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MINUTES

Committee on Development and Planning
Thursday, September 22, 2016 @ 10:00 a.m.
10th Floor Conference Room, City Hall

CALL TO ORDER

The meeting was called to order at 10:05 a.m.

ROLL CALL

Council Member Jody Washington, Chair

Council Member Jessica Yorko, Vice Chair-left the meeting at 11:22 a.m.

Councilmember Judi Brown Clarke, Member- excused

OTHERS PRESENT

Sherrie Boak, Council Staff

Jim Smiertka, City Attorney- left the meeting at 11:25 a.m.

Susan Stachowiak, Planning & Neighborhood Development

Todd Heywood, City Pulse

Wayne Lynn, BWL

Melanie Lynn, BWL

Chris Knudstrup, BWL

Annie Rzepecki, BWL

Bob Ford, BWL

Dick Peffley, BWL

Steve Serkaian, BWL

George Stojic, BWL

Calvin Jones, BWL

Price Dobernack, Union

Mark Dotson, Deputy City

Jim Smiertka, City Attorney

Dave Erickson, Sierra Club

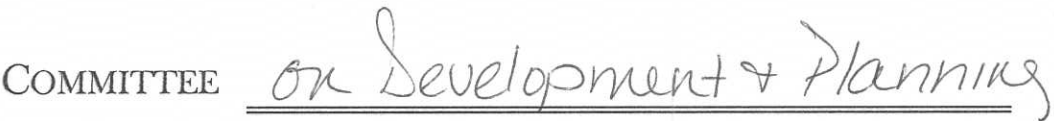
Sharon Burton, Garden Club

Dale Schrader, Preservation Lansing

Ryan Smith, Cherryhill Neighborhood

PUBLIC COMMENT

Public comment would be taken during each agenda item.



DATE 10-13-16

[illegible]



AGENDA
Committee on Development and Planning
Thursday, October 13, 2016 @ 10:00 a.m.
10th Floor Conference Room, City Hall
UPDATED 10/10/2016 p.m.

Councilmember Jody Washington, Chair
Councilmember Jessica Yorko, Vice Chair
Councilmember Judi Brown Clarke, Member

1. Call to Order

2. Public Comment on Agenda Items

3. Minutes:

- September 22, 2016

4. Discussion/Action:

- A.) RESOLUTION – Set a Public Hearing; Lease Agreement; City of Lansing & Zip the Grand, Inc.
- B.) RESOLUTION – Set a Public Hearing; OPRA District; 1141 South Washington Avenue & 1149 South Washington Avenue; L & P Properties, Inc.
- C.) RESOLUTION – Set a Public Hearing; OPRA Certificate; 1141 South Washington Avenue; L & P Properties, Inc.
- D.) RESOLUTION – Set a Public Hearing; OPRA Certificate; 1149 South Washington Avenue; L & P Properties, Inc.
- E.) RESOLUTION – Set a Public Hearing; OPRA District; 221 West Saginaw Street; Motion Properties
- F.) RESOLUTION – Set a Public Hearing; OPRA Certificate; 221 West Saginaw Street; Motion Properties

5) Other/Place on File

6) Adjourn

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MINUTES

MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE MINUTES FROM AUGUST 25, 2016 AS PRESENTED. MOTION CARRIED 2-0.

MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE MINUTES FROM SEPTEMBER 8, 2016 AS PRESENTED. MOTION CARRIED 2-0.

Council Member Washington amended the agenda to address item D) first, the ACT-9-2016.

RESOLUTION – ACT-9-2016; Sale of 1020 W. Hillsdale Street to Habitat For Humanity Capital Region (HFHCR); Relocation and Renovation of Scott Center

Ms. Stachowiak informed the Committee that Habitat for Humanity no longer wanted to accept the house. The topic will still stay on the November ballot, and the City will release a RFP to acquire someone to obtain the house and move it. Council Member Washington asked if the concept was still the same, and Ms. Stachowiak could not verify that since there is no prospective interest at this point. Council Member Washington then asked Mr. Peffley if BWL was still giving \$100,000 towards the item, and it was confirmed they would.

MOTION BY COUNCIL MEMBER YORKO TO WITHDRAW THE REQUEST FOR ACT 9-2016 DUE TO THE FACT THAT HABITAT FOR HUMANITY HAS WITHDRAWN THEIR INTEREST. MOTION CARRIED 2-0.

DISCUSSION/ACTION:

RESOLUTION – Design Lansing Comprehensive Plan Amendment; 125 W. Malcom X; LBWL Central Substation Project

RESOLUTION- SLU-3-2016; 125 W. Malcom X; LBWL Central Substation Project

RESOLUTION - ACT-7-2016; Authorize Construction of LBWL Central Substation Project

Council Member Washington started the conversations by stating that based on her comments from the last meeting she submitted questions to BWL representatives. Those questions were answered, however some of the answers were not what she was looking for, and even stated that her questions were not relevant and therefore chose not to answer. Since that time, there have been further discussions with BWL and at this point the Committee will move forward on obtaining more information at this meeting. Council Member Washington informed the BWL representatives that Council needs to have the information to make an educated vote. Mr. Peffley agreed to answer the important questions, and move forward.

Mr. Peffley first spoke on the history behind why some questions were not answered, stating that 2 years ago the BWL received an intent to sue from the Sierra Club, along with the fact they are working with the EPA on alleged violations at a plant. This provides a unique situation where they could not answer some of Council Member Washington's questions. Since her submission of questions, as recent as 9/21/2016, they have met with the Sierra Club to resolve their issue. A lot of the questions in the initial Council Member's letter were related to the disclosure the Sierra Club was asking for. Mr. Peffley clarified that when they responded to the questions, the perception of intent was not intended. Council Member Washington asked Mr. Peffley to reach out via phone in the future if that situation arises again.

Council Member Yorko referenced renderings from the last meeting presented by Mr. Schrader that depicted two different presentations, one showing distribution ducts and transition lines to South street, and another graphic that didn't show that. Since that meeting she had reached out to BWL and was informed the initial image that showed it, was a small distribution duct with a couple lines, and sufficient to serve residential on Washington Street. This was nowhere near the ducts that currently exist under Eckert to GM to downtown. The reason Council Member

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Yorko was given that it was taken from the later graphics was not to give people the understanding that the equal level of capacity was there. BWL confirmed in no way did they intend to mislead.

Council Member Washington began a detailed question and answer session going over some of her initial questions sent to BWL representatives on September 11, 2016. Council Member Washington asked the following questions with answers being provided by BWL representatives.

Question 3 We have been told that the substation would take about 18-24 months to build? Which statement is accurate? What is the actual written construction time table outlined for this project?

Mr. Stojic stated it will take 2 years.

Does the time table include all of the proposed amenities?

Mr. Stojic stated it does.

Have permits already been pulled for the Scott site? If so, what permits and from which agencies?

Mr. Peffley stated they had not been.

Council Member Washington deterred from the questions to inform the BWL representatives that she was encouraging them to put forth additional efforts for more community engagement, since in this case the park is just used by just a single neighborhood, but the entire City. The outreach needed to be broader. Mr. Peffley agreed it has been a learning curve, and noted they hope in the future they will not have to build in another park. Council Member Washington asked about the charrette that was done for the art on the wall, and why it was not for the actual design of the wall. Mr. Peffley confirmed the planning of the wall can be as low as 8' and they need to figure it out. There is flexibility on the wall, but it has to be a minimum of 8' for security. BWL can recreate the wall with options and will have community engagement.

Question 5 The BWL currently owns 117 properties in Lansing. How many more properties does he BWL think they will need in the future?

Mr. Peffley noted there are currently 123 well sites alone, substation locations, and booster locations, and very little of that property is vacant. Some of the vacant property is not in the City limits. Currently there is nothing on the drawing boards that show purchasing property at this point, and they do look 5 years out. The BWL future plans include replacing the coal plant

Question 6 Currently there are three parks that have sub-stations sitting on them. Does the BWL have plans in the future to be asking for more park land?

Mr. Peffley stated no.

Question 7 If the Scott Park site is not approved, what is the next financially prudent location for this substation (without the pole farm and other poles depicted in the presentation)?

Mr. Peffley stated they would like to consider Eckert, but if it is a viable option we would have moved on it already. It is an expensive option.

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BWL has stated it would add \$12.5 million dollars to the cost of the program to have it located at the current Eckert site. In the presentation given by BWL, the cost was \$42 million. Add to the question was the example that Council is being told it will cost \$30 million to fire up Eckert again.

BWL Representatives noted that is a small piece of the co-generation, it also backs up the electrical for South Lansing. A large percentage of the load covers downtown, the hospitals and the State. Council Member Washington asked if one on stand-by is enough. Mr. Peffley informed the Committee that it takes 8 hours to start the coal to make electricity, and the base load of electricity is downtown. If they relied on Eckert to cold start for the downtown area it would take 8 hours to create electricity. Therefore they keep three running constantly so if one needs repair, there are two other already running that can immediately kick in, they do not have to cold start them. Mr. Serkaian added to the conversation that it is \$30 million to repower Eckert and \$30 million to build. To keep the plant 7 years after the retirement date could take \$60 million. Mr. Peffley stated that in 2020 when Eckert is due to close, to extend it for 60 days, they would need to put in improvements and that could extend 7 years because the improvements would be to the turbine generators which have a 7 year life. Council Member Washington asked if the cost to keep one on standby is less than \$30 million. Mr. Peffley confirmed it that would be less, but to extend its life would take 3 turbines. Half of the funds are to comply with the EPA requirements, so the cost of 1 is 1/3 of the cost. Mr. Stojic stated that they want to run a plant on a 50 year plan with 3 turbines, and not rely on one turbine. Mr. Peffley assured the Committee that if they rehab one turbine, it would be less, but rehab does not make it new.

Question 9 A separate substation will need to be built for GM. If the "sweet spot" is Townsend and Malcolm X, would that be the probable site for the GM substation? Added to this question, it was noted that it appears GM could consider their power station on the other side of the garden, and Council Member Washington stated she does not want 2 acres of substation, a park, then another substation.

Mr. Peffley stated that area on GM is not the site they have been told. BWL is involved in the GM substation design, however the location will be where GM wants it on their property. Council Member Washington asked if they could encourage them not to put their substation next to the City. Mr. Knudstop confirmed they have been in discussions with GM and they are proposing sites not near this site, and closer to MLK.

Council Member Washington referenced the BWL budget and note it appeared they were projecting a 2.4 increase in rates, and asked if that was every year or compounded. Mr. Peffley assured her it was not a rate hike, it is an inflation projection. BWL does understand that as they move forward with the new generating plant, they will have to have plan for an increase, but until it is sized they won't know what that will be. The 2.4 is not approved by the Board, it is in there just as a place holder. It is being used as a placeholder for a projection of 2.4 for each of the 3 years. Council Member Washington asked if this would be on top of the other price; Mr. Peffley confirmed.

Question 10 What is the tipping point that will no longer make the BWL competitive with private utility companies? Where are we in that regard?

Mr. Peffley stated they are 2.5% under Consumers Energy and hope to be double digits for residents. Consumers is cheaper in the commercial in rates, but BWL is still getting commercial customers based on name sake. It is been heard that Consumers is proposing a rate hike, however BWL has a goal to be double digits under the

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competitors. They are competitive with Consumers and DTE, and have a goal of 9% under Consumers, and a larger spread under DTE. Council Member Yorko referenced earlier community review team meetings, where they discussed the closing and replacements. At that time when they spoke on rates increases, 2.4 was predicted, and to keep Eckert it would be an additional 4.5%. There is an understanding that replacing the baseload from Eckert will be an additional expense to the Board, and you would expect there would be a cost to that, and therefore she questioned if the 2.4 predicts those costs. Mr. Peffley confirmed they do not. Council Member Yorko made it noted that she was comfortable with an additional rate increase for replacing the base load, but not with a rate increase to keep Eckert open. Mr. Peffley acknowledged her statement, and reiterated that maintenance on a new plan will be less than maintenance on the old one.

Question 12 *Who was contacted at GM in regard to building the substation on Townsend? Has there been any further discussion?*

Mr. Serkaian confirmed that GM indicated there is no room on their Grand River plant site for a station, and the Mayor's office also confirmed that after their discussions.

Question 14 *If two smaller substations were built, not on park land, what site would be considered and how much would it cost?*

Mr. Knudstop stated that they did look at two smaller options, but size wise they would add up to 50% more space than one. And then when they looked around for property there were not a lot of sites.

Question 16 *We need to build a new gas plant? When is this to be built? Where is the proposed site?*

Mr. Peffley stated BWL has hired a firm to look at sites, where they can be closed to the gas line, and close to a transmission line. BWL hopes to have information by early 2017 of proposals for those sites. The BWL will keep the City updated on those locations, even if they are not in the City limits. Council Member Yorko asked if land acquisition is a component. Mr. Peffley confirmed they have engaged neighborhoods and some options include rehabs of existing sites. Council Member Yorko asked if there is land acquisition needed for the next ones they have foreseen. Mr. Peffley stated there is not, they will be rehabs. The only proposed new one is on the south side, across from a current one that will be removed. That land has already been purchased.

Mr. Dotson left the meeting at 10:39 a.m.

Mr. Peffley continued stated that the existing are rehabilitations of the sites and the public in those areas have been engaged. Council Member Washington asked that they also contact the Council Members in the Wards those will take place.

Question 20 *Is REO operating at 100%?*

Mr. Peffley stated that REO operates at whatever load is needed. It is capable of running at full load. Currently with the recent weather conditions, the electric side is running at full load, and the steam side is dispatched on an as need basis

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Question 21 *Are the emissions from the Erickson Plant actually higher than what is coming from Eckert?*

Mr. Peffley assured the Committee that depends on how the load is. If Erickson is not on line, there are no emissions, but it is capable of 160 megawatts, if running one turbine. They are in compliance with all state guidelines.

Question 22 *Erickson needs to come down by 2030?*

Mr. Peffley noted that it will not be the same as what they are doing now. Erickson does not have a substation required to be built to be shut down. It is also not required to be shut down by 2030, but might be part of the negotiations with the Sierra Club. This date of 2030 will be close to the end of its life, and is currently just a date that is floating around.

Question 27 *How will the size of substations increase/decrease with the advancement of technology?*

Mr. Peffley noted there maybe percentage but the transformer is rated for a certain amount of power.

Question 28 *What are the industry best practices (not the cheapest) for the amount of poles and wires on aerial installations?*

Mr. Peffley acknowledged it is not the industry best practice, but the lowest cost.

Mr. Dotson returned to the meeting at 10:45 a.m.

Mr. Peffley continued, noting that with poles there is higher risk of a storm taking them down, and currently the service is already underground from Eckert GM to the park. If they go underground from an alternate site that is where the cost will rise. BWL has been asked to show the lowest cost option. Council Member Yorko asked if BWL had a recommendation on how to handle the scenario if it was being installed above ground. Mr. Peffley stated they have the costs for underground.

Question 29 *Does the BWL have the power of eminent domain?*

Mr. Peffley stated their attorney has told them yes. Mr. Smiertka stated that the City does, but BWL is just a part of the City. It has been restricted to a "public purpose" not private.

Question 34 *What is the life expectancy of underground distribution lines?*

Mr. Knudstrop informed the Committee it was 40 years. The duct banks have 40-60 years, and the cable 40 years. Mr. Peffley added that the can replace a cable in the duct bank any time without any disruption. Mr. Knudstrop noted that there are some duct banks that are 80-90 years old they still use.

Question 35 *When was the BWL first notified that Ecker must be closed? Who determined the timeline?*

Mr. Stojic there was no specific date. When they started reviewing REO Town in 2011-2012 they also reviewed smaller units in the Moores Park area. Mr. Peffley also noted that when steam was taken off, units 1-3 were shut down spring 2016 and REO picked

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those up. Now they are running units 4-6, and those are the ones the new ones will replace.

Question 38 *If Bob Ford was hired a year before the unveiling of the project, why was the community not involved during that time?*

Council Member Washington asked BWL to do this process different in the future.

Question 40 *What is the actual cost for placing the substation at the Scott site without the proposed amenities?*

The BWL representatives stated \$27.9 million.

Question 43 *I was first told that the Diamond Reo site would cost \$18 million more than the Scott site? If 4% would raise about \$70 million, what would the percentage actually be for the \$18 million?*

Mr. Peffley stated that it is \$18 million to build it, then they roll in cost of extending the life of Eckert. Mr. Serkaian confirmed that the first answer was a quick response answer, so the new cost was based on comparative cost analysis. The 2.4% is a place holder.

Question 46 *The 2020 - 2022 budget shows \$1.3million each year for capital outlay for Eckert. If Eckert is closing, what is the capital outlay money going to be used for?*

Mr. Peffley acknowledged that when the question came through the first time he was not able to locate the details or placeholder for his in their budget. The current projection will include work on the dam and that will stay ongoing. There will also be exiting costs to make the property available for a developer. These would be a line item under capital outlay for Eckert. Council Member Washington asked them to continue to search for the reference and if they locate it to forward to Council staff.

Question 47 *Which other entities, i.e., engineering companies, etc., were involved in choosing the Scott site for the substation?*

This was referenced only, and the answers were provided in the original responses.

Question 49 *Is this due to a NERC reliability requirement? If so cite the specific regulation. Do the Eckert coal burning units need to be in active service to meet this requirement and if so why? [This is the most likely scenario, but as soon as the new substation is up and running they will be able to satisfy this requirement and Eckert can be retired]*

Mr. Peffley responded no.

Question 50 *Is this due to a MISO capacity requirement? If so cite the specific regulation. Can the Eckert coal burning units be retired while still using the existing substation and other infrastructure at the Eckert site until the new substation is complete? In other words, can you purchase the limited capacity requirement (about 80-100 MW) from the national grid on a short term basis to satisfy the MISO requirement? (regardless of whether or not this is the BWL's preference)*

Mr. Peffley responded no.

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Question 51 *Is this due to an EPA pollution regulation? If so cite the specific regulation. If this is the result of the Mercury and Air Toxics rule (MATS), the BWL has already installed temporary controls at the Eckert station to meet this. Was this only allowed for a limited time?*

Mr. Peffley stated no.

Question 52 *Is this due to a negotiated consent agreement with the EPA and/or MDEQ such as the EPA Notice of Violation of March 2015 for permit violations at the Erickson power plant? If so is the final agreement available to support the need to retire Eckert by January 1, 2020?*

Mr. Peffley stated no.

Question 53 *If one or more of these are true then document the costs associated with failing to meet the requirement.*

It was not this question was irrelevant.

Question 54 *I know we are planning on \$100,000 to move the house, \$40,000 endowment for the garden and \$20,000 every three years for art, but what is the actual cost of each of the other amenities? The viewing platform? Improvements to the actual riverfront? Art on the walls? Fish platforms? The walls around the substation? Demolition of the existing wall? Building of the new parking lot? Actual cost of the bike path and walking path that is proposed? Is this this 4 million minus the 160,000.*

Mr. Peffley noted that art is rolled into the \$4 million. BWL has not done details or specifications on the components, so they are assuming it will be \$4 million based on discussion with the consultants. BWL has placed in the worst case scenario for the tallest wall, priced out at 25', and he noted the wall does not have to be the same height all the way around. Council Member Washington encourage BWL to look at the Lou Adado park sculpture and have it moved to the site. Mr. Peffley stated there is a 8-10' wall proposed along Washington and they are working to move that back to provide a greenspace. Mr. Knudstrop stated they could move it back 10', but continue to work on the projection.

Question 55 *Will trees need to be cut down to do a new parking lot?*

BWL representatives noted that trees and parking lot design will come up in the design process.

Council Member Washington acknowledged BWL for their apology and response. Council has been in a unique position, and every organization and public approaches them with their point of view. The Charter leaves it up to Council to make this difficult decision. Council Member Washington encouraged BWL to consider the fact that the Eckert property is river front property, and provides an opportunity for them to do something wonderful. The question then was raised on what BWL vision is for renewable energy. Mr. Peffley noted that LEAP has been involved with bringing prospective buyers to the Eckert site well before this project is done so that they are out in front of this to make sure people know it will be available. As regards to renewals, the State itself is struggling with a renewal portfolio goal. BWL has a goal of 20%, and has a goal of 40% clean energy by 2030. It was noted that no other utility has that goal in this area. BWL is working on a solar project of 20 megawatts in Delta now, and working on a wind farm up north. They currently have a contract with hydro power, and will use that to offset

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the running of new plant. There is no economical large storage of electricity. BWL will continue to work with the Sierra Club with where they are going with renewables.

Council Member Yorko asked if BWL was securing grants for the renewables. Mr. Peffley acknowledged they have not reached out yet to secure grants but have spoken to people about 20 megawatt storage. They have a goal 30% by 2020, increasing in each year.

Council Member Washington again acknowledged BWL for their apology and responses, and encouraged them to work and communicate with Council in the future.

Council Member Yorko also acknowledged the difficulty in the decision, and understanding the emotional connection to the parks. All the concerns are important and equally valuable. Taking in to account all the information, and all the opportunities presented, the City needs reliable electricity that people can afford. She concluded by stating she believed that what is needed can be addressed on this site, understanding they will lose something historical.

MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE RESOLUTION FOR THE DESIGN LANSING COMPREHENSIVE PLAN AMENDMENT; 125 W. MALCOM X; LBWL CENTRAL SUBSTATION PROJECT. MOTION CARRIED 2-0.

Ms. Burton spoke in opposition to the differential costs on cleanup, rates, and the numbers presented for the project. Ms. Burton asked for continued research on other sites, and power from other sites. Mr. Peffley assured Ms. Burton they have looked at other sites but those could take longer to build, there could be an acquisition of land, building of underground banks, and issue of not being able to use some of the road ways because of existing utilities underground. Ms. Burton asked about the site at the 7th Day Adventist Church, and Mr. Peffley stated it would not big enough to build on and so they would have to move into the surrounding properties, and if they would not sell to them, they would have to condemn, and then the cost gets higher.

Council Member Washington assured the group Council will continue to take questions but at this point they are at a standstill, and for the sake of the City they have to move forward at this time. The full Council will see the items for a vote on September 26, 2016.

RESOLUTION- SLU-3-2016; 125 W. Malcom X; LBWL Central Substation Project

MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE RESOLUTION FOR SLU-3-2016.

Mr. Smiertka corrected the proposed resolution, stating that the SLU is not conditional so any references to such should be removed. Therefore the second resolved clause should be eliminated, and the words "with conditions" should be removed from the third resolved clause.

MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE RESOLUTION FOR SLU-3-2016 WITH THE AMENDMENTS MADE BY LAW. MOTION CARRIED 2-0.

RESOLUTION - ACT-7-2016; Authorize Construction of LBWL Central Substation Project

MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE RESOLUTION FOR ACT-7-2016. MOTION CARRIED 2-0.

Council Member Yorko left the meeting at 11:22 a.m.

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Mr. Erickson supported the questions that were asked, and asked the Committee to considering placing those questions to outside experts. One question he noted asked was what was the definition of “clean energy”, noting that GM recently stated they want 40% renewables. Mr. Peffley confirmed that BWL would support that.

Mr. Smiertka left the meeting at 11:25 a.m.

