themselves
- Doggy bags should be tied and placed in outside garbage bins to minimize odor
- Outdoor bathroom usage is encouraged
- Owner must carry dog's leash with them at all times
- Treats and toys from outside of the Pup House are not permitted

Dogs Rules:

- Must wear collar with name tag and license at all times on Pup House property
- Dogs in bar area must be under control and not in "play mode" or will be asked to return to park area
- No excessive barking [even play barking] because it encourages pack mentality and riles up other dog members
- No fighting, biting, collar grabbing, mounting, or dominance
- Penalty box is for dogs displaying inappropriate behavior, must calm down before re-entry
- 3 penalties per member before disciplinary action
- Bark Ranger and dog's owner have the right to use Penalty Box.
- No digging
- Holes are dangerous for dogs and humans
- One bite strike rule
- If a dog bites another dog or human they will lose their membership and will be asked to leave

Pup House has the right to revoke membership at any time

Bar Amenities:

- 5-10 rotating taps to begin
- Local beer is top priority
- Reusable cups, glass bottles, or tin cans used to reduce waste
- No plastic cups or straws will be offered
- Private room for events available for free to nonprofits and available to rent for private parties
- Open to big and small dogs
- Outside food allowed in bar area, but not park area
- Food trucks partners will be available for more food options



The Pup House app will be essential to the everyday operations of the business. Staff, members, and the public will have access to downloading the app which will give access to Pup House information at their fingertips. Drink menus, calendars, live feed of attendance, important membership information and sign-ups will be available 24/7. Members will benefit from the app with premium options and express check-in to the park.

App Features:

Free to all Membership application

- Verifies vet records digitally
 - ◊ Proof of all necessary vaccines
 - ◊ Check box for heartworm/flea/tick prevention
 - ◊ Check box for spayed/neutered
- Members need to have socialization test verified by PH Staff to complete application*

Member Profile

- Each dog receives a member profile
- Photos and Bio
- Special needs comments
- Vet records *private to profile owner*
- Calendar of events attendance options
- Human member's drink of choice

Membership App Amenities

- Scan app to come into park
 - ◊ Scan code will upload member's photos to park live map

Location settings on app allow for friends and Bark Tenders to see where member is within the park
- Member friend notifications
 - ◊ PH friends can invite members for a meet up
 - ◊ Notifications when friends check in to park
- Calendar
 - ◊ Notifies members of new and upcoming events
 - ◊ Users can share events with PH friends
 - ◊ Food truck event schedule
 - ◊ Tap releases
- Map
 - ◊ Displays pop-up pins of members' profile photos within their location at the park in real time
 - ◊ Map feature alerts members if park is at capacity and when space is available again
- Beer menu
- Links to PH social accounts for check-in

Promotions, Coupons, and Referral program

advertising and promotion

Pup House will succeed in the marketing arena with geo-targeted search advertising campaigns, multimedia social advertisements and organic content, time-sensitive press releases, strategic partnerships, and word-of-mouth promotions. Pup House owner, Erika Hodges, has an extensive background in marketing and will perfect the Pup House brand and efficiently market the business to the target audience.

Advertising Strategies include

- Geo-targeted digital marketing advertisements with consumer-focused language and compelling calls to action
 - ◊ Google search campaigns
 - ◊ Facebook multimedia advertisements
- Press releases
- Nonprofit partnerships
- Event tabling
- Entrepreneurial networking events
- Social Pup House brand influencers
- Vet approvals and promotions
- Member app referral programs

Digital marketing efforts will be reported on a month-over-month basis to assess progress and edit campaign details accordingly. Meetings with area nonprofits will be held after events to gain feedback and insight to meet the needs of our most valued partners. Pup House owners will attend networking events quarterly to update public entrepreneurial partners on seasonal events, membership details, and gain business-oriented feedback.

Owners will keep in contact with area veterinarians to ensure Pup House remains up to date on important dog health news, keeping the park safe for all members. Member lines of communication will always be open and transparent to establish strong membership loyalty. The referral program will build on our word-of-mouth strategy while utilizing the Pup House's tech savvy app for promotional incentive to members.



Step out of your comfort zone and grab a delicious beverage with like-minded people on February 6th.
This is a unique opportunity that you won't want to miss!



THU, FEB 6
Speed Dating for Dog People
Midtown Brewing Company · Lansing
64 people interested · 22 people going

pricing

Daily Pass — \$10

- Access to Pup House indoor and outdoor park and bar for day of purchase during business hours
- Unlimited human guests-free of charge
- Prorated fee for sibling dogs per visit [limited to 4 dogs per household]

Monthly Membership — \$35

- Month access begins day of payment and ends the same date of the following month
 - ◊ Example: April 17th-May 17th
- Access to Pup House indoor and outdoor park and bar for that month
- App membership scan code for park entrance
- Unlimited daily use during business hours
- Unlimited human guests-free of charge
- Prorated fee for sibling dogs per month [limited to 4 dogs per household]

Annual Membership — \$360

[paid in full, no installments]

- 5% donated to local animal welfare nonprofit
- Access to Pup House indoor and outdoor park and bar year round
- App membership scan code for park entrance
- Unlimited daily use during business hours
- Unlimited human guests-free of charge
- Prorated fee for sibling dogs per year [limited to 4 dogs per household]



VIP Annual Membership — \$425

- 5% donated to local animal welfare nonprofit
- UNLIMITED access to Pup House outdoor park not limited to business hours
- Access to Pup House indoor park and bar year-round during business hours
- App membership scan code for park entrance including after hour outdoor park access
- \$10 per additional sibling dogs [limited to 4 dogs per household]
- Free automatic enrollment to the Mutt Mug Club
- Free Pup House bandanna for each member
- First to be notified about Pup House events and promotions

Mutt Mug Club

- \$50 annual fee
- Auto-renew following year \$30 fee
- Personalized Mutt Mug and complimentary personalized dog bowl
- Mutt Mug is kept at Pup House, washed, used for member's beverages, and displayed on VIP wall
- Mutt Mug is 2 ounces more than regular mug
- Goes home with you at the end of the year
- Mutt Mug Club monthly email with new tap releases, beer news, and events

Rescue and Shelter Staff, Foster Parents, Service and Therapy Dogs

- 15% off memberships fees
- First time visitors receive 1 free beverage
- Access to indoor and outdoor meeting spaces
- Priority access to private event space

