AGENDA
Committee on Development and Planning
Monday, February 6, 2017 @ 3:30 p.m.
10th Floor Conference Room, City Hall

Councilmember Judi Brown Clarke, Chair
Councilmember Jessica Yorko, Vice Chair
Councilmember Tina Houghton, Member
Councilmember Adam Hussain, Member

1. **Call to Order**

2. **Public Comment on Agenda Items**

3. **Minutes:**
   December 20, 2016

4. **Discussion/Action:**

A.) RESOLUTION – OPRA District ; 506 S. Hosmer Street

B.) RESOLUTION – OPRA Certificate; 506 S Hosmer Street

C.) RESOLUTION - LS-18-2016; Lot Split for 3209 Felt Street Habitat for Humanity

5) **Other/Place on File**

6) **Adjourn**

DRAFT

MINUTES
Committee on Development and Planning
Tuesday, December 20, 2016 @ 10:00 a.m.
Council Conference Room, City Hall 10th Floor

CALL TO ORDER
Called to order at 10:00 a.m.

PRESENT
Council Member Washington, Chair
Council Member Yorko, Vice-Chair – left at 11:04 a.m.
Council Member Brown Clarke, Member- arrived at 10:05 a.m.

OTHERS PRESENT
Sherrie Boak, Council Staff
Jim Smiertka, City Attorney- arrived at 10:05 a.m.
Heather Sumner, Assistant City Attorney
Karl Dorschimer, LEAP
Council Member Wood- left at 10:13 a.m. returned at 11:05 a.m.
Klein Allison, Assistant City Attorney
Kathy Miles
Jackson Gross
Mark Mello
Chris Harkins
Jonathon Baniff
Jared Cypher, Ingham County
Will Matthews, Hosmer Storage LP
Eric Pratt, LEAP
JP Buckingham, Tri-Terra
Jason Kiren, Gillespie Grouo
Steve Japinga, Lansing Regional Chamber of Commerce
Sue Stachowiak
Council Member Dunbar – arrived at 10:11 a.m. left at 10:13 a.m. returned at 11:05 a.m.

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

Council Member Washington passed the gavel to Council Member Yorko.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE MINUTES FROM DECEMBER 12, 2016 AS PRESENTED. MOTION CARRIED 2-0.

Council Member Yorko passed the gavel back to Council Member Washington.

PUBLIC COMMENT

Public Comment will be taken during each agenda item.

Council Member Washington tabled agenda item D) ACT-11-2016 per the request from the Planning and Neighborhood Development Office for Law to do a further review.

DISCUSSION/ACTION

ORDINANCE – Z-7-2016; Rezoning from "F" & "DM-2" to "E-1"; Dunkel & Collins Road

Ms. Stachowiak outlined the project and the request for the rezoning to take from previously residential student housing to residential and commercial. The applicant is a new owner and staff recommends approval.

Council Member Washington asked Ms. Stachowiak if there was no proposed use, why the request was before them. Ms. Stachowiak explained that they are getting proper zoning in place to get use there.

Council Member Wood asked Ms. Stachowiak to confirmed their taxes were paid.

MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE ORDINANCE Z-7-2016 FOR REZONING FROM F & DM-2 TO E-1 FOR THE PROPERTY AT DUNKEL AND COLLINS. MOTION CARRIED 3-0.

RESOLUTION – Set a Public Hearing; OPRA District ; 500 S. Hosmer Street

Council Member Washington stated that the request was to set a public hearing for the OPRA, which would be done on January 9, 2017 with the hearing on January 30, 2017.

Mr. Pratt with LEAP presented on the project which would be an indoor storage facility with the purpose to provide 678 climate control sub storage units. The site is the former Liquor Control Commission warehouse built in 1943. It was sold in 2003 to Eyde however went underutilized, and recently bought by Hosmer who propose to rehab it with structure improvements, façade, and public improvements including landscape and streetscape. The total investment will be $2,998,612 with the increase in taxes after the project to $257,303 for the 12 year OPRA. The applicant will be responsible for paying the 12 year OPRA on the school taxes on the complete project. Mr. Pratt distributed a spreadsheet of the financial breakdown to the Committee.

Mr. Hosmer presented photos of the current building and also renderings of the proposed finished project. He noted that currently it does not meet fire code or fire or building safety, so that will need to be addressed with sprinklers, new electrical, access ramps and installation of an elevator. There are plans for front façade structural repair also, however they plan to be open within 6 months after starting on the project.

Council Member Dunbar arrived. Council Member Washington stated that Council Member Wood and Dunbar could stay however they could not comment. Mr. Smiertka corrected the directive stating there would be a quorum, therefore both would have to leave.

Council Member Dunbar and Council Member Wood left the meeting at 10:13 a.m.

Mr. Hosmer continued his presentation noting that part of the scope of work is remediation and addressing some environmental issues and they hope to also do a Brownfield, but currently are sticking with only the OPRA and taking on the risk of contamination that was left. The project will bring in jobs ranging from $16-$20/hour, once the OPRA expires taxes will jump up to $157,000 for real and personal property taxes.

Council Member Washington asked Mr. Hosmer why he was asking for 12 years. Mr. Buckingham answered that after 12 years the value of the OPRA will be at $200,000, but adding up all the expenses it will be well over $200,000, and the total benefit to all taxing jurisdictions will be well over.

Council Member Washington asked where Hosmer was located. Mr. Hosmer stated that he is an American citizen, and the company is a US enterprise based in Delaware. He did admit that due to some family reasons, he personally has moved back to Canada recently.

The Committee and applicant reviewed the renderings showing 80,000 sq. ft. and the potential for 3 levels of storage that will be designed based on demand.

Council Member Yorko stepped away from the meeting at 10:20 a.m.

It was noted the elevator will be large capacity similar to a hospital elevator and industrial. The company will have 2-3 full time employees at the rate mentioned earlier, those including a property manager, and building maintenance employees.

Council Member Yorko returned to the meeting at 10:21 a.m.

Mr. Hosmer noted that some of their clients are businesses who work out of their home but do not have storage therefore use the units for product and tools. They will not be running their business out of the units. The number of units was determined on a study which revealed the customer base at 85% residential and 15% small business. When they looked at a market for storage, they looked at the demographics on density and any other storage in a 3-5 mile radius. This study was done by a third party group for feasibility. Lastly Mr. Hosmer clarified that the units will be about $6-$7 a foot, and will be constructed of corrugated steel, beginning with one floor of units at a time.

MOTION BY COUNCIL MEMBER YORKO TO SET THE PUBLIC HEARING FOR THE OPRA DISTRICT FOR 500 S HOSMER FOR JANUARY 30, 2017. MOTION CARRIED 3-0.

RESOLUTION – Set a Public Hearing; OPRA Certificate; 500 S Hosmer Street

MOTION BY COUNCIL MEMBER BROWN CLARKE TO SET THE PUBLIC HEARING FOR THE OPRA CERTIFICATE FOR 500 S. HOSMER FOR JANUARY 30, 2017. MOTION CARRIED 3-0.

