AGENDA
Committee on Development and Planning
Monday, March 6, 2017 @ 4:00 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**
   - February 6, 2017

4. **Discussion/Action:**

A.) RESOLUTION – Set Public Hearing; Brownfield Plan #67; 2200 Block Redevelopment Project, 2216-2224 E. Michigan Avenue

B.) RESOLUTION – Set Public Hearing; Brownfield Plan #20a; LorAnn Oils, Inc., Amendment 1, 2017 Building Expansion, 4518 Aurelius Road

C.) RESOLUTION – Set Public Hearing; OPRA District; DED Development, LLC, 629 W. Hillsdale

D.) RESOLUTION – Set Public Hearing; OPRA Certificate; DED Development, LLC, 629 W. Hillsdale

E.) RESOLUTION – Set Public Hearing; OPRA District; Best Case ScenaREO, LLC; 1101 & 1103 S Washington Avenue

F.) RESOLUTION – Set Public Hearing; Z-1-2017; 4215 N Grand River Avenue; “D-1” Professional Office to “F” Commercial District

5) Other

6) Adjourn

DRAFT

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

CALL TO ORDER
Called to order at 3:30 pm.

PRESENT
Council Member Brown Clarke, Chair
Council Member Yorko, Vice-Chair
Council Member Houghton, Member
Council Member Hussain, Member-arrived at 3:35 p.m.

OTHERS PRESENT
Sherrie Boak, Council Staff
Carolyn Condell
Jim Papesch
JP Buckingham, TriTerra
Will Matthews, Hosmer Storage LP
Eric Pratt, LEAP
Heather Sumner, City Attorney Office
Mark Dotson, City Attorney Office
Susan Stachowiak, Planning & Neighborhood Development

PUBLIC COMMENT
Will be addressed during the agenda items.

MINUTES
MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE MINUTES FROM DECEMBER 20, 2016 AS PRESENTED. MOTION CARRIED 3-0. .

DISCUSSION/ACTION
RESOLUTION – OPRA District; 506 S. Hosmer Street
Mr. Pratt referred the Committee to the market study the Council requested at the Public Hearing on January 30, 2017. The study was made part of the packet and addressed some of the questions. Mr. Pratt then gave a quick overview of the history of the form REO Olds property, condition of the property which also lacked the currently needed amenities of elevators to code, stair cases and stair wells to code, ADA compliance needs, and mechanicals. The property will also require structural repairs on the existing brick. All of the 670 self-storage units

will be climate controlled and the project will address all structural issues by modernizing the building. On the exterior, Mr. Pratt stated they will add landscaping, new parking and lighting. It was also noted the total estimated investment of $3 million, with the creation of 2-3 temporary jobs, and over 100 for construction and trade. In the requested 12 year OPRA every taxing jurisdiction will get additional revenue from real and personal property and income tax. Lastly, Mr. Pratt confirmed the Assessor has reviewed the site and an engineering firm has done a base line environmental testing.

Council Member Yorko stepped away from the meeting at 3:38 p.m.

Mr. Matthews apologized for not providing the market study earlier, he assumed all the questions were asked the last time he was at Committee. He did note that the contractor that did the study only does market studies on storage facilities and in 2016 they had recommended 50% of their clients to not proceed, but this applicant was given recommendation in the top 1/3 to proceed. The study was done in a 3 miles radius due to the location, population and usage in the area. The comparison were done on similar uses per/sq. ft. in the Lansing average. They also spoke to those similar facilities in the 3 mile radius. They found 5 similar locations for the comparison; U-Haul (Waverly), All Store, Devon Self-Storage on MLK, Affordable Mini Storage (Lake Lansing).

Council Member Brown Clarke asked what their hours would be for access and Mr. Matthews stated 7 am to 10 pm.

Council Member Yorko returned to the meeting at 3:44 p.m.

There was an extended discussion on storage facilities in the area and how the Market Study determined to compare.

Council Member Yorko stepped away from the meeting at 3:45 p.m.

Council Member Brown Clarke asked if the facility will house vehicles. Mr. Matthews confirmed there would be no cars, however there will be ramps installed for easy unloading.

Council Member Hussain asked for the tax amount currently being paid on the property. Mr. Buckingham stated it had a taxable value at $266,850, and Mr. Pratt added that based on the application they pay $5,100 annually in city taxes real and personal.

Council Member Yorko returned to the meeting at 3:46 p.m.

Mr. Pratt added that with the 12 year OPRA in place the City will go from $1,500 to $6,000, over 12 years that is $78,500 while in place. OPRA is a “freeze” on the property, then once the OPRA completes it will be $80,000, and will be realized by all other taxing agencies. Council Member Hussain asked what the will be captured and put back in the life of the OPRA, and Mr. Pratt noted it would be $157,000. They will invest an estimate of $3 million into the property, and LEAP receives nothing. LEAP would have only received something if the applicant chose to pursue a Brownfield or TIF. LEAP supports only pursuing the OPRA for this property.

Council Member Hussain asked Mr. Matthews if the development would still be viable if they did not get the OPRA. Mr. Matthews noted the issue becomes the return on capital and can you make it work on capital cost. He noted that they did not pay much, but there is a lot of work on fire suppression, elevators, asbestos removal, stairwells, and making the structure sound.

Currently there is an early estimate of $400,000 of brick work, and there will be roof work. The project is projected to be complete in 6 months but it could be 9 months.

Council Member Brown Clarke asked Mr. Matthews what the cost of a brand new building would be of the same size. Mr. Matthew speculated at $4.8 million.

Council Member Yorko asked for the age of the building, and Mr. Pratt confirmed it was occupied in 1906, and there are no local or state historical designations.

MOTION BY COUNCIL MEMBER HOUGHTON TO APPROVE THE RESOLUTION FOR THE OPRA DISTRICT FOR 506 HOSMER. MOTION CARRIED 4-0.

RESOLUTION – OPRA Certificate; 506 S Hosmer Street
MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE RESOLUTION FOR THE OPRA CERTIFICATE FOR 506 S HOSMER. MOTION CARRIED 4-0.

Ms. Condell spoke in opposition to the use in the neighborhood. Her concerns included increased traffic and impact on the family neighborhood.

Council Member Brown Clarke noted the parcel is currently ear marked for an industrial use.

Mr. Matthews assured Ms. Condell the storage use is a quiet use with not a lot of traffic. There could be 20 cars over a 30 day period. With the configuration of the building, the traffic will come from Kalamazoo down Hosmer into the court yard for parking and unloading. There will be (2) unloading bays for larger vehicles and 10 other vehicle spaces. The main office will be located inside the building. The structure itself is structurally strong, and the engineering testing that was done does not show any issues with footings and foundations.

RESOLUTION - LS-18-2016; Lot Split for 3209 Felt Street Habitat for Humanity
Ms. Stachowiak confirmed for the Committee that Habitat for Humanity owned the property and will be utilizing the lot split to build two homes. There is a subdivision requirement that each lot had to be 100’, however because it is a subdivision requirement they cannot seek a variance but need this lot split approval for the new depth of 96’. There was a public hearing at the Planning Board and there was one person present who spoke in support of it. The required mailing is 150’ however the department chose to go 300’ and again only received one comment and that was in support. Council Member Yorko noted this was in her Ward and she was in support.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR LS-18-2016; LOT SPLIT FOR 3209 FELT STREET HABITAT FOR HUMANITY. MOTION CARRIED MOTION BY HUSSAIN . MOTION CARRIED 4-0.

Adjourn at 4:20 p.m.
Submitted by, Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee on_________________

Lansing Brownfield
Redevelopment Authority

Lansing Brownfield Redevelopment Authority
2200 Block Redevelopment Project

Brownfield Plan #67

2216-2224 E. Michigan Avenue
Lansing, Michigan 48912

PREPARED BY:

Triterra
1210 N. Cedar Street, Suite A
Lansing, Michigan 48906
Contact Person: Dave Van Haaren
dave.vanhaaren@triterra.us
Phone: 517-702-0470

REVIEWED BY:

Lansing Brownfield Redevelopment Authority
1000 S. Washington Avenue, Suite 201
Lansing, Michigan 48910
Contact Person: Karl Dorshimer
karl@purelansing.com
Phone: 517-999-9039

November 23, 2016
Revised January 10, 2017

Approved by the LBRA on ____________

Adopted by the Lansing City Council on ____________

Table of Contents

1. Project Summary Sheet

The purpose of this Brownfield Plan (the "Plan") is to identify eligible activities and cost estimates for redevelopment of the property located at 2216 – 2224 E. Michigan Avenue in Lansing, Michigan. Brownfield tax increment financing is necessary to support redevelopment of the property.

Project Name: 2200 Block Redevelopment Project (the "Project")

Developer: 2200 BLOCK, LLC

Property Location: 2216 and 2224 East Michigan Avenue, Lansing, Michigan 48912 (the "Property")

Parcel Information: Parcel IDs 33-01-01-14-304-401 and 33-01-01-14-304-391

Type of Eligible Property: "Facility"

Project Description: A complete redevelopment of the subject Property located in downtown Lansing. The Project includes a complete demolition and redevelopment of the vacant property located at 2216 – 2224 E. Michigan Avenue. The mixed-use development includes the construction of a 4-story building including 6,000 to 9,500 square feet of office/retail use on the first floor and between 33 and 37 residential units. The new structure will also include underground parking.

Brownfield Eligible activities include asbestos surveys and abatement, building and site demolition, Baseline Environmental Assessment activities, due care activities, site preparation and public infrastructure improvements.

Total Capital Investment: Property and Building Improvements: Estimated at $7,000,000 of which $1,747,533 is estimated as eligible for Brownfield Reimbursement.

Estimated Job Creation/Retention: The redevelopment is anticipated to generate 15 to 20 new full-time equivalent (FTE) jobs in the office/retail components of the Project. In addition, this redevelopment will result in the creation/retention of 20 to 30 temporary construction related jobs.

Duration of Plan: 19 years (starting in 2018)

Uses of New Taxes and Tax Increment Revenue (TIR):

Revenue	Uses	
TIR	To Reimburse Developer for Eligible Activity Costs	$ 1,252,455.00
	To Reimburse LBRA/Lansing Regional Brownfield Coalition (LRBC) for Eligible Activity Costs under EPA Brownfield Assessment Grant	$ 36,145.00
	To Reimburse LBRA for Eligible Activity Costs under Local Site Remediation Revolving Fund (LSRRF)	$ 0.00
	To Reimburse Developer for Contingencies on Eligible Activity Costs*	$ 185,738.00
	To Reimburse Developer for Interest on Eligible Activity Costs	$ 273,195.00
	Total Reimbursement to Developer	**$1,747,533.00**
TIR	To LBRA Plan Administration	$ 62,953.00
TIR	To LBRA Local Site Remediation Revolving Fund (LSRRF)	$ 62,953.00
TIR	To State Revolving Fund (SRF)	$ 97,520.00
	Total TIR Captured	**$1,970,959.00**
New Taxes	(10%) Distribution to Taxing Units	$ 208,160.00
New Taxes	New Taxes to Lansing School Sink Fund, City Debt, School Debt	$ 159,608.00
	TOTAL	**$2,338,727.00**

* BEA, Asbestos Survey, Brownfield Plan and Act 381 Work Plan preparation activities are excluded from contingency calculation

2. Purpose of Brownfield Plan and Past Use of the Property

The City of Lansing Brownfield Redevelopment Authority (Authority or "LBRA"), duly established by resolution of the City Council of the City of Lansing, pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, MCLA 125.2651 et. seq., as amended (Act 381), is authorized to exercise its powers within the City of Lansing, Michigan. The purpose of this Plan, to be implemented by the LBRA, is to satisfy the requirements for a Brownfield Plan as specified in Act 381

The Plan will allow the LBRA to use tax increment financing to reimburse 2200 BLOCK, LLC (the "Developer") for the costs of eligible activities required to redevelop the eligible property located at 2216 and 2224 E. Michigan Avenue in the City of Lansing, Michigan, (the "Property"). Any proposed redevelopment of the Property will only be economically viable with the support and approval of the brownfield redevelopment incentives described herein. The location of the Property is depicted on Figure 1.

The Property is fully defined in the following table and in Attachment A.

Eligible Property		
Address	**Tax ID**	**Basis of Eligibility**
2216 E. Michigan Avenue	33-01-01-14-304-401	Facility
2224 E. Michigan Avenue	33-01-01-14-304-391	Facility

The Property is located within the boundaries of the City of Lansing and is surrounded by commercial and residential property. Property layout and boundaries are depicted on Figure 2. The legal description of the Property is included in Attachment A.

The Property consists of two parcels of land with three single-story commercial buildings, two of which have walkout basements. The third building, which is much smaller, has no basement and is located on the southern portion of the parcel at 2216 E. Michigan Avenue The Property has a combined acreage of 0.46 acres, and currently vacant. The existing buildings were constructed on the Property between 1925 and 1930. A gasoline filling station and automotive repair businesses historically operated on the Property. A more complete history of the property is provided in Attachment B, Summary of Known Environmental Conditions.

The Property is considered an "eligible property" as defined by Act 381, Section 2 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); and (c) the Property has been determined to be a "facility" as the term is defined by Part 201 of Michigan's Natural Resources and Environmental Protection Act, P.A. 451, as amended. Areas of impact are shown on Figure 3.

3. Brownfield Project Description

The Project includes demolition of all existing obsolete buildings and site features at the subject Property. Redevelopment plans include the construction of a new 4-story mixed-use building including 6,000 to 9,500 square feet of office/retail use on the first floor and between 33 and 37 residential units on floors two through four. The Project also includes the construction of an underground parking structure to maximize parking capacity at the Property.

Total capital investment is estimated at $7,000,000. Redevelopment activities include asbestos abatement, demolition of the buildings, site demolition, due care activities, site preparation and infrastructure improvements.

The Project will result in the revitalization of historically vacant and deteriorating properties in the city of Lansing and will transform the appearance of this area along the Michigan Avenue Corridor. This Project will result in the creation of 15 to 20 new, full time equivalent jobs at an average hourly wage of $14.50 per hour. The Project is also projected to create/leverage 20 to 30 temporary construction related jobs.

4. Developer Eligible Activities

The Developer will be reimbursed for the costs of eligible activities necessary to support redevelopment of the Property. The activities that are intended to be carried out at the Property are considered "eligible activities" as defined by Sec 2 of Act 381 and include due care activities, asbestos abatement, demolition activities, site preparation, infrastructure improvements and preparation of the Brownfield Plan and Act 381 Work Plan.

The costs of eligible activities included in, and authorized by, this Plan will be reimbursed with incremental local tax revenues generated by the Property redevelopment and captured by the LBRA, subject to any limitations and conditions described in this Plan and the terms of a Reimbursement Agreement between the Developer and the Authority (the "Reimbursement Agreement"). The total cost of activities eligible for reimbursement from tax increment revenues is projected to be $1,747,533.