**Emotional Support Animals are not eligible for these discounts*

Bar and Retail Prices

- \$3-\$9 beer [cans, bottles, draft]
- \$5-\$8 wine/mixed drinks
- \$3 decals/stickers
- \$4-\$10 dog bandannas
- \$12-15 t-shirts
- \$15 beer mugs

Dog Park Bar Name [location]	Annual Membership	Seasonal/ Monthly	Daily	VIP-Annual
Pup House	\$360	\$35	\$10	\$425
Yard Bar [Austin, TX]	\$200	\$20	\$5.50	N/A
Omaha Dog Bar [Omaha, NB}	249	\$30	\$6	N/A
Bar K [Kansas City, TN]	\$225	N/A	\$10	N/A
Fetch [Atlanta, GA]	\$240	\$25	N/A	N/A



financial summary

Sales / Expense Sheet [year 1]

Services/Products	Unit Price	QTY/year	Monthly Total	Total: Year 1
Annual Membership	\$360.00	360	\$10,800.00	\$129,600
Monthly Membership	\$35.00	500	\$1,458.33	\$17,500
Daily Pass	\$10.00	720	\$600.00	\$7,200
VIP Annual Membership	\$425.00	120	\$4,250.00	\$51,000
Mutt Mug Club (Annual Fee)	\$50.00	120	\$500.00	\$6,000
Event Space (Rental Fee)	\$1,000.00	12	\$1,000.00	\$12,000
Private Area Park (Rental Fee/hr)	\$20.00	832	\$1,386.67	\$16,640
Dog Washing Station (per 5 mins)	\$5.00	728	\$303.33	\$3,640
Beer (\$4-\$9)	\$6.50	35000	\$18,958.33	\$227,500
Mixed Drinks	\$8.00	6000	\$4,000.00	\$48,000
Wine	\$5.00	6000	\$2,500.00	\$30,000
Fountain Drinks	\$2.00	4000	\$666.67	\$8,000
Decals (\$3-\$4)	\$4.00	240	\$80.00	\$960
Dog Bandannas (\$4-8)	\$8.00	360	\$240.00	\$2,880
T-shirts	\$15.00	180	\$225.00	\$2,700
Pup House Beer Mugs	\$15.00	120	\$150.00	\$1,800
Koozies	\$4.00	240	\$80.00	\$960
Total Services/Products			\$47,198.33	\$566,380.00
Cost of Goods	Unit Price	QTY/year	Monthly Total	Total: Year 1
Non-profit donations Annual memberships	-\$18.00	360	-\$540.00	-\$6480.00
Non-profit donations VIP Memberships	-\$21.25	120	-\$212.50	-\$2550.00
Beer	-\$0.80	30000	-\$2000.00	-\$24000.00
Mixed Drinks	-\$2.50	8000	-\$1666.67	-\$20000.00
Wine/glass (6 glasses/750ml bottle)	-\$2.00	6000	-\$1000.00	-\$12000.00
Fountain Drinks	-\$0.15	4000	-\$50.00	-\$600.00
Decals	-\$0.25	240	-\$5.00	-\$60.00
Bandannas	-\$3.00	360	-\$90.00	-\$1080.00
T-shirts	-\$5.00	180	-\$75.00	-\$900.00
Beer Mugs	-\$5.00	120	-\$50.00	-\$600.00
Event Costs	-\$200.00	24	-\$400.00	-\$4800.00
Koozies	-\$1.00	240	-\$20.00	-\$240.00
Total Cost of Goods *doesn't include donations			-\$5,356.67	-\$64,280.00
Gross Profit			\$41,841.66	\$502,100.00

Capital Needs and Depreciation

Items	Cost	Estimated Life	Method	[Years 1-5] Depreciation*
Land	\$TBD			
Renovations	\$ 100,000		SL	\$ 2,564.10
Liquor License	\$ 35,000	39	SL	\$ 2,333.33
Fencing	\$ 63,950	15	SL	\$ 4,263.33
Turf	\$ 30,678.20	15	SL	\$ 2,045.21
Furniture	\$ 10,000	15	SL	\$ 1,428.57
Appliances	\$ 10,500	7	SL	\$ 1,500.00
Electronics	\$ 11,800	7	SL	\$ 2,360.00
Total	\$ 261,928.20			\$ 16,494.55

**Used straight line depreciation*

Total Capital Funding	\$ 261,928.20
Working Capital Needed	\$331,544.00
Initial Funding Raise/Ask	\$ 593,472.20

Pup House brings your dog to the party
with an innovative venue built on the
values of friendship and sustainability.

Projected Income Statement [year 1-5]

Revenue	Total: Year 1	Total: Year 2	Total: Year 3	Total: Year 4	Total: Year 5
Total Service/Products	\$566,380.00	\$623,018.00	\$716,470.70	\$859,764.84	\$1,074,706.05
Total Cost of Goods	-\$64,280.00	-\$67,494.00	- \$ 74,243.40	- \$ 85,379.91	- \$ 102,455.89
Gross Profit	\$ 502,100.00	\$555,524.00	\$642,227.30	\$774,384.93	\$972,250.16
Selling and General Administrative					
Insurance*	\$17,000.00	\$17,510.00	\$18,035.30	\$18,576.36	\$19,133.65
Rent	\$35,000.00	\$36,050.00	\$37,131.50	\$38,245.45	\$39,392.81
Salaries and Wages	\$331,544.00	\$341,490.32	\$351,735.03	\$362,287.08	\$373,155.69
Payroll Taxes	\$99,463.20	\$102,447.10	\$105,520.51	\$108,686.12	\$111,946.71
Business Licenses and Fees	\$200.00	\$206.00	\$212.18	\$218.55	\$225.10
Repairs and Maintenance	\$5,000.00	\$5,150.00	\$5,304.50	\$5,463.64	\$5,627.54
Computer Software and Web Applications	\$1,755.00	\$1,807.65	\$1,861.88	\$1,917.74	\$1,975.27
Merchant Processing fees (POS)	\$17,991.40	\$18,531.14	\$19,087.08	\$19,659.69	\$20,249.48
Security	\$1,910.00	\$1,967.30	\$2,026.32	\$2,087.11	\$2,149.72
Cable/Internet	\$2,000.00	\$2,060.00	\$2,121.80	\$2,185.45	\$2,251.02
Utilities	\$4,200.00	\$4,326.00	\$4,455.78	\$4,589.45	\$4,727.14
Advertising	\$17,600.00	\$18,128.00	\$18,671.84	\$19,232.00	\$19,808.96
Grounds maintenance (Landscaping)	\$2,880.00	\$2,966.40	\$3,055.39	\$3,147.05	\$3,241.47
Other	\$5,000.00	\$5,150.00	\$5,304.50	\$5,463.64	\$5,627.54
Total Selling and General Administrative Expenses	\$ 541,543.60	\$557,789.91	\$574,523.61	\$591,759.31	\$609,512.09
Earnings Before Interest and Depreciation Amortization	-\$ 39,443.60	-\$ 2,265.91	\$ 67,703.69	\$ 182,625.62	\$ 362,738.07
Interest or Investor Expense	-\$ 27,077.18	- \$ 27,889.50	- \$ 28,726.18	- \$ 29,587.97	- \$ 30,475.60
Depreciation	- \$ 16,494.55	- \$ 16,494.55	- \$ 16,494.55	- \$ 16,494.55	- \$ 16,494.55
Net Income	-\$ 83,015.33	- \$ 46,649.96	\$ 22,482.96	\$ 136,543.10	\$ 315,767.91