RESOLUTION – ACT-11-2016; 637 E. Michigan Avenue; Vacate North East Street Easements

Council Member Washington tabled the request for further review by law. Mr. Smiertka confirmed his office has requested the title work on the property.

DISCUSSION – Ordinance- Transparency in the Bidding Process

The Committee was presented with the December 20, 2016 version of the proposed Ordinance. Council Member Washington pointed out that this recent version was based on comments from the last Committee of the Whole and Development & Planning joint Meeting, and she had incorporated most of the language that was suggested. One item that she confirmed she did not include was the clause that stated "it would only go in effect if all surrounding areas take effect" because that was only heard from one Council Member as a concern. In addition the concern with public bid opening was only mentioned by one Council Member that was left in. Changes in the ordinance also included the removal of requiring 3 bids, and the addition to page 5 line 14- 17 "This ordinance shall not apply to projects with a private investment under $750,000 or for bid packages projected to be under $25,000. This ordinance shall also not apply to industrial projects." The question then was raised as if it does not apply to industrial, that medical marihuana dispensary would not have to abide if they were in industrial zoned. Mr. Smiertka stated it would depend if they applied for incentives. Currently the way the ordinance is written now, this will only apply to commercial and multi-family.

The Committee discussed the provisions and exemptions for grow facilities, greenhouses, and dispensaries. Council Member Brown Clarke noted that to be consistent they cannot look at medical marihuana any different than any other business in an industrial use. Council Member Yorko asked law if Council had the legal authority to say which type of industrial use is or is not exempt. Mr. Smiertka stated that as far as exemption, it would be whether it would be in the statue for that tax incentive. Currently the way it is written, it only applies for 4 tax incentives, and some are industrial. This only pertains to commercial and residential such as PILOT's, OPRA, Brownfields and 328.

Council Member Washington asked Mr. Smiertka for a legal opinion on what the liability is if the City exempts grow facilities. Mr. Smiertka stated he did not see an exemption from the ordinance if they fit every other criteria the City has in place for them in the other ordinances. The way it is written right now, the ordinance does not apply to industrial, and the grow base would not be subject to this ordinance.

Council Member Yorko asked if the purpose of this ordinance was to discourage economic incentives, and Council Member Washington stated it was not the purpose.

Mr. Cypher, Ingham County Deputy Controller introduced himself as an observer to the discussion to report back to the County. Council Staff provided Mr. Cypher with a copy of the ordinance.

Council Member Yorko asked what had changed in the ordinance, and Council Member Washington confirmed she had used some of Council Member Dunbar's suggested language, and the investigation portion was not new, but the wording now mirror's the language from the recently adopted Ordinance on Human Rights. There was a comment made earlier that the complaint should go to LEAP first, however LEAP is in contract with the City, so if the City does not renew the contract with LEAP in the future there could be issues.

Council Member Yorko asked Mr. Smiertka if the proposed language in the ordinance was from Law, and Council Member Washington pointed out the language was the same language from the Ordinance on Human Rights and approved by law. Mr. Smiertka confirmed.

Council Member Yorko read and submitted her questions for the record. (now part of the meeting packet) These questions included inquiries into who was going to "monitor" the ordinance, how

"public disclosure" is defined, questioning the point of notifying the bidder that were not selected, who would determine if the method used for bids was "customary in the relevant trade", and questioned some duplication in the document. Council Member Washington clarified answers to some of the questions, highlighting that no one will monitor the opening, but if it is not opened properly, then they have the option to file a complaint with the City Attorney, other items in Council Member Yorko's questions were cleaned up in the Draft dated December 20, 2016 in front of the Committee.

Council Member Washington did confirm that she had used most of the suggested language changes by Council Member Dunbar dated December 7, 2016 however she did not put in the "we-too clause" which was suggested to encourage the surrounding municipalities to participate also.

Council Member Yorko left the meeting at 11:04 a.m.

Council Member Washington asked Mr. Smiertka if another public hearing would be necessary, and Mr. Smiertka confirmed there had been enough changes from the last hearing that there should be another public hearing.

Council Member Brown Clarke noted that there should be a default to monitor the process, and if LEAP is doing the Development Agreements, and they monitor it, would there also be a default language that doesn't specifically state LEAP to provide someone the opportunity to protest. Council Member Washington stated that is incumbent upon LEAP, the burden of proof is on the complaintent to prove, it is not the Council's job to prove the case. Council Member Brown Clarke acknowledged that process, however questioned how to make the process easier and have a policy friendly procedure. Mr. Smiertka noted that the way the Ordinance is written there has to be a case presented to the City Attorney office.

MOTION BY COUNCIL MEMBER BROWN CLARKE TO INTRODUCE AND SET THE PUBLIC HEARING FOR THE ORDINANCE ON TRANSPARENCY IN BIDDING AND OPENING OF BIDS ON JANUARY 9, 2017 FOR JANUARY 30, 2017.

Council Member Brown Clarke also asked Mr. Cypher to take back to the County the discussion he heard today, and encouraged them to continue their conversations with the hope of having whatever is in place for the ordinance mirrored in other municipalities.

MOTION CARRIED 2-0.

Adjourn at 11:12 a.m.
Submitted by, Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee on_____

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: 12-8-16

RE: Hosmer Storage LP OPRA Application

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 - Hosmer Storage LP OPRA Application

Date: December 8, 2016

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

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
506 South Hosmer Street

WHEREAS, the owner of property located at 506 South Hosmer 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, Hosmer Storage, LP, hereinafter called the "Developer", has executed a Purchase Agreement to acquire the property, 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 Property and for the City of Lansing to take all necessary steps and actions to establish the District on their behalf, and

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

LOT 5 ASSESSORS PLAT NO 24 REC L 10 P 29, Ingham County, Michigan -- Parcel Number: 33-01-01-15-351-051, 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 property are hereby approved and established as an Obsolete Property Rehabilitation District as provided by Public Act 146 of 2000 legally described as:

LOT 5 ASSESSORS PLAT NO 24 REC L 10 P 29, Ingham County, Michigan -- Parcel Number: 33-01-01-15-351-051, and

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.

[30324:2:20161207:140349]

November 8, 2016

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

Re: Obsolete Property Rehabilitation Act District Application
506 South Hosmer Street, Lansing, Michigan

General Project Description

The undersigned applicant, with the written permission of the owner of the above property, hereby requests the establishment of an OPRA District covering this property. The applicant intends to acquire the property and re-habilitate the building as a self-storage facility. Property rehabilitation includes improving curb appeal/streetscape, building integrity (roof and structural repairs), new asphalt, improvements to the interior. The project will include a total of 678 new storage units ranging in size from 25 square feet to 300 square feet.

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.

Basis of Eligibility

The property must be an "Obsolete property" which means commercial property or commercial housing property that is 1 or more of the following:

(i) A "Facility" as that term is defined under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101. This can be determined by an environmental firm.

(ii) Functionally Obsolete. If the project is on property that is functionally obsolete, the applicant shall include, with the application, an affidavit signed by a level 3 or level 4 assessor, that states that it is the assessor's expert opinion that the property is functionally obsolete and the underlying basis for that opinion.