Mr. Erickson asked about the other forms of energy BWL has, and Mr. Stojic informed the group that BWL is well balanced. Mr. Peffley also added that BWL continues its conversations with the Sierra Club, but due to negotiations on the pending case, they have been asked to keep any negotiations silent. Mr. Erickson concluded his statements stated his opposition to the answering of the questions, stating again that other experts should weigh in. Council Member Washington stated clearly to the group that she has continued to keep these submissions open for months to get answers, and she has performed her due diligence. The times of secrecy and lack of transparency need to come to an end, and it is important to change the culture in the City, she concluded.

Mr. Schrader also acknowledged Council Member Washington for her work, but spoke in opposition on a decision that was made in an hour. Mr. Schrader encouraged the Committee and Council to learn from the experience and stated his fear that BWL will again “push” in the future. He noted there are no specifications on the proposed amenities and wall. Mr. Peffley acknowledged that BWL has learned through this process, and they understand that some residents agree and some do not, but the outcome is the correct outcome.

Council Member Washington reminded the group that she could not speak to how the vote would be on Monday, September 26, 2016, but they do need to go forward, and Council will be left to deal with the issues. The studies could go on for year, and they would still not have all the answers. At some point the question has to be called.

Mr. Smith spoke in opposition to the process that was followed, and point to the issue that the restoration of the Eckert property will be paid for by the City when they are asked to approve bonds, Brownfields and other forms to make the property buildable. Council Member Washington suggested that BWL consider making that property into a greenspace. Mr. Smith referenced his recent visit to an urban garden under renovation by DTE in Detroit as an option for BWL to consider. His suggestion was that BWL take the \$4 million to commission a new park in downtown, or enhance a park, or even consider an indoor park for year round concessions. Mr. Peffley stated that BWL has no issue with the discussions, and can even work with the City Parks and Recreation Director.

Adjourn at 11:37 a.m.

Submitted by,

Sherrie Boak, Recording Secretary,

Lansing City Council

Approved by the Committee on _____



Chris Swope
Lansing City Clerk

September 16, 2016

City Council President and Members of the Lansing City Council
10th Floor City Hall
Lansing, MI 48933

Dear President and Council Members:

Pursuant to Article 8, Chapter 4, Section 8-403.3 of the Lansing City Charter, on September 13, 2016 the Law Department placed on file in my office a Lease Agreement for Property between the City of Lansing and Zip the Grand, Inc. for a portion of Parcel 33-01-01-09-453-082 (West side) and a portion of Parcel 33-01-01-09-452-004 (East side), Adado Riverfront Park, City of Lansing, Michigan. Under the Charter, a public hearing may be held on this matter on or after October 13, 2016.

This document is available for review at the office of the City Clerk or at <http://www.lansingmi.gov/clerk> under the heading of Documents Placed on File.

Sincerely,

A handwritten signature in black ink that reads "Chris Swope".

Chris Swope, CMC
Lansing City Clerk

LICENSE AGREEMENT
BETWEEN CITY OF LANSING
AND
ZIP THE GRAND, INC.

1.1 THIS LICENSE AGREEMENT made this _____ day of _____ 2016 by and between the **CITY OF LANSING, (Licensor)**, a municipal corporation with offices at 124 W. Michigan Avenue, Lansing, Michigan 48933 and **ZIP THE GRAND, INC., dba CAPITOL ZIP (Licensee)**, with offices at 4718 Norfolk Circle, Portage, MI 49024 agree as follows:

PREMISES

2.1 Licensor licenses the Premises described below to Licensee who has inspected the Premises and is satisfied with the condition of the Premises, in the present "as is" condition, Licensee understands that this license is personal and exclusive to it and does not convey an interest in land to licensee. Furthermore, Licensee shall, at its sole cost and expense, make all repairs necessary to maintain the Premises, at a minimum, in its current condition as of the Commencement Date during the Term of this License. This obligation of the Licensee shall include, but not be limited to all improvements, modifications or alterations to or on the Premises approved in writing by the Licensor; said Premises generally described as:

Parcel 33-01-01-09-453-082 (West side) and Parcel 33-01-01-09-452-004 (East side) and as further depicted in attachment A to this agreement.

THIS LICENSE AGREEMENT WILL BE AMENDED TO INCLUDE THE COMPLETE LEGAL DESCRIPTION OF THE SUBJECT PROPERTY UPON A SURVEY BEING CONDUCTED BY THE LICENSEE WITH ALL COSTS FOR OBTAINING SUCH SURVEY TO BE THE RESPONSIBILITY OF THE LICENSEE.

TERM

3.1 The Term of this License will commence on _____ ("hereafter known as the effective date"), unless sooner terminated or extended in accordance with the provisions of this License, terminate on the Termination Date.

3.2 On the Termination Date, this License shall automatically terminate without any further action by either party, except that either party may cancel this License with or without cause, for any reason or for no reason, upon giving the other party sixty (60) days advance written notice of the intent to cancel. Upon giving the required notice, this License shall terminate. However, claims for unpaid license fees or other liability arising out of Licensee's possession and use of the premises shall survive any termination. After termination of this License, the Licensors shall take full possession of the property in accordance with Sec. 20.1 of this License.

3.3 The Termination Date shall be ten (10) years from the execution of this License or sooner if either party provides notice in accordance with Sec. 3.2 of this License.

LICENSE FEE

4.1 Licensee shall pay to Licensors the Annual Base License Fee. The Annual Base License Fee shall be pro-rated for any partial year in which the Annual Base License Fee is owed. In the event of a termination of this License by either Party, the Licensee shall not be entitled to a partial refund of the Annual Base License Fee paid by Licensee to Licensors. The Annual Base License Fee for year 2016 shall be paid to the Licensors on or before the Commencement Date, but thereafter shall be due the first of each month. Any payment thirty (30) days late will be assessed a late fee of \$50.00.

4.2 Licensee will pay the total sum of \$6,000 annually, to be paid at the beginning of each new license year, for a period of ten (10) years with the option to renew for two (2) consecutive five (5) year periods at the same rate. The right to renew is conditioned on the Licensee providing Licensors written notice of the intent to renew at least 90 days before the expiration of the current license term. The monthly fee reflects the right to use the 5,000 sq. ft. open park space on the East side of the Grand River as well as the 100 sq. ft. of open park space located on the West side of the Grand River along E. Saginaw Street, as per the attached parcel descriptions.

4.3 In addition, to the annual license fee, Licensee, will pay 2.5% of gross gate admissions directly to the Licensors's Parks and Recreation Department for the same period. Gross gate receipts are the revenue received from regular ticket sales. Special events, souvenir sales, corporate outings and revenue generated in conjunction with school field trips to Capitol Zip will not be subject to the fee paid to the Licensors. Annual review/audit of gate admission sales will be conducted between Capitol Zip and the City Parks and Recreation Board for computation of the gross receipts. *The*

percentage of the gross gate receipts will be renegotiated after each five (5) year term not to be less than 2.5%. Regardless of the amount of the license fee, it represents a fair value for the issuance of the license and its collection by the Licensee does not create an agency, partnership or any other business relationship beyond what is specifically described in this agreement.

PARKING AREAS

5.1 During hours of operation Licensee will have non-exclusive access to the existing on-site parking area located on the grounds on the East side of the Grand River. In addition, Licensee will provide approximately Fifty (50) parking spaces and bathroom facilities at the adjacent retail location of 711 Center Street for patrons.

DATES AND HOURS OF OPERATION

6.1 Anticipated months of downtime include December, January and February. However, Licensee reserves the right to operate twelve (12) months a year (weather permitting). The expected hours of operation will be Sunday through Thursday until 11:00 p.m. and Friday and Saturday until 12:00 a.m. Exceptions to the evening hours would be permitted during special events such as July 4th, with written permission by the Licensor. Start times will be determined by the Licensee but in no circumstance will the operations begin before 8:00 a.m.

TAXES AND ASSESSMENTS

7.1 The Parties acknowledge that these Premises are not currently subject to real property tax. However, should the taxable status of the Premises change and otherwise be subject to real property taxation, Licensee shall be responsible for all personal and real property taxes, including but not limited to ad valorem taxes, assessments (general, special, ordinary or extraordinary), sewer rents, rates and charges, taxes based upon the receipt of rent (other than federal, state and local income taxes), payments in lieu of taxes and any other federal, state or local charge (general, special, ordinary or extraordinary) which may now or hereafter be imposed, levied or assessed against the Premises.

7.2 Licensee shall pay in full to the appropriate taxing authority, before becoming delinquent, all municipal, county and state taxes assessed, levied or imposed upon Licensee's interest and all furniture, fixtures, machinery, equipment, apparatus, systems and all other personal property of any kind located at, placed in, or used in connection with the Premises or its operation, and Licensee shall produce evidence of the payment of such taxes to Licensor in

the form of the paid receipt from the municipal taxing and assessing authorities at least ten (10) days prior to the date on which such taxes are due.

UTILITIES

8.1 Licensee shall pay, as they become due, all charges directly related to the applicable service provider for water, gas, heat, electricity, sewer, refuse collection, janitorial services, phone and other utilities used upon or furnished to the Premises. Any and all security deposits required by the companies providing such utilities shall be the sole responsibility of Licensee.

USE OF PREMISES

9.1 The Premises shall be used and occupied by Licensee for the primary purpose of operating a zip line from a 40' tower on the west side of the Grand River along E. Saginaw Street to a tower located at the NE corner of E. Saginaw Street and the Grand River and for no other purpose without the prior written consent of Licensor. Any request by the Licensee to use the Premises for any other purpose other than the Designated Use stated above shall be made in writing to the Director of Parks and Recreation for the City of Lansing.

9.2 Licensee also intends to construct a 6' – 8' safety fence around the parameter of the 50' x 100' East side of Premises in conformance with all construction and zoning codes of the City of Lansing. The area surrounding the West side structure is self-contained and will stay locked and secured on a twenty-four hours a day, seven days a week (24/7) basis unless required access is needed for employee entrance or maintenance.

9.3 Licensee shall be expressly prohibited from charging any form of fee for persons parking on the Premises without the prior written consent of the Licensor. Any request by the Licensee to charge any form of parking fee on the Premises shall be made in writing to the Director of Parks and Recreation for the City of Lansing.

9.4 Licensee shall not use or permit any person to use the Premises in any manner which violates or would create liability under federal, state or local laws, ordinances, rules, regulations or policies. Licensee shall not (either with or without negligence) cause or permit the escape, disposal or release of any biologically or chemically active or other hazardous substances or materials in violation of applicable laws. Licensee shall not allow the storage or use of such substances or materials in any manner not sanctioned by law, or allow to

be brought into or onto the Premises any such materials or substances except to use in the ordinary course of Licensee's business. Without limitation, hazardous substances and materials shall include those described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq., any applicable state or local law and the regulations adopted under these acts. In all events, Licensee shall indemnify Licensors in the manner elsewhere provided in this License against any liability resulting from any release of hazardous substances or materials on the Premises caused by Licensee or persons acting under or for Licensee. Licensee shall obtain and maintain any permits, licenses, authorizations, and approvals required by applicable statutes, codes, ordinances, and rules and regulations for the use and occupancy of the Premises for the Designated Use.

ENVIRONMENTAL DISCHARGE OR RELEASE

10.1 Any "Response Action" or remediation required due to a release, discharge, disposal, or exacerbation of a previous release, caused by the acts or omissions of Licensee or Licensee's agents, employees, representatives, contractors, guests or invitees shall be completed at the sole cost and expense of Licensee. Licensee shall indemnify, hold harmless and defend Licensors against any and all claims whether they are made by a government agency with jurisdiction over the Premises or a third party arising from or related to a release, discharge, disposal, or exacerbation of a previous release at the Premises.

CONSTRUCTION ON PREMISES

11.1 Licensee intends to construct a 40' – 45' ropes course on the East side of the Grand River and a 40' zip line tower on the West side of the Grand River along E. Saginaw Street and utilize a 50' x 100' parcel of park land at the NE corner of E. Saginaw Street and the Grand River, along with a 10' x 10' area at the NW corner of E. Saginaw Street and the Grand River. All construction will meet applicable set back requirements and federal, state and local codes.

11.2 Licensee acknowledges that any permits or approval needed related to wetlands or flood plains will be obtained from the Department of Environmental Quality and any other necessary agencies as required by law.

LIGHTING

12.1 Licensor will permit a lighted sign to be affixed to the West side zip line tower that complies with the local sign ordinance. In addition, the Licensee will provide all necessary lighting for the safety of the public during evening and night hours.

SECURITY DEPOSIT

13.1 Licensee shall be required to tender the Security Deposit of Fifteen Thousand Dollars (\$15,000.00) on or before the Commencement Date of this License. The Security Deposit shall be paid to the Licensor and held in a separate account by the Parks and Recreation Department of the City of Lansing. The City shall not access the Security Deposit unless this License is terminated, for any reason, and the Premises require repair, maintenance, deconstruction or remediation. Licensor shall only return that portion of the Security Deposit that remains after the Premises are restored to the condition prior to the commencement of this License.

FIRE DAMAGE OR CASUALTY

14.1 Licensee shall give immediate notice to Licensor of fire or other casualty at the Premises. If fifty percent (50%) or more of the Buildings or Premises are damaged or destroyed by fire or other casualty, Licensor shall have the right, but not the obligation, to terminate this License by giving written notice to Licensee of its election to terminate, notice to be given within ninety (90) days after the occurrence.

Any license fee or other charges owing shall be paid through such date. If Licensor terminates this License due to such damage to the Buildings or Premises, Licensee shall assign the insurance proceeds applicable to the Building and all other improvements on the Premises to Licensor.

If less than fifty percent (50%) of the Buildings or Premises are damaged or destroyed by fire or other casualty or Licensor does not terminate this License as set forth above, Licensee shall promptly repair or restore the Premises in a manner and to a condition equal to that existing prior to the occurrence of the damage or casualty, in which case any applicable insurance proceeds shall be used for such repair or restoration. There shall be no abatement of the license fee or other charges in the event of any fire or other casualty.

Notwithstanding the foregoing, each party shall look first to any insurance coverage that it carries or any insurance coverage that such party would have if it met the requirements of this License, before making any claim against the other party for recovery for loss or damage

resulting from fire or other casualty, and to the extent that such insurance, or the insurance required by this License, if in force, would have paid the claim, Licensors and Licensee each release and waive all right of recovery against the other or anyone claiming through or under each of them by way of subrogation or otherwise. Licensee acknowledges that Licensors will **n o t** carry insurance on the Premises or on Licensee's personal property, fixtures, and improvements, and agrees that Licensors will not be obligated to repair any damage or replace same.

REPAIRS AND MAINTENANCE

15.1 Licensee shall, at its own expense, maintain, repair and replace the Premises and every part to the satisfaction of Licensors. Licensors agrees to mow all grass areas and clear snow from parking lots and sidewalks where applicable, excluding 711 Center Street, Lansing. Licensee shall, at its own expense, maintain the Premises in a clean and safe condition in accord with all federal, state and local laws, ordinances and regulations and comply with all directions of any health officer, fire marshal, building inspector or other governmental agency having jurisdiction over the Premises.

15.2 Licensee shall repair all damage to the Premises caused by any activity of Licensee, including but not limited to the negligence or willful acts of Licensee, its agents or invitees. All repairs shall be of quality equal to the original construction.

15.3 There shall be no reduction in the Annual Base License Fee or other charges nor shall there be any liability on the part of Licensors by reason of inconvenience, annoyance or injury to Capitol Zip arising from Licensee or others making or failing to make any repairs, alterations, additions or improvements to any portion of the Premises.

15.4 Licensee shall keep the Premises free of liens for work claimed to have been done for, or materials furnished to Licensee and will hold Licensors harmless from any liens which may be placed on the Premises except those attributable to the acts of Licensors. In the event a construction or other lien shall be filed against the Premises or Licensee's interest as a result of any work undertaken by Licensee, or as a result of any repairs or alterations made by Licensee, or any other act of Licensee, Licensee shall, within thirty (30) days after receiving notice of the lien, discharge the lien. In the event Licensee shall fail to discharge such lien, Licensors shall have the right, but not the obligation, to terminate this Licensee or procure such discharge, and Licensee shall pay the cost of procuring such discharge to Licensors as an additional fee within thirty (30) days of Licensors receiving such discharge.

INSURANCE AND INDEMNITY

16.1 Licensee shall maintain in full force and effect policies of broad form general liability insurance providing coverage for the Premises, including without limitation all parking areas, with policy limits of not less than \$1,000,000.00 per occurrence, and a \$3,000,000.00 limit in excess or umbrella liability coverage, exclusive of defense costs, and without any provision for a deductible or self-insured retention. In the event any policy or policies of insurance which Licensee is required to maintain shall be written on a "claims made" insurance form, each policy shall have a "retroactive date" which is not later than the Commencement Date. Furthermore, should insurance coverage be written on a "claims made basis", Licensee's obligation to provide insurance shall be extended beyond the termination date for an additional period equal to the statute of limitations for such claims in the State of Michigan.

16.2 Licensee shall maintain in full force and effect through the Term of this License policies of all risk property insurance covering its personal property, fixtures and improvements to their full replacement cost, without deduction for depreciation. Such insurance shall provide the broadest coverage then available, including coverage for loss of profits or business income or reimbursement for extra expense incurred as the result of damage or destruction to all or a part of the Premises.

16.3 Licensee shall also maintain in full force and effect through the Term of this License insurance against fire, vandalism, malicious mischief and such other perils as are included from time to time in a standard extended coverage endorsement and special extended coverage endorsements, insuring the Premises and all improvements in an amount equal to the full replacement cost of the Building and all other improvements on the Premises.

16.4 All insurance policies which Licensee is required to maintain shall, in addition to any of the foregoing, be written: By carriers authorized to write such business in the State of Michigan reasonably acceptable to Licensors; Name Licensors and Licensee's lender as additional named insured; Be endorsed to provide that they shall not be canceled or changed materially in any manner adverse to Licensors for any reason except on thirty (30) days prior written notice to Licensors and Licensee's lender; and, Provide coverage to Licensors whether or not the event or occurrence giving rise to the claim is alleged to have been caused in whole

or in part by the acts or omissions or negligence of the Licensee. All insurance coverages required shall be primary and non-contributing to any comparable liability insurance (including self-insurances) carried by the Licensor. Licensee shall deliver certificates of insurance evidencing the coverage and endorsements required and copies of the original policies to Licensor within ten (10) business days of the License Date, together with receipts evidencing payment of the premiums. Licensee shall deliver certificates of renewal for such policies to Licensor not less than thirty (30) days prior to the expiration dates.

16.5 If Licensee fails to provide any of the insurance or subsequently fails to maintain the insurance in accordance with the requirements of this License, Licensor may, but is not required to, procure or renew such insurance to protect its own interests only, and any amounts paid by Licensor for such insurance will owed by Licensee to Licensor, due and payable on or before thirty (30) days of the effective date of such policy. Licensor and Licensee agree that any insurance acquired by Licensor shall not cover any interest or liability of Licensee.

ASSIGNMENT

18.1 Licensee shall not assign this License or sublet the Premises, without the prior written consent of Licensor. Any attempted assignment or subletting without consent shall be invalid.

INSPECTION OF PREMISES

19.1 Licensee shall permit Licensor or Licensor's authorized agency, agent, representative or employee to enter the Premises during normal business hours for the purpose of inspecting the Premises.

NOTICE

20.1 All bills, notices, statements, communications or demands (collectively "Notices") required under this License must be in writing. Any Notices from Licensor to Licensee will be deemed to have been duly delivered if a copy has been personally delivered, or mailed by United States mail, postage prepaid, or sent via courier service to Licensee at the address of the Premises or other address as Licensee may later designate in writing. Any Notices from Licensee to Licensor will be deemed to have been duly and sufficiently given if delivered to Licensor in the same manner as provided above at the Licensor's Office, care of the Mayor of the City of Lansing with a copy to the Director of Parks and Recreation, City of Lansing, or at such other address as Licensor

may designate in writing.

DEFAULT

21.1 Each of the following shall be deemed an event of default: (i) Licensee's failure to make payment of the License Fee due within ten (10) days after Licensee's receipt of written notice of such failure from Licensor; or (ii) Licensee's failure to perform any of the covenants of this License for more than ten (10) days after Licensee's receipt of written notice of such failure from Licensor; or (iii) if Licensee shall petition for relief under the bankruptcy laws, or shall make an assignment for the benefit of creditors, or if a receiver of any property of the Licensee be appointed in any action, suit or proceeding by or against Licensee, or if Licensee shall admit to any creditor or to Licensor that it is insolvent, or if the interest of Licensee in the Premises shall be sold under execution or other legal process, or if Licensee shall abandon the Premises.

21.2 Upon the occurrence of an event of default, Licensor shall have the right to terminate the License and shall be entitled to immediate possession of the Premises. Licensor may make its election to terminate known to Licensee by delivery of a notice of termination. Such termination shall be immediately effective and Licensor shall be entitled to commence an action in summary proceedings to recover possession of the premises. Licensee waives all notice in connection with such termination, including by way of illustration but not limitation notice of intent to terminate, demand for possession or payment, and notice of re-entry.

21.3 No receipt of money by the Licensor from the Licensee after the termination of this License shall reinstate, continue or extend the term, nor affect or waive any notice given by the Licensor to the Licensee prior to receipt of such money.

21.4 If Licensor at any time terminates this License, in addition to any other remedies it may have, it may recover from Licensee all damages it may incur by reason of any default, including the cost of recovering the Premises, reasonable attorneys' fees, and damages equal to unpaid License Fees, all of which amounts shall be immediately due and payable from Licensee to Licensor.

21.5 The Licensor's rights, remedies and benefits provided by this License shall be cumulative, and shall not be exclusive of any other rights, remedies and benefits allowed by law.

21.6 Licensors and Licensees agree that they shall rely solely upon the terms of this License to govern their relationship. They further agree that reliance upon any representation, act or omission outside the terms of this License shall be deemed unreasonable, and shall not establish any rights or obligations on the part of either party.

21.7 One or more waivers of any covenant of the License by either party shall not be construed as a waiver of a subsequent breach of the same covenant and the consent or approval by Licensors to or of any act by Licensees requiring Licensors' consent or approval shall not be deemed a waiver of Licensors' consent or approval to or of any subsequent similar act by Licensees. No breach of a covenant of this License shall be deemed to have been waived by Licensors, unless such waiver: (i) is in writing signed by Licensors; (ii) identifies the breach, and (iii) expressly states that it is a waiver of the identified breach.

21.8 Notwithstanding anything to the contrary, Licensees acknowledge and agree that its obligation to pay the License Fee under this License is an independent covenant, and that such obligation to pay is not subject to setoff or recoupment in connection with any action for summary proceedings to recover possession of the Premises.

21.9 Licensors and Licensees waive trial by jury in connection with any action for summary proceedings to recover possession of the Premises. Further, Licensors and Licensees waive trial by jury in connection with any action arising out of or relating to the covenants of this License, with the exception of actions for personal injury or property damage.

21.10 In the event that Licensors are required to bring an action arising out of the covenants of this License, or in the event Licensors undertake an action for summary proceedings to recover possession of the Premises, Licensees agree to pay Licensors such reasonable costs and attorneys' fees as Licensors may incur in connection with such action.