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Thank You!

puphousemichigan.com
puphousemichigan@gmail.com



LEASE AGREEMENT

This Lease Agreement (the "Agreement") is made as of _____, 2020, between Lansing Shuffleboard and Social Club, LLC, a Michigan limited liability company, whose address is 1515 West Lafayette Boulevard, Suite 201, Detroit, MI 48216 (the "Lessee"), and the City of Lansing, a Michigan municipal corporation, whose principal business address is 124 West Michigan Avenue, Lansing, MI 48933 (the "City") (the Lessee and the City are collectively the "Parties").

RECITALS

- A. The City owns the building, attached patio area, and underlying real property located at 325 City Market Drive, Lansing, MI 48912, which is commonly referred to as the "New Lansing City Market."
- B. The Lessee has offered to lease the building and attached patio area from the City for its use as a food hall and events space, while continuing to provide City Parks and Recreation related activities for the benefit of the public, including, but not limited to, vending refreshments, providing public entertainment, community events, and space for public gathering.
- C. The Lessee has requested to construct certain improvements to the interior of the New Lansing City Market to facilitate Lessee's use and the Parks and Recreation activities, and to be reimbursed for a portion of those improvements that are eligible activities pursuant to the Brownfield Redevelopment Act, Michigan Act 381 of 1996.
- D. The City is amenable to the Lessee's offer and request, in accordance with the terms and conditions of this Agreement.

TERMS AND CONDITIONS

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

1. Lease. Subject to the City's governing body approving this Agreement, the City agrees to lease to the Lessee the building and attached patio area of the New Lansing City Market, as legally described and depicted on the attached Exhibit A (collectively, the "City Market Building"), subject to the terms and conditions of this Agreement.

2. Lease Term. The term of this lease shall commence upon the approval of this Agreement by the City's governing body and continue until _____, 2060, unless otherwise terminated as provided in this Agreement.

3. Rent Payment.

(a) During Construction. During construction of physical improvements contemplated in this Agreement, Lessee shall pay rent to the City of Lansing by wire transfer or cashier's check of immediately available funds on a monthly basis in the amount of \$500 for each month or part of a month that Lessee has any business open to the public at or on the patio.

(b) During First Partial Year of Operation. After construction of physical improvements is complete and Lessee obtains a certificate of occupancy, in 2021, the Lessee shall pay rent to the City by wire transfer or cashier's check of immediately available funds on a monthly basis in the amount of \$2000.00 during the first partial year of the term of the lease.

(c) During Remaining Years. Beginning with the first full year of operation under the Lease Agreement, on January 1, 2022, rent shall be due on January 1 each calendar year during the remaining term of the lease. Total annual rent shall be \$24,000.00. Each year thereafter during the remaining term of this lease, the total annual rent shall be increased annually by the Consumer Price Index or 2.5%, whichever is higher.

(d) On September 1 of the tenth year, 2029, Lessee will provide to City its annual fiscal reports, including gross and net receipts for all operations under the Agreement, for the duration of the Agreement up until that point, for the purpose of recalculating the annual rent. Such rent shall be based on the existing rent plus 10% of average Effective Gross Income over a calculated threshold. The threshold amount shall be calculated by dividing the annual rent of year 10 by 10%. The average Effective Gross Income over the calculated threshold shall be determined by subtracting the threshold amount from the average Effective Gross Income of the best three years of operation. Thereafter, total annual rent shall continue to increase per the terms of section 3(c).

4. Utilities. During the term of this lease all rent payments specified in paragraph 3 above shall be exclusive of public utility use. The Lessee shall be solely responsible for sanitary disposal of all waste and payment of all utilities, including but not limited to water, sanitary sewer and electric service provided by the City or the Lansing Board of Water & Light.

5. Building Use. After approval and execution of this Agreement, and completion of the improvements specified in paragraph 6 below, the City Market Building shall be used as a food hall and events space to be operated by the Lessee. Marijuana or cannabidiol related uses by Lessee or tenants of any nature are prohibited. Additionally, the Lessee shall support community programming by hosting weekly classes free for the community including, but not limited to open mic nights, cooking classes and bar classes. Such events shall be coordinated with the City's Parks and Recreation Department and consistent with its Parks and Recreation Master Plan. Additionally, Lessee shall make event space available for use by community groups, and allow reduced rates for City of Lansing based groups or individuals. The Lessee further covenants that any and all activities in the City Market Building shall be lawful and consistent with City of Lansing Park purposes. All uses and activities in the City Market Building shall be in compliance with all applicable City ordinances, and state and federal laws, including but not limited to federal controlled substance laws. The Lessee acknowledges and agrees that the operation and use of the City Market Building in accordance with this paragraph is a material part of the consideration to the City for this Agreement and the lease of the City Market Building. Upon notice given to Lessee, City may enter all parts of the Building and Premises for inspection and verification as to use in conformity with this Agreement and all applicable City ordinances, and state and federal laws. The Parties acknowledge that damages for violations of this section by Lessee are difficult to calculate given the public trust inherent to public park land and structures; as such, during any month in which this section is violated by Lessee, Lessee will pay \$10,000.00 in the form of liquidated damages to the City.