ELIGIBLE ACTIVITIES

ENVIRONMENTAL	
Baseline Environmental Assessment Activities	$28,450.00
Due Care Activities	$523,250.00
Total Environmental Costs	**$551,700.00**
NON-ENVIRONMENTAL	
Asbestos Activities	$31,300.00
Demolition	$107,900.00
Site Preparation Activities	$195,700.00
Public Infrastructure Improvements	$391,500.00
Total Non-Environmental Costs	**$726,400.00**
Total Environmental and Non-Environmental Eligible Activities	**$1,278,100.00**
Contingency (15%)*	$185,738.00
Brownfield Plan & Act 381 Work Plan Preparation	$10,500.00
Total Estimated Costs of Eligible Activities	**$1,474,338.00**
Interest (3%, simple)**	$273,195.00
Total Anticipate TIR Available for Reimbursement	**$1,747,533.00**
LBRA Plan Administration	$62,953.00
LBRA Local Site Remediation Revolving Fund	$62,953.00
State Revolving Fund	$97,520.00
Total Local/State TIR Capture	**$1,970,959.00**

* BEA, Asbestos Survey, Brownfield Plan and Act 381 Work Plan preparation activities are excluded from contingency calculation

** Interest is calculated at 3% on Developer costs only. Interest is not calculated on EPA Brownfield Assessment Grant activities completed for the Project or Brownfield Redevelopment Loan activities being pursued for the Project.

The costs listed above are estimated and may increase or decrease depending on the nature and extent of unknown conditions encountered on the Property. The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues captured by the LBRA shall be governed by the terms of a Reimbursement Agreement. No costs of eligible activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of the Reimbursement

Agreement and Section 2 of Act 381 of 1996, as amended (MCL 125.2652). The Reimbursement Agreement and this Plan will dictate the total cost of eligible activities subject to payment. As long as the total cost limit described in this Plan is not exceeded, line item costs of eligible activities may be adjusted after the date this Plan is approved by the City of Lansing City Council.

5. Captured Taxable Value and Tax Increment Revenues

The costs of eligible activities included in, and authorized by, this Plan will be reimbursed with incremental local and state tax revenues generated by the Property redevelopment and captured by the LBRA. The LBRA will not be obligated to reimburse the Developer for Eligible Activities completed after December 31, 2018. Reimbursement of Eligible Activities completed after December 31, 2018 will be on a case-by-case basis.

The taxable value of the Property at the completion of this Brownfield Plan was $169,394, which is the initial taxable value for this Plan. The new projected taxable value for 2018 was estimated at $1,750,000 upon completion of the Project. Estimated taxable values were based on estimates determined by the Project's development team. The actual taxable value will be determined by the City's Assessor after the Project is completed.

It is estimated that the LBRA will capture tax increment revenues from 2018 through 2035 to reimburse the Developer for the cost of eligible activities, pay for the LBRA's administration of the Plan and make deposits into the LBRA's Local Site Remediation Revolving Fund. Ten percent of the local and state taxes generated by the increase in taxable value will be returned to the taxing units.

The captured incremental taxable value and associated tax increment revenue will be determined by the City Assessor. The actual increased taxable value of the land and all future taxable improvements on the Property may vary. Furthermore, the amount of tax increment revenue available under this Plan will be based on the actual millage levied annually by each local taxing jurisdiction on the increase in tax value resulting from the redevelopment project that is eligible and approved for capture.

6. Method of Brownfield Plan Financing

The Developer is ultimately responsible for financing the costs of eligible activities included in this Plan. At this time, neither the LBRA nor the County of Ingham will advance any funds to finance the eligible activities described in this Plan. However, the LBRA is currently considering applying for additional financial support through the Michigan Department of Environmental Quality (MDEQ) Brownfield Redevelopment Grant (BRG) and Brownfield Redevelopment Loan (BRL) program.

The inclusion of eligible activities and estimates of costs to be reimbursed in this Plan is intended to authorize the Developer to fund such reimbursements.

Reimbursements under the Reimbursement Agreement shall not exceed the cost of eligible activities and reimbursement limits described in this Plan.

The LBRA will be reimbursed for its costs to administer the Plan by utilizing 5% of the new local taxes captured per year for the duration of the Plan. The LBRA will also deposit 5% of the new local taxes captured per year for the duration of the Plan for deposit into its Revolving Fund.

7. Amount of Note or Bonded Indebtedness Incurred

None.

8. Duration of the Brownfield Plan

Unless amended by the Lansing City Council, the Plan is anticipated to remain in effect until all approved activities in this plan are covered or until the end of the year 2035, whichever occurs first.

9. Estimated Impact on Taxing Jurisdictions

The following table presents a summary of the new tax revenues generated by the taxing jurisdictions whose millage is subject to capture by the LBRA under this Plan. These are estimations based on the residential and commercial components of the proposed redevelopment.

Projected Impact to Taxing Jurisdictions			
Taxing Unit	**10% of New Taxes to Taxing Units**	**90% of New Taxes for BRA Administration, LSRRF Deposits and Developer Reimbursement**	**100% Total New Taxes**
Lansing Operating	$ 63,193	$ 568,736	$ 631,929
Ingham County	9,860	88,736	98,596
Ingham County Sum	20,753	186,776	207,529
Airport Authority	2,272	20,450	22,722
CATA	9,775	87,973	97,748
Capital Area District Library	5,071	45,639	50,710
Potter Park Zoo	1,333	11,995	13,328
Lansing Community College	12,376	111,383	123,759
Ingham Inter. School District	15,264	137,374	152,638
Lansing School District Operating	58,512	526,608	585,120
State Education Tax (3 mills)	9,752	87,768	97,520
Subtotals	***$ 208,160***	***$ 1,873,439***	***$ 2,081,599***
State Education Tax (3 mills State BRF)*			97,520
City Debt*			8,452
School Debt*			151,156
Subtotal			***$ 257,128***
Total			**$ 2,338,727**

* Increased by investment, but not captured for TIF reimbursement

Additional information related to the impact of tax increment financing on the various taxing jurisdictions is presented in Table 2.

10. Legal Description & Site Map

The Property location and boundaries are shown on Figures 1 and 2. The legal description of the Property is provided in Attachment A.

11. Personal Property

Incremental tax revenues resulting from new personal property will be captured if available. Any such funds will be used to reimburse the LBRA and Developer for eligible activities.

12. Displacement of Persons

No persons will be displaced as a result of this project.

13. LBRA Local Site Remediation Revolving Fund

No Local Site Remediation Revolving Funds will be used on this Brownfield Project. The LBRA will deposit 5% the new local taxes captured per year for the duration of the Plan into the LBRA's Local Site Remediation Revolving Fund as permitted by Act 381 of 1996, as amended ("the Act").

14. Other Information

The LBRA and the Lansing City Council, in accordance with the Act, may amend this Plan in the future in order to fund additional eligible activities associated with the Project described herein.

FIGURES

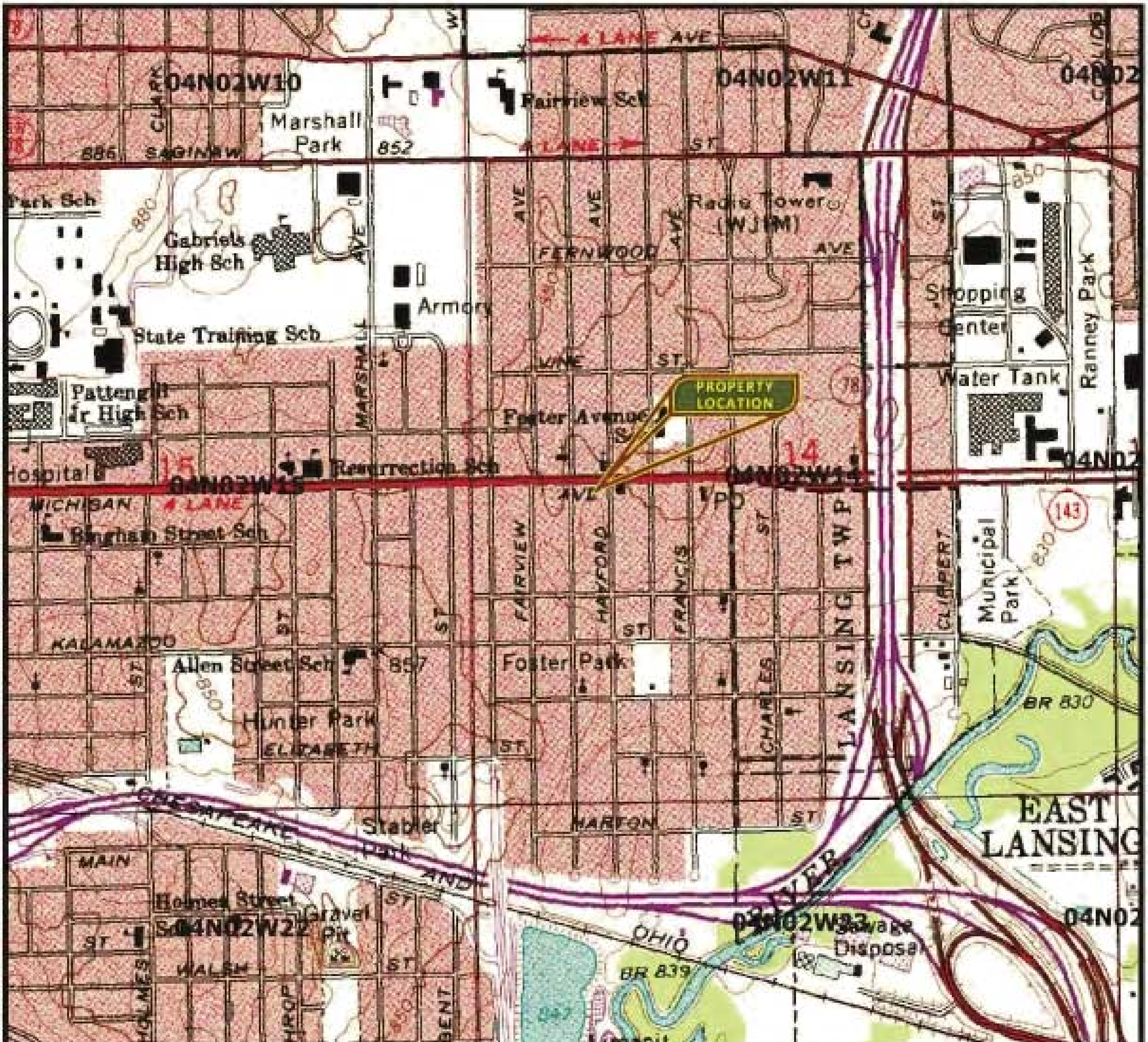

FIGURE 1
PROPERTY LOCATION

2216 - 2224 E. MICHIGAN AVENUE
LANSING, MICHIGAN 48912

INGHAM COUNTY
T. 04 N., R 02 W., SECTION 14

PROJECT NUMBER: 15-1536-12

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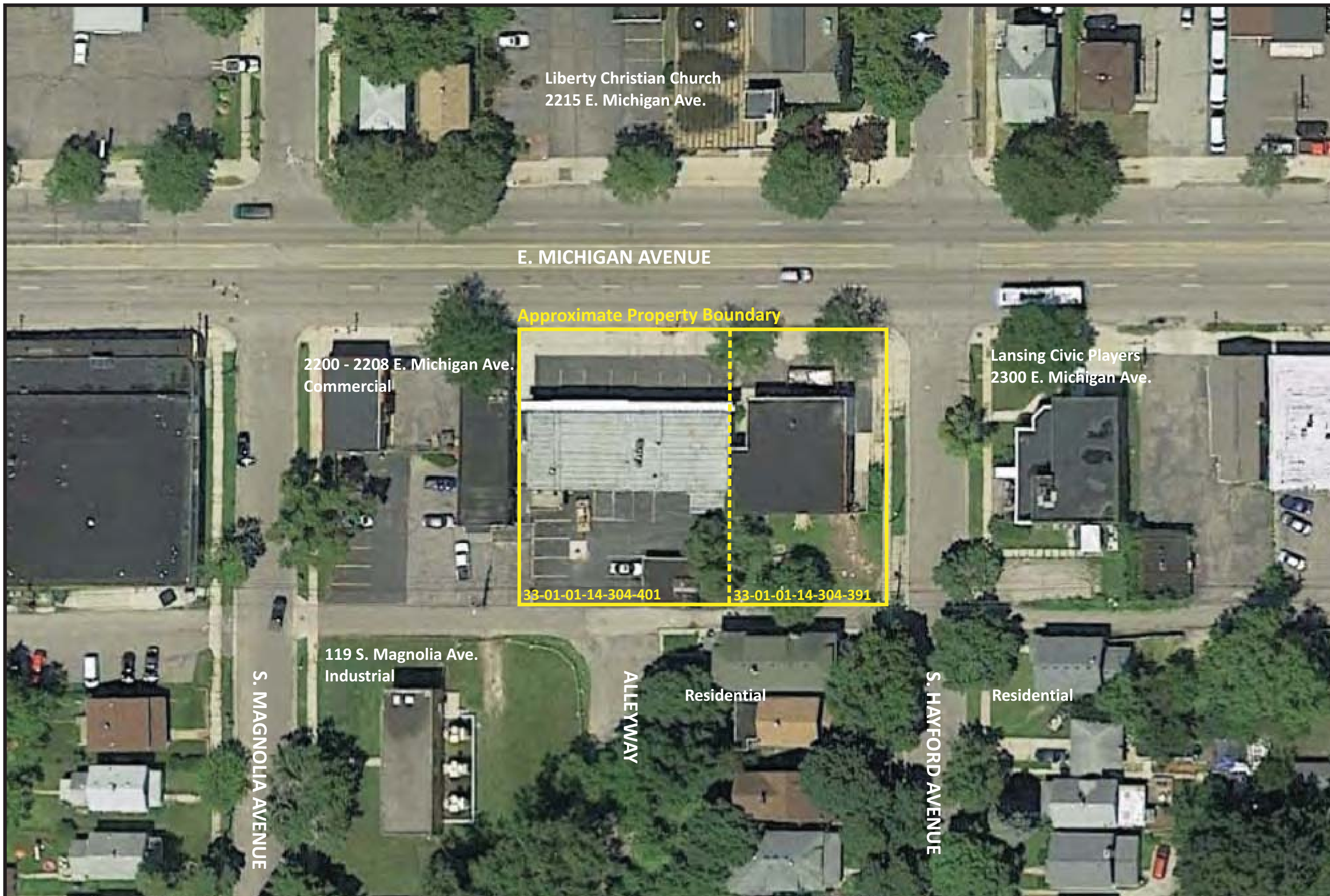