21.11 Licensees shall not be entitled to surrender the Premises to avoid liability for the License fee due to the condition of the Premises, nor shall any purported consensual surrender be effective unless expressly agreed to in a writing signed by the Licensors.

21.12 Licensors and Licensees represent that in the event an action for summary proceedings to recover possession of the Premises is commenced, the amount set forth in this License shall be deemed a reasonable license fee for the Premises.

SURRENDER OF PREMISES

22.1 Upon termination Licensee shall surrender the Premises clean and in the same condition as on the Commencement Date, except for any improvements allowed to remain by Licens or, and promptly deliver all keys for the Premises to Licens or. Any damage to the Premises resulting from removal of trade fixture, personal property or similar items shall be repaired at Licensee's expense. All expenses incurred by Licens or in connection with repairing or restoring the Premises to the designated condition, together with the costs, if any, of removing any property of Licensee shall be invoiced to Licensee and be payable within ten (10) days after receipt of invoice. If payment is not made on the invoice, Licens or shall be entitled to access the Security Deposit to pay the invoice.

PERFORMANCE COVENANTS

23.1 If Licensee fails to pay any money or to perform any covenant required by this License, Licens or shall have the right, but not the obligation, to make such payment or access the Premises and perform such acts. All sums so paid or incurred by Licens or and all incidental costs, including without limitation the cost of repair, maintenance or restoration of the Premises, shall be deemed additional fees and shall be due and payable within thirty (30) days of Licensee's receipt of any invoice.

HOLDING OVER

24.1 If Licensee remains in possession of the Premises after the Termination Date, it will be deemed to be occupying the Premises as a month to month Licensee, subject to all the covenants of this License to the extent that they can be applied to a month to month Licensee, except that the monthly installment of the base license fee for each month will be Ten Thousand Dollars and 00/cents (\$10,000 .00) payable on the first day of each month Licensee holds over.

INDEMNIFICATION, RELEASE OF LIABILITY AND WAIVER

25.1 Licensee shall, at its expense, indemnify, defend, and hold harmless Licens or, its licensees, servants, agents, employees and contractors, from any loss, damage, claim, liability

or expense, (including reasonable attorney fees) of any kind, type or description, including without limitation, claims for bodily injury, disease, death, property damage or environmental clean-up arising directly or indirectly out of or in connection with the acts or omissions of Licensee, its licensees, servants, agents, employees, guests, invitees or contractors, or the failure of Licensee to comply with any covenant of this License.

25.1 Licensee shall require that each participant in activities provide by the Licensee execute a release and waiver agreement as set forth in Attachment B to this agreement.

NON - DISCRIMINATION

26.1 Licensee shall not discriminate in the hiring of any employees or contractors, in its use of the Premises or in any activities conducted or permitted on the Premises, directly or indirectly on the basis of age, race, color, religion, national origin, sex, height, weight, handicap, marital status, sexual orientation, political orientation or any other illegal basis.

ADDITIONAL PROVISIONS

27.1 Time is of the essence in all provisions of this License.

27.2 Any waiver, alternation, modification or amendment of this License shall not be effective unless in writing and signed by all parties.

27.3 This License shall be binding upon and the benefits shall inure to the heirs, successors, representatives and assigns of the parties.

27.4 Any failure of either party to enforce at any time any term or condition of this License shall not be construed to be a waiver of such term or conditions or of right of either party to enforce such term or condition.

27.5 This License constitutes the entire agreement between the parties and there are no agreements or understandings concerning the subject matter of this License which are not fully set forth.

27.6 If any provision of this License is invalid or unenforceable, the other enumerated provisions shall be liberally construed to effectuate the purpose and intent of this License.

27.7 Any notice, demand, request or other instrument which may be or is required to be given under this License shall be sent by United States mail, certified, return receipt requested, postage prepaid and shall be address, if to the Licensor, to the Parks and Recreation Department, 200 N. Foster Avenue, Lansing, MI 48912 with a copy to the City Attorney's Office, 5th Floor, City Hall, 124 W. Michigan Avenue, Lansing, MI 48933, or such other address as Licensor may designate by written notice and if to Lessee, to Capitol Zip Inc., 565 Comstock Avenue, NE, Grand Rapids, MI 49505, or at such other address that Licensee shall designate by written notice.

27.8 The parties represent that their respective signatories execute this Lease with the requisite authority to sign and bind the parties and that each party respectfully has complied in all respects with their applicable by-laws, charters, articles and constitutions and have passed all necessary resolutions before executing this License.

27.9 All questions with respect to the construction of this License shall be determined in accordance with applicable Michigan law.

27.10 Reference in this License to persons, entities and items have been generalized. Licensor or Licensee may mean one person, entity or thing whenever such usage is appropriate or a group of persons acting as a single entity. Similarly, pronouns of one gender should be considered interchangeable with pronouns of the other gender.

CONDITIONS PRECEDENT

28.1 This License is conditioned upon the Licensee obtaining financing within Three Hundred and Sixty-Five Days (365) from the date of execution of this agreement. Furthermore, Licensee is committed to repaying any financing obtained for this business enterprise within five (5) years of the date of signing this License.

IN WITNESS WHEREOF, Licensor and Licensee have executed this License as of the date below.

LICENSOR:

The City of Lansing
a Michigan municipal corporation

By_____

Name: Virgil Bernero
Its: Mayor

LICENSEE:

Zip the Grand, INC.
DBA: Capitol Zip

By_____

Name:
Its: Authorized Agent

Approved as to form:

James D. Smiertka
Lansing City Attorney

Chris Swope
Lansing City Clerk

BY THE COMMITTEE ON DEVELOPMENT & PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, Zip the Grand, Inc., dba Capitol Zip has requested a lease of the property below:

Parcel 33-01-01-09-453-082 (West Side) and Parcel 33-01-01-09-452-004 (East Side), Adado Riverfront Park, City of Lansing, Michigan.

was placed on file with the City Clerk on September 13, 2016.

NOW THEREFORE BE IT RESOLVED that a public hearing be held on Monday, November 14, 2016, at 7:00 PM in the City of Lansing Council Chambers, 124 W. Michigan, in consideration of the request from Zip the Grand, Inc., dba Capitol Zip for its lease of the Adado Riverfront Park.



Virg Bernero, Mayor

OFFICE OF THE MAYOR

9th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933-1694
(517) 483-4141 (voice)
(517) 483-4479 (TDD)
(517) 483-6066 (Fax)

TO: City Council President Judi Brown Clarke and Councilmembers

FROM: Mayor Virg Bernero

DATE: 9-21-16

RE: Resolution—Setting a Public Hearing for Obsolete Property Rehabilitation
District— 1141 South Washington Ave. and 1149 South Washington Ave.— L & P
Properties, Inc

The attached correspondence is forwarded for your review and appropriate action.

VB/rh
Attachment



Virg Bernero, Mayor

City of Lansing
Inter-Departmental
Memorandum



To: Virg Bernero, Mayor

From: Karl Dorshimer

Subject: CITY COUNCIL AGENDA ITEM - 1141 South Washington Ave. and 1149 South Washington Ave

Date: 9-21-16

Attached please find the OPRA District and Certificate Applications from L & P Properties, LLC. for properties located at 1149 and 1141 South Washington Ave. Please forward these to the Lansing City Council so they may receive and refer them to the Committee on Development and Planning.

Attachments

BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolution to Set a Public Hearing Regarding the Establishment of an Obsolete
Property Rehabilitation Act District
1141 & 1149 South Washington Avenue

WHEREAS, L & P Properties, Inc., the owner of the properties located at 1141 & 1149 South Washington Avenue in the City of Lansing, Michigan (the "Properties") has requested in writing that the City of Lansing establish an Obsolete Property Rehabilitation District (the "District") as enabled by Public Act 146 of 2000, the "Obsolete Property Rehabilitation Act" (the "Act"), and

WHEREAS, the owner of the Properties, L & P Properties, Inc., is the legal owner of greater than fifty percent (50%) of all taxable value of the properties located within the proposed District, and

WHEREAS, the properties in question and the proposed boundary of the District is legally described as:

The South 21.8 feet of the West 83 feet of Lot 29 of Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-095, and, the North 2 rods of the West 83 feet of Lot 30, Sparrow's Subdivision of Block 200, Original Plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-076 and the West 17.5 feet of the East 65.5 feet of Lots 29 and 30, Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-100, and

WHEREAS, the Act requires that before establishing the District the Lansing City Council shall give written notice by certified mail to the owners of all real property within the proposed District and shall hold a public hearing in order to provide an opportunity for owners, residents or other taxpayers of the City of Lansing to appear and be heard regarding the establishment of the District.

NOW THEREFORE BE IT RESOLVED that a public hearing be held in the City Council Chambers of the City of Lansing, 10th Floor, Lansing City Hall, Lansing, Michigan, on Monday, _____ at 7:00 p.m. for the purpose of receiving public comment on the establishment of an Obsolete Property Rehabilitation District under the provisions of Public Act 146 of 2000 and that the Clerk shall publish once in a publication of general circulation within the community a notice of the scheduled public hearing and that the notice appear not less than 10 or more than 30 days prior to the date of the hearing and that the Clerk also cause the owner of property within the proposed district to receive written notice of the public hearing to be delivered by certified mail.

City of Lansing
Notice of Public Hearing

The Lansing City Council will hold a public hearing on _____ at 7:00 p.m. in the City Council Chambers, 10th Floor, Lansing City Hall, Lansing, MI, for the purpose stated below:

To afford an opportunity for all residents, taxpayers of the City of Lansing, other interested persons and ad valorem taxing units to appear and be heard on the establishment of an Obsolete Property Rehabilitation District (the "District"), pursuant to and in accordance with the provisions of the Obsolete Property Rehabilitation Act, Public Act 146 of 2000, for properties located at 1141 & 1149 South Washington Avenue, Lansing, Michigan, legally described as follows:

The South 21.8 feet of the West 83 feet of Lot 29 of Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-095, and, the North 2 rods of the West 83 feet of Lot 30, Sparrow's Subdivision of Block 200, Original Plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-076 and the West 17.5 feet of the East 65.5 feet of Lots 29 and 30, Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-100

Creation of this District will enable the owner or potentially the developer of property within the District to apply for an Obsolete Property Rehabilitation Exemption Certificate which would result in the abatement of certain property taxes. Further information regarding this issue may be obtained from Karl Dorshimer, Lansing Economic Area Partnership (LEAP), 1000 S. Washington Ave., Suite 201, Lansing, MI 48910, 517-702-3387.



September 16, 2016

Lansing City Clerk
City Hall
124 West Michigan Ave.
Lansing, MI 48933

Re: Obsolete Property Rehabilitation Act District Application
L & P Properties, LLC
OPRA District to include 1149 South Washington Ave and 1141 South Washington Ave

General Project Description

The undersigned applicant L & P Properties, LLC, who is also the owner of the above properties named above, hereby requests the establishment of an OPRA District covering those properties. The adjacent properties have been inspected by the City of Lansing assessor who determined that they both suffer from functional obsolescence. The applicant intends to rehabilitate both buildings as follows:

1149 South Washington Ave will be redeveloped into a location that includes restaurant/food concept (Blue Owl Coffee, Co.) on the main level with commercial space (Michigan Creative) on the second level.

1141 South Washington Ave will be redeveloped into a location that includes a restaurant/food concept on the main level and residential apartments on the second level.

District Establishment Purpose

In an effort to maximize the utility value of two separate but adjacent functionally obsolete buildings, the applicant is committed to doing complete rehabilitation of both buildings. In that context, and as more fully detailed below, the developer will incur considerable renovation costs. The establishment of the OPRA District, with its multi-year property tax deferment benefit is vital to making the economics of both of these projects work. The Developer will be applying separately for two separate OPRA Certificates one for each building.



Community Benefits

Redevelopment of the two property will provide numerous benefits to the City. While the specific facilities would undergo considerable renovation, the entire area would benefit from the transformation of two vacant buildings into a thriving and alive properties.

Basis of Eligibility

Both properties have been determined in writing by the City of Lansing Assessor to be Functionally Obsolete as require and per the Michigan PA 146 of 2000 as amended.

Project Costs and Phasing

The OPRA tax abatement is a significant component of this project. The petitioner has estimated the renovation costs of both projects combined at approximately \$709,500. The renovation estimate are as follows:

1149 South Washington	1st Floor	2nd Floor	Totals
Architect Drawings	\$6,000	\$6,000	\$12,000
Fire Rated Ceiling/Abatement	\$0	\$0	\$0
Demolition	\$2,500	\$5,000	\$7,500
Mechanical, Electrical, plumbing	\$35,000	\$50,000	\$85,000
Loft Apartment Construction	\$0	\$0	\$0
Restrooms	\$25,000	\$10,000	\$35,000
Flooring	\$10,000	\$0	\$10,000
Finishings	\$5,000	\$30,000	\$35,000
Outside Staircase	\$20,000	\$0	\$20,000
Entryway/Façade	\$0	\$0	\$0
Grading Pavement	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
subtotal	\$103,500	\$101,000	\$204,500
Personal Property Investment			\$90,000



1141 South Washington	1st Floor	2nd Floor	Totals
Architect Drawings	\$7,500	\$7,500	\$15,000
Fire Rated Ceiling/Abatement	\$20,000	\$0	\$0
Demolition	\$0	\$5,000	\$5,000
Mechanical, Electrical, plumbing	\$20,000	\$40,000	\$60,000
Loft Apartment Construction	\$0	\$220,000	\$220,000
Restrooms	\$25,000	\$0	\$25,000
Flooring	\$15,000	\$0	\$15,000
Finishings	\$0	\$0	\$0
Outside Staircase	\$0	\$0	\$0
Entryway/Façade	\$35,000	\$0	\$35,000
Grading Pavement	<u>\$0</u>	<u>\$20,000</u>	<u>\$20,000</u>
subtotal	\$122,500	\$292,500	\$415,000
Personal Property Investment			\$0
Grand Project Total			\$709,500



Property Taxable Value and Legal Description

The Specifics on the property are as follows:

Property Address: 1149 South Washington Ave.
Owner's Name: L & P Properties, LLC
Sq Feet of Building: Approximately 2880
Tax ID Number: 61-1774451
Tax Value Land: \$3,200 (2016)
Tax Value Building: \$58,900 (2016)
SEV Value Total: \$62,100 (2016)
Legal Description: The South 21.8 feet of the West 83 feet of Lot 29 of Sparrow's
Subdivision of Block 200 of the original plat of City of Lansing, Ingham County,
Michigan -- Parcel Number: 33-01-01-21-257-095

Property Address: 1141 South Washington Ave.
Owner's Name: L & P Properties, LLC
Sq. Feet of Building: Approximately 4200
Tax ID Number: 61-1774451
Tax Value Land: \$3,200 (2016)
Tax Value Building: \$39,602 (2016)
SEV Value Total: \$85,300 (2016)
Legal Description: The North 2 rods of the West 83 feet of Lot 30, Sparrow's
Subdivision of Block 200, Original Plat of City of Lansing, according to the
recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County,
Michigan -- Parcel Number: 33-01-01-21-257-076 (building)

The West 17.5 feet of the East 65.5 feet of Lots 29 and 30, Sparrow's Subdivision
of Block 200 of the original plat of City of Lansing, according to the recorded plat
thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel
Number: 33-01-01-21-257-100 (vacant lot)

Thank you in advance for your assistance and consideration in this matter.

Sincerely,

Name

L & P Properties, LLC., Owner Nicholas Pope

BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolution to Set a Public Hearing Regarding the Establishment of an Obsolete
Property Rehabilitation Act District
1141 & 1149 South Washington Avenue

WHEREAS, L & P Properties, Inc., the owner of the properties located at 1141 & 1149 South Washington Avenue in the City of Lansing, Michigan (the "Properties") has requested in writing that the City of Lansing establish an Obsolete Property Rehabilitation District (the "District") as enabled by Public Act 146 of 2000, the "Obsolete Property Rehabilitation Act" (the "Act"), and

WHEREAS, the owner of the Properties, L & P Properties, Inc., is the legal owner of greater than fifty percent (50%) of all taxable value of the properties located within the proposed District, and

WHEREAS, the properties in question and the proposed boundary of the District is legally described as:

The South 21.8 feet of the West 83 feet of Lot 29 of Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-095, and, the North 2 rods of the West 83 feet of Lot 30, Sparrow's Subdivision of Block 200, Original Plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-076 and the West 17.5 feet of the East 65.5 feet of Lots 29 and 30, Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-100, and

WHEREAS, the Act requires that before establishing the District the Lansing City Council shall give written notice by certified mail to the owners of all real property within the proposed District and shall hold a public hearing in order to provide an opportunity for owners, residents or other taxpayers of the City of Lansing to appear and be heard regarding the establishment of the District.

NOW THEREFORE BE IT RESOLVED that a public hearing be held in the City Council Chambers of the City of Lansing, 10th Floor, Lansing City Hall, Lansing, Michigan, on Monday, **(Insert Date)** at 7:00 p.m. for the purpose of receiving public comment on the establishment of an Obsolete Property Rehabilitation District under the provisions of Public Act 146 of 2000 and that the Clerk shall publish once in a publication of general circulation within the community a notice of the scheduled public hearing and that the notice appear not less than 10 or more than 30 days prior to the date of the hearing and that the Clerk also cause the owner of property within the proposed district to receive written notice of the public hearing to be delivered by certified mail.

City of Lansing
Notice of Public Hearing

The Lansing City Council will hold a public hearing on **(Insert Date)** at 7:00 p.m. in the City Council Chambers, 10th Floor, Lansing City Hall, Lansing, MI, for the purpose stated below:

To afford an opportunity for all residents, taxpayers of the City of Lansing, other interested persons and ad valorem taxing units to appear and be heard on the establishment of an Obsolete Property Rehabilitation District (the "District"), pursuant to and in accordance with the provisions of the Obsolete Property Rehabilitation Act, Public Act 146 of 2000, for properties located at 1141 & 1149 South Washington Avenue, Lansing, Michigan, legally described as follows:

The South 21.8 feet of the West 83 feet of Lot 29 of Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-095, and, the North 2 rods of the West 83 feet of Lot 30, Sparrow's Subdivision of Block 200, Original Plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-076 and the West 17.5 feet of the East 65.5 feet of Lots 29 and 30, Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-100

Creation of this District will enable the owner or potentially the developer of property within the District to apply for an Obsolete Property Rehabilitation Exemption Certificate which would result in the abatement of certain property taxes. Further information regarding this issue may be obtained from Karl Dorshimer, Lansing Economic Area Partnership (LEAP), 1000 S. Washington Ave., Suite 201, Lansing, MI 48910, 517-702-3387.

BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolution to Establish an Obsolete Property Rehabilitation Act District
1141 & 1149 South Washington Avenue

WHEREAS, the owner of properties located at 1141 & 1149 South Washington Avenue in the City of Lansing, Michigan (the "Properties") has requested in writing that the City of Lansing establish an Obsolete Property Rehabilitation District (the "District") as enabled by Public Act 146 of 2000, the Obsolete Property Rehabilitation Act (the "Act"), and

WHEREAS, the owner is L & P Properties, Inc., hereinafter called the "Developer", and

WHEREAS, the Developer is the legal owner of greater than fifty percent (50%) of all taxable value of the properties located within the proposed District, and

WHEREAS, the Developer has, in writing, requested the District for the Properties and for the City of Lansing to take all necessary steps and actions to establish the District on their behalf, and

WHEREAS, the properties in question and the proposed boundary of the District is legally described as:

The South 21.8 feet of the West 83 feet of Lot 29 of Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-095, and, the North 2 rods of the West 83 feet of Lot 30, Sparrow's Subdivision of Block 200, Original Plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-076 and the West 17.5 feet of the East 65.5 feet of Lots 29 and 30, Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-100, and

WHEREAS, the Act requires that before establishing the District the Lansing City Council shall give written notice by certified mail to the owners of all real property within the proposed District and shall hold a public hearing in order to provide an opportunity for owners, residents or other taxpayers of the City of Lansing to appear and be heard regarding the establishment of the District and that such notice was given and said public hearing was held on (**Insert Date**);

NOW THEREFORE BE IT RESOLVED that the following properties are hereby approved and established as an Obsolete Property Rehabilitation District as provided by Public Act 146 of 2000 legally described as:

The South 21.8 feet of the West 83 feet of Lot 29 of Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-095, and, the North 2 rods of the West 83 feet of Lot 30, Sparrow's Subdivision of Block 200, Original Plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-076 and the West 17.5 feet of the East 65.5 feet of Lots 29 and 30, Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-100.

BE IT FINALLY RESOLVED that this resolution shall not be construed as the City Council's approval of any future application for an Obsolete Properties Rehabilitation Exemption Certificate for the Developer or any other applicant.



Virg Bernero, Mayor

OFFICE OF THE MAYOR

9th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933-1694
(517) 483-4141 (voice)
(517) 483-4479 (TDD)
(517) 483-6066 (Fax)

TO: City Council President Judi Brown Clarke and Councilmembers

FROM: Mayor Virg Bernero

DATE: 9-21-16

RE: Resolution— Setting a Public Hearing for OPRA Certificate—1141 South
Washington Ave.— L & P Properties, Inc

The attached correspondence is forwarded for your review and appropriate action.

VB/rh
Attachment

Application for Obsolete Property Rehabilitation Exemption Certificate

This form is issued as provided by Public Act 146 of 2000, as amended. This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

INSTRUCTIONS: File the original and two copies of this form and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) Please see State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. A statement from the assessor of the local unit of government, describing the required obsolescence has been met for this building, is required with each application. Rehabilitation may commence after establishment of district.

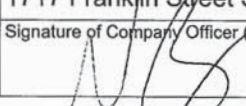
Applicant (Company) Name (applicant must be the OWNER of the facility) L & Properties, LLC								
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code) 805 Lantern Hill Dr. East Lansing, MI 48823								
Location of obsolete facility (No. and street, City, State, ZIP Code) 1141 South Washington Avenue, Lansing, MI 48910								
City, Township, Village (indicate which) City of Lansing		County Ingham						
Date of Commencement of Rehabilitation (mm/dd/yyyy) 10/01/2016 est	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 12/31/2018	School District where facility is located (include school code) Lansing School District -33020						
Estimated Cost of Rehabilitation \$415,000.00	Number of years exemption requested 10	Attach Legal description of Obsolete Property on separate sheet						
Expected project likelihood (check all that apply): <table border="0"><tr><td>☒ Increase Commercial activity</td><td>☐ Retain employment</td><td>☒ Revitalize urban areas</td></tr><tr><td>☒ Create employment</td><td>☐ Prevent a loss of employment</td><td>☒ Increase number of residents in the community in which the facility is situated</td></tr></table>			☒ Increase Commercial activity	☐ Retain employment	☒ Revitalize urban areas	☒ Create employment	☐ Prevent a loss of employment	☒ Increase number of residents in the community in which the facility is situated
☒ Increase Commercial activity	☐ Retain employment	☒ Revitalize urban areas						
☒ Create employment	☐ Prevent a loss of employment	☒ Increase number of residents in the community in which the facility is situated						
Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment _____								
Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the following box if you wish to be considered for this exclusion. ☐								

APPLICANT'S CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by Public Act 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.