The property is considered an eligible "Obsolete property" because: (a) the property was previously utilized as a commercial property; (b) it is located within the City of Lansing, a qualified local governmental unit under MCL 125.2782(k); (c) the property has been determined to be a "facility", as the term is defined under section 20101 of the Natural Resources and Environmental Protection Act (NREPA), Michigan Public Act 451 of 1994, MCL 324.20101, as amended ("Part 201"); and (d) the property has been determined to be functionally obsolete by the City of Lansing, Assessor's Office as defined in Sections 2(e) and 2(s), respectively, of Act 381.

Project Costs and Phasing

The OPRA tax abatement is a significant component of this project. The petitioner has estimated the renovation costs at approximately $2,998,612. Renovations are anticipated to be complete by December 2017. The renovation estimate includes:

Demolition and Asbestos Abatement	$ 280,355
Construction	1,777,630
Equipment and Fixtures	290,000
Soft Cost of Construction	650,627
TOTAL	$ 2,998,612

Major renovation efforts are required to put the vacant, dilapidated building back to use. Renovation efforts will include, but are current not limited to, new or improved fixed building equipment, including heating, ventilation, and lighting, improved roof structure, wall and floor replacement, improved wall placement, improved interior and exterior appearance, and other physical changes required to restore or change the obsolete property to an economically efficient condition.

Property Taxable Value and Legal Description

The property is 506 S. Hosmer Street. Specifics on this property are as follows:

Owner's Name: Eydel Properties LLC
Sq Feet of Building: Approximately 81,414
Tax ID Number: 33-01-01-15-351-051
Tax Value Land: $140,600 (2016)
Tax Value Land Improvements: $0 (2016)
Tax Value Building: $139,400 (2016)
SEV Total: $280,000 (2016)
Legal Description: LOT 5 ASSESSORS PLAT NO 24 REC L 10 P 29

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

Sincerely,
Hosmer Storage LP

Will Mathews

ECONOMIC DEVELOPMENT CORPORATION
LANSING CITY TREASURER APPROVAL FORM
BUSINESS

Business Name: Hosmer Storage LP
Business Contact Person: Tom Wach
Phone Number: 403 612 7799

Project Location: 506 S. Hosmer, Lansing, MI 48912

Type of EDC Service: OPRA Application

EDC Contact Person Name: Karl Dorshimer

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

Due Date: As soon as possible

Approval:

Tammy Good

City Treasurer

AGREEMENT IN CONSIDERATION OF DEVELOPMENT INCENTIVES

THIS AGREEMENT in Consideration of Development Incentives ("Agreement") is made and entered this 24th day of November, 2016, by and between the City of Lansing, Michigan, a Michigan municipal corporation ("City"), and Hosmer Storage LP, 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: 506 S. Hosmer Redevelopment Project

Business Name of Applicant *(if applicable)*: Hosmer Storage LP

Name of Parent Company *(if applicable)*: _____

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

Hosmer Storage LP	100 %
_____	_____ %
_____	_____ %
_____	_____ %

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

Obsolete Property Rehabilitation Act (OPRA) Tax Abatement	12 Years
_____	_____ Years
_____	_____ Years
_____	_____ Years

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

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):*

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

2 - 3 FTE

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

$ 2,998,612

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

$ 14.00 - $17.00 per hr.

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 (12 yrs.): $ 62,894.64

Estimated total revenue to the City upon Project Completion (12 yrs.): $ 142,621.64

Estimated total value of City Incentive(s) (12 yrs.): $ 157,108.00

Estimated total new net revenue to the City (12 yrs.): $ 79,727.00

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

Project Timeline: The project is anticipated to begin in March of 2017 and be completed by the August of 2017.

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 Brownfield Tax Increment Financing (TIF) for the purpose of rehabilitation of the existing building and site structural features including asbestos surveys and abatement, extensive interior demolition, Baseline Environmental Assessment activities, due care and additional response activities, site preparation activities and public infrastructure improvements ("Project"). The Project is anticipated to create 2 - 3 new full-time equivalent employees (FTE) with a total estimated investment in real property of $1,802,630 and personal property of $290,000, 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 506 South Hosmer Street ("Project Area") and legally described as follows:

LOT 5 ASSESSORS PLAT NO 24 REC L 10 P 29

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 March 31, 2017 and ends August 31, 2017.

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. Use best efforts to create at approximately 3-5 new, permanent full-time equivalent employees (FTE).

2. Purchase and/or locate within the Project Area, personal property with a fair market value of $290,000. This personal property may not be moved to the Project Area from another location within the City of Lansing.

3. Make improvements to the real property currently estimated at $2,347,985 (including infrastructure). Improvements include only hard costs, and exclude architectural, engineering & legal 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 to be performed by August 31, 2017.

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 verification of project completions by the LEDC, 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:

_____

Tom Wach

_____

_____

_____

_____

_____

HOSMER STORAGE LP:

By: _____
Will Mathews

Its: Member

CITY OF LANSING:

By: _____
Virg Bernero

Its: Mayor

LANSING ECONOMIC DEVELOPMENT CORPORATION:

By: _____
Robert L. Trezise, Jr.

Its: Representative

Approved as to form:

_____
Janene McIntyre
City Attorney

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

_____
City Controller

Michigan Department of Treasury
3674 (Rev. 05-13)

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)		
Hosmer Storage LP		
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code)		
160 Greentree Drive, Suite 101, Dover Delaware 19904		
Location of obsolete facility (No. and street, City, State, ZIP Code)		
506 S. Hosmer Street, Lansing, Michigan 48912		
City, Township, Village (indicate which)	County	
City of Lansing	Ingham	
Date of Commencement of Rehabilitation (mm/dd/yyyy)	Planned date of Completion of Rehabilitation (mm/dd/yyyy)	School District where facility is located (include school code)
3/31/2017	8/31/2017	Lansing Public School District (33020)
Estimated Cost of Rehabilitation	Number of years exemption requested	Attach Legal description of Obsolete Property on separate sheet
$2,998,612.00	12	

Expected project likelihood (check all that apply):

- [x] Increase Commercial activity
- [ ] Retain employment
- [x] Revitalize urban areas
- [x] 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 15

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)	Telephone Number	Fax Number
Will Mathews	(587) 888-3298	
Mailing Address		Email Address
160 Greentree Drive, Suite 101, Dover Delaware 19904		wmathews@macritchie.biz
Signature of Company Officer (no authorized agents)		Title
		Member

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(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.

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

Resolution to Approve an Obsolete Property Rehabilitation Act Certificate
506 South Hosmer Street

WHEREAS, pursuant to the Michigan Obsolete Property Rehabilitation Act, being Public Act 146 of 2000 (PA 146 of 2000), Hosmer Storage, LP has filed an application for an Obsolete Property Rehabilitation Exemption Certificate (OPRA Certificate) with the Lansing City Clerk, for a proposed obsolete facility at 506 South Hosmer Street, Lansing, Michigan (Obsolete Property); and

WHEREAS, Hosmer Storage, LP (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, Hosmer Storage, LP 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 Hosmer Storage, LP 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 506 South Hosmer Street legally described as LOT 5 ASSESSORS PLAT NO 24 REC L 10 P 29, Ingham County, Michigan -- Parcel Number: 33-01-01-15-351-051; for a period of 12 years, beginning December 31, 2017 and ending December 30, 2029.