TRI TERRA

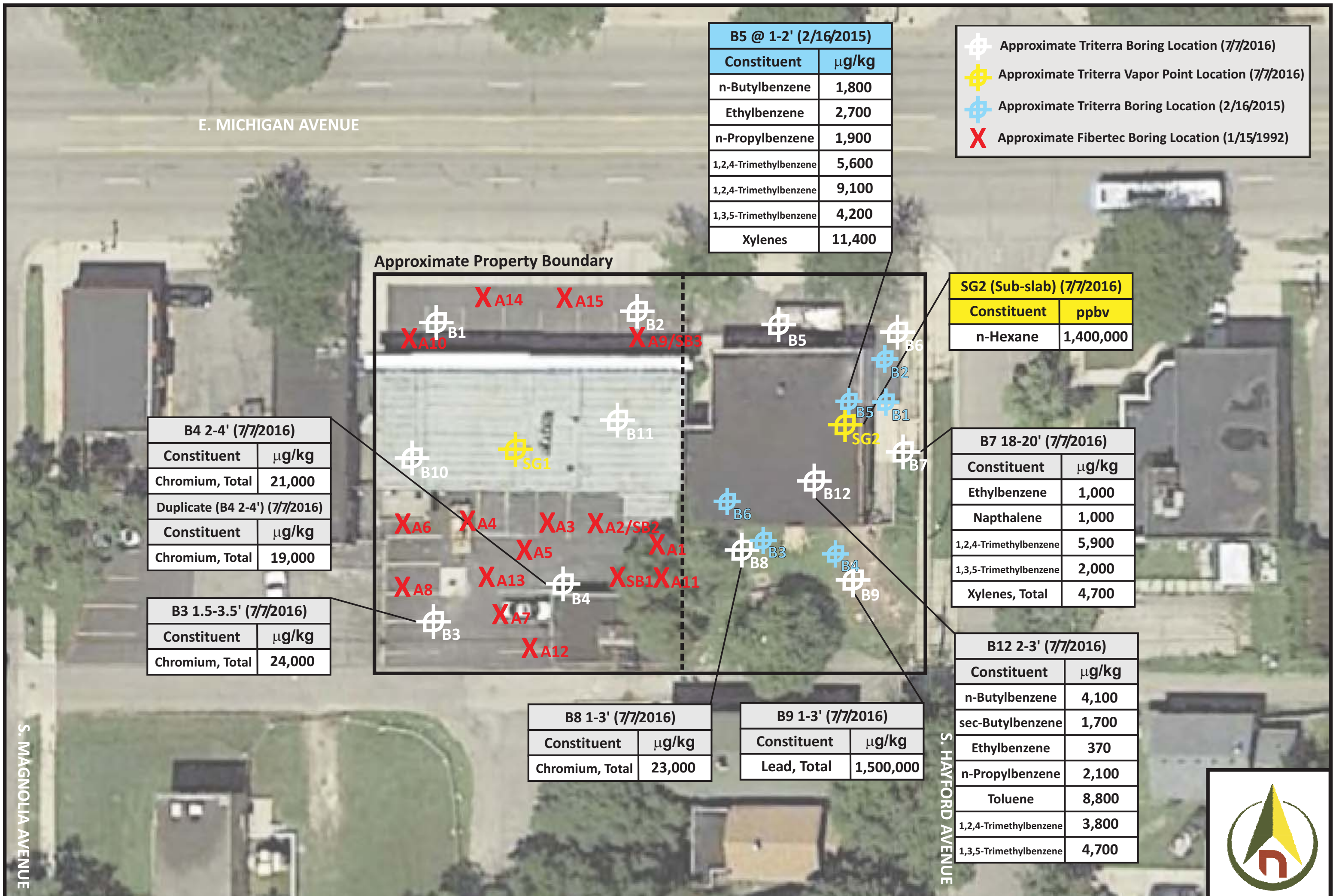
FIGURE 2

PROPERTY ORIENTATION DIAGRAM

PROJECT NUMBER: 15-1536-12

2216 - 2224 E. MICHIGAN AVENUE
LANSING, MICHIGAN 48912

DIAGRAM CREATED BY: RD DATE: 8/3/16



B5 @ 1-2' (2/16/2015)	
Constituent	µg/kg
n-Butylbenzene	1,800
Ethylbenzene	2,700
n-Propylbenzene	1,900
1,2,4-Trimethylbenzene	5,600
1,2,4-Trimethylbenzene	9,100
1,3,5-Trimethylbenzene	4,200
Xylenes	11,400

SG2 (Sub-slab) (7/7/2016)	
Constituent	ppbv
n-Hexane	1,400,000

B4 2-4' (7/7/2016)	
Constituent	µg/kg
Chromium, Total	21,000
Duplicate (B4 2-4') (7/7/2016)	
Constituent	µg/kg
Chromium, Total	19,000

B7 18-20' (7/7/2016)	
Constituent	µg/kg
Ethylbenzene	1,000
Napthalene	1,000
1,2,4-Trimethylbenzene	5,900
1,3,5-Trimethylbenzene	2,000
Xylenes, Total	4,700

B3 1.5-3.5' (7/7/2016)	
Constituent	µg/kg
Chromium, Total	24,000

B12 2-3' (7/7/2016)	
Constituent	µg/kg
n-Butylbenzene	4,100
sec-Butylbenzene	1,700
Ethylbenzene	370
n-Propylbenzene	2,100
Toluene	8,800
1,2,4-Trimethylbenzene	3,800
1,3,5-Trimethylbenzene	4,700

B8 1-3' (7/7/2016)	
Constituent	µg/kg
Chromium, Total	23,000

B9 1-3' (7/7/2016)	
Constituent	µg/kg
Lead, Total	1,500,000

TRI TERRA

FIGURE 3

BORING LOCATIONS & ANALYTICAL RESULTS EXCEEDING MDEQ PART 201 GRCC & SCREENING LEVELS

PROJECT NUMBER: 15-1536-12

2216 - 2224 E. MICHIGAN AVENUE
LANSING, MICHIGAN 48912

DIAGRAM CREATED BY: RD DATE: 5/3/2016

TABLES

Table 1: Brownfield Eligible Activities

Table 2: Schedule Tax Increment Revenue

Table 1
Brownfield Eligible Activities
2216-2224 E. Michigan Avenue
Lansing, MI
January 9*, 2017*

			INCREMENTAL TAX CAPTURE					
STATE AND LOCAL ELIGIBLE ACTIVITIES	**COST**		**STATE/SCHOOL**			**LOCAL**		
ENVIRONMENTAL								
Baseline Environmental Assessment Activities	$	28,450	35.80%	$	10,185	64.20%	$	18,265
Due Care Activities	$	523,250	35.80%	$	187,324	64.20%	$	335,927
Environmental Subtotal:	**$**	**551,700**		**$**	**197,509**		**$**	**354,191**
NON-ENVIRONMENTAL								
Asbestos Activities	$	31,300	35.80%	$	11,205	64.20%	$	20,095
Demolition	$	107,900	35.80%	$	38,628	64.20%	$	69,272
Site Preparation	$	195,700	35.80%	$	70,061	64.20%	$	125,639
Infrastructure Improvements	$	391,500	35.80%	$	140,157	64.20%	$	251,343
Non-Environmental Subtotal:	**$**	**726,400**		**$**	**260,051**		**$**	**466,349**
Total Environmental and Non-Environmental:	**$**	**1,278,100**						
Contingency (15%)	$	185,738	35.80%	$	66,494	64.20%	$	119,244
Brownfield Plan Preparation/Act 381 Work Plan	$	10,500	35.80%	$	3,759	64.20%	$	6,741
Interest (3%, simple)	$	273,195	35.80%	$	97,804	64.20%	$	175,391
GRAND TOTAL - ELIGIBLE ACTIVITIES:	**$**	**1,747,533**		**$**	**625,617**		**$**	**1,121,916**

NOTES:

These costs and revenue projections should be considered approximate estimates based on expected conditions and available information.
We cannot guarantee that the costs and revenue projections will not vary from these estimates
Contigency calculation excluded from BEA, Brownfield Plan and Act 381 Work Plan activities.

Table 2
Schedule of Tax Increment Revenue
2216-2224 E. Michigan Avenue
Lansing, MI
January 9, 2017

Calendar Year		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2027	2028	2029
Plan Year			1	2	3	4	5	6	7	8	9	10	11	12	13
Initial Taxable Value (TV)		$ 169,394	$ 169,394	$ 169,394	$ 169,394	$ 169,394	$ 169,394	$ 169,394	$ 169,394	$ 169,394	$ 169,394	$ 169,394	$ 169,394	$ 169,394	$ 169,394
Projected Annual Increase in TV				1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Projected TV		$ 169,394	$ 1,750,000	$ 1,767,500	$ 1,785,175	$ 1,803,027	$ 1,821,057	$ 1,839,268	$ 1,857,660	$ 1,876,237	$ 1,894,999	$ 1,913,949	$ 1,933,089	$ 1,952,420	$ 1,971,944
Total Captured TV		$ -	$ 1,580,606	$ 1,598,106	$ 1,615,781	$ 1,633,633	$ 1,651,663	$ 1,669,874	$ 1,688,266	$ 1,706,843	$ 1,725,605	$ 1,744,555	$ 1,763,695	$ 1,783,026	$ 1,802,550
Annual TIF Revenue by Taxing Jurisdiction	**Millage Rate**														
Local Capture															
Lansing Operating	19.4400	$ -	$ 30,727	$ 31,067	$ 31,411	$ 31,758	$ 32,108	$ 32,462	$ 32,820	$ 33,181	$ 33,546	$ 33,914	$ 34,286	$ 34,662	$ 35,042
Ingham County	3.0331	$ -	$ 4,794	$ 4,847	$ 4,901	$ 4,955	$ 5,010	$ 5,065	$ 5,121	$ 5,177	$ 5,234	$ 5,291	$ 5,349	$ 5,408	$ 5,467
Ingham County Sum	6.3842	$ -	$ 10,091	$ 10,203	$ 10,315	$ 10,429	$ 10,545	$ 10,661	$ 10,778	$ 10,897	$ 11,017	$ 11,138	$ 11,260	$ 11,383	$ 11,508
Airport Authority	0.6990	$ -	$ 1,105	$ 1,117	$ 1,129	$ 1,142	$ 1,155	$ 1,167	$ 1,180	$ 1,193	$ 1,206	$ 1,219	$ 1,233	$ 1,246	$ 1,260
CATA	3.0070	$ -	$ 4,753	$ 4,806	$ 4,859	$ 4,912	$ 4,967	$ 5,021	$ 5,077	$ 5,132	$ 5,189	$ 5,246	$ 5,303	$ 5,362	$ 5,420
Capital Area District Library	1.5600	$ -	$ 2,466	$ 2,493	$ 2,521	$ 2,548	$ 2,577	$ 2,605	$ 2,634	$ 2,663	$ 2,692	$ 2,722	$ 2,751	$ 2,782	$ 2,812
Potter Park Zoo	0.4100	$ -	$ 648	$ 655	$ 662	$ 670	$ 677	$ 685	$ 692	$ 700	$ 707	$ 715	$ 723	$ 731	$ 739
Lansing Community College	3.8072	$ -	$ 6,018	$ 6,084	$ 6,152	$ 6,220	$ 6,288	$ 6,358	$ 6,428	$ 6,498	$ 6,570	$ 6,642	$ 6,715	$ 6,788	$ 6,863
Ingham Intermediate School District	4.6956	$ -	$ 7,422	$ 7,504	$ 7,587	$ 7,671	$ 7,756	$ 7,841	$ 7,927	$ 8,015	$ 8,103	$ 8,192	$ 8,282	$ 8,372	$ 8,464
School Capture															
School Operating	18.0000	$ -	$ 28,451	$ 28,766	$ 29,084	$ 29,405	$ 29,730	$ 30,058	$ 30,389	$ 30,723	$ 31,061	$ 31,402	$ 31,747	$ 32,094	$ 32,446
State Education Tax (SET)	6.0000	$ -	$ 9,484	$ 9,589	$ 9,695	$ 9,802	$ 9,910	$ 10,019	$ 10,130	$ 10,241	$ 10,354	$ 10,467	$ 10,582	$ 10,698	$ 10,815
Total Millage	67.0361														
Total Capture Available															
Local Tax Capture Available		$ -	$ 68,023	$ 68,776	$ 69,537	$ 70,305	$ 71,081	$ 71,865	$ 72,656	$ 73,456	$ 74,263	$ 75,079	$ 75,903	$ 76,734	$ 77,575
Sub-total State Tax Capture Available		$ -	$ 37,935	$ 38,355	$ 38,779	$ 39,207	$ 39,640	$ 40,077	$ 40,518	$ 40,964	$ 41,415	$ 41,869	$ 42,329	$ 42,793	$ 43,261
Capture for State Brownfield Redevelopment Fund (3 mills of SET) (25-Yrs)		$ -	$ 4,742	$ 4,794	$ 4,847	$ 4,901	$ 4,955	$ 5,010	$ 5,065	$ 5,121	$ 5,177	$ 5,234	$ 5,291	$ 5,349	$ 5,408
State Tax Capture Available		$ -	$ 33,193	$ 33,560	$ 33,931	$ 34,306	$ 34,685	$ 35,067	$ 35,454	$ 35,844	$ 36,238	$ 36,636	$ 37,038	$ 37,444	$ 37,854
Local Tax Increment to Taxing Units (10%)		$ -	$ 6,802	$ 6,878	$ 6,954	$ 7,031	$ 7,108	$ 7,186	$ 7,266	$ 7,346	$ 7,426	$ 7,508	$ 7,590	$ 7,673	$ 7,757
School Tax Increment to Taxing Units (10%)		$ -	$ 3,319	$ 3,356	$ 3,393	$ 3,431	$ 3,468	$ 3,507	$ 3,545	$ 3,584	$ 3,624	$ 3,664	$ 3,704	$ 3,744	$ 3,785
Local Tax Increment (90%)		$ -	$ 61,221	$ 61,899	$ 62,583	$ 63,275	$ 63,973	$ 64,678	$ 65,391	$ 66,110	$ 66,837	$ 67,571	$ 68,312	$ 69,061	$ 69,817
School Tax Increment (90%)		$ -	$ 29,873	$ 30,204	$ 30,538	$ 30,876	$ 31,216	$ 31,561	$ 31,908	$ 32,259	$ 32,614	$ 32,972	$ 33,334	$ 33,699	$ 34,068
Cumulative Captured Taxes (90%)		$ -	$ 91,094	$ 183,197	$ 276,319	$ 370,469	$ 465,658	$ 561,897	$ 659,196	$ 757,566	$ 857,017	$ 957,560	$ 1,059,206	$ 1,161,966	$ 1,265,852
Reimbursement of BRA Administration Costs															
Capture for BRA Administrative Costs		$ -	$ 3,061	$ 3,095	$ 3,129	$ 3,164	$ 3,199	$ 3,234	$ 3,270	$ 3,306	$ 3,342	$ 3,379	$ 3,416	$ 3,453	$ 3,491
Capture for BRA Local Site Revolving Loan Fund (LSRRF)		$ -	$ 3,061	$ 3,095	$ 3,129	$ 3,164	$ 3,199	$ 3,234	$ 3,270	$ 3,306	$ 3,342	$ 3,379	$ 3,416	$ 3,453	$ 3,491
Cumulative BRA Capture		$ -	$ 6,122	$ 12,312	$ 18,570	$ 24,898	$ 31,295	$ 37,763	$ 44,302	$ 50,913	$ 57,597	$ 64,354	$ 71,185	$ 78,091	$ 85,073
Reimbursement of Remaining Eligible Activities to Developer ($1,752,095)															
Local/State Annual Total Tax Capture		$ -	$ 84,972	$ 85,913	$ 86,863	$ 87,823	$ 88,792	$ 89,771	$ 90,760	$ 91,759	$ 92,767	$ 93,786	$ 94,815	$ 95,854	$ 96,904
Local/State Remaining Tax Increment Reimbursement		$ 1,747,533	$ 1,662,561	$ 1,576,648	$ 1,489,785	$ 1,401,962	$ 1,313,170	$ 1,223,399	$ 1,132,639	$ 1,040,880	$ 948,113	$ 854,327	$ 759,512	$ 663,658	$ 566,754

Taxes - Proportionality		
Local Taxes	43.0361	64.20%
State Taxes	24.0000	35.80%
Total	67.0361	100.00%