It is further certified that the undersigned is familiar with the provisions of Public Act 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.

Name of Company Officer (no authorized agents) Nicholas Pope	Telephone Number (517) 402-2224	Fax Number (517) 485-0009
Mailing Address 1717 Franklin Street SE, East Grand Rapids, MI 49506		Email Address nicholaspope15@gmail.com
Signature of Company Officer (no authorized agents) 		Title Owner

LOCAL GOVERNMENT UNIT CLERK CERTIFICATION

The Clerk must also complete Parts 1, 2 and 4 on Page 2. Part 3 is to be completed by the Assessor.

Signature	Date application received
-----------	---------------------------

FOR STATE TAX COMMISSION USE		
Application Number	Date Received	LUCI Code

LOCAL GOVERNMENT ACTION

This section is to be completed by the clerk of the local governing unit before submitting the application to the State Tax Commission. Include a copy of the resolution which approves the application and Instruction items (a) through (f) on page 1, and a separate statement of obsolescence from the assessor of record with the State Assessor's Board. All sections must be completed in order to process.

PART 1: ACTION TAKEN

Action Date: _____		
☐ Exemption Approved for _____ Years, ending December 30, _____ (not to exceed 12 years)		
☐ Denied		
Date District Established	LUCI Code	School Code

PART 2: RESOLUTIONS (the following statements must be included in resolutions approving)

A statement that the local unit is a Qualified Local Governmental Unit. A statement that the Obsolete Property Rehabilitation District was legally established including the date established and the date of hearing as provided by section 3 of Public Act 146 of 2000. A statement indicating whether the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) exceeds 5% of the total taxable value of the unit. A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years. A statement that a public hearing was held on the application as provided by section 4(2) of Public Act 146 of 2000 including the date of the hearing. A statement that the applicant is not delinquent in any taxes related to the facility. If it exceeds 5% (see above), a statement that exceeding 5% will not have the effect of substantially impeding the operation of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected taxing unit. A statement that all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate have been provided to the Qualified Local Governmental Unit by the applicant.	A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000. A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District. A statement that the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit eligible under Public Act 146 of 2000 to establish such a district. A statement that completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the facility is situated. The statement should indicate which of these the rehabilitation is likely to result in. A statement that the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(i) of Public Act 146 of 2000. A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.
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PART 3: ASSESSOR RECOMMENDATIONS

Provide the Taxable Value and State Equalized Value of the Obsolete Property, as provided in Public Act 146 of 2000, as amended, for the tax year immediately preceding the effective date of the certificate (December 31st of the year approved by the STC).

Taxable Value	State Equalized Value (SEV)
Building(s)	
Name of Governmental Unit	Date of Action on application
	Date of Statement of Obsolescence

PART 4: CLERK CERTIFICATION

The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

Name of Clerk	Clerk Signature	Date	
Clerk's Mailing Address	City	State	ZIP Code
	Telephone Number	Fax Number	Email Address

Mail completed application and attachments to: Michigan Department of Treasury
State Tax Commission
P.O. Box 30471
Lansing, Michigan 48909-7971

If you have any questions, call (517) 373-2408.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.



Virg Bernero, Mayor

City of Lansing
Inter-Departmental
Memorandum



To: Virg Bernero, Mayor

From: Karl Dorshimer

Subject: CITY COUNCIL AGENDA ITEM - L & P Properties, Inc, 1141 South Washington Ave

Date: Sept. 21, 16

Please forward this resolution to City Council for placement on the Agenda.

If you have any questions, or need additional information, please give me a call.

Attachments

“Equal Opportunity Employer”

BY THE DEVELOPMENT AND PLANNING COMMITTEE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolution to Set a Public Hearing Regarding the Granting of an
Obsolete Property Rehabilitation Act Certificate
1141 South Washington Avenue

WHEREAS, L & P Properties, Inc., owner of the property located at 1141 South Washington Avenue in the City of Lansing, Michigan (the "Property") has applied to the City of Lansing for the City to approve the issuance of an Obsolete Property Rehabilitation Exemption Certificate (the "OPRA Certificate"), pursuant to the Michigan Obsolete Property Rehabilitation Act, being Public Act 146 of 2000 (the "Act"); and

WHEREAS, the property in question of the Certificate is legally described as:

The North 2 rods of the West 83 feet of Lot 30, Sparrow's Subdivision of Block 200, Original Plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-076, and

WHEREAS, the Act requires that before granting a Certificate the Lansing City Council hold a public hearing in order to provide an opportunity for the applicant, the City Assessor, a representative of the affected taxing units, the residents, and other taxpayers of the City of Lansing general public appear and be heard regarding the approval of the OPRA Certificate.

NOW THEREFORE BE IT RESOLVED that a public hearing be held in the City Council Chambers of the City of Lansing, 10th Floor, Lansing City Hall, Lansing, Michigan, on Monday, _____ at 7:00 p.m. for the purpose of receiving public comment on the approval of an OPRA Certificate under the provisions of Public Act 146 of 2000 and that the Clerk shall publish once in a publication of general circulation within the community a notice of the scheduled public hearing and that the notice appear not less than 10 or more than 30 days prior to the date of the hearing.

City of Lansing
Notice of Public Hearing

The Lansing City Council will hold a public hearing on Monday, _____ at 7:00 p.m. in the City Council Chambers, 10th Floor, Lansing City Hall, Lansing, MI, for the purpose stated below:

To afford an opportunity for all residents, taxpayers of the City of Lansing, City Assessor, other interested persons and ad valorem taxing units to appear and be heard on the approval of an Obsolete Property Rehabilitation Certificate (the "Certificate"), pursuant to and in accordance with the provisions of the Obsolete Property Rehabilitation Act, Public Act 146 of 2000, for property located at 1141 South Washington Avenue, Lansing, Michigan, but more particularly described as follows:

The North 2 rods of the West 83 feet of Lot 30, Sparrow's Subdivision of Block 200, Original Plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-076, and

Approval of this Certificate will provide the owner or potentially the developer of property an abatement of certain property taxes for the improvements to the property noted above. Further information regarding this issue may be obtained from Karl Dorshimer, Lansing Economic Area Partnership (LEAP), 1000 S. Washington Ave., Suite 201, Lansing, MI 48910, 517-702-3387.

BY THE DEVELOPMENT AND PLANNING COMMITTEE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolution to Set a Public Hearing Regarding the Granting of an
Obsolete Property Rehabilitation Act Certificate
1141 South Washington Avenue

WHEREAS, L & P Properties, Inc., owner of the property located at 1141 South Washington Avenue in the City of Lansing, Michigan (the "Property") has applied to the City of Lansing for the City to approve the issuance of an Obsolete Property Rehabilitation Exemption Certificate (the "OPRA Certificate"), pursuant to the Michigan Obsolete Property Rehabilitation Act, being Public Act 146 of 2000 (the "Act"); and

WHEREAS, the property in question of the Certificate is legally described as:

The North 2 rods of the West 83 feet of Lot 30, Sparrow's Subdivision of Block 200, Original Plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-076, and

WHEREAS, the Act requires that before granting a Certificate the Lansing City Council hold a public hearing in order to provide an opportunity for the applicant, the City Assessor, a representative of the affected taxing units, the residents, and other taxpayers of the City of Lansing general public appear and be heard regarding the approval of the OPRA Certificate.

NOW THEREFORE BE IT RESOLVED that a public hearing be held in the City Council Chambers of the City of Lansing, 10th Floor, Lansing City Hall, Lansing, Michigan, on Monday, (**Insert Date**) at 7:00 p.m. for the purpose of receiving public comment on the approval of an OPRA Certificate under the provisions of Public Act 146 of 2000 and that the Clerk shall publish once in a publication of general circulation within the community a notice of the scheduled public hearing and that the notice appear not less than 10 or more than 30 days prior to the date of the hearing.

City of Lansing
Notice of Public Hearing

The Lansing City Council will hold a public hearing on Monday, **(Insert Date)** at 7:00 p.m. in the City Council Chambers, 10th Floor, Lansing City Hall, Lansing, MI, for the purpose stated below:

To afford an opportunity for all residents, taxpayers of the City of Lansing, City Assessor, other interested persons and ad valorem taxing units to appear and be heard on the approval of an Obsolete Property Rehabilitation Certificate (the "Certificate"), pursuant to and in accordance with the provisions of the Obsolete Property Rehabilitation Act, Public Act 146 of 2000, for property located at 1141 South Washington Avenue, Lansing, Michigan, but more particularly described as follows:

The North 2 rods of the West 83 feet of Lot 30, Sparrow's Subdivision of Block 200, Original Plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-076, and

Approval of this Certificate will provide the owner or potentially the developer of property an abatement of certain property taxes for the improvements to the property noted above. Further information regarding this issue may be obtained from Karl Dorshimer, Lansing Economic Area Partnership (LEAP), 1000 S. Washington Ave., Suite 201, Lansing, MI 48910, 517-702-3387.

BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolution to Approve an Obsolete Property Rehabilitation Act Certificate
1141 South Washington Avenue

WHEREAS, pursuant to the Michigan Obsolete Property Rehabilitation Act, being Public Act 146 of 2000 (PA 146 of 2000), L & P Properties, Inc. has filed an application for an Obsolete Property Rehabilitation Exemption Certificate (OPRA Certificate) with the Lansing City Clerk, for a proposed obsolete facility at 1141 South Washington Avenue, Lansing, Michigan (Obsolete Property); and

WHEREAS, L & P Properties, Inc. (the Developer) owns the proposed Obsolete Property; and

WHEREAS, the proposed Obsolete Property is located within an Obsolete Property Rehabilitation District legally established by resolution adopted (**Insert Date**), after a public hearing was held on (**Insert Date**), as provided by section 3 of PA 146 of 2000; and

WHEREAS, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) does not exceed 5% of the total taxable value of the City of Lansing; and

WHEREAS, a public hearing was held on (**Insert Date**) in order to provide an opportunity for the applicant, the City Assessor, a representative of the affected taxing units, the residents, and other taxpayers of the City of Lansing general public appear and be heard regarding the approval of the OPRA Certificate; and

WHEREAS, the L & P Properties, Inc. has been certified in writing by the City of Lansing Treasurer to be not delinquent in any taxes related to the facility; and

WHEREAS, the application is for 10 years and under no circumstances or criteria will an extension of the exemption be considered; and

WHEREAS, the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000; and

WHEREAS, the applicant L & P Properties, Inc. has provided answers to all required questions under the application instructions to the City of Lansing; and

WHEREAS, the City of Lansing requires that rehabilitation of the facility shall be completed by December 31, 2018; and

WHEREAS, the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District; and

WHEREAS, the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in the City of Lansing eligible under Public Act 146 of 2000 to establish such a district; and

WHEREAS, completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, revitalize an urban area, and increase the number of residents in the community in which the facility is situated; and

WHEREAS, the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council hereby grants an Obsolete Property Rehabilitation Exemption for the real property, excluding land, located in an Obsolete Property Rehabilitation District at 1141 South Washington legally described as the North 2 rods of the West 83 feet of Lot 30, Sparrow's Subdivision of Block 200, Original Plat of City of Lansing, according to the recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-076; for a period of 10 years, beginning December 31, 2016, and ending December 30, 2026, pursuant to the provisions of PA 146 of 2000, as amended.

BE IT FINALLY RESOLVED that the City Clerk shall cause the Application for Obsolete Property Rehabilitation Certificate to be completed, including the "Clerk Certification" and shall file the completed application, together with a certified copy of this resolution with the State Tax Commission.



OFFICE OF THE MAYOR

9th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933-1694
(517) 483-4141 (voice)
(517) 483-4479 (TDD)
(517) 483-6066 (Fax)

Virg Bernero, Mayor

TO: City Council President Judi Brown Clarke and Councilmembers

FROM: Mayor Virg Bernero

DATE: 9-21-16

RE: Resolution— Setting a Public Hearing for OPRA Certificate—1149 South
Washington Ave. — L & P Properties, Inc

The attached correspondence is forwarded for your review and appropriate action.

VB/rh
Attachment



Virg Bernero, Mayor

City of Lansing
Inter-Departmental
Memorandum



To: Virg Bernero, Mayor

From: Karl Dorshimer

Subject: CITY COUNCIL AGENDA ITEM - 1149 South Washington Ave. — L & P Properties, Inc

Date: 9-22-16

Please forward this resolution to City Council for placement on the Agenda.

If you have any questions, or need additional information, please give me a call.

Attachments

“Equal Opportunity Employer”

BY THE DEVELOPMENT AND PLANNING COMMITTEE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolution to Set a Public Hearing Regarding the Granting of an
Obsolete Property Rehabilitation Act Certificate
1149 South Washington Avenue

WHEREAS, L & P Properties, Inc., owner of the property located at 1149 South Washington Avenue in the City of Lansing, Michigan (the "Property") has applied to the City of Lansing for the City to approve the issuance of an Obsolete Property Rehabilitation Exemption Certificate (the "OPRA Certificate"), pursuant to the Michigan Obsolete Property Rehabilitation Act, being Public Act 146 of 2000 (the "Act"); and

WHEREAS, the property in question of the Certificate is legally described as:

The South 21.8 feet of the West 83 feet of Lot 29 of Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-095, and

WHEREAS, the Act requires that before granting a Certificate the Lansing City Council hold a public hearing in order to provide an opportunity for the applicant, the City Assessor, a representative of the affected taxing units, the residents, and other taxpayers of the City of Lansing general public appear and be heard regarding the approval of the OPRA Certificate.

NOW THEREFORE BE IT RESOLVED that a public hearing be held in the City Council Chambers of the City of Lansing, 10th Floor, Lansing City Hall, Lansing, Michigan, on Monday, _____ at 7:00 p.m. for the purpose of receiving public comment on the approval of an OPRA Certificate under the provisions of Public Act 146 of 2000 and that the Clerk shall publish once in a publication of general circulation within the community a notice of the scheduled public hearing and that the notice appear not less than 10 or more than 30 days prior to the date of the hearing.

City of Lansing
Notice of Public Hearing

The Lansing City Council will hold a public hearing on Monday, _____ at 7:00 p.m. in the City Council Chambers, 10th Floor, Lansing City Hall, Lansing, MI, for the purpose stated below:

To afford an opportunity for all residents, taxpayers of the City of Lansing, City Assessor, other interested persons and ad valorem taxing units to appear and be heard on the approval of an Obsolete Property Rehabilitation Certificate (the "Certificate"), pursuant to and in accordance with the provisions of the Obsolete Property Rehabilitation Act, Public Act 146 of 2000, for property located at 1149 South Washington Avenue, Lansing, Michigan, but more particularly described as follows:

The South 21.8 feet of the West 83 feet of Lot 29 of Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-095, and

Approval of this Certificate will provide the owner or potentially the developer of property an abatement of certain property taxes for the improvements to the property noted above. Further information regarding this issue may be obtained from Karl Dorshimer, Lansing Economic Area Partnership (LEAP), 1000 S. Washington Ave., Suite 201, Lansing, MI 48910, 517-702-3387.

Application for Obsolete Property Rehabilitation Exemption Certificate

This form is issued as provided by Public Act 146 of 2000, as amended. This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

INSTRUCTIONS: File the original and two copies of this form and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) Please see State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. A statement from the assessor of the local unit of government, describing the required obsolescence has been met for this building, is required with each application. Rehabilitation may commence after establishment of district.

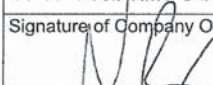
Applicant (Company) Name (applicant must be the OWNER of the facility) L & P Properties, LLC								
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code) 805 Lantern Hill Dr, East Lansing, MI 48823								
Location of obsolete facility (No. and street, City, State, ZIP Code) 1149 South Washington Avenue, Lansing, MI 48910								
City, Township, Village (indicate which) City of Lansing		County Ingham						
Date of Commencement of Rehabilitation (mm/dd/yyyy) 10/01/2016 est	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 12/31/2018	School District where facility is located (include school code) Lansing School District - 33020						
Estimated Cost of Rehabilitation \$294,500.00	Number of years exemption requested 6	Attach Legal description of Obsolete Property on separate sheet						
Expected project likelihood (check all that apply): <table border="0"><tr><td>☒ Increase Commercial activity</td><td>☐ Retain employment</td><td>☒ Revitalize urban areas</td></tr><tr><td>☒ Create employment</td><td>☐ Prevent a loss of employment</td><td>☐ Increase number of residents in the community in which the facility is situated</td></tr></table> Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment _____			☒ Increase Commercial activity	☐ Retain employment	☒ Revitalize urban areas	☒ Create employment	☐ Prevent a loss of employment	☐ Increase number of residents in the community in which the facility is situated
☒ Increase Commercial activity	☐ Retain employment	☒ Revitalize urban areas						
☒ Create employment	☐ Prevent a loss of employment	☐ Increase number of residents in the community in which the facility is situated						
Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the following box if you wish to be considered for this exclusion. ☐								

APPLICANT'S CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by Public Act 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.

It is further certified that the undersigned is familiar with the provisions of Public Act 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.

Name of Company Officer (no authorized agents) Nicholas Pope	Telephone Number (517) 402-2224	Fax Number (517) 485-0009
Mailing Address 1717 Franklin Street SE, East Grand Rapids, MI 49506		Email Address nicholaspope15@gmail.com
Signature of Company Officer (no authorized agents) 		Title Owner

LOCAL GOVERNMENT UNIT CLERK CERTIFICATION

The Clerk must also complete Parts 1, 2 and 4 on Page 2. Part 3 is to be completed by the Assessor.

Signature	Date application received
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FOR STATE TAX COMMISSION USE

Application Number	Date Received	LUCI Code
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LOCAL GOVERNMENT ACTION

This section is to be completed by the clerk of the local governing unit before submitting the application to the State Tax Commission. Include a copy of the resolution which approves the application and Instruction items (a) through (f) on page 1, and a separate statement of obsolescence from the assessor of record with the State Assessor's Board. All sections must be completed in order to process.

PART 1: ACTION TAKEN

Action Date: _____		
☐ Exemption Approved for _____ Years, ending December 30, _____ (not to exceed 12 years)		
☐ Denied		
Date District Established	LUCI Code	School Code

PART 2: RESOLUTIONS (the following statements must be included in resolutions approving)

A statement that the local unit is a Qualified Local Governmental Unit. A statement that the Obsolete Property Rehabilitation District was legally established including the date established and the date of hearing as provided by section 3 of Public Act 146 of 2000. A statement indicating whether the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) exceeds 5% of the total taxable value of the unit. A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years. A statement that a public hearing was held on the application as provided by section 4(2) of Public Act 146 of 2000 including the date of the hearing. A statement that the applicant is not delinquent in any taxes related to the facility. If it exceeds 5% (see above), a statement that exceeding 5% will not have the effect of substantially impeding the operation of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected taxing unit. A statement that all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate have been provided to the Qualified Local Governmental Unit by the applicant.	A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000. A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District. A statement that the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit eligible under Public Act 146 of 2000 to establish such a district. A statement that completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the facility is situated. The statement should indicate which of these the rehabilitation is likely to result in. A statement that the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000. A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.
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PART 3: ASSESSOR RECOMMENDATIONS

Provide the Taxable Value and State Equalized Value of the Obsolete Property, as provided in Public Act 146 of 2000, as amended, for the tax year immediately preceding the effective date of the certificate (December 31st of the year approved by the STC).

Taxable Value		State Equalized Value (SEV)	
Building(s)			
Name of Governmental Unit	Date of Action on application	Date of Statement of Obsolescence	

PART 4: CLERK CERTIFICATION

The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

Name of Clerk	Clerk Signature	Date	
Clerk's Mailing Address	City	State	ZIP Code
	Telephone Number	Fax Number	Email Address

Mail completed application and attachments to: Michigan Department of Treasury
State Tax Commission
P.O. Box 30471
Lansing, Michigan 48909-7971

If you have any questions, call (517) 373-2408.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.

BY THE DEVELOPMENT AND PLANNING COMMITTEE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolution to Set a Public Hearing Regarding the Granting of an
Obsolete Property Rehabilitation Act Certificate
1149 South Washington Avenue

WHEREAS, L & P Properties, Inc., owner of the property located at 1149 South Washington Avenue in the City of Lansing, Michigan (the "Property") has applied to the City of Lansing for the City to approve the issuance of an Obsolete Property Rehabilitation Exemption Certificate (the "OPRA Certificate"), pursuant to the Michigan Obsolete Property Rehabilitation Act, being Public Act 146 of 2000 (the "Act"); and

WHEREAS, the property in question of the Certificate is legally described as:

The South 21.8 feet of the West 83 feet of Lot 29 of Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-095, and

WHEREAS, the Act requires that before granting a Certificate the Lansing City Council hold a public hearing in order to provide an opportunity for the applicant, the City Assessor, a representative of the affected taxing units, the residents, and other taxpayers of the City of Lansing general public appear and be heard regarding the approval of the OPRA Certificate.

NOW THEREFORE BE IT RESOLVED that a public hearing be held in the City Council Chambers of the City of Lansing, 10th Floor, Lansing City Hall, Lansing, Michigan, on Monday, **(Insert Date)** at 7:00 p.m. for the purpose of receiving public comment on the approval of an OPRA Certificate under the provisions of Public Act 146 of 2000 and that the Clerk shall publish once in a publication of general circulation within the community a notice of the scheduled public hearing and that the notice appear not less than 10 or more than 30 days prior to the date of the hearing.

City of Lansing
Notice of Public Hearing

The Lansing City Council will hold a public hearing on Monday, **(Insert Date)** at 7:00 p.m. in the City Council Chambers, 10th Floor, Lansing City Hall, Lansing, MI, for the purpose stated below:

To afford an opportunity for all residents, taxpayers of the City of Lansing, City Assessor, other interested persons and ad valorem taxing units to appear and be heard on the approval of an Obsolete Property Rehabilitation Certificate (the "Certificate"), pursuant to and in accordance with the provisions of the Obsolete Property Rehabilitation Act, Public Act 146 of 2000, for property located at 1149 South Washington Avenue, Lansing, Michigan, but more particularly described as follows:

The South 21.8 feet of the West 83 feet of Lot 29 of Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-095, and

Approval of this Certificate will provide the owner or potentially the developer of property an abatement of certain property taxes for the improvements to the property noted above. Further information regarding this issue may be obtained from Karl Dorshimer, Lansing Economic Area Partnership (LEAP), 1000 S. Washington Ave., Suite 201, Lansing, MI 48910, 517-702-3387.

BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolution to Approve an Obsolete Property Rehabilitation Act Certificate
1149 South Washington Avenue

WHEREAS, pursuant to the Michigan Obsolete Property Rehabilitation Act, being Public Act 146 of 2000 (PA 146 of 2000), L & P Properties, Inc. has filed an application for an Obsolete Property Rehabilitation Exemption Certificate (OPRA Certificate) with the Lansing City Clerk, for a proposed obsolete facility at 1149 South Washington Avenue, Lansing, Michigan (Obsolete Property); and

WHEREAS, L & P Properties, Inc. (the Developer) owns the proposed Obsolete Property; and

WHEREAS, the proposed Obsolete Property is located within an Obsolete Property Rehabilitation District legally established by resolution adopted (**Insert Date**), after a public hearing was held on (**Insert Date**), as provided by section 3 of PA 146 of 2000; and

WHEREAS, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) does not exceed 5% of the total taxable value of the City of Lansing; and

WHEREAS, a public hearing was held on (**Insert Date**) in order to provide an opportunity for the applicant, the City Assessor, a representative of the affected taxing units, the residents, and other taxpayers of the City of Lansing general public appear and be heard regarding the approval of the OPRA Certificate; and

WHEREAS, the L & P Properties, Inc. has been certified in writing by the City of Lansing Treasurer to be not delinquent in any taxes related to the facility; and

WHEREAS, the application is for 6 years and under no circumstances or criteria will an extension of the exemption be considered; and

WHEREAS, the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000; and

WHEREAS, the applicant L & P Properties, Inc. has provided answers to all required questions under the application instructions to the City of Lansing; and

WHEREAS, the City of Lansing requires that rehabilitation of the facility shall be completed by December 31, 2018; and

WHEREAS, the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District; and

WHEREAS, the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in the City of Lansing eligible under Public Act 146 of 2000 to establish such a district; and

WHEREAS, completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, revitalize an urban area, and increase the number of residents in the community in which the facility is situated; and

WHEREAS, the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council hereby grants an Obsolete Property Rehabilitation Exemption for the real property, excluding land, located in an Obsolete Property Rehabilitation District at 1149 South Washington legally described as the The South 21.8 feet of the West 83 feet of Lot 29 of Sparrow's Subdivision of Block 200 of the original plat of City of Lansing, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-095; for a period of 6 years, beginning December 31, 2016, and ending December 30, 2026, pursuant to the provisions of PA 146 of 2000, as amended.

BE IT FINALLY RESOLVED that the City Clerk shall cause the Application for Obsolete Property Rehabilitation Certificate to be completed, including the "Clerk Certification" and shall file the completed application, together with a certified copy of this resolution with the State Tax Commission.



OFFICE OF MAYOR VIRG BERNERO
124 W. MICHIGAN AVENUE – NINTH FLOOR
LANSING, MI 48933

AGREEMENT IN CONSIDERATION OF DEVELOPMENT INCENTIVES

THIS AGREEMENT in Consideration of Development Incentives (“Agreement”) is made and entered this 16 day of September, 2016, by and between the City of Lansing, Michigan, a Michigan municipal corporation (“City”), and L & P Properties, LLC, a Michigan Corporation (“Applicant”), (collectively the “Parties”);

I. STATEMENT OF PURPOSE:

The City of Lansing welcomes new investment and the creation of new jobs. To achieve these goals, the City offers a variety of economic incentives that are designed to facilitate the expansion of existing businesses and the location of new businesses within the City, as well as the rehabilitation of obsolete structures and the reuse of environmentally contaminated sites.

Economic incentives typically do not provide City funds to developers or businesses, but rather encourage new investment and job creation in the City that would not have occurred without the incentive. The purpose of this Agreement is to establish performance expectations, reporting requirements and preferences for Lansing-based firms, resident employees and union employees in hiring, contracting, subcontracting and procurement related to the acceptance of economic incentives by the Applicant.

Economic incentives are beneficial to both the City and the Applicant. The approval of incentives must be a transparent and public process that produces a clear agreement between the Parties regarding the responsibilities of both the City and the Applicant. This public process does not end with the approval of the incentive, but continues until the commitments made by the Applicant under this Agreement are met.

II. DEFINITIONS

As used in this Agreement, the definitions herein shall be the mutually understood meaning of the following terms:

“Incentive” means a reduction in City taxes levied on real or personal property, or other financial benefit to Applicant, for a limited number of years as specified in this Agreement, and which may include, but is not limited to, those tax reductions or other financial benefits authorized by the Obsolete Property Rehabilitation Act (Public Act 146 of 2000, as amended), Neighborhood Enterprise Zone Act (Public Act 147 of 1992, as amended), Brownfield Redevelopment Financing Act (Public Act 381 of 1996, as amended), Plant Rehabilitation and Industrial Development Districts (Public Act 198 of 1974, as amended) and the New Personal Property Tax Exemption authorized by Public Act 328 of 1998.

“Lansing-based firm” means an incorporated business entity that owns or leases an office, warehouse, distribution center, or wholesale or retail store located within the corporate limits of the City of Lansing.

“Full-time Equivalent Employees (FTE)” means a combination of full-time and part-time employees that represents all employees as a comparable number of full-time employees.

III. RECITALS:

A. APPLICANT/PROJECT INFORMATION

Name of Project: Redevelopment of 1141 and 1149 S. Washington Ave.

Location of Project (provide attached map): (See Attached)

Business Name of Applicant (*if applicable*): L & P Properties, LLC

Name of Parent Company (*if applicable*): N.A.

List Managing Partner and all other Partners, including percentage ownership interest of each partner:

Reuben Levinsohn	50%
------------------	-----

Nicholas Pope	50%
---------------	-----

Project description:

1149 South Washington Ave will be redeveloped into a location that includes restaurant/food concept (Blue Owl Coffee, Co.) on the main level with commercial space (Michigan Creative) on the second level.

1141 South Washington Ave, a property adjacent to 1149 South Washington, will be redeveloped into a location that includes a restaurant/food concept on the main level and residential apartments on the second level.

List all past projects started in the city of Lansing by any of the partners listed above:

N.A

List City incentive(s) and number of years requested for each:

OPRA Tax Abatement – 1141 S. Washington 10 Years

OPRA Tax Abatement – 1149 S. Washington 6 Years

List all Federal, State or other incentives and their estimated value that may be part of this project:

N.A.

Name of Financial Institution(s) funding the Project *(if unavailable upon execution of this Agreement, Applicant agrees to furnish commitment letter(s) from lending institution(s) to the LEDC when available):*

Independent Bank

Estimated number of new, permanent full-time equivalent employees (FTE) upon Project Completion *(if applicable):*

2 FTE

Estimated total investment in real and personal property, including acquisition and construction costs, upon Project Completion:

\$ 709,500

Estimated average hourly wage or annual salary of new, permanent employees *(if applicable):*

\$ 40,000

**B. APPLICANT ACCEPTANCE OF NOTICE AND REPORTING REQUIREMENTS
AND LOCAL PREFERENCES IN HIRING, PROCUREMENT OF GOODS AND
SERVICES, CONTRACTING AND SUBCONTRACTING**

(initial spaces below to indicate acceptance)

NP Applicant agrees to notify the LEDC and City Assessor of any and all partnership changes during the term of any incentives approved for the Project.

- NP Applicant agrees, and may be required to provide written documentation at the request of the LEDC, to consider and hire as many Lansing residents and Lansing-based firms, including but not limited to consultants, suppliers, contractors and sub-contractors, as reasonably possible.
- NP Applicant agrees, and may be required to provide written documentation at the request of the LEDC, to make good faith efforts to hire contractors and sub-contractors that employ union labor when economically feasible.
- NP Applicant agrees that all employees, contractors and sub-contractors related to this Project will pay all City individual income tax.
- NP Applicant agrees to report annually to the City Treasurer all gross individual income taxes paid and current residential addresses of all employees.
- NP Applicant agrees that all contractors and sub-contractors will report annually to the City Treasurer all gross individual income taxes paid and current residential addresses of all employees.

C. LEDC STAFF/ADMINISTRATION RECOMMENDATION

Name of Lead Staff Person: Karl Dorshimer

Revenue currently paid to the City by the site or project:	\$ 1,369
Estimated total revenue to the City upon Project Completion:	\$ 3,849
Estimated total value of City Incentive(s):	\$ 39,975
Estimated total new net revenue to the City:	\$ 2,480

Staff Comments (*indicate reasons for providing Incentive and describe any additional value to the City as a result of approval*):

The project will continue the revival of REO Town and bring two underutilized privately owned buildings back into productive use.

Project Timeline: This project will begin as soon as the OPRA Certificates are approved by the Lansing City Council.

Have all appropriate City Incentive fees been received?	<u>YES</u>	NO
Staff Recommendation:	<u>APPROVE</u>	DENY MODIFY

(if DENY or MODIFY please explain in space provided below)

Administration Recommendation:

APPROVE

DENY

MODIFY

(if DENY or MODIFY please explain in space provided below)

D. ADDITIONS:

1. Applicant, in seeking local legislative approval, has made certain representations to the City as more fully set forth herein.
2. The Applicant has applied for Incentive for the purpose of [insert project description] ("Project"). The Project is expected to hire at 2 or retain at least 0 new full-time equivalent employees (FTE) and requiring a total investment in real property of at least \$ 619,500 and personal property of at least \$ 90,000 when completed.
3. The Applicant has supplied to the LEDC all application and supporting documentation, including a list of all partners of the Applicant with an ownership interest in the Project, which in turn has been forwarded to the City prior to the approval of the Incentive.
4. The Applicant has provided to the LEDC detailed information including wage and benefit information for the Project and new, permanent full-time equivalent employees (FTE) expected to be hired or retained as a result of the Project, which in turn has been forwarded to the City prior to approval of the Incentive.
5. The Applicant and the City desire to enter into an agreement whereby the Applicant and City specify and agree on the Project performance measures under which the Incentive is granted, and some of the conditions under which such Incentive can be modified or revoked by the City and/or State of Michigan. Nothing in this Agreement supersedes or diminishes any rights of the City or the State established by Federal, State, or Local law or regulations.
6. The Lansing City Treasurer has verified in writing the Applicant is not delinquent and/or late on any property taxes owed to the City for all properties in which the applicant owns a twenty-five percent (25%) or more interest.
7. The Lansing City Treasurer has verified in writing the Applicant, if an employer in the City, is in compliance with all required City wage withholding and income reporting requirements for all of their employees.

8. The Lansing City Treasurer has verified in writing the Applicant is not delinquent and/or late on any corporate or other business income taxes owed the City, if any.

9. The LEDC has verified that all application fees due have been paid in full by the Applicant.

IV. AGREEMENT:

NOW, THEREFORE, in consideration of the recitals and mutual covenants and agreements herein contained and pursuant to Michigan PA 146 of 2000 (the "Act"), as amended, the Parties agree as follows:

A. Reliance on Recitals

The Parties acknowledge Applicant has made representations contained within its application, and the recitals and additions above, with the purpose and intent of City's reliance thereon, as well as for compliance with the Act, as amended, and the City relies upon these representations in its determination that the Incentive should be approved.

B. Project Area

The location of the Project is commonly known as [insert address] ("Project Area") and legally described as follows:

[Insert legal descriptions for both properties here]

C. Project Timeframe.

The Applicant and City agree the City's approval of the Incentive is based upon completion of the Project within a specific time period ("Project Timeframe"). The Project Timeframe starts December 31, 2016 and ends December 31, 2018.

D. Project Completion

The Applicant and the City agree that for the Project to be considered complete, the Applicant must perform all of the following in the Project Area within the Project Timeframe ("Project Completion"):

1. Hire at least 2 new, permanent full-time equivalent employees (FTE) and/or retain at least 0 full-time equivalent employees (FTE).
2. Purchase and/or locate within the Project Area, personal property with a fair market value of at least \$ 90,000. This personal property may not be moved to the Project Area from another location within the City of Lansing.

3. Make at least \$ 619,500 of improvements to the real property. Improvements include only hard costs, and exclude architectural and engineering costs.
4. Obtain all necessary building permits and site plan approvals, including payment of all required fees, plus final inspections including a Certificate of Occupancy from the City of Lansing and all other appropriate authorities and agencies.
5. Upon Project Completion, the applicant will provide to the LEDC, upon request, any and all appropriate financial records that are referenced as part of this Agreement.
6. Project Completion must be performed by December 31, 2018.

E. Project Completion Progress Reports

The Applicant shall file an annual report with the LEDC on the Applicant's progress toward achieving Project Completion. Reports shall be submitted in compliance with all LEDC reporting requirements (on-line, not of a proprietary nature but based on information contained in this agreement). Applicant understands and agrees that the information submitted to the LEDC will be available for public viewing, unless prior approval is requested and granted for specific confidential business information that is not subject to disclosure under the Freedom of Information Act (Public Act 442 of 1976, being MCL 15.231 et. seq., as amended). Non-compliance with reporting requirements may result in the modification or revocation of the Incentive.

Lack of performance and compliance with this agreement, may be considered as relevant information in consideration of the approval of all future incentive applications to the LEDC or City by the Applicant or any person or entity with (25%) or more ownership in the Project.

F. Verification of Project Completion

No later than thirty (30) days after the end of the Project Timeframe, the Applicant shall provide in writing to the LEDC a Final Project Completion Report ("Final Report on-line") with proof of Project Completion. Acceptable forms of proof may include, as directed by LEDC, proof of employment, proof of paid invoices, executed and filed tax documentation, final financing documents and similar material which confirm original financial data, engineering and architectural "as-built" drawings, photographs, and other like evidence of completion of the Project in the Project Area. If at any time during the Project Timeframe the Applicant completes the Project as agreed upon in Section (4), the Applicant may submit the Final Project Completion Report to the LEDC on line.

G. Consideration of Applicant's Compliance with the Agreement.

Within 60 days of receiving the Final Report, or 90 days after the end of the Project Timeframe, the LEDC shall make a preliminary determination if the Applicant has achieved Project Completion. In the event the preliminary determination concludes the Project was completed per this Agreement, written notification of such finding shall be sent from the LEDC to the Applicant and the City of Lansing Finance Director. In the event the LEDC makes the determination the Applicant did not complete the project per this Agreement, the LEDC will forward in writing its findings and a recommended course of action to the Applicant and the City

of Lansing Finance Director. Prior to any action that might lead to the modification or revocation of all or part of the Incentive, the City shall offer the Applicant the reasonable opportunity to appear before the Council and be heard. In the event of the revocation of all or part of the Applicant's Incentive, the City may consider the breach of contract when contemplating the approval of all future Incentive applications to the City by the Applicant or any partners listed as required in the Recitals.

H. Failure of Applicant to Pay Tax Applicable to Personal Property

If any property tax applicable to the personal property that makes up the project is not paid within the time permitted by law for payment without penalty during the life of the Incentive being granted by this Agreement, the City may seize and sell the personal property to pay the tax, expenses of sale, and interest on the tax, or may commence civil litigation to recover the amount of tax an interest thereon, in accordance with Michigan law.

I. Failure of Applicant to Pay Tax Applicable to Real Property

If any property tax applicable to the real property that makes up the project is not paid within the time permitted by law for payment without penalty during the life of the Incentive being granted by this Agreement, the City may place a lien on the real property. The City may enforce the lien in the same manner as provided by law for the foreclosure in the circuit courts of mortgage liens upon real property, in accordance with Michigan law.

J. City's Rights under Act

Nothing in this Agreement shall supersede the City's ability to request the State Tax Commission to revoke the Incentive as otherwise provided, or as may hereafter be provided, under the Act, as amended. Nothing in this Agreement supersedes or diminishes any rights of the City or the State established by Federal, State, or Local law or regulations.

K. Ambiguity

If this Agreement or any of its terms and conditions is determined to be ambiguous, this Agreement and all its terms and conditions shall be considered as if drafted by both parties.

L. Rights and Remedies Cumulative

The Parties shall have all the rights and remedies available at law, in equity or in this Agreement to enforce the rights and obligations under this Agreement. All remedies shall be cumulative and none will be exclusive of any other. The exercise by either party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach or of any of its remedies for any other default or breach by the other party. No waiver made by either such party with respect to the performance, or manner or time thereof, or any obligation under the Agreement shall be considered a waiver of any rights of the party making the waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived in writing and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

M. Right In Third Parties

This Agreement is not intended nor shall it create any rights, expectations or benefit to any third parties, including any creditor of the parties.

N. Severability

The invalidity of any portion of this Agreement shall not affect the validity of the remainder thereof.

O. Subsequent Waivers

One or more waivers of any provision, covenant, or condition of this Agreement shall not be construed as a waiver of a subsequent breach of the same provision, covenant, or condition, or as a waiver of a subsequent breach of other provisions, covenants, or conditions. The consent or approval to or for any act shall not be deemed to render unnecessary the consent or approval to or for any subsequent similar act.

P. Termination

This Agreement terminates upon the end of the life of the incentive.

Q. Authority.

The Applicant's execution, delivery and performance of this Agreement have been duly authorized. The Applicant's representative executing this Agreement does so with requisite authority to fully and completely bind the Applicant.

IN WITNESS WHEREOF, the undersigned Parties hereto execute this Agreement as of the day and year first above written.

WITNESSES:

Approved as to form:

James Smiertka

City Attorney

L & P PROPERTIES, LLC:

By: _____
Nicholas Pope

Its: Owner

CITY OF LANSING:

By: _____
Virg Bernero

Its: Mayor

**LANSING ECONOMIC
DEVELOPMENT CORPORATION:**

By: _____
Karl R. Dorshimer

Its: Authorized Representative

I hereby certify that funds are available
in Account No.: _____

City
Controller

**ECONOMIC DEVELOPMENT CORPORATION
LANSING CITY TREASURER APPROVAL FORM
BUSINESS**

TAMMY
ATTENTION: ~~Tamara~~-Good/Cheryl Atkins

Business Name: L & P Properties, Inc.
Business Contact Person: Nickolas Pope
Phone Number: (517) 402-2224

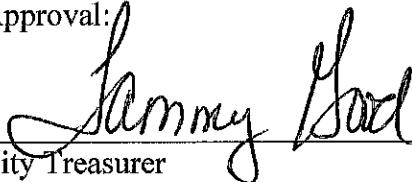
Type of EDC Service: OPRA Tax Abatement

EDC Contact Person Name: Karl Dorshimer

Email: karl@purelansing.com Phone Number: (517) 243-3512

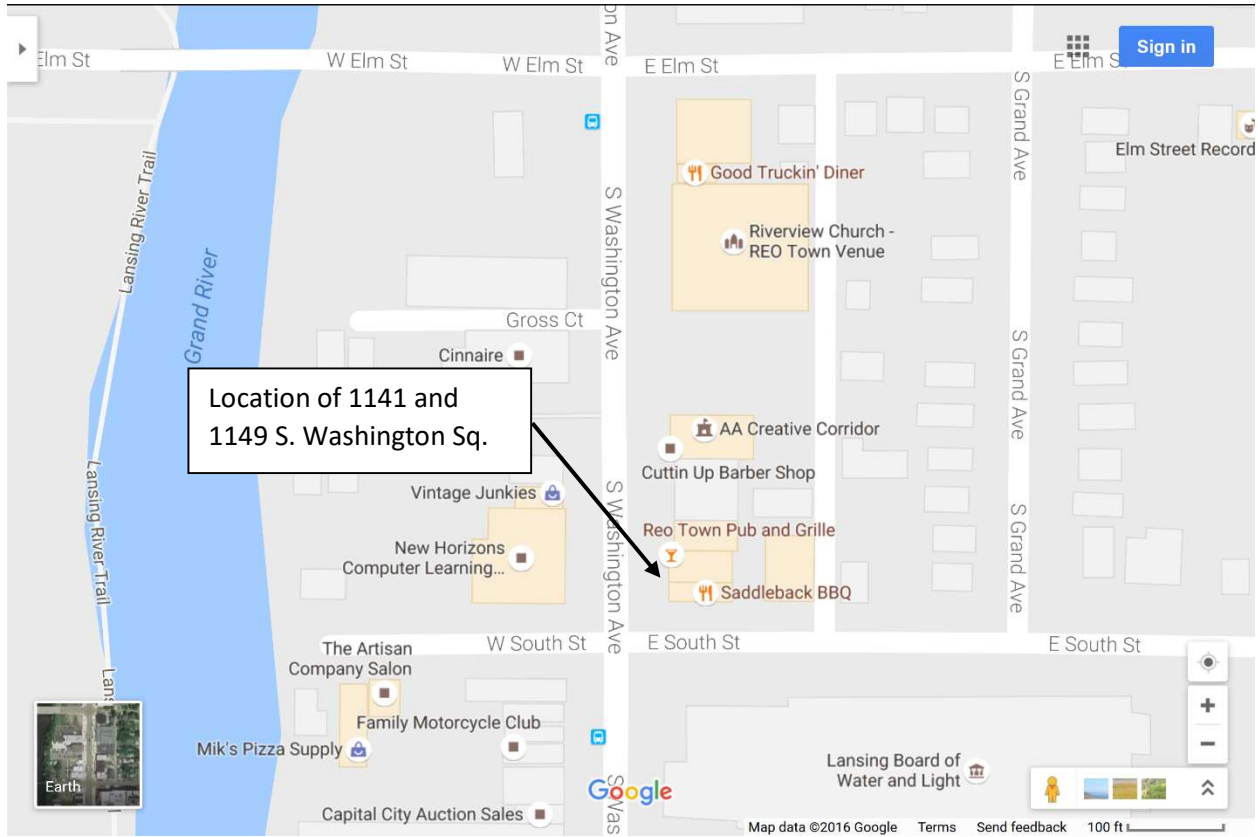
Due Date: 9/20/2016

Approval:



City Treasurer

Map for 1141 and 1149 South Washington Square



October 5, 2016

Lansing City Clerk
City Hall
124 West Michigan Ave.
Lansing, MI 48933

Re: Obsolete Property Rehabilitation Act District Application
221 E. Saginaw Street, Lansing MI 48933

General Project Description

The project at 221 E. Saginaw in Lansing will be the new headquarters of M3 Group. Currently, M3 Group, a branding and publications agency established in 2002, is located at 610 and 614 Seymour Ave. M3 Group has used the two buildings to continue growth over the last 14 years. At 25 full-time employees, the two buildings are inefficient and becoming too small.

The new renovation project proposed at 221 E. Saginaw would put all M3 Group employees under one roof with room to grow. Specifics for the project include: creating additional windows in the lower level; updating the HVAC, electric and plumbing; creating a mezzanine level to add additional square footage and making use of the vaulted ceilings; newly insulated walls, ceiling and floors; and develop an open environment that is suitable for a creative team to thrive.

District Establishment Purpose

In an effort to maximize the utility value of the functionally obsolete building, the applicant is committed to doing complete rehabilitation of the building. In that context, and as more fully detailed below, the developer will incur considerable renovation costs. The establishment of the OPRA District, with its multi-year property tax deferment benefit is vital to making the economics of this project work.

Community Benefits

Redevelopment of the property would provide numerous benefits to the City. While the specific facility would undergo considerable renovation, the entire area would benefit from the transformation of a vacant building into a thriving and fully utilized property. The OPRA District designation, and resulting tax benefits, would not only permit the applicant to attract new businesses and new business owners, operators and employees to the area, while at the same time retaining existing businesses and existing businesses surrounding the community at-large. The owners of the applicant have provided a full range of marketing services to commercial organizations in and around the City of Lansing for many years and are thoroughly committed to seeing the City thrive and continue to grow. Through this rehabilitation project, the applicant and its owners are confident that the City of Lansing will be further on its way to achieving both.