6. Requirements of the City. The lease under this Agreement is subject to the following terms and conditions:

(a) Within 90 days of the fulfillment of all conditions precedent in Section 15, the Lessee shall undertake construction and make certain improvements to the interior and exterior of the City Market Building as described on the attached Exhibit B and as depicted on the

attached Exhibit C. The Lessee agrees that such construction and improvements shall be completed on or before December 31, 2021, unless an extension is agreed to by the Parties in writing. The City acknowledges and agrees that a portion of the total cost for such construction and improvements is reimbursable as infrastructure improvements to a public structure, and Lessee acknowledges that reimbursement for the same is governed by the Lansing Brownfield Redevelopment Authority (LBRA) pursuant to terms and conditions contained in a Reimbursement Agreement between Lessee and LBRA. Notwithstanding the foregoing, the Lessee agrees that total construction and improvement costs or expenses shall be the sole responsibility of the Lessee. The development and construction of all improvements shall be conducted in accordance with all applicable laws and ordinances. Reimbursable improvements will not include any fixtures, furniture, and equipment of the Lessee, whether movable or affixed to the City Market Building. The Parties agree that in no event shall either Party demolish any portion of the City Market Building or substantially modify its character and appearance, unless first approved in writing by the City.

(b) Any changes to the work described and depicted in Exhibits B & C shall be done by change order(s) and only with prior written approval of the City.

(c) The Lessee shall be responsible for maintaining the City Market Building in good order and repair in accordance with applicable City ordinances.

(d) The City shall provide a maximum of 25 dedicated parking spaces for employees and tenants of Lessee, in a City owned lot or structure near the site.

(e) The Lessee shall have the option to purchase up to 2,000 2-hour parking validation cards each month, from the City Parking Division, at the rate of \$2 per card. The City may adjust the parking card rate at the same time as rent recalculation described in section 3(d), and at regular intervals thereafter, but agrees to maintain a similar bulk discount as set at the beginning of the lease. The 2-hour parking validation cards will be usable at any City-owned, hourly lot or structure. The total number of cards purchased each month must be purchased on or before the first day of each month and paid for in full at the time of purchase. The City agrees to cooperate with Lessee in providing known lot and structure occupancy information, and on request providing dates to Lessee that the City anticipates nearby lots and structures will be at maximum capacity. In the event that 50 or more parking spaces are needed for a single event, Lessee may contact the City of Lansing Parking Services Offices regarding parking availability. Upon adequate notice, at least two weeks prior to the event, the City will provide access to available parking in a City-owned lot or structure within ½ mile radius of the City Market building. If nearby parking becomes unavailable due to construction, sale, or other circumstances unrelated to this agreement, the parties agree to negotiate in good faith to find other suitable parking accommodations.

(f) Lessee shall have the option to request the City initiate proceedings necessary under its Charter and Ordinances to sell the Building and Premises, after taxes have been captured to repay all eligible activities described in subsection (a) herein, but in no event prior to the third full year of the Lease Term. Lessee acknowledges that the proceedings necessary for a sale of the Building and Premises involves, at a minimum, action by the City Council, which has complete decision making autonomy. Lessee further acknowledges that initiation of such proceedings by the City is not a promise or covenant that sale of the Building and Premises will result. The final purchase price shall be determined by taking an appraisal of the Building

and Premises prior to improvements contemplated in this Agreement, and increasing by the total contribution of public funds either in the form of City payments or captured tax dollars, with return on equity.

7. Surety Bond. Prior to the commencement of construction by the Lessee under paragraph 6 above, the Lessee shall secure and furnish to the City, at the Lessee's sole cost and expense, a surety bond issued by a corporate surety authorized to issue surety insurance in Michigan in an amount equal to the value of activities deemed reimburseable by the LBRA. Such surety bond shall remain in force and effect until such time as the construction and improvements to the interior of the City Market Building is complete. In the event that the Lessee shall terminate or otherwise breach the lease under this Agreement prior to such reimbursement, the City may utilize the funds under such surety bond to provide for its reimbursement.

8. Requirements of the Lessee. The lease under this Agreement is subject to the following terms and conditions any violation of which shall be considered a breach of this Agreement:

(a) The City Market Building shall be operated and used as specified in paragraph 5 of this Agreement, and for no other purpose. Such use shall include City Parks and Recreation related activities as specified above.

(b) During the term of this Agreement, the Lessee shall maintain at least one set of restrooms and one drinking fountain within the City Market Building open and accessible to the public, including non-patrons of the restaurant, during Lessee's normal business hours.

(c) Use of the City Market Building shall not be conducted in such a way as to become a nuisance and shall comply with all applicable City ordinances, and state and federal laws, including but not limited to federal controlled substance laws.

(d) The Lessee, at its sole cost and expense, shall be responsible for maintaining the exterior areas immediately adjacent to the City Market Building in a clean and sanitary condition in accordance with applicable City ordinances, including, but not limited to, grass maintenance, trash removal, and snow removal.

(e) The Lessee, at its sole cost and expense, shall be responsible for maintaining the interior portions of the City Market Building which it occupies, including the public restrooms and drinking fountain referenced in subparagraph (b) above, in a clean and sanitary condition in accordance with all applicable laws and ordinances.

(f) The Lessee, at its sole cost and expense, shall be responsible for maintaining any fixtures, furniture, and equipment, whether movable or affixed to the City Market Building, including any items, machines or other apparatus installed by the Lessee within the City Market Building, in a clean and sanitary condition in accordance with all applicable laws and ordinances.

(g) Any items, machines or other apparatus installed by the Lessee within the City Market Building shall comply with all applicable laws and ordinances.

(h) The Lessee, at its sole cost and expense, shall procure and maintain any licenses or requirements for the sale and consumption of alcoholic beverages at or related to the City Market Building.

(i) Any and all food preparation areas and food product shall be maintained in a clean and sanitary condition in accordance with all applicable laws and ordinances, including, but not limited to the Michigan Modified Food Code.

9. Representation and Warranties of the Lessee. As a material inducement for execution of this Agreement by the City, the Lessee represents and warrants to the City as follows:

(a) The Lessee is duly organized under the laws of the State of Michigan and is authorized to do business in the State of Michigan.