Debt Millage - Not Captured - New Tax Revenue															
Lansing Debt	0.2600	$ -	$ 411	$ 416	$ 420	$ 425	$ 429	$ 434	$ 439	$ 444	$ 449	$ 454	$ 459	$ 464	$ 469
Lansing School Debt	4.6500	$ -	$ 7,350	$ 7,431	$ 7,513	$ 7,596	$ 7,680	$ 7,765	$ 7,850	$ 7,937	$ 8,024	$ 8,112	$ 8,201	$ 8,291	$ 8,382
Cumulative Debt Millage Capture	4.9100	$ -	$ 7,761	$ 15,607	$ 23,541	$ 31,562	$ 39,672	$ 47,871	$ 56,160	$ 64,541	$ 73,014	$ 81,579	$ 90,239	$ 98,994	$ 107,844

Table 2
Schedule of Tax Increment Revenue
2216-2224 E. Michigan Avenue
Lansing, MI
January 9, 2017

	Calendar Year	2030	2031	2032	2033	2034	2035	
	Plan Year	14	15	16	17	18	19	
Initial Taxable Value (TV)		$ 169,394	$ 169,394	$ 169,394	$ 169,394	$ 169,394	$ 169,394	
Projected Annual Increase in TV		1%	1%	1%	1%	1%		
Projected TV		$ 1,991,663	$ 2,011,580	$ 2,031,696	$ 2,052,013	$ 2,072,533	$ 2,093,258	
Total Captured TV		$ 1,822,269	$ 1,842,186	$ 1,862,302	$ 1,882,619	$ 1,903,139	$ 1,229,935	
Annual TIF Revenue by Taxing Jurisdiction	**Millage Rate**							Total
Local Capture								
Lansing Operating	19.4400	$ 35,425	$ 35,812	$ 36,203	$ 36,598	$ 36,997	$ 23,910	$ 631,929
Ingham County	3.0331	$ 5,527	$ 5,588	$ 5,649	$ 5,710	$ 5,772	$ 3,731	$ 98,596
Ingham County Sum	6.3842	$ 11,634	$ 11,761	$ 11,889	$ 12,019	$ 12,150	$ 7,852	$ 207,529
Airport Authority	0.6990	$ 1,274	$ 1,288	$ 1,302	$ 1,316	$ 1,330	$ 860	$ 22,722
CATA	3.0070	$ 5,480	$ 5,539	$ 5,600	$ 5,661	$ 5,723	$ 3,698	$ 97,748
Capital Area District Library	1.5600	$ 2,843	$ 2,874	$ 2,905	$ 2,937	$ 2,969	$ 1,919	$ 50,710
Potter Park Zoo	0.4100	$ 747	$ 755	$ 764	$ 772	$ 780	$ 504	$ 13,328
Lansing Community College	3.8072	$ 6,938	$ 7,014	$ 7,090	$ 7,168	$ 7,246	$ 4,683	$ 123,759
Ingham Intermediate School District	4.6956	$ 8,557	$ 8,650	$ 8,745	$ 8,840	$ 8,936	$ 5,775	$ 152,638
School Capture								
School Operating	18.0000	$ 32,801	$ 33,159	$ 33,521	$ 33,887	$ 34,256	$ 22,139	$ 585,120
State Education Tax (SET)	6.0000	$ 10,934	$ 11,053	$ 11,174	$ 11,296	$ 11,419	$ 7,380	$ 195,040
Total Millage	67.0361							**$ 2,179,119**
Total Capture Available								
Local Tax Capture Available		$ 78,423	$ 79,280	$ 80,146	$ 81,021	$ 81,904	$ 52,932	
Sub-total State Tax Capture Available		$ 43,734	$ 44,212	$ 44,695	$ 45,183	$ 45,675	$ 29,518	
Capture for State Brownfield Redevelopment Fund (3 mills of SET) (25-Yrs)		$ 5,467	$ 5,527	$ 5,587	$ 5,648	$ 5,709	$ 3,690	$ 97,520
State Tax Capture Available		$ 38,268	$ 38,686	$ 39,108	$ 39,535	$ 39,966	$ 25,829	
Local Tax Increment to Taxing Units (10%)		$ 7,842	$ 7,928	$ 8,015	$ 8,102	$ 8,190	$ 5,293	$ 139,896
School Tax Increment to Taxing Units (10%)		$ 3,827	$ 3,869	$ 3,911	$ 3,953	$ 3,997	$ 2,583	$ 68,264
Local Tax Increment (90%)		$ 70,581	$ 71,352	$ 72,132	$ 72,919	$ 73,713	$ 47,638	
School Tax Increment (90%)		$ 34,441	$ 34,817	$ 35,198	$ 35,581	$ 35,969	$ 23,246	
Cumulative Captured Taxes (90%)		$ 1,370,874	$ 1,477,043	$ 1,584,372	$ 1,692,872	$ 1,802,555	$ 1,873,439	
Reimbursement of BRA Administration Costs								
Capture for BRA Administrative Costs		$ 3,529	$ 3,568	$ 3,607	$ 3,646	$ 3,686	$ 2,382	
Capture for BRA Local Site Revolving Loan Fund (LSRRF)		$ 3,529	$ 3,568	$ 3,607	$ 3,646	$ 3,686	$ 2,382	
Cumulative BRA Capture		$ 92,131	$ 99,266	$ 106,479	$ 113,771	$ 121,143	$ 125,906	$ 125,906
Reimbursement of Remaining Eligible Activities to Developer ($1,752,095)								
Local/State Annual Total Tax Capture		$ 97,964	$ 99,035	$ 100,116	$ 101,208	$ 102,311	$ 66,120	$ 1,747,533
Local/State Remaining Tax Increment Reimbursement		$ 468,790	$ 369,756	$ 269,640	$ 168,432	$ 66,120	$ 0	**$ 2,179,119**

Debt Millage - Not Captured - New Tax Revenue								
Lansing Debt	0.2600	$ 474	$ 479	$ 484	$ 489	$ 495	$ 320	$ 8,452
Lansing School Debt	4.6500	$ 8,474	$ 8,566	$ 8,660	$ 8,754	$ 8,850	$ 5,719	$ 151,156
Cumulative Debt Millage Capture	4.9100	$ 116,792	$ 125,837	$ 134,981	$ 144,224	$ 153,569	$ 159,608	**$ 159,608**
								$ 2,338,727

Attachment A

Legal Descriptions of the Property

ATTACHMENT A

Legal Description of the Property
2216-2224 E. Michigan Avenue
Lansing, MI

Tax ID	Property Address	Legal Description
33-01-01-14-304-401	2216 and 2220 E. Michigan Avenue	LOTS 360, 361 & 362 LESLIE PARK SUB
33-01-01-14-304-391	2224 E. Michigan Avenue	LOTS 363 & 364 LESLIE PARK SUB

2216 E MICHIGAN AVE LANSING, MI 48912 (Property Address)

Parcel Number: 33-01-01-14-304-401

Item **1** of **4** 2 Images / 2 Sketches

Property Owner: 2200 BLOCK L L C

Summary Information

- Commercial/Industrial Building Summary
  - Yr Built: 1969
  - # of Buildings: 1
  - Total Sq.Ft.: 4,180
- Property Tax Information found
- Assessed Value: $167,700 | Taxable Value: $129,494
- 1 Building Department records found across 1 property

Owner and Taxpayer Information

Owner	2200 BLOCK L L C 329 S WASHINGTON SQ SUITE # 1 LANSING, MI 48933	**Taxpayer**	SEE OWNER INFORMATION

General Information for Tax Year 2016

Property Class	COMMERCIAL	**Unit**	33 CITY OF LANSING - INGHAM
School District	LANSING	**Assessed Value**	$167,700
MAP #	P -1680 -0534	**Taxable Value**	$129,494
TOP TEN	*Not Available*	**State Equalized Value**	$167,700
NEW PERMITS	*Not Available*	**Date of Last Name Change**	09/28/2016
USER ALPHA 3	*Not Available*	**Notes**	*Not Available*
Historical District	*Not Available*	**Census Block Group**	*Not Available*
TYPE CODE	*Not Available*		

Principal Residence Exemption Information

Homestead Date	12/30/1997

Principal Residence Exemption	June 1st	Final
2016	0.0000 %	0.0000 %

Previous Year Information

Year	MBOR Assessed	Final SEV	Final Taxable
2015	$149,200	$149,200	$129,107
2014	$133,700	$133,700	$127,074
2013	$123,400	$123,400	$123,400

Land Information

Zoning Code	*Not Available*	**Total Acres**	0.277
Land Value	$44,600	**Land Improvements**	$4,650
Renaissance Zone	No	**Renaissance Zone Expiration Date**	*Not Available*
ECF Neighborhood	O215-E MICHIGAN AVE-OFFICES	**Mortgage Code**	*Not Available*
Lot Dimensions/Comments	SQ 12078	**Neighborhood Enterprise Zone**	No

Lot(s)	Frontage	Depth
Lot 1	99.00 ft	122.00 ft
	Total Frontage: 99.00 ft	**Average Depth: 122.00 ft**

Legal Description

LOTS 360, 361 & 362 LESLIE PARK SUB

Sale History

Sale Date	Sale Price	Instrument	Grantor	Grantee	Terms of Sale	Liber/Page
09/23/2016	$250,000.00	WD	NORTH SHORE ENTERPRISE L L C	2200 BLOCK L L C	CASH	2016 034600
05/12/1997	$254,000.00	WD	AMBS MESSAGE CENTER	JA RAR ENTERPRISES L L C	UNKNOWN	2460/390
07/30/1996	$0.00	??	JA RAR ENTERPRISES L.L.C.	NORTH SHORE ENTERPRISE L L C	CASH/CONV-NOT USED	UNRECORDED
03/01/1992	$175,000.00	WD			1ST SALE AFTER BANK	1946/1109

Building Information - 4180.00 sq ft Office Building (Commercial)

Floor Area	4,180 sq ft	**Estimated TCV**	*Not Available*
Occupancy	Office Building	**Class**	C
Stories Above Ground	1	**Average Story Height**	11 ft
Basement Wall Height	*Not Available*		
Year Built	1969	**Year Remodeled**	1993
Percent Complete	0%	**Heat**	Package Heating & Cooling
Physical Percent Good	39%	**Functional Percent Good**	100%
Economic Percent Good	100%	**Effective Age**	41 yrs

2224 E MICHIGAN AVE LANSING, MI 48912 (Property Address)

Parcel Number: 33-01-01-14-304-391

Item **1** of **6** 4 Images / 2 Sketches

Property Owner: 2200 BLOCK L L C

Summary Information

- > Commercial/Industrial Building Summary
  - Yr Built: 1925
  - # of Buildings: 1
  - Total Sq.Ft.: 3,090
- > Property Tax Information found
- > 5 Invoices Found, Amount Due: 0.00
- > Assessed Value: $39,900 | Taxable Value: $39,900
- > 4 Building Department records found across 1 property

Owner and Taxpayer Information

Owner	2200 BLOCK L L C 329 S WASHINGTON SQ SUITE # 1 LANSING, MI 48933	**Taxpayer**	SEE OWNER INFORMATION

General Information for Tax Year 2016

Property Class	COMMERCIAL	**Unit**	33 CITY OF LANSING - INGHAM
School District	LANSING	**Assessed Value**	$39,900
MAP #	P -1680 -0529	**Taxable Value**	$39,900
TOP TEN	*Not Available*	**State Equalized Value**	$39,900
NEW PERMITS	*Not Available*	**Date of Last Name Change**	09/28/2016
USER ALPHA 3	*Not Available*	**Notes**	*Not Available*
Historical District	*Not Available*	**Census Block Group**	*Not Available*
TYPE CODE	*Not Available*		

Principal Residence Exemption Information

Homestead Date	12/30/1997

Principal Residence Exemption	June 1st	Final
2016	0.0000 %	0.0000 %

Previous Year Information

Year	MBOR Assessed	Final SEV	Final Taxable
2015	$78,200	$78,200	$39,000
2014	$84,500	$84,500	$73,718
2013	$79,300	$79,300	$72,558

Land Information

Zoning Code	*Not Available*	**Total Acres**	0.185
Land Value	$29,800	**Land Improvements**	$3,078
Renaissance Zone	No	**Renaissance Zone Expiration Date**	*Not Available*
ECF Neighborhood	R215-E MICHIGAN AVE-RETAIL	**Mortgage Code**	*Not Available*
Lot Dimensions/Comments	SQ 8052	**Neighborhood Enterprise Zone**	No

Lot(s)	Frontage	Depth
Lot 1	66.00 ft	122.00 ft
	Total Frontage: 66.00 ft	**Average Depth: 122.00 ft**

Legal Description

LOTS 363 & 364 LESLIE PARK SUB

Sale History

Sale Date	Sale Price	Instrument	Grantor	Grantee	Terms of Sale	Liber/Page
09/23/2016	$130,000.00	WD	AB GROUP L L C	2200 BLOCK L L C	CASH	2016 034597
01/06/2015	$75,000.00	WD	MARKS JANIE	AB GROUP L L C	CASH/CONV-NOT USED	2015000760
05/02/2014	$0.00	QC	BARKHAM JOHN D	MARKS JANIE	CASH/CONV-NOT USED	2014 019840
12/06/2013	$0.00	QC	SMITH LEON & BARBARA	BARKHAM JOHN D	CASH/CONV-NOT USED	2014 019145
09/13/2013	$0.00	QC	SMITH LEON & BARBARA	BARKHAM JOHN D	L C	UNRECORDED
09/13/2013	$35,000.00	QC	ALLMAN BARBARA B-TRUST	BARKHAM JOHN D	CASH/CONV-NOT USED	UNRECORDED
05/01/1998	$160,000.00	LC	BARKHAM JOHN & BB ALLMAN-TRUST	SMITH LEON & BARBARA	L C	L3205-P921
12/15/1987	$118,000.00	WD	BARKHAM JOHN	BARKHAM JOHN & ALLMAN BARBARA	L C	L1670 P391

Building Information - 3090.00 sq ft Store, Retail (Commercial)

Floor Area	3,090 sq ft	**Estimated TCV**	*Not Available*
Occupancy	Store, Retail	**Class**	C
Stories Above Ground	1	**Average Story Height**	12 ft
Basement Wall Height	*Not Available*		
Year Built	1925	**Year Remodeled**	1978
Percent Complete	45%	**Heat**	Package Heating & Cooling
Physical Percent Good	37%	**Functional Percent Good**	100%
Economic Percent Good	100%	**Effective Age**	57 yrs

Attachment B

Summary of Environmental Conditions

ATTACHMENT B

Summary of Known Environmental Conditions
2216-2224 E. Michigan Avenue
Lansing, Michigan

The Property is comprised of two parcels of land located on the Michigan Avenue Corridor in the city of Lansing. The existing Property contains two adjacent buildings totaling 7,270 square feet on approximately 0.46 acres. Both structures are vacant and under major disrepair. In 1925 the existing building located on the 2224 parcel was constructed on the property and operated as a gasoline filling station (Pulver Brothers) with two underground storage tanks (USTs). The USTs remain on the eastern portion of the property. By 1930 the current building located on the 2216 and 2220 parcel was constructed. From 1930 to approximately 1979 a filling station and an auto repair business operated on the Property. During this time period the following businesses were listed for the Property: G and M Auto Sales, Truxell Sales and Service, Tire Engineering Service Co., Stover Co., Pulver Oil Co., Michigan Modern Overall Cleaners, and Geo Reagan Auto Sales. These historical operations would have involved the use and storage of petroleum products and/or hazardous chemicals. By 1985 the Property is no longer utilized for automotive services. From approximately 1985 to 2016 the Property was used for commercial office and retail space. The Property is currently vacant.