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.

PERSPECTIVES

0 8' 18' 32' 64'

506 S HOSMER STREET
LANSING, MICHIGAN 48912

Macritchie Storage, LLC
DEVELOPER/OWNER

JANUARY 24, 2017

SULLIVAN GOULETTE & WILSON
ARCHITECTS

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PERSPECTIVE

Macritchie Storage, LLC
DEVELOPER/OWNER

JANUARY 24, 2017

506 S HOSMER STREET
LANSING, MICHIGAN 48912

SULLIVAN GOULETTE & WILSON
ARCHITECTS

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PERSPECTIVE

Macritchie Storage, LLC
DEVELOPER/OWNER

JANUARY 24, 2017

506 S HOSMER STREET
LANSING, MICHIGAN 48912

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PERSPECTIVES

0 8' 16' 32' 64'

506 S HOSMER STREET

LANSING, MICHIGAN 48912

Macritchie Storage, LLC
DEVELOPER/OWNER

JANUARY 24, 2017

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ARCHITECTS

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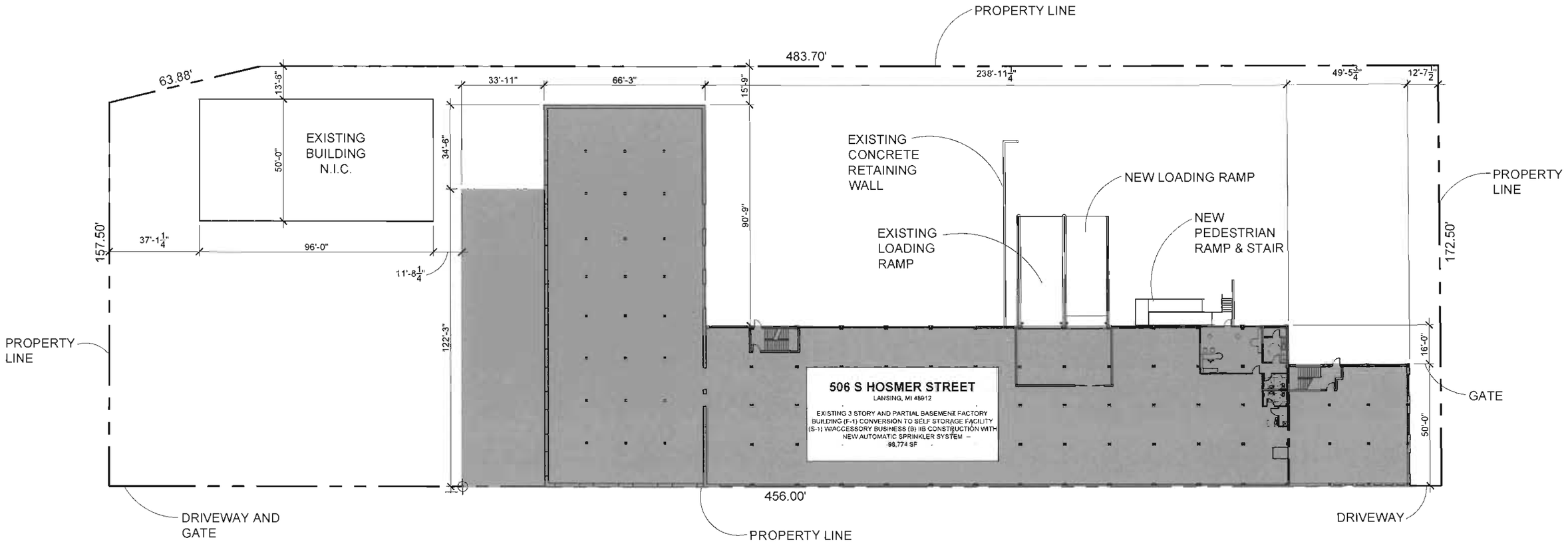

NORTH

SITE PLAN

0 10' 20' 40' 80'

506 S HOSMER STREET

LANSING, MICHIGAN 48912

Macritchie Storage, LLC
DEVELOPER/OWNER

JANUARY 24, 2017

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ARCHITECTS

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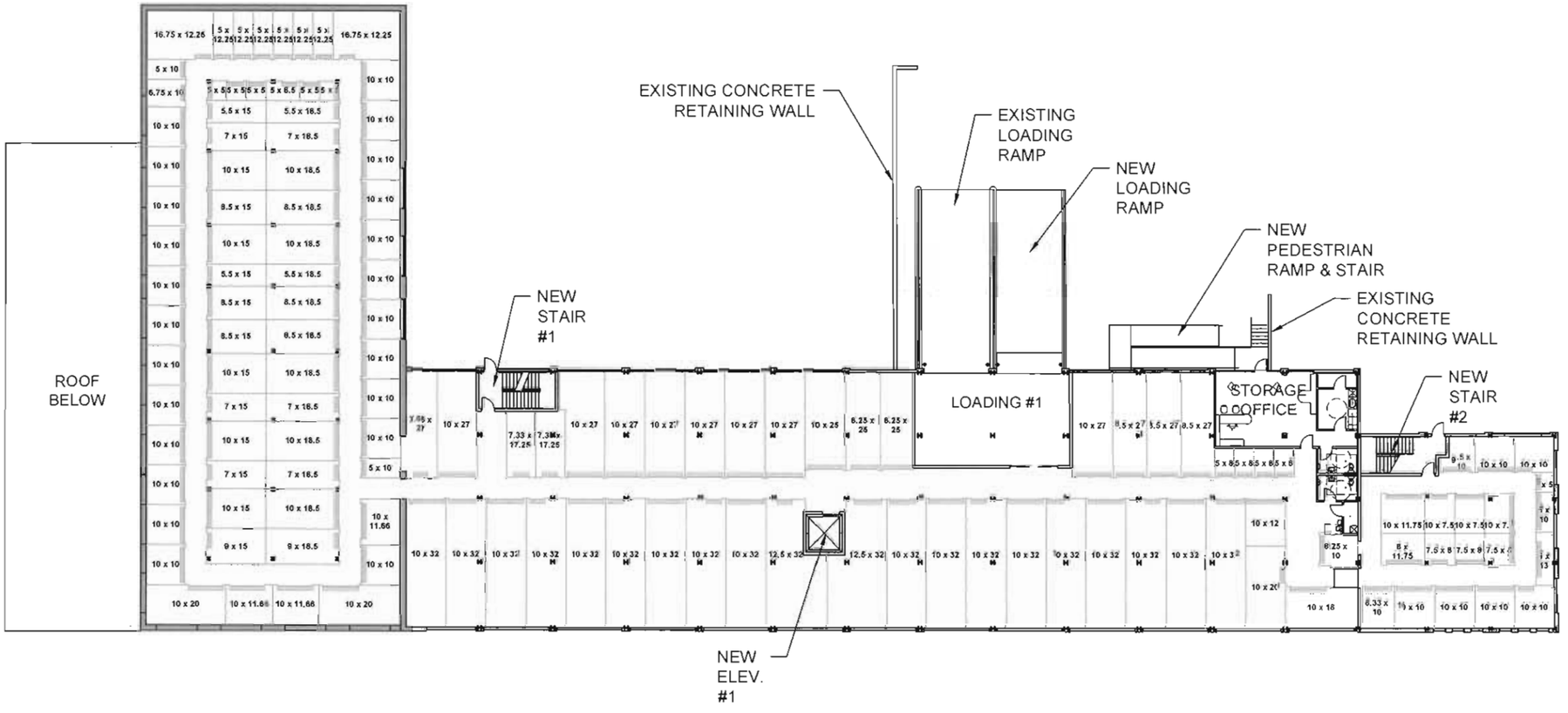