(b) The Lessee 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.

(c) The Lessee 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 the Lessee that would materially and adversely impair its ability to perform its covenants and obligations under this Agreement.

(d) The Lessee 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, not disclosed to the City in writing; and the Lessee 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.

10. 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; (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, and (iii) 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 the City that would materially and adversely impair its ability to perform its covenants and obligations under this Agreement.

11. Assignment or Use by Others. Conditions. Lessee may rent out stalls or portions of the Building and Premises to various food and beverage vendors, and merchandise and recording retailers, and may charge such rents pursuant to such conditions as it finds reasonable, provided however that Lansing based vendors or retailers shall be eligible for 20% reduction in rent rates during the first 6 months of any tenancy from Lessee. However, in selecting vendors, Lessee may not discriminate directly or indirectly on the basis of age, race, color, religion, national origin, sex, gender identity, sexual orientation, height, weight, handicap, marital status or political orientation or any other illegal basis. Lessee agrees to make a good faith effort to create a food destination that is diverse in offerings and audience. The Lessee may only sublet or otherwise assign the lease under this Agreement or its associated rights, privileges, duties or obligations with the City's prior written consent, and subject to the following protocol and conditions:

(a) If the Lessee determines, and substantiates to the satisfaction of the City, that Lessee cannot continue operation pursuant to the Lease due to demonstrable financial operational losses, Lessee must give written notice to the City of this determination along with its intent to sublet or otherwise assign the lease under this Agreement, no less than 15 days prior to Lessee taking any action under subsection (b);

- (b) Upon the City's receipt of notice under subsection (a), Lessee shall have 90 days to make all reasonable efforts, at Lessee's sole expense, to find a suitable and appropriate entity with financial wherewithal that can and will abide by the Terms and Conditions of this Agreement, including but not limited to Park related objectives set forth in Section 5, and take assignment or sublease from Lessee and assume Lessee's obligations;
- (c) Upon the City's receipt of notice under subsection (a), City agrees to accommodate Lessee's efforts and actions under subsection (b), including making the City Market Building available for tour or inspection as needed and meeting with potential sublessees or assignees;
- (d) If a suitable and appropriate entity is located pursuant to Lessee's efforts and actions under subsection (b), City will not unreasonably withhold its written consent to Lessee subletting or otherwise assigning the lease under this Agreement to the entity, provided the entity assumes the Lease obligations of Lessee in writing;
- (e) If a suitable entity is not located pursuant to Lessee's efforts and actions under subsection (b), this Agreement shall be terminated, subject to the provisions of Section 7.

12. Indemnification and Insurance. The Lessee hereby assumes all risk and liability that may arise out of the Lessee's occupation and use of the City Market Building under this Agreement. The Lessee agrees to pay the cost of reasonable attorney fees to defend the City, and its successors in office and interest, representatives, members and employees against any and all claims or liability, regardless of kind or character, for injuries, losses, or damages allegedly sustained by any person or entity in any way directly related to the Lessee's occupation and use of the City Market Building claim or liability. The Lessee shall add the City as an additional insured to all applicable insurance policies for the City Market Building, including but not limited to general casualty, fire, flood, and liquor liability (or dram shop) insurance.

13. Breach of Agreement. Except as otherwise provided in paragraph 7 of this Agreement, upon breach of this Agreement by either Party, the non-breaching Party may, at its option, seek specific performance of this Agreement or seek any other remedy available under this Agreement or at law or in equity, including, but not limited to, the Summary Proceedings to Recover Possession of Premises Act, 1961 PA 236, as amended, MCL 600.5701 *et seq.* The Parties agree that legal remedies are inadequate, that they will suffer irreparable harm upon the breach of this Agreement and that specific performance is appropriate and necessary under such circumstances. The Parties agree that for any action brought pursuant to or to enforce any provision of this Agreement, to the extent not otherwise prohibited by law, the prevailing Party shall, in addition to any other remedies, be entitled to recover its actual costs, including, without limitation, actual reasonable attorneys' fees and other legal expenses incurred to bring, maintain or defend any such action from its first accrual or notice through any appellate proceedings and collection proceedings.

14. Termination. After the expiration of the lease term, this Agreement is automatically renewed from month to month, but may be terminated by either Party giving to the other a 30-day written notice of intention to terminate. The City Market Building shall be considered vacated only after all areas including storage areas are clear of all Lessee's equipment, and keys and other property furnished for Lessee's use are returned to the City. Should the Lessee hold over beyond the termination date or fail to vacate all possessions on or before the termination date, the Lessee shall be liable for additional rent and damages that may include damages due to the City's loss of prospective new tenants.

15. Agreement Condition Precedent. No Party to this Agreement shall be obligated to undertake any duties under this Agreement unless and until: (i) the City's Mayor executes and delivers this Agreement pursuant to the City Council approval of this Agreement; (ii) the Lessee duly authorizes and executes, and delivers this Agreement; and (iii) Lessee has secured necessary financing within 6 months of fulfillment of (i) and (ii).

16. Assignment of Agreement. Except as provided for in this Agreement pursuant to Section 11, 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.

17. Interruption. During any period that Tenant's ability to operate is hindered by a force majeure (such as City or State orders which limit capacity or hours of operation), (1) rent for that same period shall be temporarily reduced in the same proportion as operating hours or capacity are ordered reduced, and (2) payment any such reduced rent will be deferred until, and amortized across, the next lease year.

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

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

Attn: Director
Department of Economic Development and Planning
316 North Capitol Avenue
Lansing, MI 48933

and with a copy mailed or delivered to:

Attn: City Attorney
Office of the City Attorney
124 West Michigan Avenue
City Hall-5th Floor
Lansing, MI 48933

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

1515 W Lafayette, Suite 201

Detroit, MI 48216

and with a copy mailed or delivered to:

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

19. Amendment. No 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.
20. Binding Effect. This Agreement shall be binding upon the Parties hereto and upon their respective successors and assigns.
21. 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.
22. 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.
23. 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.
24. 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.
25. Joint Drafting. This Agreement shall be construed as being jointly drafted by all Parties hereto.
26. Entire Agreement. The Agreement, including all exhibits attached 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.