Basis of Eligibility

As to the eligibility of this project under OPRA, an investigation of the Subject Property by Sharon Frischman, City of Lansing Assessor, on June 9, 2016 resulted in a finding that the Building meets the definition of functionally obsolete. Functionally obsolete property is property that is “unable to be used to adequately perform the function of which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super inadequacies in design, or other similar factors that affect the property itself or the property’s relationship with other surrounding property.” MCL § 125.2652(s).

The Subject Property has two structures currently on the parcel. The main building is a one story, former church and the secondary building is a two story residential dwelling converted to offices. Ms. Frischman’s inspection of the Subject Property revealed physical deterioration on the secondary building resulting from extensive deferred maintenance. The primary building’s windows and doors are out of date and inefficient to today’s standards, as well as the electrical, mechanical and plumbing. Since the building’s original purpose was a church, it is functionally obsolete to be used as an office due in part to the higher than normal ceiling heights and other characteristics that are not typically found in a modern office building.

Project Costs and Phasing

The OPRA tax abatement is a significant component of the funding of this project. The applicant has estimated the total costs for this rehabilitation project to be \$816,500.00. Renovations are scheduled to commence promptly following the approval of the ORPA tax abatement and are targeted for completion approximately twelve (12) months following such commencement. The renovation estimate includes:

Building Renovations: (Incl. Imprv. to home)	\$ 448,000.00
Building Leasehold Improvements:	\$ 25,000.00
Furniture & Fixtures:	\$ 269,000.00
Computers:	\$ 10,000.00
Baseline Environmental Activities:	\$ 2,000.00
Paving:	\$ 30,000.00
Demolition:	\$ 0.00
Site preparation:	\$ 32,500.00

TOTAL (estimate): **\$ 816,500.00**

Property Taxable Value and Legal Description

This property covers one parcel of real property containing a total of .365 acres and listed in the City of Lansing’s Assessment records as having an address of 221 E. Saginaw, Lansing, MI 48933. Specifics on the Subject Property are as follows:

Address:	221 E. Saginaw, Lansing, MI 48933
Owner’s Name:	Motion Properties
Acreage of Land:	.365
Sq. Feet of Building:	Approximately 5,611
Tax Parcel Identification No.:	33-01-01-16-127-001

Taxable Value Land:	\$ 25,979.00
SEV Land:	\$ 33,300.00
Taxable Value Building:	\$ 118,348.00
SEV Building:	\$ 151,700.00
Legal Description:	LOT 8 & N 1 R LOT 7 BLOCK 63 ORIG PLAT

Thank you in advance for your assistance and consideration in this matter.

Sincerely,
MOTION PROPERTIES





AGREEMENT IN CONSIDERATION OF DEVELOPMENT INCENTIVES

THIS AGREEMENT in Consideration of Development Incentives ("Agreement") is made and entered this 5 day of October, 2016, by and between the City of Lansing, Michigan, a Michigan municipal corporation ("City"), and Motion Properties, a Michigan Corporation ("Applicant"), (collectively the "Parties");

I. STATEMENT OF PURPOSE:

The City of Lansing welcomes new investment and the creation of new jobs. To achieve these goals, the City offers a variety of economic incentives that are designed to facilitate the expansion of existing businesses and the location of new businesses within the City, as well as the rehabilitation of obsolete structures and the reuse of environmentally contaminated sites.

Economic incentives typically do not provide City funds to developers or businesses, but rather encourage new investment and job creation in the City that would not have occurred without the incentive. The purpose of this Agreement is to establish performance expectations, reporting requirements, and preferences for Lansing-based firms, resident employees and union employees in hiring, contracting, subcontracting and procurement related to the acceptance of economic incentives by the Applicant.

Economic incentives are beneficial to both the City and the Applicant. The approval of incentives must be a transparent and public process that produces a clear agreement between the Parties regarding the responsibilities of both the City and the Applicant. This public process does not end with the approval of the incentive, but continues until the commitments made by the Applicant under this Agreement are met.

II. DEFINITIONS

As used in this Agreement, the definitions herein shall be the mutually understood meaning of the following terms:

"Incentive" means a reduction in City taxes levied on real or personal property, or other financial benefit to Applicant, for a limited number of years as specified in this Agreement, and which may include, but is not limited to, those tax reductions or other financial benefits authorized by the Obsolete Property Rehabilitation Act (Public Act 146

of 2000, as amended), Neighborhood Enterprise Zone Act (Public Act 147 of 1992, as amended), Brownfield Redevelopment Financing Act (Public Act 381 of 1996, as amended), Plant Rehabilitation and Industrial Development Districts (Public Act 198 of 1974, as amended) and the New Personal Property Tax Exemption authorized by Public Act 328 of 1998.

“*Lansing-based firm*” means an incorporated business entity that owns or leases an office, warehouse, distribution center, or wholesale or retail store located within the corporate limits of the City of Lansing.

“*Full-time Equivalent Employees (FTE)*” means a combination of full-time and part-time employees that represents all employees as a comparable number of full-time employees.

III. RECITALS:

A. APPLICANT/PROJECT INFORMATION

Name of Project: M3 Group Expansion Project

Business Name of Applicant (if applicable): Motion Properties

Name of Parent Company (if applicable): _____

List Managing Partner and all other Partners, including percentage ownership interest of each partner:

_____Patrick Dowling_____	100 %
_____	_____ %
_____	_____ %
_____	_____ %

List City incentive(s) and number of years requested for each:

OPRA Certificate	12 Years
_____	_____ Years
_____	_____ Years
_____	_____ Years

List all Federal, State or other incentives and their estimated value that may be part of this project:

N.A.

Name of Financial Institution(s) funding the Project *(if unavailable upon execution of this Agreement, Applicant agrees to furnish commitment letter(s) from lending institution(s) to the LEDC when available)*:

MSUFCU

Estimated number of new, permanent full-time equivalent employees (FTE) upon Project Completion *(if applicable)*:

5 FTE

Estimated total investment in real and personal property, including acquisition and construction costs, upon Project Completion:

\$ 816,500

Estimated average hourly wage or annual salary of new, permanent employees *(if applicable)*:
(Tiffany please fill this out if there are new jobs)

\$ 225,000 to 250,000

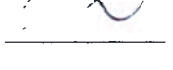
**B. APPLICANT ACCEPTANCE OF NOTICE AND REPORTING REQUIREMENTS
AND LOCAL PREFERENCES IN HIRING, PROCUREMENT OF GOODS AND
SERVICES, CONTRACTING AND SUBCONTRACTING**

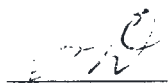
(initial spaces below to indicate acceptance) (on the final executed copy the client needs to be willing to initial each of these)


Applicant agrees to notify the LEDC and City Assessor of any and all partnership changes during the term of any incentives approved for the Project.


Applicant agrees, and may be required to provide written documentation at the request of the LEDC, to consider and hire as many Lansing residents and Lansing-based firms, including but not limited to consultants, suppliers, contractors and sub-contractors, as reasonably possible.


Applicant agrees, and may be required to provide written documentation at the request of the LEDC, to make good faith efforts to hire contractors and sub-contractors that employ union labor when economically feasible.


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



Applicant agrees to report annually to the City Treasurer all gross individual income taxes paid and current residential addresses of all employees.



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

C. LEDC STAFF/ADMINISTRATION RECOMMENDATION

Name of Lead Staff Person: Karl Dorshimer

Revenue currently paid to the City by the site or project: \$ 7,768

Estimated total revenue to the City upon Project Completion: \$ 24,582

Estimated total value of City Incentive(s): \$ 41,224

Estimated total new net revenue to the City: \$ 16,814

Staff Comments (*indicate reasons for providing Incentive and describe any additional value to the City as a result of approval*):

The Developer is purchasing and completely renovating a functionally obsolete building. This project will allow the business to stay and grow in Lansing.

Project Timeline: December 31, 2016 to December 31, 2018

Have all appropriate City Incentive fees been received? **YES** NO

Staff Recommendation: **APPROVE** DENY MODIFY

(*if DENY or MODIFY please explain in space provided below*)

Administration Recommendation: **APPROVE** DENY MODIFY

(*if DENY or MODIFY please explain in space provided below*)

D. ADDITIONS:

1. Applicant, in seeking local legislative approval, has made certain representations to the City as more fully set forth herein.

2. The Applicant has applied for Incentive for the purpose of M3 Group Expansion Project (“Project”). The Project is expected to hire at least **5** and/or retain at least **25** full-time equivalent employees (FTE) and requiring a total investment in real property of an estimated \$537,500 and personal property of at least \$279,000, when completed.

3. The Applicant has supplied to the LEDC all application and supporting documentation, including a list of all partners of the Applicant with an ownership interest in the Project, which in turn has been forwarded to the City prior to the approval of the Incentive.

4. The Applicant has provided to the LEDC detailed information including wage and benefit information for the Project and new, permanent full-time equivalent employees (FTE) expected to be hired or retained as a result of the Project, which in turn has been forwarded to the City prior to approval of the Incentive.

5. The Applicant and the City desire to enter into an agreement whereby the Applicant and City specify and agree on the Project performance measures under which the Incentive is granted, and some of the conditions under which such Incentive can be modified or revoked by the City and/or State of Michigan. Nothing in this Agreement supersedes or diminishes any rights of the City or the State established by Federal, State, or Local law or regulations.

6. The Lansing City Treasurer has verified in writing the Applicant is not delinquent and/or late on any property taxes owed to the City for all properties in which the applicant owns a twenty-five percent (25%) or more interest.

7. The Lansing City Treasurer has verified in writing the Applicant, if an employer in the City, is in compliance with all required City wage withholding and income reporting requirements for all of their employees.

8. The Lansing City Treasurer has verified in writing the Applicant is not delinquent and/or late on any corporate or other business income taxes owed the City, if any.

9. The LEDC has verified that all application fees due have been paid in full by the Applicant.

IV. AGREEMENT:

NOW, THEREFORE, in consideration of the recitals and mutual covenants and agreements herein contained and pursuant to MCL Public Act 146 of 2000, as amended (the “Act”), as amended, the Parties agree as follows:

A. Reliance on Recitals

The Parties acknowledge Applicant has made representations contained within its application, and the recitals and additions above, with the purpose and intent of City's reliance thereon, as well as for compliance with the Act, as amended, and the City relies upon these representations in its determination that the Incentive should be approved.

B. Project Area

The location of the Project is commonly known as 221 West Saginaw St. ("Project Area") and legally described as follows:

Address:	221 W. Saginaw, Lansing, MI 48933
Owner's Name:	Motion Properties
Acreage of Land:	.365
Sq. Feet of Building:	Approximately 5,611
Tax Parcel Identification No.:	33-01-01-16-127-001
Taxable Value Land:	\$ 25,979.00
SEV Land:	\$ 33,300.00
Taxable Value Building:	\$ 118,348.00
SEV Building:	\$ 151,700.00
Legal Description:	LOT 8 & N 1 R LOT 7 BLOCK 63 ORIG PLAT

C. Project Timeframe.

The Applicant and City agree the City's approval of the Incentive is based upon completion of the Project within a specific time period ("Project Timeframe"). The Project Timeframe starts 12/31/2016 and ends 12/31/2018.

D. Project Completion

The Applicant and the City agree that for the Project to be considered complete, the Applicant must perform all of the following in the Project Area within the Project Timeframe ("Project Completion"):

1. Hire at least 5 new, permanent full-time equivalent employees (FTE) and/or retain at least 25 full-time equivalent employees (FTE).
2. Purchase and/or locate within the Project Area, personal property with a fair market value of at least \$279,000. This personal property may not be moved to the Project Area from another location within the City of Lansing.
3. Make at least \$537,500 of improvements to the real property. Improvements include only hard costs, and exclude architectural and engineering costs.
4. Obtain all necessary building permits and site plan approvals, including payment of all required fees, plus final inspections including a Certificate of Occupancy from the City of Lansing and all other appropriate authorities and agencies.

5. Upon Project Completion, the applicant will provide to the LEDC, upon request, any and all appropriate financial records that are referenced as part of this Agreement.
6. Project Completion must be performed by 12/31/18

E. Project Completion Progress Reports

The Applicant shall file an annual report with the LEDC on the Applicant's progress toward achieving Project Completion. Reports shall be submitted in compliance with all LEDC reporting requirements. Applicant understands and agrees that the information submitted to the LEDC will be available for public viewing, unless prior approval is requested and granted for specific confidential business information that is not subject to disclosure under the Freedom of Information Act (Public Act 442 of 1976, being MCL 15.231 et. seq., as amended). Non-compliance with reporting requirements may result in the modification or revocation of the Incentive.

Lack of performance and compliance with this agreement, may be considered as relevant information in consideration of the approval of all future incentive applications to the LEDC or City by the Applicant or any person or entity with (25%) or more ownership in the Project.

F. Verification of Project Completion

No later than thirty (30) days after the end of the Project Timeframe, the Applicant shall provide in writing to the LEDC a Final Project Completion Report ("Final Report") with proof of Project Completion. Acceptable forms of proof may include, as directed by LEDC, proof of employment, proof of paid invoices, executed and filed tax documentation, final financing documents and similar material which confirm original financial data, engineering and architectural "as-built" drawings, photographs, and other like evidence of completion of the Project in the Project Area. If at any time during the Project Timeframe the Applicant completes the Project as agreed upon in Section (4), the Applicant may submit the Final Project Completion Report to the LEDC.

G. Consideration of Applicant's Compliance with the Agreement.

Within 60 days of receiving the Final Report, or 90 days after the end of the Project Timeframe, the LEDC shall make a preliminary determination if the Applicant has achieved Project Completion. In the event the preliminary determination concludes the Project was completed per this Agreement, written notification of such finding shall be sent from the LEDC to the Applicant and the City of Lansing Finance Director. In the event the LEDC makes the determination the Applicant did not complete the project per this Agreement, the LEDC will forward in writing its findings and a recommended course of action to the Applicant and the City of Lansing Finance Director. Prior to any action that might lead to the modification or revocation of all or part of the Incentive, the City shall offer the Applicant the reasonable opportunity to appear before the Council and be heard. In the event of the revocation of all or part of the Applicant's Incentive, the City may consider the breach of contract when contemplating the approval of all future Incentive applications to the City by the Applicant or any partners listed as required in the Recitals.

H. Failure of Applicant to Pay Tax Applicable to Personal Property

If any property tax applicable to the personal property that makes up the project is not paid within the time permitted by law for payment without penalty during the life of the Incentive being granted by this Agreement, the City may seize and sell the personal property to pay the tax, expenses of sale, and interest on the tax, or may commence civil litigation to recover the amount of tax an interest thereon, in accordance with Michigan law.

I. Failure of Applicant to Pay Tax Applicable to Real Property

If any property tax applicable to the real property that makes up the project is not paid within the time permitted by law for payment without penalty during the life of the Incentive being granted by this Agreement, the City may place a lien on the real property. The City may enforce the lien in the same manner as provided by law for the foreclosure in the circuit courts of mortgage liens upon real property, in accordance with Michigan law.

J. City's Rights under Act

Nothing in this Agreement shall supersede the City's ability to request the State Tax Commission to revoke the Incentive as otherwise provided, or as may hereafter be provided, under the Act, as amended. Nothing in this Agreement supersedes or diminishes any rights of the City or the State established by Federal, State, or Local law or regulations.

K. Ambiguity

If this Agreement or any of its terms and conditions are determined to be ambiguous, this Agreement and all its terms and conditions shall be considered as if drafted by both parties.

L. Rights and Remedies Cumulative

The Parties shall have all the rights and remedies available at law, in equity or in this Agreement to enforce the rights and obligations under this Agreement. All remedies shall be cumulative and none will be exclusive of any other. The exercise by either party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach or of any of its remedies for any other default or breach by the other party. No waiver made by either such party with respect to the performance, or manner or time thereof, or any obligation under the Agreement shall be considered a waiver of any rights of the party making the waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived in writing and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

M. Right In Third Parties

This Agreement is not intended nor shall it create any rights, expectations or benefit to any third parties, including any creditor of the parties.

N. Severability

The invalidity of any portion of this Agreement shall not affect the validity of the remainder thereof.

O. Subsequent Waivers

One or more waivers of any provision, covenant, or condition of this Agreement shall not be construed as a waiver of a subsequent breach of the same provision, covenant, or condition, or as a waiver of a subsequent breach of other provisions, covenants, or conditions. The consent or approval to or for any act shall not be deemed to render unnecessary the consent or approval to or for any subsequent similar act.

P. Termination

This Agreement terminates upon 12/31/2019, or upon the written agreement of the Parties.

Q. Authority.

The Applicant's execution, delivery and performance of this Agreement have been duly authorized. The Applicant's representative executing this Agreement does so with requisite authority to fully and completely bind the Applicant.

IN WITNESS WHEREOF, the undersigned Parties hereto execute this Agreement as of the day and year first above written.

WITNESSES:

[Signature]

APPLICANT NAME:

By: [Signature]

Its: President

CITY OF LANSING:

By: _____
Virg Bernero

Its: Mayor

**LANSING ECONOMIC
DEVELOPMENT CORPORATION:**

By: _____
Karl R. Dorshimer

Its: Representative

Approved as to form:

City Attorney

I hereby certify that funds are available
in Account No.: _____

City Controller

BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolution to Establish an Obsolete Property Rehabilitation Act District
221 West Saginaw Street

WHEREAS, the owner of property located at 221 West Saginaw Street in the City of Lansing, Michigan (the "Properties") has requested in writing that the City of Lansing establish an Obsolete Property Rehabilitation District (the "District") as enabled by Public Act 146 of 2000, the Obsolete Property Rehabilitation Act (the "Act"), and

WHEREAS, the owner is Motion Properties, hereinafter called the "Developer", and

WHEREAS, the Developer is the legal owner of greater than fifty percent (50%) of all taxable value of the property located within the proposed District, and

WHEREAS, the Developer has, in writing, requested the District for the Properties and for the City of Lansing to take all necessary steps and actions to establish the District on their behalf, and

WHEREAS, the properties in question and the proposed boundary of the District is legally described as:

LOT 8 & N 1 R LOT 7 BLOCK 63 ORIG PLAT, 33-01-01-16-127-001, and

WHEREAS, the Act requires that before establishing the District the Lansing City Council shall give written notice by certified mail to the owners of all real property within the proposed District and shall hold a public hearing in order to provide an opportunity for owners, residents or other taxpayers of the City of Lansing to appear and be heard regarding the establishment of the District and that such notice was given and said public hearing was held on **(Insert Date)**;

NOW THEREFORE BE IT RESOLVED that the following properties are hereby approved and established as an Obsolete Property Rehabilitation District as provided by Public Act 146 of 2000 legally described as:

LOT 8 & N 1 R LOT 7 BLOCK 63 ORIG PLAT, 33-01-01-16-127-001.

BE IT FINALLY RESOLVED that this resolution shall not be construed as the City Council's approval of any future application for an Obsolete Properties Rehabilitation Exemption Certificate for the Developer or any other applicant.

BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolution to Set a Public Hearing Regarding the Establishment of an Obsolete
Property Rehabilitation Act District
221 West Saginaw Street

WHEREAS, Motion Properties, Inc., the owner of the property located at 221 West Saginaw Street in the City of Lansing, Michigan (the "Property") has requested in writing that the City of Lansing establish an Obsolete Property Rehabilitation District (the "District") as enabled by Public Act 146 of 2000, the "Obsolete Property Rehabilitation Act" (the "Act"), and

WHEREAS, the owner of the Properties, Motion Properties is the legal owner of greater than fifty percent (50%) of all taxable value of the properties located within the proposed District, and

WHEREAS, the properties in question and the proposed boundary of the District is legally described as:

LOT 8 & N 1 R LOT 7 BLOCK 63 ORIG PLAT, 33-01-01-16-127-001, and

WHEREAS, the Act requires that before establishing the District the Lansing City Council shall give written notice by certified mail to the owners of all real property within the proposed District and shall hold a public hearing in order to provide an opportunity for owners, residents or other taxpayers of the City of Lansing to appear and be heard regarding the establishment of the District.

NOW THEREFORE BE IT RESOLVED that a public hearing be held in the City Council Chambers of the City of Lansing, 10th Floor, Lansing City Hall, Lansing, Michigan, on Monday, (**Insert Date**) at 7:00 p.m. for the purpose of receiving public comment on the establishment of an Obsolete Property Rehabilitation District under the provisions of Public Act 146 of 2000 and that the Clerk shall publish once in a publication of general circulation within the community a notice of the scheduled public hearing and that the notice appear not less than 10 or more than 30 days prior to the date of the hearing and that the Clerk also cause the owner of property within the proposed district to receive written notice of the public hearing to be delivered by certified mail.

City of Lansing
Notice of Public Hearing

The Lansing City Council will hold a public hearing on **(Insert Date)** at 7:00 p.m. in the City Council Chambers, 10th Floor, Lansing City Hall, Lansing, MI, for the purpose stated below:

To afford an opportunity for all residents, taxpayers of the City of Lansing, other interested persons and ad valorem taxing units to appear and be heard on the establishment of an Obsolete Property Rehabilitation District (the "District"), pursuant to and in accordance with the provisions of the Obsolete Property Rehabilitation Act, Public Act 146 of 2000, for property located at 221 West Saginaw Street, Lansing, Michigan, legally described as follows:

LOT 8 & N 1 R LOT 7 BLOCK 63 ORIG PLAT, 33-01-01-16-127-001.

Creation of this District will enable the owner or potentially the developer of property within the District to apply for an Obsolete Property Rehabilitation Exemption Certificate which would result in the abatement of certain property taxes. Further information regarding this issue may be obtained from Karl Dorshimer, Lansing Economic Area Partnership (LEAP), 1000 S. Washington Ave., Suite 201, Lansing, MI 48910, 517-702-3387.

**ECONOMIC DEVELOPMENT CORPORATION
LANSING CITY TREASURER APPROVAL FORM
BUSINESS**

Business Name: Motion Properties

Business Contact Person: Patrick and Tiffany Dowling

Phone Number: 517-206-1661

Project Location: 221 W. Saginaw, Lansing, MI 48933

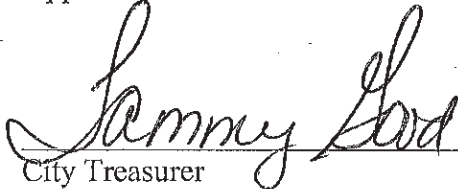
Type of EDC Service: OPRA Application

EDC Contact Person Name: Gabriela Allum

Email: gabriela@purelansing.com Phone Number: 517-643-1564

Due Date: As soon as possible

Approval:



City Treasurer

Application for Obsolete Property Rehabilitation Exemption Certificate

This form is issued as provided by Public Act 146 of 2000, as amended. This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

INSTRUCTIONS: File the original and two copies of this form and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) Please see State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. A statement from the assessor of the local unit of government, describing the required obsolescence has been met for this building, is required with each application. Rehabilitation may commence after establishment of district.