NORTH

FIRST FLOOR PLAN

0 8' 16' 32' 64'

506 S HOSMER STREET

LANSING, MICHIGAN 48912

Macritchie Storage, LLC
DEVELOPER/OWNER

JANUARY 24, 2017

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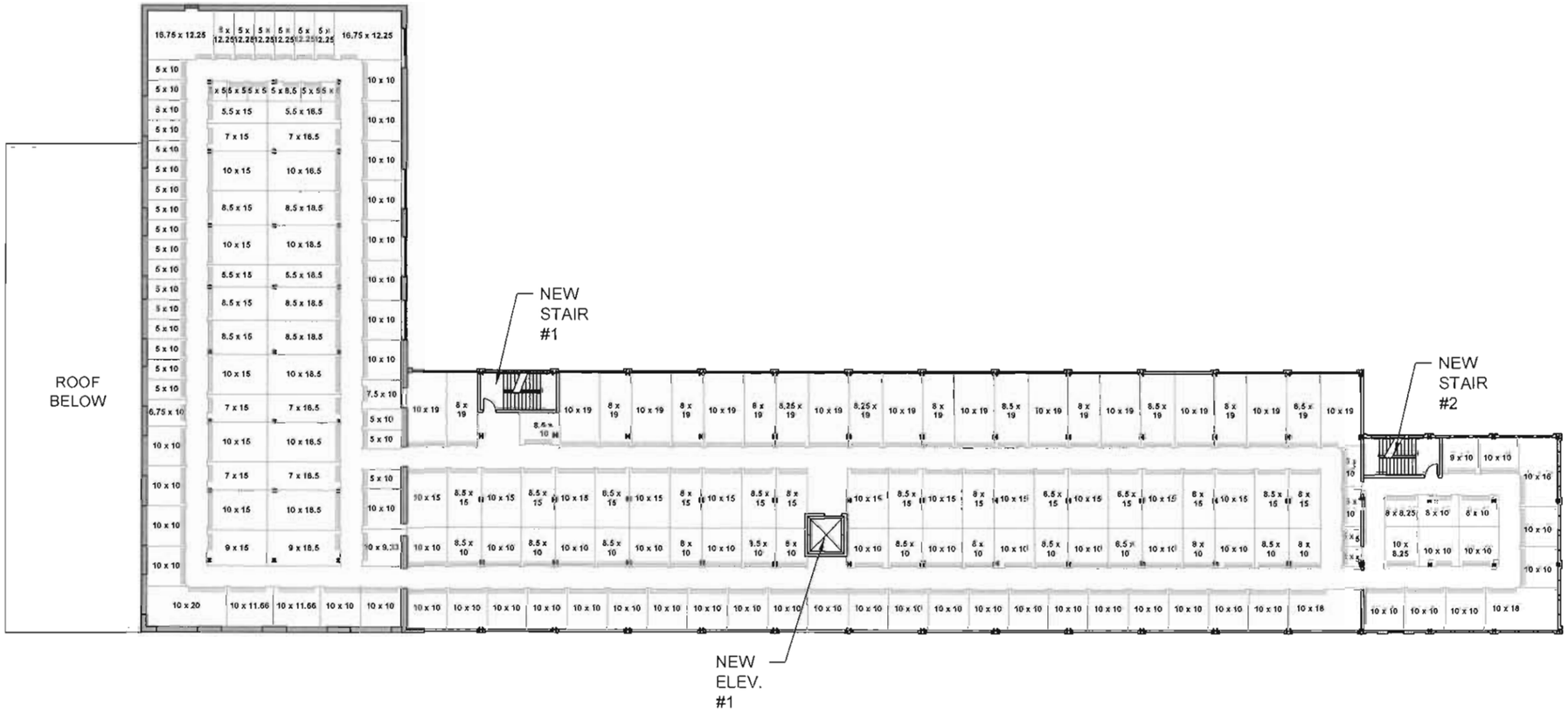

NORTH

SECOND FLOOR PLAN

0 8' 16' 32' 64'

506 S HOSMER STREET

LANSING, MICHIGAN 48912

Macritchie Storage, LLC
DEVELOPER/OWNER

JANUARY 24, 2017

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ARCHITECTS

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SELF-STORAGE DESKTOP MARKET STUDY

Site Location:

506 South Hosmer St,
Lansing, Michigan 48912

Client: Macritchie Storage LLC

Desk Market Analysis performed by: Robert Copper, Self Storage 101

Self Storage 101
Unlock Your Profits

The client has engaged Self Storage 101 to conduct a Desktop Pre-Development Site and Market Study to evaluate demand of a potential self-storage facility located at 506 S Hosmer St, Lansing, MI. This study researches the demand for self-storage in the sub-market surrounding the facility and, hence, its viability. Storage 101 has recommended NOT moving forward on a particular project approximately 50% of the time.

It is my opinion that the market is highly favorable for the development of 506 S Hosmer St as a self-storage facility.

Our opinion is based on the following:

- The square foot demand calculations would appear to indicate that the subject market within a three-mile radius is under-developed by a significant amount and there is sufficient amount of unmet self-storage space demand for the contemplated development and in particular for climate controlled storage space.
- The subject site does appear to enjoy some level of location advantage as it is located with some level of visibility and from a moderately higher traffic count roadway than some of the competitors. It also appears to 'own' a sub-section of the market as there are no self-storage competitors located in close proximity (within one mile) of the subject site and there are no competitors located in close proximity to the south of the subject site.

DEMAND ANALYSIS

A widely accepted methodology for calculating demand in a market is to examine the amount of self-storage square footage per capita within a three-mile radius of the facility. Three to five miles is considered the trading radius as customers want to store close by for convenience as they will likely visit their storage once a month.

The reader is cautioned that the square-foot-per-capita analysis alone is not conclusive. The benchmark that reflects saturation or demand levels depends upon the market and must be looked in conjunction with occupancy of competitive facilities. For example, the highest level is in Little Rock at 12.85 square feet per capita. The lowest is in the New York metropolitan area at 2.74 square feet per capita. In both markets, occupancies can be found to be similar. You cannot, therefore, conclude that the supply threshold for New York is over 10 times the current supply.