The following environmental assessments and hazardous material surveys were conducted to evaluate current conditions of the Property:

- Phase I Environmental Site Assessment (ESA) dated May 5, 2014, prepared by Triterra;
- Asbestos Containing Materials Inspection on July 27, 2016, completed by Triterra;
- Baseline Environmental Assessment (BEA) (including a Phase II investigation) dated August 22, 2016, prepared by Triterra;

The aforementioned asbestos survey identified asbestos containing building materials within the structures located on the Property. ACM documented at the Property included floor tile, mastic, and window caulking and glazing) that will require abatement prior to demolition.

The aforementioned ESAs identified heavy metals and petroleum-based contamination in subsurface soil and groundwater at the Property. Therefore, the Property meets the definition of a “facility” as the term is defined by Part 201 of Michigan’s Natural Resources and Environmental Protection Act (P.A. 451, as amended). The areas of impact are shown on Figure 3.

REIMBURSEMENT AGREEMENT

This Brownfield Reimbursement Agreement (the "**Reimbursement Agreement**") is made as of ___________, among the Lansing Brownfield Redevelopment Authority (the "**Authority**"), a public body corporate with offices at 1000 South Washington Avenue, Lansing, MI 48910; and 2200 BLOCK, LLC, a Michigan Limited Liability Company, with a business address of 329 Washington Square, Suite #1, Lansing, MI 48933 (the "Developer"). The Authority and the Developer, collectively, shall be referred to as the "**Parties**" throughout the Agreement.

RECITALS

A. The Authority was created by the City of Lansing (the "**City**") pursuant to the Brownfield Redevelopment Financing Act, 1996 P.A. 381, as amended (the "**Act**"), and, pursuant to the Act, the Authority has prepared a Brownfield Plan to include the Property (as defined below) which was duly approved by the City Council on _____________, __________ following a public hearing on _____________, _________, a copy of which is attached as **Exhibit A** (the "**Brownfield Plan**").

B. The Developer intends to develop the property in the City of Lansing which is described on the attached **Exhibit B** (the "**Property**") and which, as defined by Part 201 of Michigan's Natural Resources and Environmental Protection Act (P.A. 451, as amended) and included in the Brownfield Plan is an "eligible property" and is therefore commonly referred to as a "brownfield."

C. The Developer has also entered into an Agreement in Consideration of Development Incentives with the City of Lansing and the Authority, a copy of which is attached as **Exhibit C** (the "**Development Agreement**").

D. The Developer has not entered into a Local Site Remediation Revolving Fund Loan Agreement with the Authority.

E. The Developer has not entered into a United States Environmental Protection Agency (EPA) Revolving Fund Loan (RLF Loan) with the Authority and EPA.

F. Provided it obtains any needed zoning and building approvals from the City and others, the Developer plans to develop on the Property certain improvements (the "**Improvements**") as described in the Brownfield Plan. The Improvements will increase the tax base for the relevant taxing jurisdictions and support the employment base in Lansing. The Improvements include eligible activities as defined by the Act (the "**Eligible Activities**").

G. In order to make the Improvements on the Property, the Developer will incur costs to complete the Eligible Activities. These costs are more fully described in the Brownfield Plan ("**Eligible Costs**"). It is recognized that the Brownfield Plan is based upon estimated costs and may increase or decrease depending on the nature and extent of the Brownfield conditions and other unknown conditions encountered on the Property. The actual cost of those Eligible Activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the Authority from the Property shall be governed by the terms of this Agreement. No costs of Eligible Activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of this Agreement, Brownfield Plan and the Act. The amount reimbursed for eligible activities may be adjusted up or down between the various categories of Eligible Activities, up to the maximum total reimbursement of $1,747,533.

G. In accordance with the Act and the Brownfield Plan, the Parties desire to use the property tax revenues that are generated from an increase in the Property's taxable value due to the Improvements ("**Tax Increment Revenues**") to reimburse the Developer for Eligible Costs it incurs in improving the Property.

H. The Parties are entering into this Agreement to establish the terms and conditions and the procedures for such reimbursement with Tax Increment Revenues as they are generated.

TERMS AND CONDITIONS

In exchange for the consideration in and referred to by this Agreement, the Parties agree as follows:

1. Brownfield Plan. To the extent provisions of the Brownfield Plan conflict with this Agreement, the terms and conditions of the Brownfield Plan control. To the extent provisions of the Brownfield Plan or this Agreement conflict with the Act, then the Act controls.

2. Construction of Development. The Developer shall proceed with due care and diligence to complete the Improvements and undertake and complete the Eligible Activities resulting in the Eligible Costs, all in accordance with this Agreement, the Brownfield Plan, Development Agreement and all applicable laws, rules, regulations, permits, orders, and authorized requirements of any official or agency of competent jurisdiction.

3. Capture of Taxes. The parties agree that this Agreement and the Tax Increment Revenues collected and distributed pursuant to the Brownfield Plan are intended to fund the Eligible Costs and the Authority's costs as described in the Brownfield Plan.

4. Submission of Costs. For those Eligible Costs for which the Developer seeks reimbursement from the Authority, the Developer shall submit to the Authority such of the following as may be required by Authority representatives:

(a) a written statement detailing the costs,

(b) a written explanation as to why the amounts requested are subject to reimbursement pursuant to the Brownfield Plan and this Agreement,

(c) copies of invoices from the consultants, contractors, engineers, attorneys or others who provided such services,

(d) copies of waivers of liens by the contractors, subcontractors and material suppliers;

(e) if not already submitted, copies of the contract with the contractor or supplier providing the services or supplies for which reimbursement is sought;

(f) a statement from the engineer and project manager overseeing the work recommending payment; and

(g) A signed statement from the Developer attesting that all completed Eligible Costs comply with all local, state and federal laws and regulations.

(h) any other information which may be reasonably required by state authorities or reasonably required by the Authority.

The Developer may submit a reimbursement request including such information whenever it is available even though Tax Increment Revenues for the reimbursement may not be available at the time of submittal. As Tax Increment Revenues become available, the Authority will reimburse the Developer those Eligible Costs which have been approved by the Authority as directed by the Brownfield Plan. The Developer and Authority agree that the Authority may do so but is not obligated to reimburse Eligible Activities conducted after February, 28 2019.

5. Payments. Payments to the Developer shall be made as follows:

(a) Within sixty (60) days of its receipt of the materials identified in paragraph 4 above, the Authority shall decide whether the payment request is for Eligible Costs and whether such costs are accurate. If the Authority determines all or a portion of the requested payment is for Eligible Costs and is accurate, it shall see that the portion of the payment request that is for Eligible Costs is processed for payment as provided in subparagraph (b) below. If the Authority disputes the accuracy of any portion of any payment request or that any portion of any payment is for Eligible Costs, it shall notify the Developer in writing of its determination and the reasons for its determination. The Developer shall have thirty (30) days from its receipt to provide the Authority a written response to the Authority's decision and the reasons given by the Authority. Within thirty (30) days of receiving the written response from the Developer, the Authority shall make a final determination on the eligibility of the disputed cost(s) and inform the Developer in writing of its determination. The final determination shall be binding upon the Developer.

(b) Once it approves any request for payment as Eligible Costs and approves the accuracy of such costs, the Authority shall pay to the Developer pursuant to the Brownfield Plan, Development Agreement, LSRRF Accelerated Reimbursement Loan Agreement (if applicable) or EPA Revolving Loan Agreement (if applicable).

(c) The repayment obligation under this Agreement shall expire upon the payment by the Authority to the Developer of all LBRA approved amounts due the Developer under this Agreement or on December 31, 2037 whichever occurs first.

(d) The sole source for any reimbursement shall be such Tax Increment Revenues as described in the Brownfield Plan. To the extent permitted by law, such reimbursements, once approved by the Authority under subparagraph (b) above shall be and remain valid and binding obligations of the Authority until paid or until expiration of the time for payment as provided in subparagraph (c), or if the Developer is in default of the Development Agreement.

(1) Payment for Administrative Fees. The Authority will collect a payment for administrative fees annually from Tax Increment Revenues equaling 5% percent of the amount of Tax Increment Revenue collected each year that is derived from "Local Taxes", as defined by the Act. The purpose of this payment is to cover administrative costs and fees, as defined in section 7(h) of Act 381, that are part of the approval of the Brownfield Plan, an Act 381 Work Plan and any Eligible Activity on an eligible property. The payment is a reimbursable administrative cost subject to Tax Increment Revenues under Section 13(16) and Section 13(19) of the Act, and the satisfaction and performance of the terms of this Agreement. The Developer acknowledges that payment of the administrative fees will be made from

Tax Increment Revenues before payments to the LSRRF and before any payments of amounts due to the Developer hereunder.

(2) Payment for Local Site Remediation Revolving Fund (LSRRF). The Authority will collect a payment each year for deposit into the LSRRF. The payment will equal 5% percent of the amount of tax increment revenue collected each year that is derived from "Local Taxes", as defined by the Act. Collection and use of the payments deposited into the LSRRF will be in accordance with Section 8 and Section 13(5) of the Act. The Developer acknowledges that payment of the LSRRF will be made from Tax Increment Revenues before any payments of amounts due to the Developer hereunder.

(3) If the Developer has entered into a LSRRF Accelerated Reimbursement Loan (ARL) Agreement with the Authority (Exhibit D). The Authority will use the Tax Increment Revenues toward repayment of any outstanding ARL Loan balance. The Developer acknowledges that payment of any outstanding ARL balance will be made from Tax Increment Revenues up to an amount equal to the current balance before any payments of amounts due to the Developer hereunder.

(4) If the Developer has entered into an EPA RLF Loan Agreement with the Authority (Exhibit E). The Authority will use the Tax Increment Revenues toward repayment of any outstanding EPA RLF Loan balance. The Developer acknowledges that payment of any outstanding EPA RLF balance will be made from Tax Increment Revenues up to an amount equal to the current balance before any payments of amounts due to the Developer hereunder.

(5) If the Developer has entered into an Michigan Department of Environmental Quality Brownfield Redevelopment Loan (MDEQ BRL) Loan Agreement with the Authority (Exhibit F). The Authority will use the Tax Increment Revenues towards the repayment of any outstanding MDEQ BRL Loan balance. The Developer acknowledges that payment of any outstanding MDEQ BRL Loan balance will be made from Tax Increment Revenues up to an amount equal to the current balance before any payments of amounts due to the Developer hereunder.

6. Assignment of Future Reimbursement Revenue. The Developer may assign, with the Authority's written approval, all or part of its rights and obligations under this Agreement to any affiliate or successor in interest. Developer shall, no later than sixty (60) days prior to such assignment, notify the Authority as specified under Subparagraph 10(e).

7. Adjustments. If, due to an appeal of any tax assessment or reassessment or any other reason, the Authority is required to reimburse any Tax Increment Revenues to taxing entities, the Authority may deduct the amount of any such reimbursement from any amounts due and owing the Developer or, if all amounts due the Developer under this Agreement have been fully paid, the Authority may invoice the Developer for the amount of such reimbursement and the Developer shall pay the Authority such invoiced amount within sixty (60) days of the Developer's receipt of the invoice from the Authority. Nothing in this agreement shall limit the right of the Developer to appeal any tax assessment.

8. Obligation to Fund Eligible Activities. The Developer shall pay for the Eligible Costs with its own funds and receive reimbursement from the Authority by available Tax Increment Revenues (TIR) as described in the Brownfield Plan. It is anticipated that there will be sufficient available Tax Increment Revenues to pay for all Eligible Costs under this Agreement. However, if for any reason increased Tax Increment Revenues from the Development do not result in sufficient revenues to satisfy such obligations, the Developer agrees and understands that it will have no claim or further recourse of any kind or nature against the City or the Authority and the Developer shall assume full responsibility for any such loss or costs, including all responsibilities associated with any associated LSRRF Agreement or EPA RLF Loan Agreement.

9. Indemnification. The Developer shall defend, indemnify, and hold the City and the Authority, and their agents, representatives, and employees (hereinafter "Indemnified Persons") harmless from any loss, expense (including reasonable legal counsel fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from injuries to persons or property as a result of the ownership, operation, use or maintenance of the Improvements.

10. Miscellaneous.

(a) This is the entire agreement between the parties as to its subject matter. All previous negotiations, statements and preliminary instruments of the parties or their representatives are merged in this Agreement. The Agreement shall not be amended or modified except in writing signed by all the parties. It shall not be affected by any course of dealing and the waiver of any breach shall not constitute a waiver of any subsequent breach of the same or any other provision.

(b) This Agreement and the rights and obligations under this Agreement except as previously noted, are un-assignable and non-transferable without the consent of the other parties. It shall, however, be binding upon any successors or permitted assigns of the parties.

(c) This Agreement shall terminate when all reimbursements required under this Agreement have been made or the Brownfield Plan obligation to the Developer expires, whichever occurs first.

(d) All parties had input into the drafting of this Agreement and all had the advice of legal counsel before entering into this Agreement. In the event any ambiguity of any language in this Agreement arises, such ambiguity shall not be construed against any party.

(e) Notices shall be complete when delivered by personal delivery, by courier or delivery service (such as UPS, FedEx or other service) or by certified mail, return receipt requested to the addresses first written above. If any party refuses to accept delivery when presented, delivery shall be deemed to have occurred at the time of such refusal. Any such notice and communication shall be addressed as follows:

If to Authority: Lansing Brownfield Redevelopment Authority
1000 South Washington Avenue, Suite 201
Lansing, MI 48910
Attn: Karl Dorshimer

If to Developer: 2200 BLOCK, LLC
329 S. Washington, Suite #i
Lansing, MI 48933
Attn: Scott Gillespie

(f) This Agreement shall be governed by the laws of the State of Michigan.

(g) This Agreement may be signed in multiple identical copies, each of which shall be deemed to be an original copy, and each facsimile or electronic copy shall constitute a legally binding, enforceable document.

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

(i) Each party shall take all actions required of it hereunder as expeditiously as possible and shall cooperate to the fullest extent possible with the other parties and with any individual, entity or governmental agency regarding the purposes of this Agreement. Each party shall execute and deliver all documents necessary to accomplish the purposes and intent of this Agreement, including, but not limited to, such documents or agreements as may be required by the Developer's lenders with respect to securing financing from such lenders.

By signing below, all parties represent and warrant their authority to enter into this agreement on behalf of their respective organizations. The parties have signed this Agreement as of the date first written above.

2200 BLOCK, LLC

By: ______________________
Scott Gillespie
Its: Manager

LANSING BROWNFIELD REDEVELOPMENT AUTHORITY

By: ______________________
Karl R. Dorshimer, LBRA Representative

EXHIBIT A
BROWNFIELD PLAN

EXHIBIT B
LEGAL DESCRIPTION OF PROPERTY

The location of the Project is commonly known as Provident Place , Lansing, Michigan ("Project Area") and legally described as follows:

2224 E. Michigan Avenue Lansing, MI 48912. Parcel number 33-01-01-14-304-391 LOTS 363 & 364 LESLIE PARK SUB.

2216 E. Michigan Avenue Lansing, MI 48912. Parcel number 33-01-01-304-401 LOTS 360, 361 & 362 LESLIE PARK SUB

EXHIBIT C
Development Agreement

EXHIBIT D
LSRRF Agreement
(Optional)

EXHIBIT E
(EPA RLF Loan Agreement)

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 8 day of February__, 2017, by and between the City of Lansing, Michigan, a Michigan municipal corporation ("City"), and 2200 BLOCK, 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: 2200 Block Redevelopment Project

Location of Project (provide attached map):

Business Name of Applicant *(if applicable)*: *2200 BLOCK, LLC*

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

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

2200 BLOCK, LLC	100 %
	%
	%
	%

Project description:

The Project includes a complete demolition and redevelopment of the vacant property located at 2216 – 2224 E. Michigan Avenue. The mixed-use development includes the construction of a 4-story building including 6,000 to 9,500 square feet of office/retail use on the first floor and between 33 and 37 residential units. The new structure will also include underground parking.