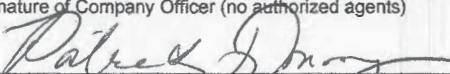
Applicant (Company) Name (applicant must be the OWNER of the facility) Motion Properties								
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code) 610 Seymour Ave., Lansing MI 48912								
Location of obsolete facility (No. and street, City, State, ZIP Code) 221 E. Saginaw, Lansing MI 48912								
City, Township, Village (indicate which) Lansing		County Ingham						
Date of Commencement of Rehabilitation (mm/dd/yyyy) 08/3/2016	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 02/14/2017	School District where facility is located (include school code) 33020 - Lansing						
Estimated Cost of Rehabilitation \$816,500	Number of years exemption requested 12	Attach Legal description of Obsolete Property on separate sheet						
Expected project likelihood (check all that apply): <table border="0"><tr><td>☒ Increase Commercial activity</td><td>☒ Retain employment</td><td>☒ Revitalize urban areas</td></tr><tr><td>☒ Create employment</td><td>☐ Prevent a loss of employment</td><td>☐ Increase number of residents in the community in which the facility is situated</td></tr></table> Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment _____			☒ Increase Commercial activity	☒ Retain employment	☒ Revitalize urban areas	☒ Create employment	☐ Prevent a loss of employment	☐ Increase number of residents in the community in which the facility is situated
☒ Increase Commercial activity	☒ Retain employment	☒ Revitalize urban areas						
☒ Create employment	☐ Prevent a loss of employment	☐ Increase number of residents in the community in which the facility is situated						
Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the following box if you wish to be considered for this exclusion. ☒								

APPLICANT'S CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by Public Act 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.

It is further certified that the undersigned is familiar with the provisions of Public Act 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.

Name of Company Officer (no authorized agents) Patrick Dowling	Telephone Number 517-206-1661	Fax Number
Mailing Address 610 Seymour Ave., Lansing MI 48933		Email Address patrick.dowling@att.net
Signature of Company Officer (no authorized agents) 		Title President

LOCAL GOVERNMENT UNIT CLERK CERTIFICATION

The Clerk must also complete Parts 1, 2 and 4 on Page 2. Part 3 is to be completed by the Assessor.

Signature	Date application received
-----------	---------------------------

FOR STATE TAX COMMISSION USE

Application Number	Date Received	LUCI Code
--------------------	---------------	-----------

LOCAL GOVERNMENT ACTION

This section is to be completed by the clerk of the local governing unit before submitting the application to the State Tax Commission. Include a copy of the resolution which approves the application and instruction items (a) through (f) on page 1, and a separate statement of obsolescence from the assessor of record with the State Assessor's Board. All sections must be completed in order to process.

PART 1: ACTION TAKEN

Action Date: _____		
☒ Exemption Approved for <u>12</u> Years, ending December 30, <u>2029</u> (not to exceed 12 years)		
☐ Denied		
Date District Established	LUCI Code	School Code
		33020

PART 2: RESOLUTIONS (the following statements must be included in resolutions approving)

A statement that the local unit is a Qualified Local Governmental Unit. A statement that the Obsolete Property Rehabilitation District was legally established including the date established and the date of hearing as provided by section 3 of Public Act 146 of 2000. A statement indicating whether the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) exceeds 5% of the total taxable value of the unit. A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years. A statement that a public hearing was held on the application as provided by section 4(2) of Public Act 146 of 2000 including the date of the hearing. A statement that the applicant is not delinquent in any taxes related to the facility. If it exceeds 5% (see above), a statement that exceeding 5% will not have the effect of substantially impeding the operation of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected taxing unit. A statement that all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate have been provided to the Qualified Local Governmental Unit by the applicant.	A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000. A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District. A statement that the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit eligible under Public Act 146 of 2000 to establish such a district. A statement that completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the facility is situated. The statement should indicate which of these the rehabilitation is likely to result in. A statement that the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(i) of Public Act 146 of 2000. A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.
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PART 3: ASSESSOR RECOMMENDATIONS

Provide the Taxable Value and State Equalized Value of the Obsolete Property, as provided in Public Act 146 of 2000, as amended, for the tax year immediately preceding the effective date of the certificate (December 31st of the year approved by the STC).

Taxable Value		State Equalized Value (SEV)	
Building(s)	\$144,327	\$185,000	
Name of Governmental Unit	Date of Action on application		Date of Statement of Obsolescence
City of Lansing, Michigan			June 9, 2016

PART 4: CLERK CERTIFICATION

The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

Name of Clerk	Clerk Signature	Date	
Chris Swope			
Clerk's Mailing Address	City	State	ZIP Code
City Hall, 9th Floor 124 W. Michigan Ave.	Lansing	MI	48933
	Telephone Number	Fax Number	Email Address
	517-483-4131		chris.swope@lansingmi.gov

Mail completed application and attachments to: Michigan Department of Treasury
State Tax Commission
P.O. Box 30471
Lansing, Michigan 48909-7971

If you have any questions, call (517) 373-2408.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.

BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolution to Approve an Obsolete Property Rehabilitation Act Certificate
221 West Saginaw Street

WHEREAS, pursuant to the Michigan Obsolete Property Rehabilitation Act, being Public Act 146 of 2000 (PA 146 of 2000), Motion Properties has filed an application for an Obsolete Property Rehabilitation Exemption Certificate (OPRA Certificate) with the Lansing City Clerk, for a proposed obsolete facility at 221 West Saginaw Street, Lansing, Michigan (Obsolete Property); and

WHEREAS, Motion Properties (the Developer) owns the proposed Obsolete Property; and

WHEREAS, the proposed Obsolete Property is located within an Obsolete Property Rehabilitation District legally established by resolution adopted (**Insert Date**), after a public hearing was held on (**Insert Date**), as provided by section 3 of PA 146 of 2000; and

WHEREAS, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) does not exceed 5% of the total taxable value of the City of Lansing; and

WHEREAS, a public hearing was held on (**Insert Date**) in order to provide an opportunity for the applicant, the City Assessor, a representative of the affected taxing units, the residents, and other taxpayers of the City of Lansing general public appear and be heard regarding the approval of the OPRA Certificate; and

WHEREAS, the Motion Properties has been certified in writing by the City of Lansing Treasurer to be not delinquent in any taxes related to the facility; and

WHEREAS, the application is for 12 years and under no circumstances or criteria will an extension of the exemption be considered; and

WHEREAS, the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000; and

WHEREAS, the applicant Motion Properties has provided answers to all required questions under the application instructions to the City of Lansing; and

WHEREAS, the City of Lansing requires that rehabilitation of the facility shall be completed by December 31, 2018; and

WHEREAS, the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District; and

WHEREAS, the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in the City of Lansing eligible under Public Act 146 of 2000 to establish such a district; and

WHEREAS, completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, revitalize an urban area, and increase the number of residents in the community in which the facility is situated; and

WHEREAS, the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council hereby grants an Obsolete Property Rehabilitation Exemption for the real property, excluding land, located in an Obsolete Property Rehabilitation District at 1149 South Washington legally described as LOT 8 & N 1 R LOT 7 BLOCK 63 ORIG PLAT, 33-01-01-16-127-001; for a period of 12 years, beginning December 31, 2016, and ending December 30, 2026, pursuant to the provisions of PA 146 of 2000, as amended.

BE IT FINALLY RESOLVED that the City Clerk shall cause the Application for Obsolete Property Rehabilitation Certificate to be completed, including the "Clerk Certification" and shall file the completed application, together with a certified copy of this resolution with the State Tax Commission.

BY THE DEVELOPMENT AND PLANNING COMMITTEE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolution to Set a Public Hearing Regarding the Granting of an
Obsolete Property Rehabilitation Act Certificate
221 West Saginaw Street

WHEREAS, Motion Properties, owner of the property located at 221 West Saginaw Street in the City of Lansing, Michigan (the "Property") has applied to the City of Lansing for the City to approve the issuance of an Obsolete Property Rehabilitation Exemption Certificate (the "OPRA Certificate"), pursuant to the Michigan Obsolete Property Rehabilitation Act, being Public Act 146 of 2000 (the "Act"); and

WHEREAS, the property in question of the Certificate is legally described as:

LOT 8 & N 1 R LOT 7 BLOCK 63 ORIG PLAT, 33-01-01-16-127-001, and

WHEREAS, the Act requires that before granting a Certificate the Lansing City Council hold a public hearing in order to provide an opportunity for the applicant, the City Assessor, a representative of the affected taxing units, the residents, and other taxpayers of the City of Lansing general public appear and be heard regarding the approval of the OPRA Certificate.

NOW THEREFORE BE IT RESOLVED that a public hearing be held in the City Council Chambers of the City of Lansing, 10th Floor, Lansing City Hall, Lansing, Michigan, on Monday, (**Insert Date**) at 7:00 p.m. for the purpose of receiving public comment on the approval of an OPRA Certificate under the provisions of Public Act 146 of 2000 and that the Clerk shall publish once in a publication of general circulation within the community a notice of the scheduled public hearing and that the notice appear not less than 10 or more than 30 days prior to the date of the hearing.

City of Lansing
Notice of Public Hearing

The Lansing City Council will hold a public hearing on Monday, **(Insert Date)** at 7:00 p.m. in the City Council Chambers, 10th Floor, Lansing City Hall, Lansing, MI, for the purpose stated below:

To afford an opportunity for all residents, taxpayers of the City of Lansing, City Assessor, other interested persons and ad valorem taxing units to appear and be heard on the approval of an Obsolete Property Rehabilitation Certificate (the "Certificate"), pursuant to and in accordance with the provisions of the Obsolete Property Rehabilitation Act, Public Act 146 of 2000, for property located at 221 West Saginaw Street, Lansing, Michigan, but more particularly described as follows:

LOT 8 & N 1 R LOT 7 BLOCK 63 ORIG PLAT, 33-01-01-16-127-001, and

Approval of this Certificate will provide the owner or potentially the developer of property an abatement of certain property taxes for the improvements to the property noted above. Further information regarding this issue may be obtained from Karl Dorshimer, Lansing Economic Area Partnership (LEAP), 1000 S. Washington Ave., Suite 201, Lansing, MI 48910, 517-702-3387.

**ECONOMIC DEVELOPMENT CORPORATION
LANSING CITY TREASURER APPROVAL FORM
BUSINESS**

Business Name: Motion Properties

Business Contact Person: Patrick and Tiffany Dowling

Phone Number: 517-206-1661

Project Location: 221 W. Saginaw, Lansing, MI 48933

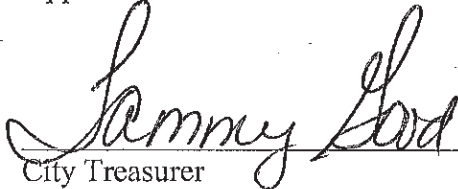
Type of EDC Service: OPRA Application

EDC Contact Person Name: Gabriela Allum

Email: gabriela@purelansing.com Phone Number: 517-643-1564

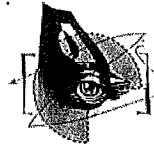
Due Date: As soon as possible

Approval:



City Treasurer

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NORTH ELEVATION
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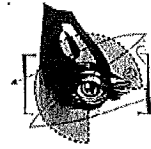
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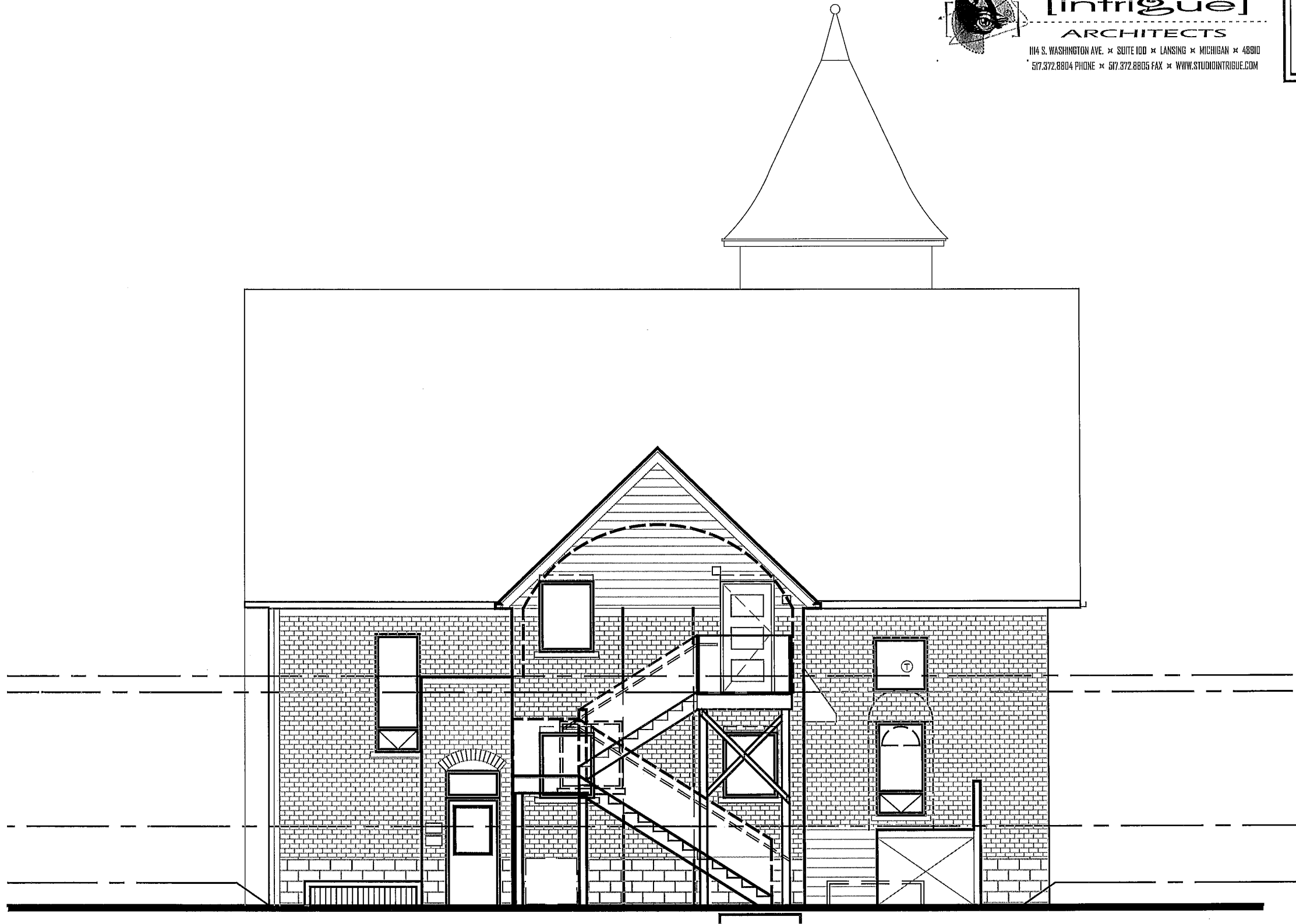


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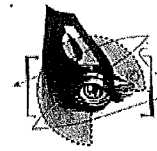


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WEST ELEVATION

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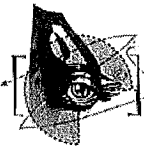
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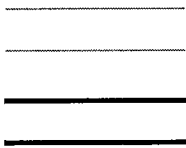
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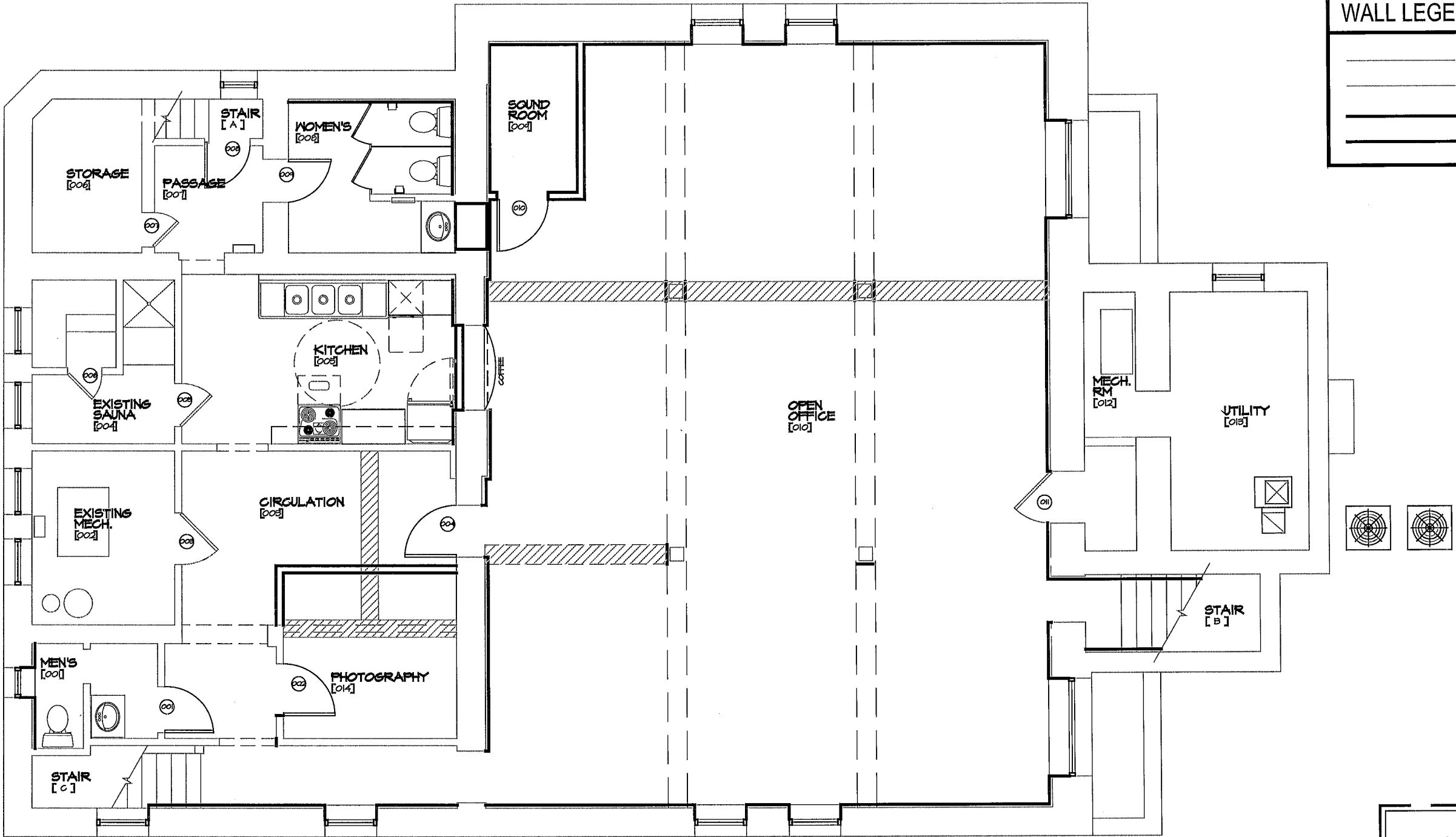
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WALL LEGEND



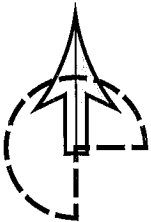
EXISTING

NEW CONSTRUCTION



LOWER LEVEL PLAN

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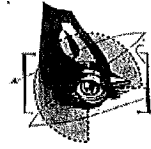
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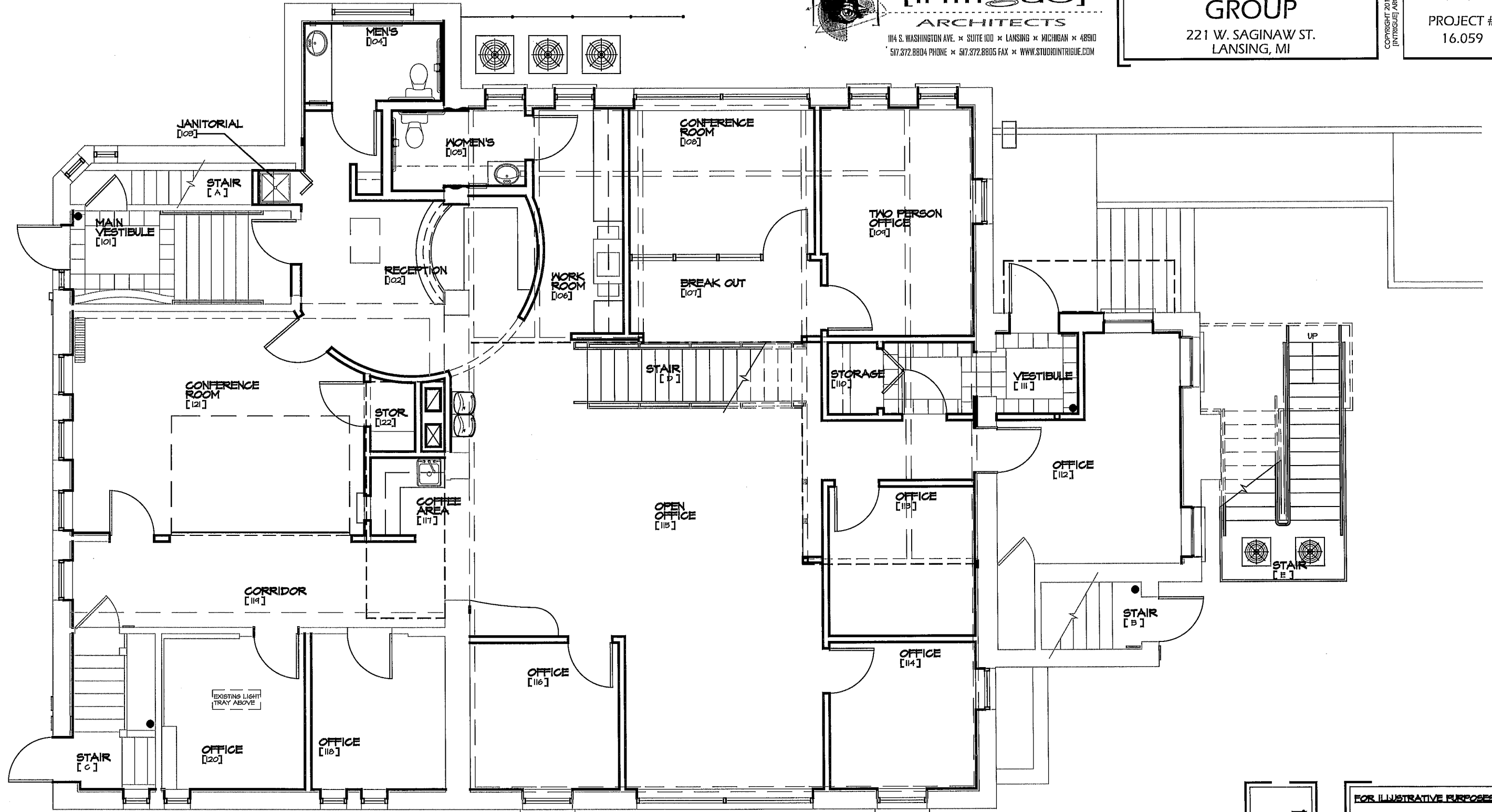
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WALL LEGEND

	EXISTING
	NEW CONSTRUCTION

FIRST FLOOR PLAN

NTS



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CONSTRUCTION

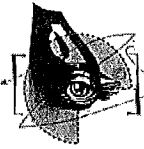
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studio
[intrigue]
ARCHITECTS