Given the population in the three-mile radius and lack of competitors, it is likely that the three-mile radius will be the main trading area for this facility. This market analysis would indicate that the three-mile market is most likely 'under-supplied' as evidenced in part by the below average square foot per capita (see below), anecdotal evidence of high occupancy thru onsite manager comments and inferences from the dynamic pricing models utilized by some of the competitors.

Using the national average demand calculation number for comparison, as well as the State and National demand calculations the analysis would indicate that there is likely a substantial amount of unmet demand within the three-mile demographic profiles.

RADIUS		SUBJECT PROPERTY		MSA SQ/CAP	STATE SQ/CAP	US AVERAGE	HIGHEST MSA US	LOWEST MSA US
				8.32	7.83	8.32	12.78	2.52
			Variances					
1 MILE		0.00		-8.32	-7.83	-8.32	-12.78	-2.52
2 MILE		1.22		-7.10	-6.61	-7.10	-11.56	-1.30
3 MILE		2.84		-5.48	-4.99	-5.48	-9.94	0.32

CALCULATION						
	2015	# OF	SQUARE	SQUARE FEET	Potential Demand	
	POPULATION	FACILITIES	FOOTAGE	PER CAPITA	Comp: MSA SF/Person	
RADIUS						
1 MILE	11756	0	0	0.00	97810	
2 MILE	44926	1	55000	1.22	318784	
3 MILE	96882	5	275000	2.84	531058	

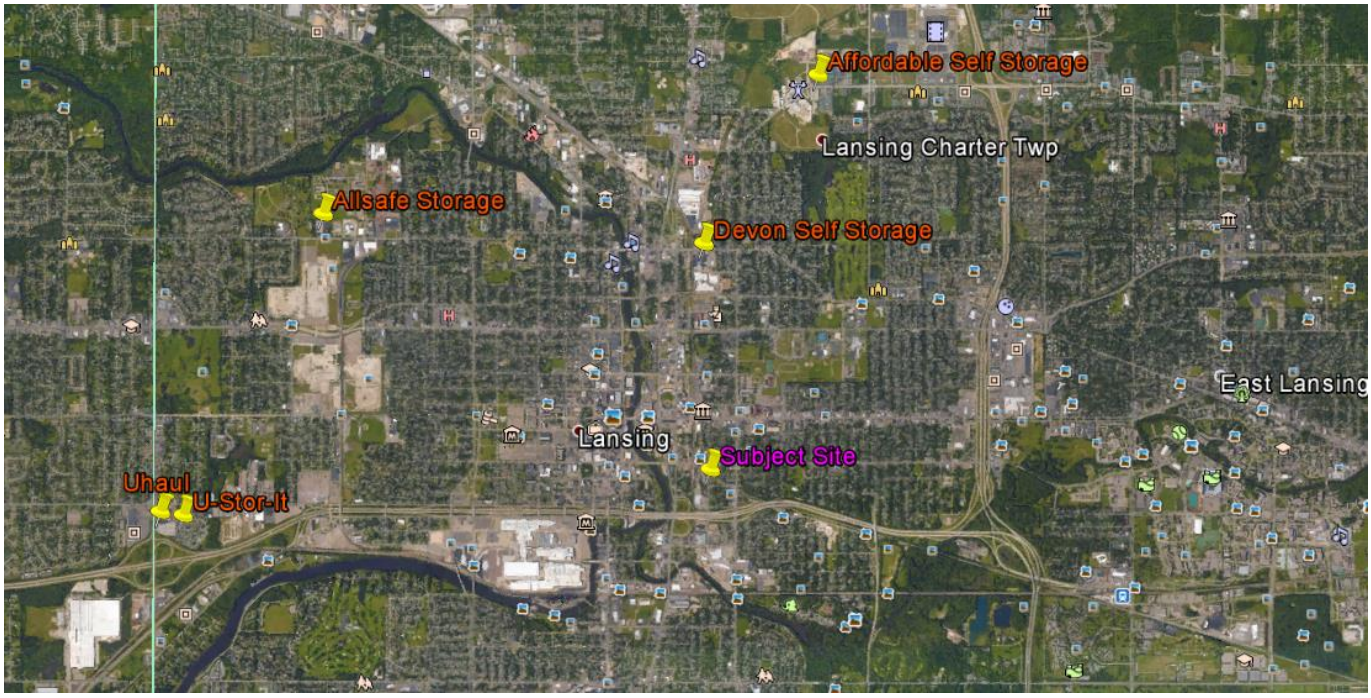
The GREEN highlighted numbers indicate the amount of unmet square footage demand within the various demographic profiles.

Any RED highlighted numbers would indicate the amount of over-supply within the various demographic profiles.

We should note that we have used an average square footage size of 55,000 for the market competitors. While it is likely these facility sizes would change with a more thorough onsite market study we do not believe the numbers would change dramatically.

COMPETITORS

There are five competitors within a three-mile radius of the facility, all of which are more than 1.5 miles from the site. Based on phone surveys and mystery shopping, all of these facilities are highly occupied.



DISCLAIMER

This report was prepared exclusively for our client. While every attempt is made to provide the highest level of accuracy and reliability, it must be recognized that the report relies heavily on written and verbal information provided by others. In some cases these sources are competitors, who may have a vested interest in skewing data. Every attempt has been made to eliminate possible misrepresentations. Self Storage 101 accepts no responsibility and shall not be liable for misinformation, either intentional or accidental, and cannot be held responsible for any decisions the developer may make based on this report. Reliable sources and redundant checks are employed, but there is always an outside chance that data can be missed. One should be aware of that fact in decision making based on this report.

It should be noted that the assumptions herein are based on the use of seasoned professionals in the development, entitlement, design, construction, marketing and management of the property.

Self Storage 101 states that is have no financial interest in the development of this proposed project. The payment of professional fees agreed upon for this report was in no manner contingent upon the results and opinions stated within this report.