[SIGNATURES ON FOLLOWING PAGE]

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

CITY OF LANSING

LESSEE
Lansing Shuffleboard and Social Club LLC

By: _____
Andy Schor, Mayor

By:  _____
Its: Member

By: _____
Chris Swope, Clerk

By: _____
Its: _____

Approved as to form:

By: _____
James Smiertka, City Attorney

I certify that funds are available in Account
No. _____

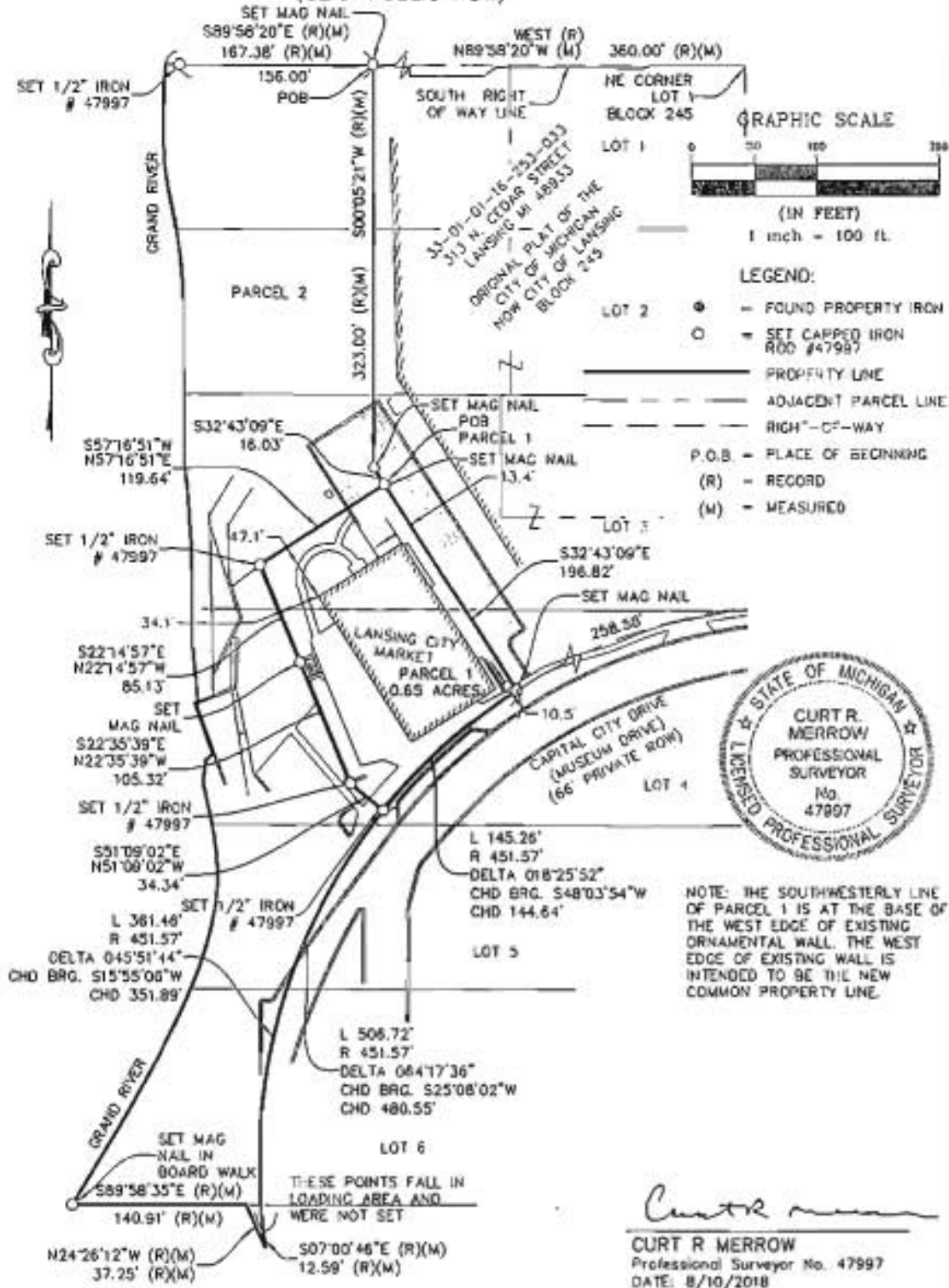
By: _____
Jeff Scharnowske, City Controller

EXHIBIT A
LEGAL DESCRIPTION AND DEPICTION

Certificate of Survey

SHIAWASEE STREET

(82.5' PUBLIC ROW)



SURVEYED FOR:
 CITY OF LANSING PARKS AND
 RECREATION DEPARTMENT
 200 N. FOSTER AVE.
 LANSING, MI 48912
 (517) 483-6936

FIELD: CRM	COMP: CRM
DRWG: RML	CHKD: CRM
FILE NUMBER: CITY OF LANSING CITY MARKET SURVEY	
SHEET 2 OF 3	SHEET(S)

Certificate of Survey

LEGAL DESCRIPTION AS PROVIDED:

TAX PARCEL 33-01-01-16-253-002 (325 CITY MARKET DRIVE)
COMMENCING 360 FEET WEST OF THE NORTHEAST CORNER OF LOT 1, THENCE S00°05'21"W 323 FEET;
THENCE S32°43'09"E 212.85 FEET; THENCE SOUTHWESTERLY ON A 451.57 FEET RADIUS CURVE TO THE
LEFT HAVING A CHORD BEARING S25°08'02"W 480.55 FEET; THENCE S02°00'46"E 12.59 FEET; THENCE
N24°26'12"W 37.25 FEET; THENCE N89°58'20"W 140.91 FEET TO GRAND RIVER; THENCE NORTHERLY ALONG
THE RIVER TO THE SOUTH RIGHT-OF-WAY OF SHIAWASSEE STREET; THENCE S89°58'20"E 167.38 FEET TO
THE POINT OF BEGINNING; BLOCK 245, ORIGINAL PLAT OF THE TOWN OF MICHIGAN, NOW CITY OF LANSING.