114 S. WASHINGTON AVE. * SUITE 100 * LANSING * MICHIGAN * 48910
517.372.8804 PHONE * 517.372.8805 FAX * WWW.STUDIOINTRIGUE.COM

Project

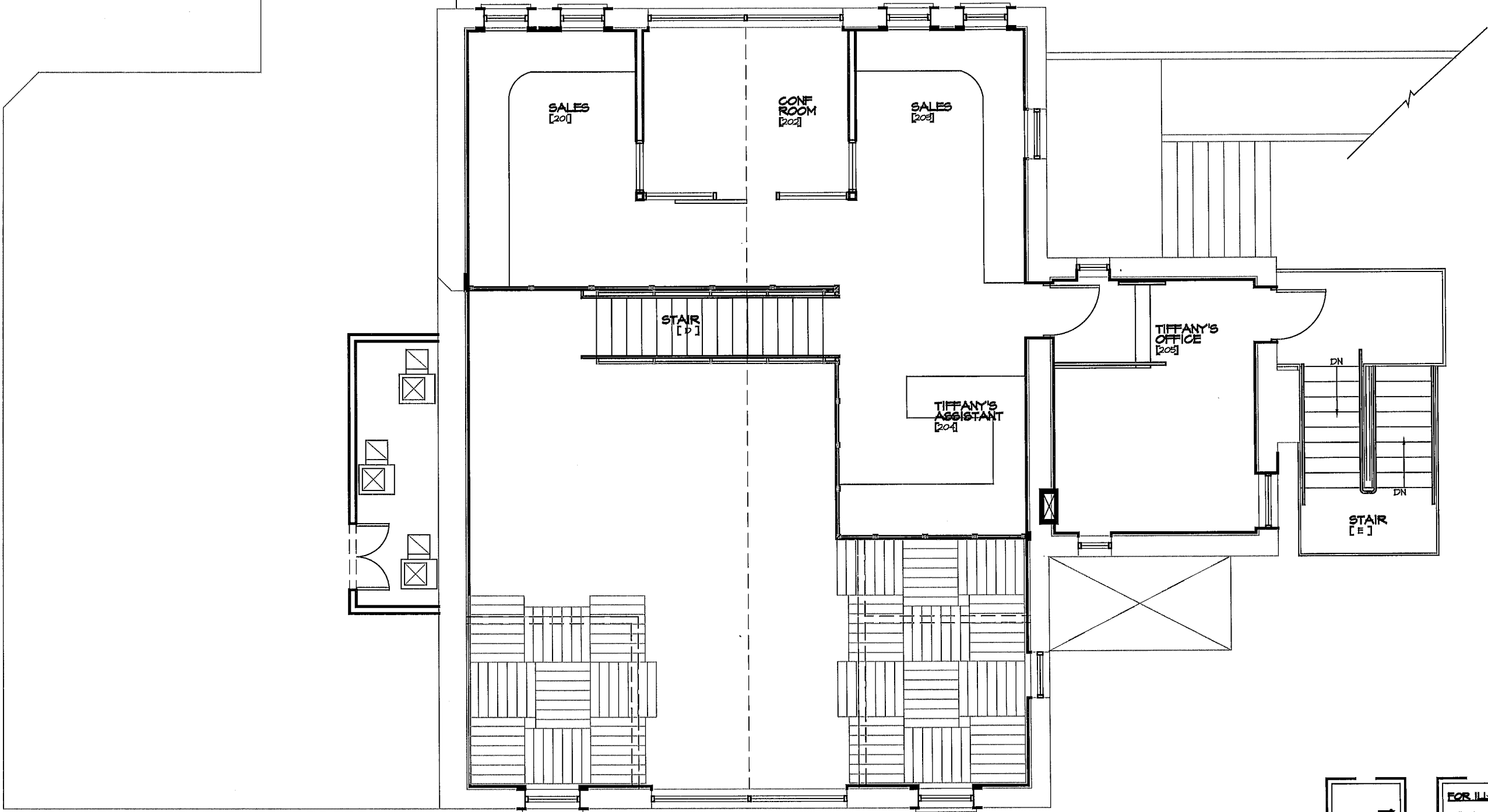
M3
GROUP

221 W. SAGINAW ST.
LANSING, MI

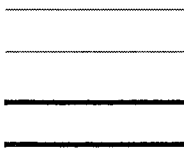
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[INTRIGUE] ARCHITECTS

DATE
10/12/16

PROJECT #
16.059



WALL LEGEND



EXISTING

NEW CONSTRUCTION

UPPER LEVEL PLAN

NTS



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FOR LEASE

UP TO 4,290 SF RETAIL/OFFICE SPACE

WITH APARTMENT ON SECOND FLOOR

1141 S. WASHINGTON AVENUE

Lansing, MI

PROPERTY OVERVIEW

This all brick building is ready for creative design and build out.

- + Tenant improvement allowance available
- + Perfect for coffee shop, bakery or small office
- + Next to Saddleback BBQ and near Board of Water & Light—home to 200 employees
- + In the heart of Reo Town near General Motors

LEASE TERMS

- + \$14.00/SF
- + Plus utilities and janitorial

SPACE AVAILABLE

- + 2,145 - 4,290 SF

AREA HIGHLIGHTS

- + Close to downtown Lansing's central business district, the State Capitol, Cooley Law School and Lansing Community College
- + Fully renovated streetscape in 2014

BUILDING DATA

- + 4,290 SF two-story building
- + Situated on approx. 0.063 acre
- + Built in 1904 with charming architectural details



Near high profile corner of Washington Avenue and South Street



CONTACT US

LISA ALLEN KOST

Senior Associate/Office Advisor

+1 517 319 9252

lisa.kost@cbre-martin.com



www.lansingoffice.net

CBRE | Martin
Part of the CBRE affiliate network

Lisa Allen Kost

FOR LEASE
OFFICE/RETAIL SPACE
WITH APARTMENT ON SECOND FLOOR

Up to 4,290 SF
1141 S. WASHINGTON AVE.
Lansing, MI



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Next to Saddleback BBQ



Near Board of Water & Light Power Station

CBRE|Martin | 1111 Michigan Ave. | Suite 300 | East Lansing, MI 48823

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CITY OF LANSING
ASSESSING DEPARTMENT

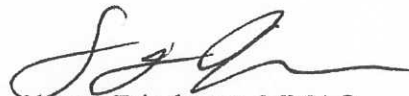
Phone #517-483-4020 Fax #517-483-4101

Mayor Virg Bernero

Address: 1141 S. Washington Ave
Parcel #: 33-01-01-21-257-076
Owner: L & P Properties, LLC

Statement of Obsolescence

The subject is improved with a two-story building. The first floor has two exterior doors, but has been opened up inside. The second floor has one apartment in half of the building. The other half of the upstairs needs complete remodeling in order to use it for apartment use. Because the stairway splits the building in half, the upstairs apartments are narrow and long. The electrical, plumbing and heating need updates. For these stated reasons, it is the opinion of this assessor that this building suffers more than 50% functional obsolescence.


Sharon Frischman, MMAO
City of Lansing Assessor

Date: 9-8-16



CITY OF LANSING
ASSESSING DEPARTMENT

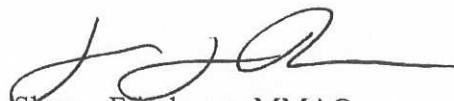
Phone #517-483-4020 Fax #517-483-4101

Mayor Virg Bernero

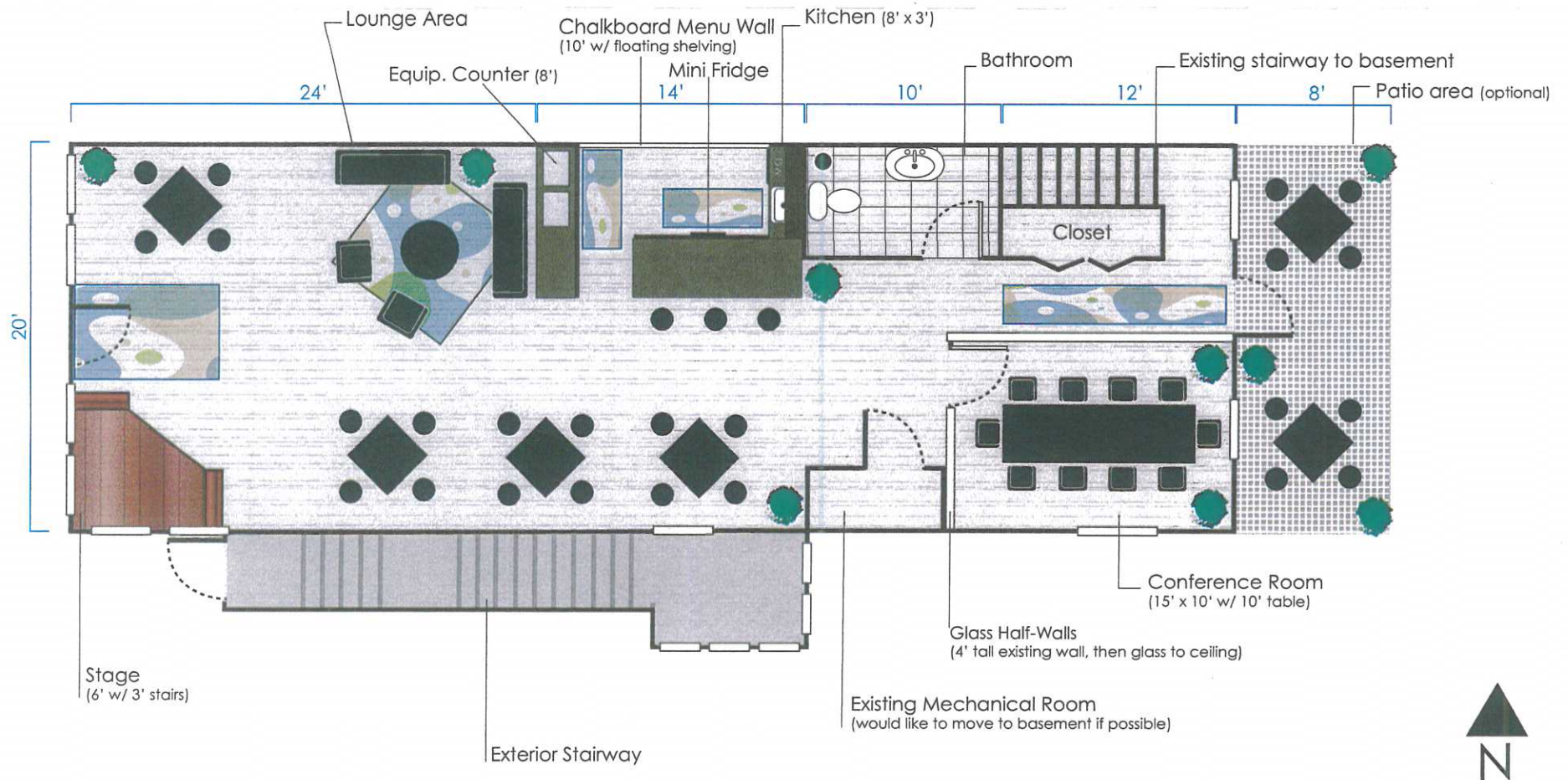
Address: 1149 S. Washington Ave
Parcel #: 33-01-01-21-257-095
Owner: L & P Properties, LLC

Statement of Obsolescence

The subject is improved with a two-story building. The only access to the second story is from an exterior stairway. An exterior stairway in Michigan is difficult to maintain and may be hazardous in winter weather. Electrical, plumbing and heating need updates. The second floor has previously been used as a residential apartment but would require extensive remodeling to update it to today's standards. For these stated reasons, it is the opinion of this assessor that this building suffers more than 50% functional obsolescence.


Sharon Frischman, MMAO
City of Lansing Assessor

Date: 9-8-16



Dinning Areas:

- (4) 3' square tall top tables
- Seating for 16
- Large logo on south wall

Lounge Area:

- Open concept
- (2) 6' sofas
- (2) chairs
- coffee table
- Remove to add more tables if needed

Stage Area:

- 6' corner platform
- 3' wide stairs on either side

Kitchen Area:

- 14' x 8'
- Upper cabinets on east wall
- Sink with garbage disposal
- Dishwasher
- 8' x 3' Espresso Bar top and 3 stools
- Mini fridge and cabinets under bar top
- 10' Chalkboard menu wall w/ floating shelves
- 8' equipment counter - (register + espresso)
- Cabinet under equip. counter

Bathroom:

- Unisex
- (1) toilet
- (1) sink
- Frosted glass door
- Existing pipe shown in north/west corner

Conference Room:

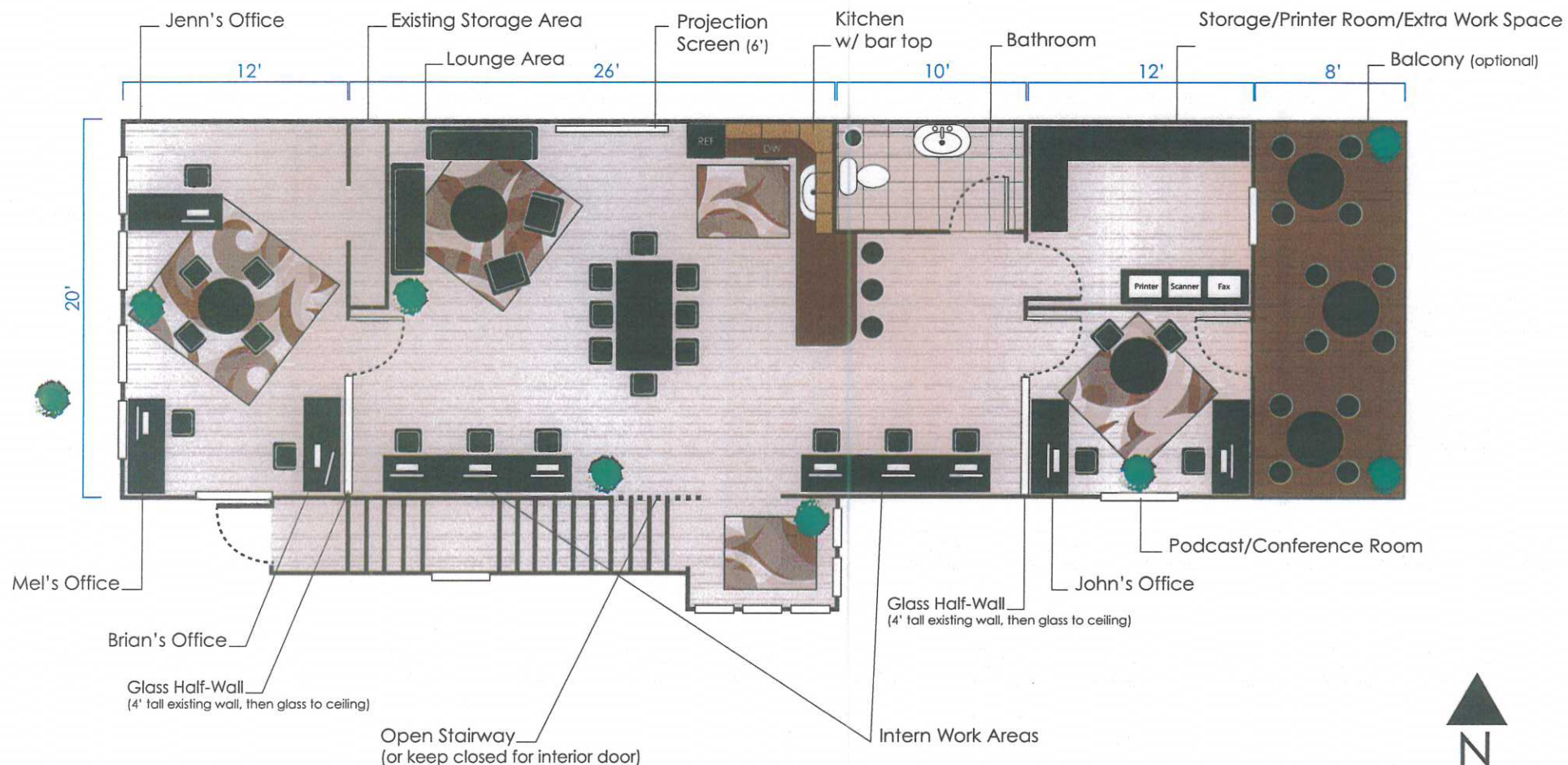
- 15' x 10' conference area (larger if mech. room moves)
- Can accommodate a 10' table
- Glass paneled door
- 4' tall half-walls, then glass to ceiling

Mechanical Room:

- Would like to move this to basement
- If it can be moved:
 - Optional merchandise area OR...
 - Additional tables added OR...
 - Conference room extended to 22' OR...
 - Conference room extended to 17' AND, additional table added.

EXTRAS:

- Optional patio area
- Tall-top tables and chairs
- Plants in large pots to define area



Front Offices:

- Shared office space for Brian, Mel, Jenn
- Built-in storage area for files and supplies
- Small conference area
- Glass half-wall
- Glass in door

Lounge Area:

- Open concept
- (2) 6' sofas
- (2) chairs
- coffee table

Main Conference Area:

- Open concept
- 3' x 6' table w/ 8 chairs
- 6' projection screen on brick wall
- White board space behind screen

Kitchen Area:

- 8' x 12' open concept
- Upper and lower cabinets
- Sink with garbage disposal
- Dishwasher
- Refrigerator
- Bar top and 3 stools

Intern Work Areas:

- (6) 2' x 5' desks
- (6) computers
- (6) swivel chairs

Bathroom:

- Unisex
- (1) toilet
- (1) sink
- Frosted glass door

Storage Room:

- Large storage racks
- Wall table/cabinet for printers

Podcast/Conference Room/John's Office:

- Small conference area with table and chairs
- Podcast desk area
- Existing door to outside - add glass door

EXTRAS:

- Optional balcony area
- Tall-top tables and chairs
- Plants and throw rugs

Created: 1/11/16 - Jennifer Putmon - Michigan Creative

September 16, 2016

Lansing City Clerk
City Hall
124 West Michigan Ave.
Lansing, MI 48933

Re: Obsolete Property Rehabilitation Act District Application
L & P Properties, LLC
OPRA District to include 1149 South Washington Ave and 1141 South Washington Ave

General Project Description

The undersigned applicant L & P Properties, LLC, who is also the owner of the above properties named above, hereby requests the establishment of an OPRA District covering those properties. The adjacent properties have been inspected by the City of Lansing assessor who determined that they both suffer from functional obsolescence. The applicant intends to rehabilitate both buildings as follows:

1149 South Washington Ave will be redeveloped into a location that includes restaurant/food concept (Blue Owl Coffee, Co.) on the main level with commercial space (Michigan Creative) on the second level.

1141 South Washington Ave will be redeveloped into a location that includes a restaurant/food concept on the main level and residential apartments on the second level.

District Establishment Purpose

In an effort to maximize the utility value of two separate but adjacent functionally obsolete buildings, the applicant is committed to doing complete rehabilitation of both buildings. In that context, and as more fully detailed below, the developer will incur considerable renovation costs. The establishment of the OPRA District, with its multi-year property tax deferment benefit is vital to making the economics of both of these projects work. The Developer will be applying separately for two separate OPRA Certificates one for each building.

Community Benefits

Redevelopment of the two property will provide numerous benefits to the City. While the specific facilities would undergo considerable renovation, the entire area would benefit from the transformation of two vacant buildings into a thriving and alive properties.

Basis of Eligibility

Both properties have been determined in writing by the City of Lansing Assessor to be Functionally Obsolete as require and per the Michigan PA 146 of 2000 as amended.

Project Costs and Phasing

The OPRA tax abatement is a significant component of this project. The petitioner has estimated the renovation costs of both projects combined at approximately \$709,500. The renovation estimate are as follows:

1149 South Washington	1st Floor	2nd Floor	Totals
Architect Drawings	\$6,000	\$6,000	\$12,000
Fire Rated Ceiling/Abatement	\$0	\$0	\$0
Demolition	\$2,500	\$5,000	\$7,500
Mechanical, Electrical, plumbing	\$35,000	\$50,000	\$85,000
Loft Apartment Construction	\$0	\$0	\$0
Restrooms	\$25,000	\$10,000	\$35,000
Flooring	\$10,000	\$0	\$10,000
Finishings	\$5,000	\$30,000	\$35,000
Outside Staircase	\$20,000	\$0	\$20,000
Entryway/Façade	\$0	\$0	\$0
Grading Pavement	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
subtotal	\$103,500	\$101,000	\$204,500

Personal Property Investment \$90,000

1141 South Washington	1st Floor	2nd Floor	Totals
Architect Drawings	\$7,500	\$7,500	\$15,000
Fire Rated Ceiling/Abatement	\$20,000	\$0	\$0
Demolition	\$0	\$5,000	\$5,000
Mechanical, Electrical, plumbing	\$20,000	\$40,000	\$60,000
Loft Apartment Construction	\$0	\$220,000	\$220,000
Restrooms	\$25,000	\$0	\$25,000
Flooring	\$15,000	\$0	\$15,000
Finishings	\$0	\$0	\$0
Outside Staircase	\$0	\$0	\$0
Entryway/Façade	\$35,000	\$0	\$35,000
Grading Pavement	<u>\$0</u>	<u>\$20,000</u>	<u>\$20,000</u>
subtotal	\$122,500	\$292,500	\$415,000

Personal Property Investment \$0

Grand Project Total \$709,500

Property Taxable Value and Legal Description

The Specifics on the property are as follows:

Property Address: 1149 South Washington Ave.
Owner's Name: L & P Properties, LLC
Sq Feet of Building: Approximately 2880
Tax ID Number: 61-1774451
Tax Value Land: \$3,200 (2016)
Tax Value Building: \$58,900 (2016)
SEV Value Total: \$62,100 (2016)
Legal Description: The South 21.8 feet of the West 83 feet of Lot 29 of Sparrow's
Subdivision of Block 200 of the original plat of City of Lansing, Ingham County,
Michigan -- Parcel Number: 33-01-01-21-257-095

Property Address: 1141 South Washington Ave.
Owner's Name: L & P Properties, LLC
Sq. Feet of Building: Approximately 4200
Tax ID Number: 61-1774451
Tax Value Land: \$3,200 (2016)
Tax Value Building: \$39,602 (2016)
SEV Value Total: \$85,300 (2016)
Legal Description: The North 2 rods of the West 83 feet of Lot 30, Sparrow's
Subdivision of Block 200, Original Plat of City of Lansing, according to the
recorded plat thereof, of record in Liber 2 of Plats, Page 42, Ingham County,
Michigan -- Parcel Number: 33-01-01-21-257-076 (building)

The West 17.5 feet of the East 65.5 feet of Lots 29 and 30, Sparrow's Subdivision
of Block 200 of the original plat of City of Lansing, according to the recorded plat
thereof, of record in Liber 2 of Plats, Page 42, Ingham County, Michigan -- Parcel
Number: 33-01-01-21-257-100 (vacant lot)

Thank you in advance for your assistance and consideration in this matter.

Sincerely,

Name
L & P Properties, LLC., Owner Nicholas Pope