Virg Bernero, Mayor

City of Lansing

Inter-Departmental Memorandum

To: Virg Bernero, Mayor

From: Bob Johnson, Director, PNDD

Subject: CITY COUNCIL AGENDA ITEM - LS-18-2016—Lot Split for 3209 Felt Street—Habitat Humanity

Date: Jan 5, 2017

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

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

LS-18-2016, 3209 Felt Street
Lot Split Application

WHEREAS, Habitat for Humanity has requested a lot split (LS-18-2016) to divide the property at 3209 Felt Street into two separate parcels of land; and

WHEREAS, the resulting parcels, one of which will be a corner parcel, will have a depth of 96 feet; and

WHEREAS, Section 1236.07(c) of the Subdivision Ordinance requires a minimum depth of 100 feet for interior residential parcels and a minimum depth of 135 feet for residential corner parcels of land; and

WHEREAS, one of the resulting lots will be a corner lot; and

WHEREAS, the lot split will not present a significant deviation from the existing development pattern in the area; and

WHEREAS, the lot split will allow the applicant to construct single family homes on each of the resulting parcels; and

WHEREAS, the Planning Board, at its meeting held on January 3, 2017 voted (6-0) to recommend approval of the lot split; and

WHEREAS, the Committee on Planning and Development has reviewed the recommendation of the Planning Board and concurs therewith;

NOW THEREFORE BE IT RESOLVED that the Lansing City Council hereby approves the lot split request (LS-18-2016) by Habitat for Humanity to divide the property at 3209 Felt Street into two separate parcels of land, legally described as follows:

Interior Parcel: The West 60 Feet of Lots 56 & 57, Ideal Homesites

Corner Parcel: The East 75 Feet of Lots 56 & 57, Ideal Homesites

[30517:4:20170106:132658]

GENERAL INFORMATION

APPLICANT/OWNER:	Habitat for Humanity 1941 Benjamin Drive Lansing, MI 48906
REQUESTED ACTION:	This is a request to divide the property at 3209 Felt Street into 2 separate parcels of land
EXISTING LAND USE:	The subject property is currently vacant
PROPOSED LAND USE:	2 Single Family Homes
EXISTING ZONING:	"A" Residential District
PROPERTY SIZE & SHAPE:	**Existing**: 96' x 135' = 12,960 sq. ft. **Proposed**: Parcel No. 1: 75' x 196' = 7,200 sq. ft. Parcel No. 2: 60' x 96' = 5,760 sq. ft.
SURROUNDING LAND USES	N: Single Family Residential S: Single Family Residential E: Single Family Residential F: W: Single Family Residential
SURROUNDING ZONING:	N: "A" Residential District S: "A" Residential District E: "A" Residential District W: "A" Residential District
MASTER PLAN:	The Design Lansing Comprehensive Plan designates the subject property for low density residential use. Felt and Carrier Streets are both designated as local roads.

DESCRIPTION

This is a request by Habitat for Humanity to divide the property at 3209 Felt Street into two separate parcels of land, one of which would be a corner lot. Section 1236.07(c) of the Subdivision Ordinance requires a minimum depth of 100 feet for interior residential lots and a minimum depth of 135 feet for residential corner lots. If approved, both lots would have a depth of 96 feet. Variances to the required lot depth are therefore, being requested.

Existing Legal Description:

3209 Felt Street: Lots 56 & 57, Ideal Homesites

Proposed Legal Descriptions:

Parcel 1: The East 75 Feet of Lots 56 & 57, Ideal Homesites

Parcel 2: The West 60 Feet of Lots 56 & 57, Ideal Homesites

Required Lot Depth	Proposed Lot Depth	Variance
Parcel 1: Corner Lot – 135 Feet	96 Feet	39 Feet
Parcel 2: Interior Lot – 100 Feet	96 Feet	4 Feet

ANALYSIS

The primary consideration with lot splits is whether the resulting lots will be comparable in size with other lots in the area. The majority of the lots in the vicinity of the subject property are at least 135 feet in depth but have lot widths that are between 45 and 50 feet. In this case, the proposed lots will meet the minimum lot width requirements of 60 feet for interior lots and 75 feet for corner lots. The proposed interior lot will be 60 feet wide by 96 feet deep which is only 4 feet less than the minimum required lot depth. The proposed corner lot will be 75 feet wide by 96 feet deep which is 39 feet less than the required lot depth. The applicant could, as a matter of right, split the parcel at the platted lot lines (Lots 56 & 57 shown on the attached map). This would result in an interior lot that is 46 feet wide by 135 feet deep and a corner lot that is 50 feet wide by 135 feet deep. This allows for a buildable area on the corner lot of 25' x 85 feet and a buildable area on the interior lot of 31' x 85 feet. Corner lots have 2 front yard setback requirements (20 feet from both front property lines). Under the applicants lot split proposal, the corner lot would have a buildable area of 49' x 46' and the interior lot would have a buildable area of 48'x 46'. This will allow for much better house designs as it is difficult to construct houses that are 25-31 feet wide.

RECOMMENDATION

Pursuant to the findings described above, the following recommendations are offered for the Planning Board's consideration:

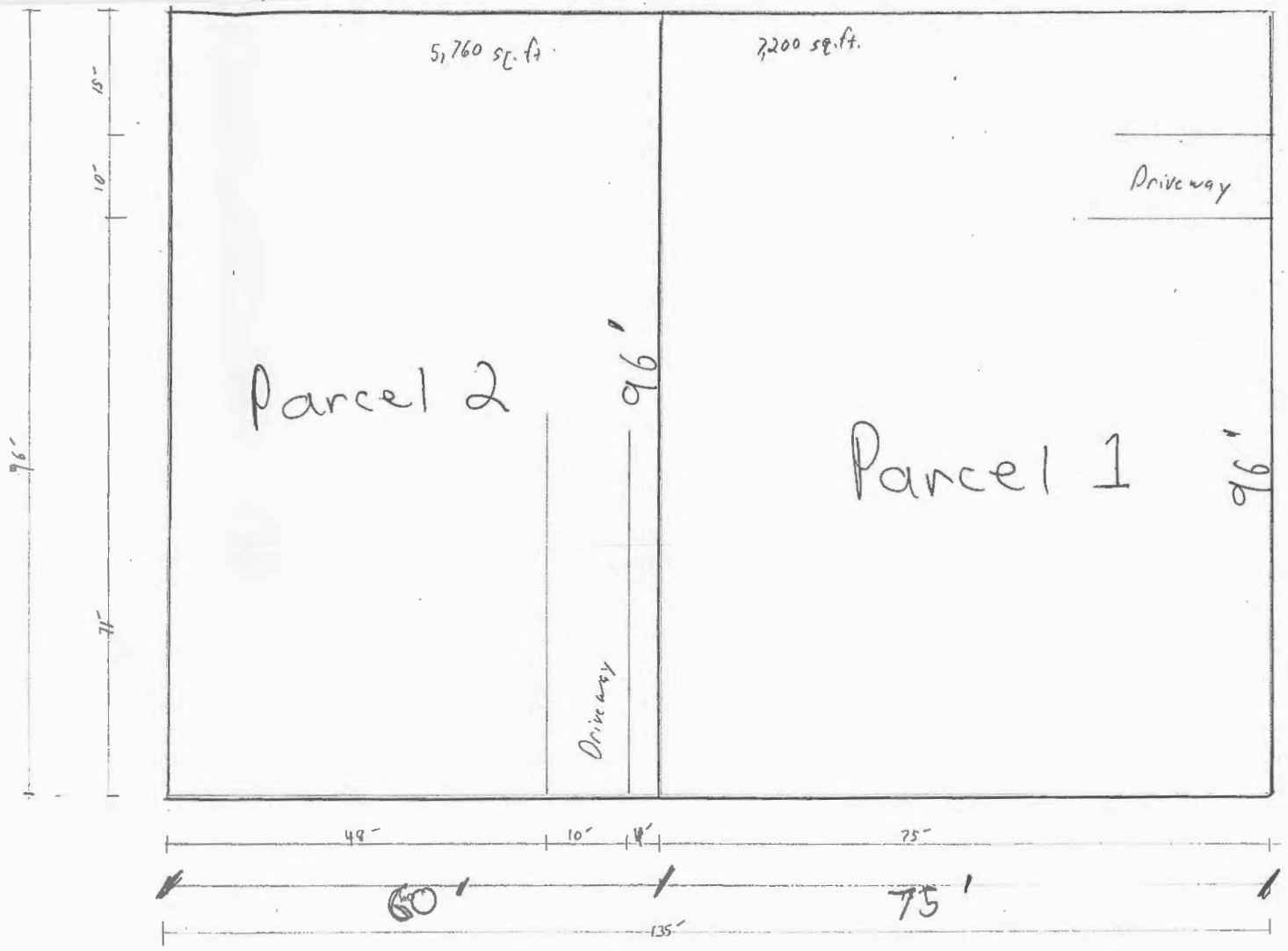
Staff recommends that LS-18-2016 be approved to permit the division of the property at 3209 Felt Street into two separate parcels of land, legally described as:

Parcel 1: The East 75 Feet of Lots 56 & 57, Ideal Homesites

Parcel 2: The West 60 Feet of Lots 56 & 57, Ideal Homesites

Respectfully Submitted,

Susan Stachowiak
Zoning Administrator

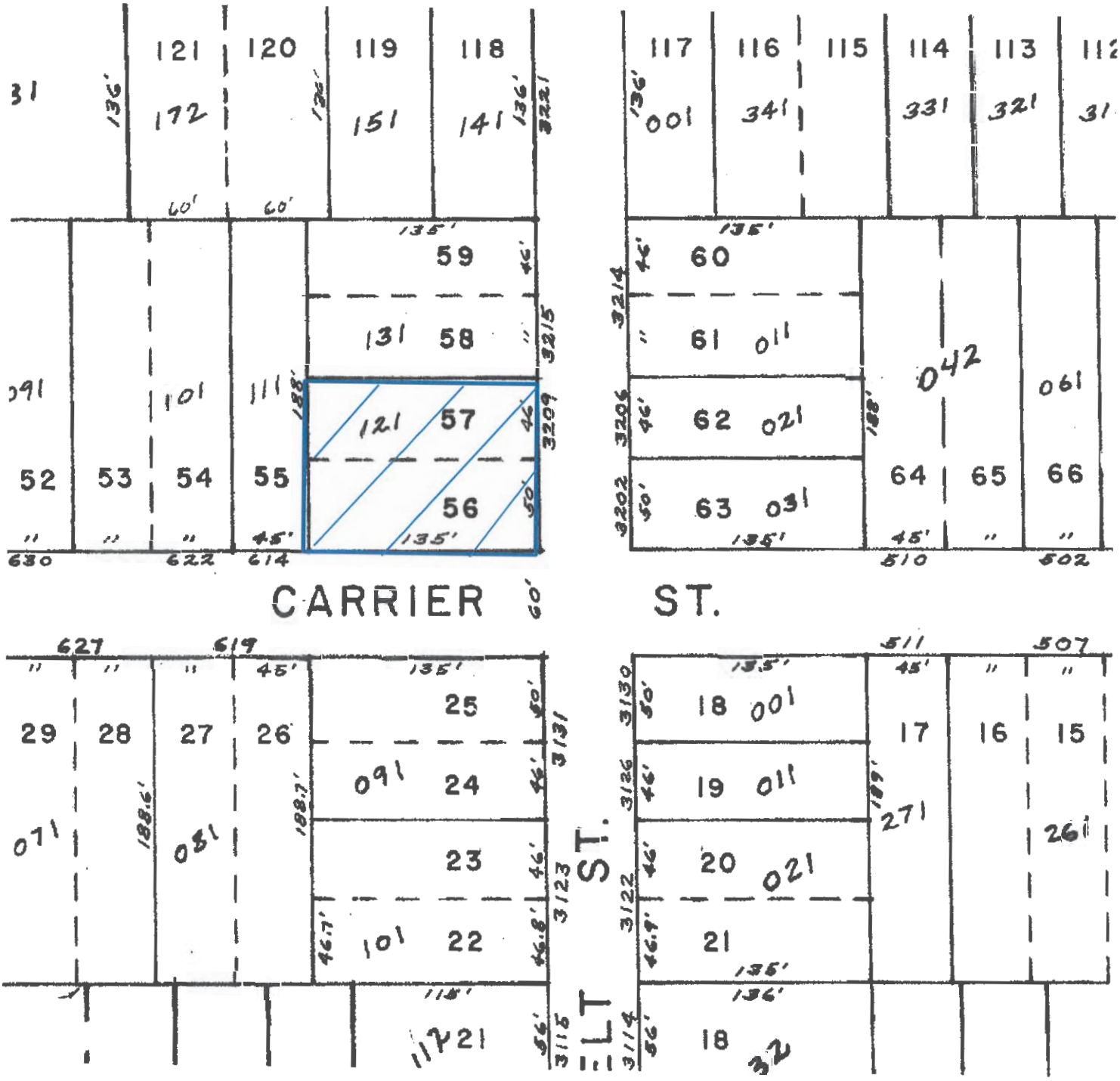


3209 Felt St.
Lansing MI 48906
Proposed Lot Split

Felt St.

Habitat for Humanity
1941 Benjamin Dr
Lansing MI 48906

Scale 1/16" = 1'


CARRIER ST.
ELT ST.

City Of Lansing

TO: Committee on Development & Planning

FROM: Sherrie Boak, City Council Office Manager

DATE: January 12, 2017

SUBJECT: LS-18-2016 Agenda Item Additional Questions and Answers

In preparation to the upcoming review of the lot split application that was referred to the Committee, I reached out to Susan Stachowiak in Planning and Neighborhood Development with some questions that might help your review process. Please see the questions and answers below for your information.

- What is Habitat going to do with the house currently on site; have they applied for or informed PN&D of plans for it such as demo, remodeling, etc. **– House is already demolished. The site is vacant.**

- Page 2 notes variances, which makes them smaller in width/depth then required. Does this require or did they also get a variance for required lot square footage? I know some ordinance required residential lots to be a minimum of _____ square footage. – **This request is for a lot size variance. Variances to the minimum lot size requirements go the Planning Board and Council rather than the Board of Zoning Appeals.**

- What was the reason that they did not choose to split it on the original platted lines. – **Would make the corner lot too small to building on a house on.**

- Once the homes are built and sold, do they provide taxes, or do they always stay in the name of Habitat for a period of time before the "residents" can get them in their name? (I am not too familiar with the Habitat process, and have to assume I am not the only one). **– They are immediately placed back the tax rolls and will remain owner-occupied housing.**

- I noticed that they have been tax exempt since they purchased in 2015, but can you also make note of that in your reply back**. – Habitat is the owner and they are tax exempt but the houses will not be tax exempt once they are built and the now owners take possession of the houses.**