LEGAL DESCRIPTIONS AS SURVEYED:

PARCEL 1 (CITY MARKET BUILDING SITE)
COMMENCING 360.00 FEET N89°58'20"W (RECORDED AS WEST) OF THE NORTHEAST CORNER OF LOT 1, AND
S00°05'21"W 323.00 FEET AND S32°43'09"E 16.03 FEET TO THE POINT OF BEGINNING; THENCE
S32°43'09"E 196.82 FEET; THENCE SOUTHWESTERLY 145.26 FEET ALONG A 451.57 FEET RADIUS CURVE TO
THE LEFT HAVING A CHORD BEARING S48°08'54"W 144.64 FEET; THENCE N51°09'02"W 34.34 FEET; THENCE
N22°35'39"W 105.32 FEET; THENCE N22°14'57"W 85.13 FEET; THENCE N57°16'51"E 119.64 FEET TO THE
POINT OF BEGINNING; BLOCK 245, ORIGINAL PLAT OF THE TOWN OF MICHIGAN, NOW CITY OF LANSING,
CONTAINING 0.65 ACRES OF LAND, SUBJECT TO ANY AND ALL EASEMENTS AND/OR RESTRICTIONS OF
RECORD.

PARCEL 2
COMMENCING 360.00 FEET N89°58'20"W (RECORDED AS WEST) OF THE NORTHEAST CORNER OF LOT 1 TO
THE POINT OF BEGINNING; THENCE S00°05'21"W 323.00 FEET; THENCE S32°43'09"E 16.03 FEET; THENCE
S57°16'51"W 119.64 FEET; THENCE S22°14'57"E 85.13 FEET; THENCE S22°35'39"E 105.32 FEET; THENCE
S51°09'02"E 34.34 FEET; THENCE SOUTHWESTERLY 145.26 FEET ALONG A 451.57 FEET RADIUS CURVE TO
THE LEFT HAVING A CHORD BEARING S15°55'06"W 351.89 FEET; THENCE S07°00'46"E 12.59 FEET; THENCE
N24°26'12"W 37.25 FEET; THENCE N89°58'20"W 140.91 FEET TO GRAND RIVER; THENCE NORTHERLY ALONG
THE RIVER TO THE SOUTH RIGHT-OF-WAY OF SHIAWASSEE STREET; THENCE S89°58'20"E 167.38 FEET TO
THE POINT OF BEGINNING; BLOCK 245, ORIGINAL PLAT OF THE TOWN OF MICHIGAN, NOW CITY OF LANSING,
SUBJECT TO ANY AND ALL EASEMENTS AND/OR RESTRICTIONS OF RECORD.



Curt R. Merrow
CURT R MERROW
Professional Surveyor No. 47997
DATE: 8/10/2018



SURVEYED FOR:
CITY OF LANSING PARKS AND
RECREATION DEPARTMENT
200 N. FOSTER AVE.
LANSING, MI 48912
(517) 483-6936

FIELD: CRM	COMP: CRM
DRWG: RWL	CHKD: CRM
FILE NUMBER: CITY OF LANSING CITY MARKET SURVEY	
SHEET 3 OF 3	SHEET(S)

EXHIBIT B
IMPROVEMENTS DESCRIPTION

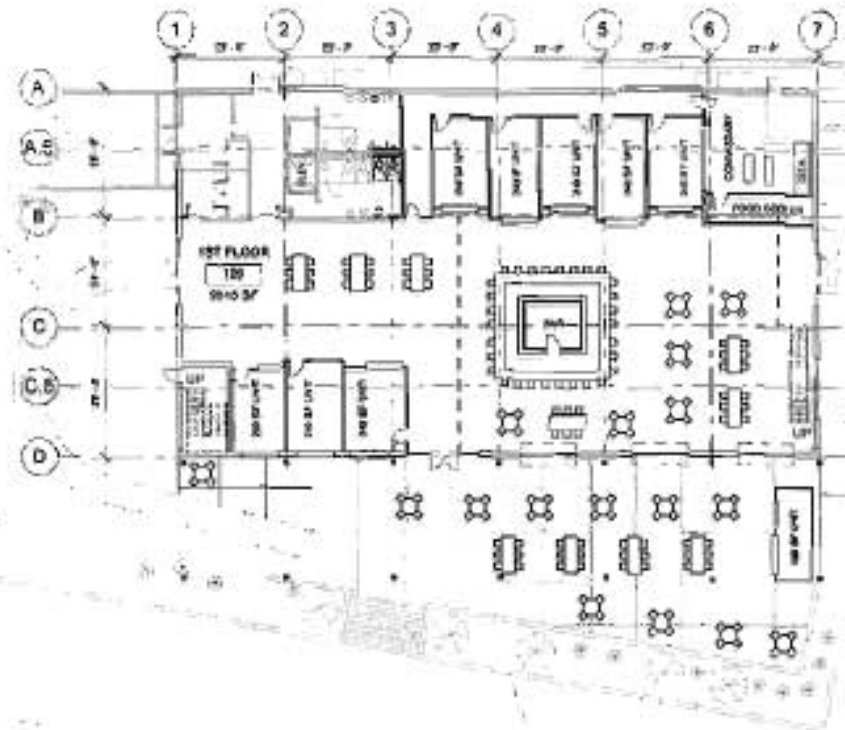
**(Technical Description will be Attached Upon Final Drafting,
and is Subject to Final Approval by the City Administration)**

EXHIBIT C
IMPROVEMENTS DEPICTION

(Formal Depictive Renderings will be Attached Upon Final Drafting,
and are Subject to Final Approval by the City Administration)

FLOOR PLANS

CONCRETE
FOUNDATION 1' - 0" x 1' - 0" x 1' - 0"
FOUNDATION 1' - 0" x 1' - 0" x 1' - 0"
TOTAL 1' - 0" x 1' - 0" x 1' - 0"
A-2 FOUNDATION 1' - 0" x 1' - 0" x 1' - 0"
NUMBER 2 LANTERN
PAC
1 PER 15 BATH 4.5' x 6.5'
1.5' x 1.5' x 4.5' x 6.5' x 6.5' x 6.5'
6.5' x 6.5' x 6.5' x 6.5' x 6.5' x 6.5'