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

Avenue Flats

The Venue at East Town

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

P.A. Act 381 Brownfield Tax Increment Financing (T.I.F.)	19 Years
	Years
	Years
	Years

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

Michigan Economic Development Corporation – Community Revitalization Program (CRP) – Application is pending and final amount TBD

Michigan Department of Environmental Quality (MDEQ) – Brownfield Redevelopment Grant and Loan Program – Application is pending and final amount TBD

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):*

TBD

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

15 to 20 FTE

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

$ 7,000,000

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

$ Average $14.50 Per hour

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)

SPG 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.

SPG 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.

SPG 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.

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

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

SPG 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: Eric Pratt

Revenue currently paid to the City by the site or project: $ 2,551.02

Estimated total revenue to the City upon Project Completion: $ 631,929.00

Estimated total value of City Incentive(s): $ 1,747,533.00

Estimated total new net revenue to the City: $ 631,929.00

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

The Developer is proposing to demolish two functionally obsolete structures in order to construct a new $7,000,000 multi-story, mixed use development; with ground floor retail and market-rate housing in the upper floors of the building.

Project Timeline: The project will commence with the approval of Brownfield Plan #67 by the City Council and be completed by February 28, 2019

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 [insert project description] ("Project"). The Project is expected to hire at least 15 to 20 new or retain at least 0 full-time equivalent employees (FTE) and requiring a total investment in real property of at least $7,000,000 ~~and personal property of at least $150,000 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 (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 <u>Provident Place</u> ("Project Area")

2224 E. Michigan Avenue Lansing, MI 48912.

2216 E. Michigan Avenue Lansing, MI 48912.

and legally described as follows:

Parcel number 33-01-01-14-304-391 LOTS 363 & 364 LESLIE PARK SUB.

Parcel number 33-01-01-304-401 LOTS 360, 361 & 362 LESLIE PARK SUB

C. <u>Project Timeframe</u>.

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 August 1, 2017 and ends February 28, 2019.

D. <u>Project Completion</u>

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 <u>15 to 20</u> 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 <u>$150,000</u>. This personal property may not be moved to the Project Area from another location within the City of Lansing.

3. Make at least <u>$7,000,000</u> 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 18 Months after start date.

E. <u>Project Completion Progress Reports</u>

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.

R: Appearance & Materials. (New paragraph)

That the appearance of the project and the materials used on the exterior of the building shall comply with the approved plan for the building, as determine by the City's Director of Planning and Neighborhood Development, a copy of which is attached as **Exhibit A.**

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

WITNESSES:

LAUREN A. MARTIN

2200 BLOCK, LLC

By:
Scott Gillespie

Its: Member

CITY OF LANSING:

By:
Virg Bernero

Its: Mayor

LANSING ECONOMIC DEVELOPMENT CORPORATION:

By:
Karl R. Dorshimer

Its: Authorized Representative

Approved as to form:

James Smiertka

City Attorney

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

City Controller

EXHIBIT A

THE LANSING BROWNFIELD REDEVELOPMENT AUTHORITY

Resolution Recommending Approval of Plan #67
2200 Block Redevelopment Plan

At a meeting of the Board of Directors of the Lansing Brownfield Redevelopment Authority (LBRA) Lansing, Michigan, held on the 13th day of January, 2017, at 8:30 a.m., pursuant to notice duly given:

PRESENT: Members: Pierre LaVoie, James Butler III, Andrea Ragan, Christopher 'Blake' Johnson, Kimberly Coleman, Calvin Jones, Baldomero 'Bo' Garcia, Shelley Davis-Mielock

ABSENT: Members: Mayor Virg Berneo

The following preamble and resolution was offered by;

Member: Butler, and supported by;

Member: Coleman:

WHEREAS, The LBRA staff has worked closely with 2200 BLOCK, LLC (Developer) to draft Brownfield Plan #67 (Plan); and

WHEREAS, The LBRA staff has duly reviewed such Plan and has found it to be in compliance with the provisions of the Act and meets the following determinations and findings:

1. The Plan constitutes a public purpose under the Act;
2. The Plan meets all of the requirements for a brownfield plan set forth in Section 13 of the Act;
3. The proposed method of financing the cost of the eligible activities, as described in the Plan, is feasible and the Authority has the ability to arrange the financing;
4. The costs of the eligible activities proposed in the Plan are reasonable and necessary to carry out the purposes of the Act; and
5. The amount of the captured taxable value estimated to result from the adoption of the Plan is reasonable; and

WHEREAS, The LBRA staff recommends approval of the Plan:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LANSING BROWNFIELD REDEVELOPMENT AUTHORITY, AS FOLLOWS:

1. The Brownfield Plan described as Brownfield Plan #67 – 2200 Block Redevelopment Plan in the form filed herewith is hereby approved by the Lansing Brownfield Redevelopment Authority and recommended for consideration by the City Council of the City of Lansing pursuant to Act 381 of Michigan Public Acts of 1996, as amended.

2. The LBRA Board hereby requests that the Lansing City Council, after required notification as specified by the Act, hold a public hearing in consideration of this matter, and subsequently approve the Plan.

YEAS: Eight (8)

NAYS: Zero (0)

ABSTENTIONS: Zero (0)

ABSENT: One (1)

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN)
)SS.
COUNTY OF INGHAM)

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a meeting of the Brownfield Redevelopment Authority held on the 13th day of January, 2017, and said resolution is on file in the office of the Economic Development Corporation and is available to the public. Public notice of the said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan 1976, including in the case of a special or re-scheduled meeting, notice by publication or posting of at least eighteen (18) hours prior to the time set for the meeting. In addition, said meeting was held in full compliance with the Board's By-Laws.

IN WITNESS WHEREOF, I have hereunto affixed my official signature.

Andrea Ragan

Andrea Ragan, Secretary

ECONOMIC DEVELOPMENT CORPORATION
LANSING CITY TREASURER APPROVAL FORM
BUSINESS

Business Name: 2200 BLOCK, LLC
Business Contact Person: Mrs. Lauren Martin
Phone Number: 517-327-8887

approved

Project Location: 2216 & 2224 E. Michigan Avenue

Type of EDC Service: OPRA Application

EDC Contact Person Name: Eric Pratt

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

Due Date: As soon as possible

Approval:

Tammy Gard

City Treasurer

BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING
RESOLUTION TO SET A PUBLIC HEARING FOR
BROWNFIELD PLAN #67
2200 BLOCK REDEVELOPMENT PROJECT

WHEREAS, the Lansing Brownfield Redevelopment Authority has prepared and forwarded an approved Brownfield Plan pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, Public Act 381 of 1996, as amended, for property commonly referred to as 2216 and 2224 East Michigan Avenue located in the City of Lansing; and

WHEREAS, prior to Council's action on this request, it is necessary to hold a public hearing on the Plan, to allow for any resident, taxpayer or ad valorem taxing unit the right to appear and be heard;

WHEREAS, maps, plats, and a description of the brownfield plan are available for public inspection at the Lansing Economic Area Partnership, 1000 South Washington, Suite 201, Lansing, MI 48912, and that all aspects of the brownfield plan are open for discussion at the public hearing.

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 **(INSERT DATE)** at 7:00 p.m. on Brownfield Plan #67 – 2200 Block Redevelopment Project under the Brownfield Redevelopment Financing Act, for property more particularly described as:

2224 E. Michigan Avenue Lansing, MI 48912. Parcel number 33-01-01-14-304-391
LOTS 363 & 364 LESLIE PARK SUB.

2216 E. Michigan Avenue Lansing, MI 48912. Parcel number 33-01-01-304-401 LOTS 360, 361 & 362 LESLIE PARK SUB

And that the City Clerk cause notice of such hearing to be published twice in a publication of general circulation, no less than 10 days or more than 40 days prior to the date of the public hearing, and that the City Clerk also cause the legislative body of each taxing unit levying ad valorem taxes on this property, to be notified of Brownfield Plan #67 2200 Block Redevelopment Project and the scheduled public hearing.

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 approval of Brownfield Plan #67 – 2200 Block Redevelopment Project pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, Public Act 381 of 1996, as amended, for property commonly referred to as 2216 and 2224 East Michigan Avenue located in the City of Lansing, but more particularly described as:

2224 E. Michigan Avenue Lansing, MI 48912. Parcel number 33-01-01-14-304-391 LOTS 363 & 364 LESLIE PARK SUB.

2216 E. Michigan Avenue Lansing, MI 48912. Parcel number 33-01-01-304-401 LOTS 360, 361 & 362 LESLIE PARK SUB

Approval of this Brownfield Plan will enable the Lansing Brownfield Redevelopment Authority to capture incremental tax increases which result from the redevelopment of the property to pay for costs associated therewith. Further information regarding this issue, including maps, plats, and a description of the brownfield plan will be available for public inspection and may be obtained from Karl Dorshimer – Director of Economic Development, Lansing Economic Area Partnership, 1000 South Washington, Suite 201, Lansing, MI 48912, (517) 702-3387.

BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING
RESOLUTION APPROVING BROWNFIELD PLAN #67
2200 BLOCK REDEVELOPMENT PROJECT

WHEREAS, the Brownfield Redevelopment Authority (the ‘Authority’) of the City of Lansing, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, Public Act, Public Act 381 of 1996, as amended, (the ‘Act’) has prepared a Brownfield Plan, submitted to Council and placed on file in the office of City Clerk, LBRA Brownfield Plan #67 2200 Block Redevelopment Project (the ‘Plan’); and

WHEREAS, a public hearing was held by the Lansing City Council on **(INSERT DATE)** and at least 10 days before the public hearing the taxing jurisdictions were provided notice to be fully informed about the fiscal and economic implications of the proposed Plan and given a reasonable opportunity to express their views and recommendations regarding the Plan in accordance with Section 13 (10) and 14(1) of the Act; and

WHEREAS, the Lansing City Council, before and during its public hearing on **(INSERT DATE)** reviewed testimony and evidence regarding the Plan, and found that:

1. the Plan provides for the reimbursement of costs attributable to eligible activities to the developer and the Authority,

2. the Project includes, in addition to the eligible activities identified in the Plan, the redevelopment of the property,

3. the Project may result in new private investment of approximately $7,000,000,

4. the Plan provides for the capture of property tax increment revenues due to the private investment on the site, and devotes them to repaying the Authority for its costs associated with eligible activities it performs, and to repaying the developer for their costs associated with eligible actives they perform, in accordance with the Plan,

WHEREAS, the Authority Board of Directors, at its meeting on January 13, 2017, unanimously recommended approval of the Plan, for this Project;

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, after having duly considered the Plan, finds it is in compliance with the provisions of the Act and further finds:

- The Plan constitutes a public purpose under the Act;

- The Plan meets all of the requirements for a Brownfield Plan set forth in

Section 13 of the Act;

- The proposed method of financing the costs of the eligible activities, as described in the Plan, is feasible and the Authority has the ability to arrange the financing;

- The costs of the eligible activities proposed in the Plan are reasonable and necessary to carry out the purposes of the Act; and

- The amount of the captured taxable value estimated to result from the adoption of the Plan is reasonable.

IT IS FINALLY RESOLVED that the Lansing City Council hereby approves the LBRA ‘Brownfield Plan #67 2200 Block Redevelopment Project’.

Lansing Brownfield
Redevelopment Authority

LorAnn Oils, Inc.
4518 Aurelius Road,
Lansing, Michigan

Redevelopment Project -
Amendment 1
2017 Building Expansion

Brownfield Plan #20a-rev1

Lansing Brownfield Redevelopment Authority
Lansing, Michigan

PREPARED BY:

SME
2663 Eaton Rapids Road
Lansing, Michigan 48911

REVIEWED BY:

Lansing Economic Area Partnership (LEAP)
1000 S. Washington Ave., Suite 201 – Krentel Building
Lansing, Michigan 48912

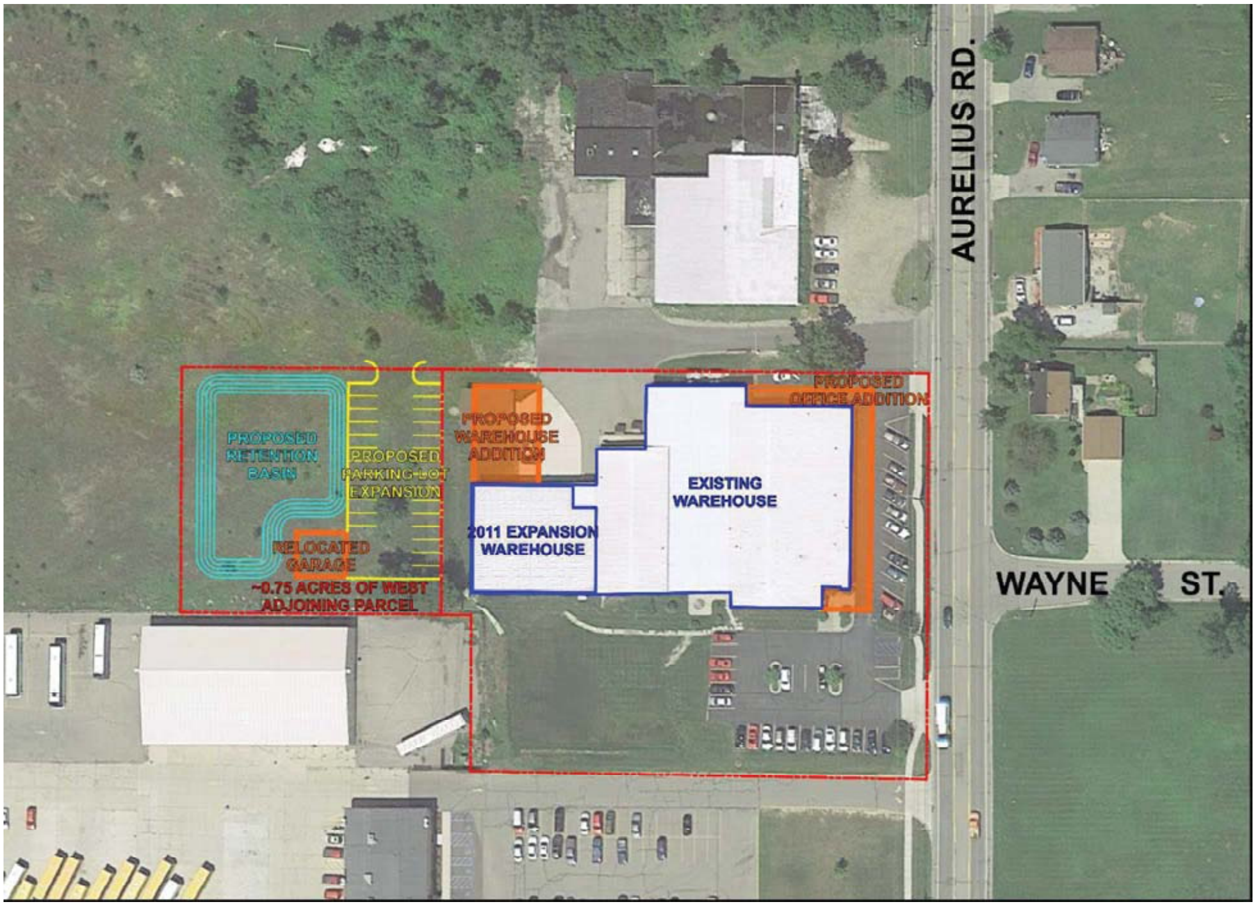
Approved by the Brownfield Redevelopment Authority on