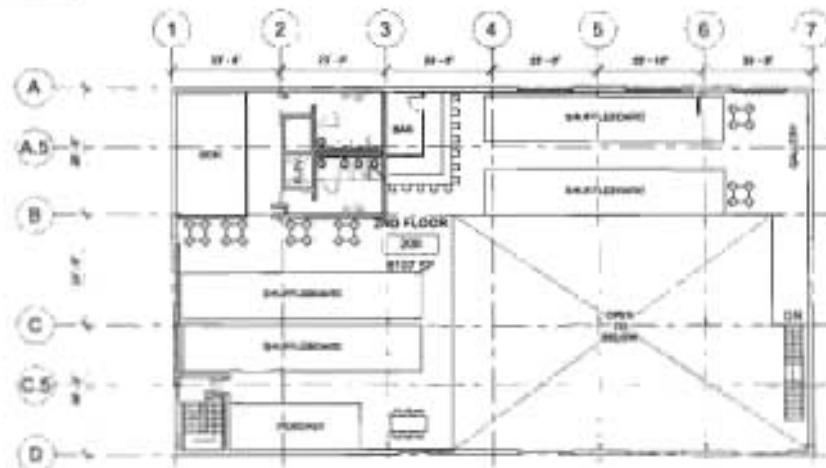
LANSING CITY MARKET
MUSEUM DRIVE, LANSING, MI

GROUND LEVEL
1" = 10' - 0"



DETROIT RISING

FLOOR PLANS



LANSING CITY MARKET
MUSEUM DRIVE, LANSING, MI

SECOND LEVEL
1" = 10'-0"



DETROIT **RI** SING

RESOLUTION #

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

WHEREAS, the City of Lansing is the owner of a structure and real property located at 325 Riverfront Drive (formerly “City Market Drive”), Lansing, MI 48912, collectively known as the New Lansing City Market (the “Market”); and

WHEREAS, the City has negotiated a long term lease for possession and operation of the Market, for greater than 5 years, with Lansing Shuffleboard and Social Club, LLC, (the “Lessee”) wherein Lessee will use the Market as a food hall and events space while continuing to provide City Parks and Recreation related activities for the benefit of the public, including, but not limited to, vending refreshments, providing public entertainment, community events, and space for public gatherings; and

WHEREAS, a certain Lease Agreement signed by the Lessee was placed on file with the Lansing City Clerk pursuant to Section 208.08 of the Codified Ordinances, on September 12, 2020, and has been on file for a period greater than thirty days; and

WHEREAS, pursuant to Section 208.08 of the Codified Ordinances a public hearing to consider whether to approve or reject the Lease Agreement shall be held, and notice of the public hearing shall be published in accordance with the Code Section.

NOW THEREFORE, BE IT RESOLVED, that a public hearing be held in the City Council Chambers on November 9, 2020, at 7:00 P.M., on the proposed lease of the New Lansing City Market to Lansing Shuffleboard and Social Club, LLC, pursuant to the Lease Agreement filed with the City Clerk; and

BE IT FURTHER RESOLVED, due to COVID -19, the public hearing may be held electronically in accordance with the Open Meetings Act in an effort to protect the health and safety of the public. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meetings using the website or phone number and Meeting ID provided on the November 9, 2020 meeting agenda.

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

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

PUBLIC IMPROVEMENT III

WHEREAS, under Resolution 2020-178 City Council set a public hearing for October 12, 2020 for the review, prior to confirmation, of said assessment roll MD-2020 Montgomery Drain Improvements; and

WHEREAS, given the Michigan Supreme Court's ruling on October 9, 2020 about the validity of the Governor's executive orders and the then-pending Senate Bill 1108 to amend the Open Meetings Act (OMA), the Council meeting on October 12, 2020 was canceled and therefore the public hearing was not held; and

WHEREAS, pursuant to the Public Improvement I/II, Resolution 2020-153, adopted by this Council on August 24, 2020, the City Assessor has completed and delivered to Council the assessment roll for necessary storm drainage improvements within the Montgomery Drain Drainage District, and furnished the following information:

PROJECT TITLE: Montgomery Drain Improvements

ASSESSMENT ROLL NAME: MD-2020

PROPERTY BENEFITTED: All lands in the city of Lansing, within the Montgomery Drain Drainage District, as defined by the Montgomery Drain Drainage Board and the Ingham County Drain Commissioner.

ESTIMATED COST OF IMPROVEMENTS: \$23,700,614.10

Item	City Share	Assessable to Property Owners
Storm Sewer Costs	\$11,850,307.05	\$11,850,307.05
Total	\$11,850,307.05	\$11,850,307.05

NOW, THEREFORE, BE IT RESOLVED the Lansing City Council will hold a public hearing on Monday, November 9, 2020, at 7:00 PM, via Zoom, to review, prior to confirmation, said assessment roll; and

BE IT FURTHER RESOLVED that the City Clerk and the Public Service Director are hereby requested to give due notice of this public hearing as provided by Chapter 1020, Section 1026.06(c)(1), of the Code of Ordinances by publishing notice of a public hearing in a daily newspaper of the City, not more than twenty days and not less than ten days before such public hearing, and Section 1026.06(c)(2), of the Code of Ordinances by mailing notices to all property owners within the special assessment district. Said notices shall include the time and place of the hearing; a description of the section or area of the City determined by Council to be within the assessment district as contained in the special assessment roll; the estimated interest rate of 3.20% and duration of 30 installment

payments if a property owner elects to pay in installments; where the special assessment roll is on file and may be examined; that any person aggrieved by the assessments as contained in the special assessment roll, or the necessity of the improvement, may file a written objection thereto which must be delivered to the City Clerk prior to the close of the hearing, or the person may appear and protest the same at the public hearing in person or by his or her representative; that the appearance and protest or written protest in the manner described is required if the person desires to appeal the amount of the assessment to the Michigan Tax Tribunal; and that any appeal to the Michigan Tax Tribunal must be taken within thirty days of the confirmation of the special assessment roll, provided a protest was timely made.

BE IT FURTHER RESOLVED, that pursuant to the requirement of 1962 PA 162, as amended, MCL 211.741, et seq.; MSA 5.3534(1), et seq., appearance and protest at the hearing in the special assessment proceedings is required in order to appeal the amount of the special assessment to the State Tax Tribunal. An owner or party in interest, or his or her agent may appear in person at the hearing to protest the special assessment, or shall be permitted to file his or her appearance or protest by letter and his or her personal appearance shall not be required.

BE IT FURTHER RESOLVED, due to COVID -19, the public hearing may be held electronically in accordance with the Open Meetings Act in an effort to protect the health and safety of the public. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meetings using the website or phone number and Meeting ID provided on the November 9, 2020 meeting agenda.