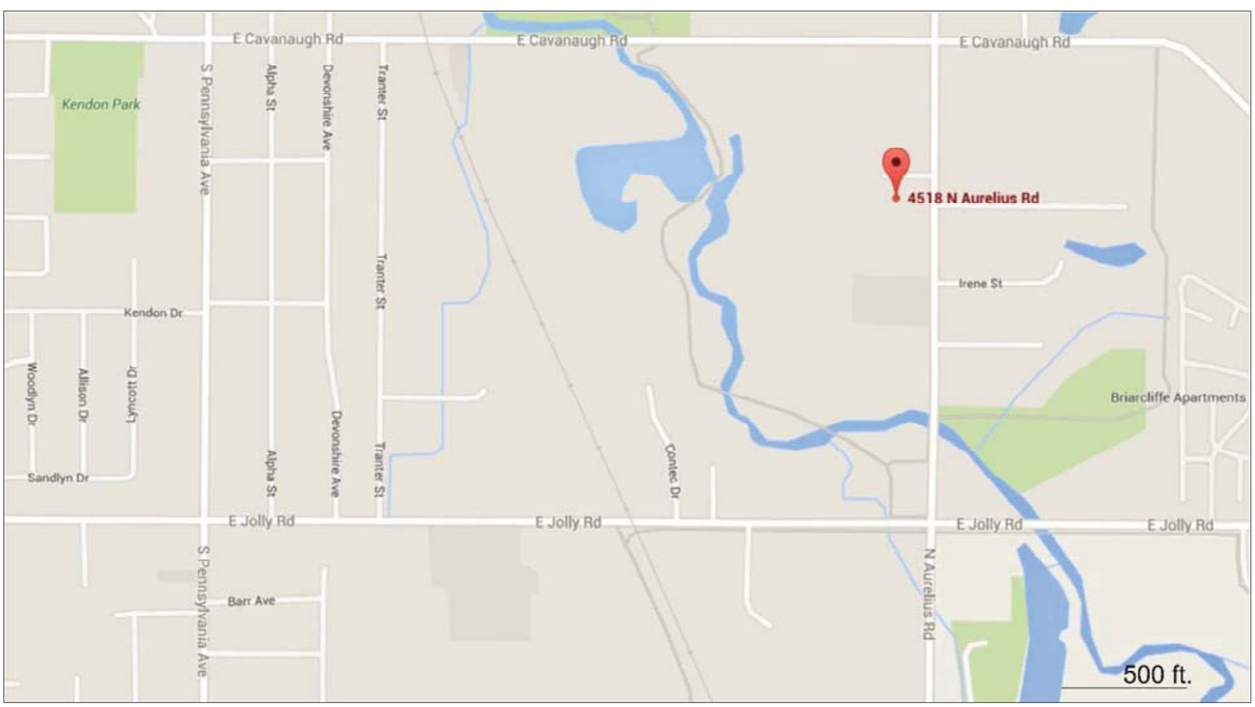
____

Approved by the Lansing City Council on

____

1. Site Location and Features





2. Project Summary Sheet – Brownfield Plan #20a

In 2005, LorAnn Oils, Inc. (LorAnn Oils), a longtime Lansing-based company came to the City and asked for help expanding their business in south Lansing. The City and Brownfield Authority approved a Brownfield Plan for LorAnn which allowed them to stay and grow in the City. They further expanded their facility in 2012. Now, twelve years later, the company has grown so large that they need to expand again. As a result, they have come back to the City to ask that their original Brownfield Plan be extended for 11 more years to include the eligible activities associated with this newest expansion. By approving this Amendment, and extending the Brownfield Plan, the City can retain the company in south Lansing and encourage LorAnn Oils to make addition investments and create more jobs.

This Amendment 1 leaves the original plan in place while adding approximately 0.75 acres to the Property from the west adjoining parcel, new eligible activities for an approximately 7,000 square foot plant expansion, and the incremental taxes to reimbursement the eligible investment for the expansion. The Original Plan project is not changed or hindered in any way by the proposed amendment. All of the rights, responsibilities, terms and conditions of the Reimbursement Agreement executed in conjunction with the Original Plan are not intended to be changed or affected in a negative manner. Information from the Original Plan is restated in this amended plan and will remain in the Amended Plan.

Project Name: ***Original Plan*** – LorAnn Oils Inc. Redevelopment Project

Amendment 1 – 2017 Building Expansion

Business Line: ***Original Plan*** – Manufacturing and packaging of flavoring oils and scents for wholesale and retail stores.

Amendment 1 – Manufacturing and packaging of flavoring oils and scents for wholesale and retail stores.

Property Location: 4518 Aurelius Road Lansing, Michigan

Property Num. & Size: ***Original Plan*** included two parcels and consisting of approximately 2.15 acres.

Amendment 1 adds approximately 0.75 acres of the west adjoining parcel.

Project Description: ***Original Plan*** – The renovation of an existing 18,013 square-foot facility plus a building addition of 5,810 square-feet to meet increased office and production needs.

Amendment 1 – The expansion will consist of two single-story additions to the existing structure. An approximately 3,220 square-foot addition will be added to the northwest portion for warehouse space and an approximately 3,784 square-foot addition will be added to the east portion for office space. The approximately 0.75 acre west adjoining parcel will be used to expand parking and construct a retention basin.

Investment:	***Original Plan*** – The plan outlined a monetary investment of $914,700. The actual investment made was approximately $1,121,000. In addition, in 2012, LorAnn invested an additional $452,000 to add a 6,242 square-foot warehouse expansion to their building. Therefore, the total investments leveraged by the Original investment was $658,300 more than committed in 2005. ***Amendment 1*** – Approximately $1,542,200 of capital investment.
Estimated Job Creation/Retention:	***Original Plan*** – The plan outlined the creation of 16 full-time jobs and 10 part-time jobs. The actual number of jobs created through 2016 is 20 additional full-time jobs and 8 part-time jobs. ***Amendment 1*** – This redevelopment will result in the creation of 9 full-time jobs over three years.
Duration of Plan:	***Original Plan*** - 14 years with the last year of tax capture in 2018. Local only capture. ***Amendment 1*** – Beginning in 2017, the new eligible activities and remaining 2005 eligible activities will be reimbursed over 11 years with a combination of local and state school taxes. State school tax capture is projected to be completed in 2024 and local tax capture is projected to be completed in 2029. This amendment will also include the BRA funding their LSRRF will be funded to the statutory maximum after completion of the reimbursement of eligible activities and the Brownfield Plan Amendment 1 is expected to terminate in 2033.

New Property Taxes Generated by Project:

USES OF NEW TAXES	ORIGINAL PLAN	AMENDMENT 1
TIFA (state school taxes)	$88,186	$101,781
Lansing School District Debt	$4,185	$10,406
City of Lansing Debt	$3,796	$9,441
City of Lansing Local Taxes	$13,177	$68,004
Total to Tax Units	**$109,344**	**$189,632**
LBRA Administration	$11,859	$23,803
LBRA Revolving Fund	$5,930	$96,097
Reimbursed to LBRA for Eligible Activities	$0	$24,200
Reimbursement to Developer for Eligible Activities	$100,801	$280,200
Total Brownfield Plan	**$118,590**	**$424,300**

Total Use New Taxes: $227,934 (Original Brownfield Plan)
$613,932 (Amendment 1)

3. Past Use of the Property - Site History

Original Plan (LorAnn Oils Facility)
The 2.15-acre brownfield project site hereinafter referred to as "the Property" was originally developed in 1965 for Contractors Machinery Company. From 1971 until the present, the site has been occupied by LorAnn Oils, Inc.

Previous environmental assessment work has detected contamination on the site. Based on these finding, the Property is a "Facility" as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

Amendment 1
A 6.368-acre parcel of land adjoins the LorAnn Oils property to the west. This amendment adds approximately 0.75 acres of this west-adjoining parcel to the LorAnn Oils property. The west-adjoining parcel has been designated a "Facility" based on the presence of contamination in fill above MDEQ Part 201 generic residential cleanup criteria found on the site during environmental assessments.

The sampling locations and constituents above MDEQ Part 201 generic residential cleanup criteria are shown on the figures in Appendix B.

A list of the original two parcels and the tax ID for the parent parcel of which the approximately 0.75 acres will be split and their basis for eligibility under Act 381 is presented in the table below:

Eligible Properties		
Address	**Tax ID**	**Basis of Eligibility**
4518 Aurelius Road	33-01-01-34-426-011	Facility
4518 Aurelius Road	33-01-01-34-426-009	Facility
6.368-acre parent parcel *split pending	33-01-01-34-426-016	Facility

A legal survey showing the 0.75 acre split (Parcel 2) from the parent parcel is provided in Exhibit A.

4. The Lansing Brownfield Redevelopment Authority

In August of 1997, Lansing City Council established the Lansing Brownfield Redevelopment Authority (LBRA) and designated the City of Lansing as a "Brownfield Zone." The primary purpose of the LBRA is to encourage the redevelopment of blighted, contaminated and functionally obsolete property within the Brownfield Zone by providing financial incentives to support redevelopment.

5. Brownfield Project Description

This Amendment 1 restates the original LorAnn Oils Inc. Redevelopment Project Brownfield Plan and leaves those provisions in place while adding an approximately 0.75-acre portion of the west adjoining parcel to facilitate new investments and eligible activities on the LorAnn Oil property located at 4518 Aurelius Road. The original brownfield project is restated below followed by a summary of the new brownfield project associated with 2017 building expansion. The legal descriptions of the parcels included in the original plan and the new parcel added by this amendment are included in Exhibit A.

Original Plan (LorAnn Oils Facility)
LorAnn Oils, Inc. hereinafter called "the Developer", plans to invest approximately $914,700 in eligible activities and the redevelopment of the Property. The project will involve the extensive renovation and expansion of an 18,013 square foot existing manufacturing facility to accommodate both increased office and production needs. The proposed addition is approximately 5,810 square feet and this includes a new truck loading dock. The addition will be used primarily for production purposes. The offices would be expanded to make room for two more offices and a conference room. Construction would be primarily metal/steel and address roof issues plus heating, electrical and air conditioning deficiencies.

Within the new addition, the company will be addition one handicap accessible bathroom, additional heating and air condition capacity, a water heater plus plumbing, drains and washbasins to facilitate daily cleaning of production equipment. There will also be a number of minor improvements to the current employee areas- such as bathrooms, break rooms and kitchen. Outside of the building, LorAnn will relocate and expand the current parking lot for employees and plant visitors.

Work on this project was expected to begin in late Fall of 2004 and be completed by the Summer of 2005.

The costs for the eligible activities will be funded by the Developer and are proposed as a reimbursable expense under this plan.

The reimbursed funds associated with the Original Plan were invaluable to the developer. LorAnn was able to successfully expand their business, which lead to substantial growth, financial success, and the creation of new jobs in south Lansing. In fact, LorAnn's growth was so substantial that they further expanded their facility with additional warehouse space in 2012. Now with this most recent expansion, they need to purchase a portion of the west-adjoining parcel to accommodate this larger footprint meet their needs. This will result in an increased contribution to the local tax pool and the creation of more jobs.

Amendment 1 (2017 Expansion to LorAnn Oils Facility)
Due to the rapid growth and increased demand from customers, LorAnn needs to expand their facilities again. The expansion is necessary to address the needs of their clients and will allow for the company to remain and continue to flourish in south Lansing. LorAnn Oils intends to build two new additions onto the existing structure. Site preparation and environmental assessment activities are anticipated on the west-adjoining parcel and demolition and site preparation on the main LorAnn Oil parcel are included in the eligible activities for this 2017 expansion. The expansion will consist of two single-story additions to the existing structure. An approximately 3,220 square-foot addition will be added to the northwest portion for warehouse space and an approximately 3,784 square-foot addition will be added to the east portion for office space. The approximately 0.75 acre west-adjoining parcel will be used to expand parking and a construct retention basin. This new expansion will provide critical growth space for LorAnn Oils. They are in need of additional office and manufacturing space as well as parking.

The construction of the proposed expansion described in this Brownfield Plan Amendment 1 is anticipated to begin in spring of 2017. The project is anticipated to create 9 new full-time jobs and approximately 15 temporary construction jobs.
The assistance from the LBRA and the City of Lansing in approving this Brownfield Plan Amendment 1 is critical to the project financing and success. The tax increment financing for the 2017 building additions will include both local taxes and

state school taxes for costs incurred during development of the eligible property. A breakdown of Brownfield eligible activities included in this amendment are presented on Table 1.

6. Eligible Activities

The eligible activities for the Original Brownfield Plan and this Brownfield Plan Amendment 1 are presented on Table 1. The LBRA funded environmental assessment and a preliminary geotechnical evaluation (site preparation) of the 0.75-acre west adjoining parcel. The eligible brownfield activities consist of environmental assessment activities, demolition, site preparation, and preparation of Brownfield Plans. The table below presents the eligible activities and the estimated eligible costs for the Original Brownfield Plan and for the Amendment to the Original Plan:

ELIGIBLE ACTIVITIES	ORIGINAL BROWNFIELD PLAN	AMENDMENT 1
1. Environmental Activities: Assessment, Due Care, Remediation, Response Actions, Etc.	$0	$22,200
Portion of #1 reimbursed with ***Local Tax Capture***	$0	$15,490
Portion of #1 reimbursed with ***State Tax Capture***	$0	$6,710
2. Non-Environmental Activities: Site Preparation, Demolition, Lead & Asbestos Abatement, Public Infrastructure, Work Plan, Etc.	$137,200	$282,200
Est. Portion of #2 reimbursed with ***Local Tax Capture***	$137,200	$230,477
Est. Portion of #2 reimbursed with ***State Tax Capture***	$0	$51,723
Total Tax Capture Amount Reimbursed to LBRA	**$0**	**$24,200**
Total Tax Capture Amount Reimbursed to Developer	**$137,200**	**$280,200**
3.LBRA Costs: Amount of ***Local Tax Capture*** to LBRA for Administrative and Legal Costs	$11,859	$23,803
Amount of ***Local Tax Capture*** to LBRA Revolving Fund	$5,930	$96,097
Total Tax Capture to LBRA	**$17,789**	**$119,900**
Total Tax Capture to Prospective Developer & LBRA	**$154,989**	**$424,300**
Total Brownfield Incentive to Developer including assessment costs funded by LBRA	**$137,200**	**$304,400**

The eligible activities and associated costs included in this Plan were developed based on general information that was provided by the LorAnn Oils, Inc. These estimates were developed with uncertainties and assumptions about the final development of the site and the estimates are subject to considerable change. These estimates should not be assumed to be precise or final.

7. Captured Taxable Value and Tax Increment Revenues

The tax capture on the Original Brownfield Plan began in 2005. The tax capture projections are summarized on Table 2. The actual tax captures are provided for 2005 through 2014 and estimated captures are provided for 2015 through the projected end of tax capture in 2033. The actual tax captures from 2005 through 2014 were less than projected in the Original Plan due to a lower initial increase in taxable value. The following table provides a less detailed summary than Table 2 of the anticipated taxable value and the tax increment revenue it will provide:

	ORIGINAL BROWNFIELD PLAN			AMENDMENT 1		
Tax Year	Annual Incremental Taxable Value	Annual Incremental Taxes Captured	Cumulative Incremental Taxes Captured	Annual Incremental Taxable Value	Annual Incremental Taxes Captured	Cumulative Incremental Taxes Captured
2005	$114,338	$3,679	$3,679	$13,338	$227	$227
2006	$228,675	$7,358	$11,037	$198,021	$6,455	$6,682
2007	$235,535	$7,578	$18,615	$214,010	$6,795	$13,477
2008	$242,601	$7,806	$26,421	$215,860	$7,106	$20,583
2009	$249,879	$8,040	$34,461	$220,560	$7,443	$28,026
2010	$257,376	$8,281	$42,742	$153,860	$5,080	$33,106
2011	$265,097	$8,530	$51,272	$120,060	$3,846	$36,952
2012	$273,050	$8,785	$60,057	$225,960	$9,558	$46,510
2013	$281,241	$9,049	$69,106	$228,960	$10,627	$57,137
2014	$289,679	$9,321	$78,427	$228,160	$13,307	$70,444
2015	$298,369	$9,600	$88,027	$222,160	$8,411	$78,855
2016	$307,320	$9,888	$97,915	$218,660	$8,279	$87,134
2017	$316,540	$10,185	$108,100	$218,660	$13,474	$100,608
2018	$326,036	$10,490	$118,590	$325,622	$20,063	$120,671
2019				$336,817	$20,753	$141,424
2020				$348,236	$21,456	$162,880
2021				$359,884	$22,174	$185,054
2022				$371,764	$22,907	$207,961
2023				$383,882	$23,653	$231,614
2024				$396,242	$23,824	$255,438
2025				$408,850	$16,387	$271,825

Table continued on next page

	ORIGINAL BROWNFIELD PLAN			AMENDMENT 1		
Tax Year	Annual Incremental Taxable Value	Annual Incremental Taxes Captured	Cumulative Incremental Taxes Captured	Annual Incremental Taxable Value	Annual Incremental Taxes Captured	Cumulative Incremental Taxes Captured
2026				$421,710	$16,902	$288,727
2027				$434,827	$17,429	$306,156
2028				$448,206	$17,965	$324,121
2029				$461,853	$18,514	$342,635
2030				$475,773	$19,071	$361,706
2031				$489,971	$19,640	$381,346
2032				$504,453	$20,218	$401,564
2033				$519,225	$20,811	$422,375
2034				$534,292	$1,925	$424,300

NOTE:

1. Cumulative incremental taxes captured do not include incremental tax revenues for Lansing School District Debt or City of Lansing Debt. Local School Operating and State Educational incremental taxes will be used to reimburse the new 2017 eligible activities described in this Brownfield Plan Amendment 1.
2. The incremental taxable value dropped in 2010 and 2011 due to temporary changes to tax laws that allowed certain personal property investments to be depreciated faster.

The captured incremental taxable value and associated tax increment revenue will be determined by the City Assessor. The actual increased taxable value of the land and future taxable improvements on the Property may vary. Furthermore, the amount of tax increment revenue available under this Plan will be based on 100% of the actual millage levied annually by each taxing jurisdiction and the increase in tax value resulting from the redevelopment project that is eligible and approved for capture.

8. Method of Brownfield Plan Financing

Original Brownfield Plan

The costs associated with the eligible activities, listed in Section 6 (Items 1-2) will be initially paid for by the Developer. The Developer will be reimbursed for these costs by the LBRA utilizing 85% of the local tax increment captured from the project over the fourteen (14) year capture period of this Plan. If the actual capture is less than that projected in this plan. The total amount of reimbursement from the LBRA to the Developer may be less than $100,801. Additionally, the LBRA is not obligated to reimburse the Developer for more than $137,200 of total Eligible Activities during the fourteen-year period (2005 to 2018).

The LBRA will provide financing for its costs to implement and administer the Plan by utilizing 10% of the total tax increment capture per year for the duration of the Plan. This expense is noted in Section 6 (Item 5) above.

Amendment 1

Initial environmental assessments and the preliminary geotechnical assessment of the west-adjoining parcel to support site preparation activities were funded by the LBRA's LSRRF. The remaining eligible activities will be funded by the Developer. The new combined total of unreimbursed eligible activities will be reimbursed starting in 2017 with 90% of the available local and state school taxes with 10% passing through to the local taxing jurisdictions. The portion eligible for reimbursement with state school taxes is anticipated to be completed in 2024 and the remaining activities will be reimbursed with local only taxes. The investments made by the LBRA will be reimbursed in first position and the Developer will be reimbursed for eligible activities after the LBRA has been fully reimbursed.

Capture will continue until the total amount of eligible activities of $302,400 have been reimbursed, or the statutory maximum of 30 years of capture (2034), whichever occurs first.

After completion of the reimbursement of eligible activities, the LBRA will capture 90% of the available local taxes to fund the LSRRF to the maximum extent permitted, equal to 5 years of total capture as allowed per the Brownfield Redevelopment Act.

The LBRA will provide financing for its costs to implement and administer the Plan by utilizing 5% of the local taxes captured per year starting in 2017 and for the duration of the Plan. This expense is noted in Section 6 (Item 5) above. The LBRA will also capture 5% of the local taxes to fund its LSRRF and capture the maximum permitted by the statue to fund the LSRRF after completion of reimbursement of eligible activities.

9. Amount of Note or Bonded Indebtedness Incurred

None.

10. Estimated Impact on Taxing Jurisdictions

The following table presents a summary of the estimated tax revenues generated by the taxing jurisdictions whose millage is subject to capture by the LBRA under this plan.

Jurisdiction	Original Brownfield Plan Taxes Captured by LBRA	Amendment 1 Taxes Captured by LBRA (90% of available taxes)	Amendment 1 Taxes Not Captured by LBRA (10% of available taxes)
LOCAL TAXES			
County of Ingham	$26,881	$77,365	$9,799
Regional Airport Authority	$1,651	$5,743	$564
Capitol Area Transportation Authority	$7,257	$24,702	$727
Capital Area District Library	$4,843	$12,813	$1,624
Potter Park Zoo	* This millage was not included in the Original Plan	$2,898	$332
City of Lansing	$49,426	$159,701	$20,231
City of Lansing Debt	$0	$0	$9,441
Lansing Community College	$12,786	$31,277	$3,963
Lansing School District Debt	$0	$0	$10,406
Ingham Intermediate School District	$15,747	$38,576	$4,886
Lansing School Sink	$0	$12,323	$1,561
STATE TAXES			
Local School Operating Tax	$0	$43,779	$89,546
State Education	$0	$14,654	$29,971
Totals	**$118,590**	**$423,831**	**$183,051**

11. Duration of the Brownfield Plan

Unless amended by the Lansing City Council, the Plan is anticipated to remain in effect until the reimbursement of eligible activities plus five years of capture for the LSRRF or the maximum Plan duration of 30 years (2034), whichever occurs first.

12. Legal Description & Site Map

A legal survey showing the 0.75 acre split (Parcel 2) from the parent parcel is provided in Exhibit A. A Site Map is provided on page 1.

13. Personal Property

Estimates of taxable value attributed to personal property are included in this plan. The LBRA will capture all incremental tax revenues resulting from personal property and will use these funds to reimburse the LBRA and Developer for eligible activities as outlined in Section 4 above, within the specified time frame.

14. Displacement of Persons

There are no persons currently residing on the property.

15. Site Assessment and Remediation Revolving Funds

The LBRA will capture 5% of the local taxes captured per year for the duration of the Plan until the completion of reimbursement of eligible activities, at which time the LBRA will capture the full amount of local taxes until the maximum amount permitted by the statute has been deposited. These funds will be placed in the City's Remediation Revolving Fund for future eligible brownfield projects. The funds in the LBRA's LSRRF will be used in a manner consistent with the requirements of the Act.

The LBRA used LSRRF funds to pay for initial environmental assessment and geotechnical assessments. These costs will be reimbursed in first position before the Developers is reimbursed for eligible activities.

Capture for the State Brownfield Redevelopment Fund will be added for the incremental state school taxes generated by the 0.75-acre west adjoining parcel. However, since the parcel will include only parking and a retention pond, the incremental school tax revenues are expected to be minimal and were not calculated or shown on Table 2.

16. Other Information

The LBRA and the Lansing City Council, in accordance with the Act, may amend this Plan in the future to fund additional eligible activities associated with the Project described herein.

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 22 day of February, 2017, by and between the City of Lansing, Michigan, a Michigan municipal corporation ("City"), and **LORANN OILS, INC.**, 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: LorAnn Oils 2017 Building Expansion

Location of Project (provide attached map):

Business Name of Applicant *(if applicable)*: *LORANN OILS, INC*

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

List Managing Partner and all other Partners, including percentage ownership interest of each partner:
John Grettenberger Jr – 16.66%, Krista Grettenberger – 16.66%,
Ann Orr - 16.66%, Ann Shaver – 12.5%, Darwin Shaver – 12.5%
Elizabeth Thelen – 12.5%, Laura Perniciaro – 12.5%
Totaling 100%

Project description:

The expansion will consist of two single-story additions to the existing structure. An approximately 3,220 square-foot addition will be added to the northwest portion for warehouse space and an approximately 3,784 square-foot addition will be added to the east portion for office space. The approximately 0.75 acre west adjoining parcel will be used to expand parking and a construct retention basin.

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

None except previous expansions of existing facility.

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

Act 381 Brownfield Tax Increment Financing	16 Years
	Years
	Years
	Years

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

Act 381 Brownfield Tax Increment Financing – state school taxes estimated at $49,976

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)*

Self-financing with own capital

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

9 FTE by the end of 2020

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

$ 1,542,200

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

$15-25/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)

______ 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: Eric Pratt

Revenue currently paid to the City by the site or project:	$	880.24
Estimated total revenue to the City upon Project Completion:	$	20,231.00
Estimated total value of City Incentive(s):	$	304,400.00
Estimated total new net revenue to the City:	$	19,350.75

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

This project is a win-win for the City of Lansing. LorAnn Oils, Inc is a long time south Lansing business that has achieved consistent steady growth and needs to expand to continue their success. The City approved a 2005 Brownfield Plan that was critical to its previous expansion efforts and this 2017 amendment will allow them to expand their existing facility and continue to invest in their existing facility. Although it would be more cost effective to move their operations to a new location, that may not be within the City, LorAnn is committed to invest in Lansing and create jobs here.

Project Timeline: The project will commence with the approval of Lansing Economic Development Corporation Business Financing Assistance Program Loan by the City Council and be completed by December 31, 2020. Construction activities are expected to be completed by December 31, 2018, but the job commitments are expected to be met over a three-year performance period.

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 expanding their existing facility. The expansion will consist of two single-story additions to the existing structure. An approximately 3,220 square-foot addition will be added to the northwest portion for warehouse space and an approximately 3,784 square-foot addition will be added to the east portion for office space. The approximately 0.75 acre west adjoining parcel will be used to expand parking and

construct a retention basin ("Project"). LorAnn Oils, Inc is expected to hire at least 9 new full-time equivalent employees (FTE) and make an estimated investment in real property of $1,344,000 and personal property of $132,000 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 (the "Act"), as amended, the Parties agree as follows:

A. <u>Reliance on Recitals</u>

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 4518 Aurelius Road, Lansing, Michigan ("Project Area") and legally described as follows: 33-01-01-34-426-011, 33-01-01-34-426-009, and pending parcel split of an approximately 0.75 acre portion of 33-01-01-34-426-016 as shown on the legal survey provided in the Brownfield Plan Amendment 1.

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 December 31, 2020. Construction activities are expected to be completed by December 31, 2018, but the job commitments are expected to be met over a three-year performance period as LorAnn, Inc. grows into the new space.

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 9 new, permanent full-time equivalent employees (FTE).

2. Purchase and/or locate within the Project Area, personal property with a fair market value estimated at $132,000. This personal property may not be moved to the Project Area from another location within the City of Lansing.

3. Make approximately $1,344,000 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, 2020. Construction activities are expected to be completed by December 31, 2018, but the job commitments are expected to be met over a three-year performance period.

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:

____

____

____

____

____

____

LORANN OILS, INC.

By: ______________________________
John Grettenberger, Jr.

Its: Manger

CITY OF LANSING:

By: ______________________________
Virg Bernero

Its: Mayor

LANSING ECONOMIC DEVELOPMENT CORPORATION:

By: ______________________________
Karl R. Dorshimer

Its: Authorized Representative

Approved as to form:

____
James Smiertka

City Attorney

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

____
City Controller

REIMBURSEMENT AGREEMENT

This Brownfield Reimbursement Agreement (the "**Reimbursement Agreement**") is made as of ____________, among the Lansing Brownfield Redevelopment Authority (the "**Authority**"), a public body corporate with offices at 1000 South Washington Avenue, Lansing, MI 48910; and LORANN OILS, INC., a Michigan Corporation, with a business address of 4518 Aurelius Road, Lansing, MI 48910 (the "Developer"). The Authority and the Developer, collectively, shall be referred to as the "**Parties**" throughout the Agreement.

RECITALS

A. The Authority was created by the City of Lansing (the "**City**") pursuant to the Brownfield Redevelopment Financing Act, 1996 P.A. 381, as amended (the "**Act**"), and, pursuant to the Act, the Authority has prepared a Brownfield Plan to include the Property (as defined below) which was duly approved by the City Council on ______________, __________ following a public hearing on ______________, _________, a copy of which is attached as **Exhibit A** (the "**Brownfield Plan**").

B. The Developer intends to develop the property in the City of Lansing which is described on the attached **Exhibit B** (the "**Property**") and which, as defined by Part 201 of Michigan's Natural Resources and Environmental Protection Act (P.A. 451, as amended) and included in the Brownfield Plan is an "eligible property" and is therefore commonly referred to as a "brownfield."

C. The Developer has also entered into an Agreement in Consideration of Development Incentives with the City of Lansing and the Authority, a copy of which is attached as **Exhibit C** (the "**Development Agreement**").

D. The Developer has not entered into a Local Site Remediation Revolving Fund Loan Agreement with the Authority.

E. The Developer has not entered into a United States Environmental Protection Agency (EPA) Revolving Fund Loan (RLF Loan) with the Authority and EPA.

F. Provided it obtains any needed zoning and building approvals from the City and others, the Developer plans to develop on the Property certain improvements (the "**Improvements**") as described in the Brownfield Plan. The Improvements will increase the tax base for the relevant taxing jurisdictions and support the employment base in Lansing. The Improvements include eligible activities as defined by the Act (the "**Eligible Activities**").

G. In order to make the Improvements on the Property, the Developer will incur costs to complete the Eligible Activities. These costs are more fully described in the Brownfield Plan ("**Eligible Costs**"). It is recognized that the Brownfield Plan is based upon estimated costs and may increase or decrease depending on the nature and extent of the Brownfield conditions and other unknown conditions encountered on the Property. The actual cost of those Eligible Activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the Authority from the Property shall be governed by the terms of this Agreement. No costs of Eligible Activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of this Agreement, Brownfield Plan and the Act. The amount reimbursed for eligible activities may be adjusted up or down between the various categories of Eligible Activities, up to the maximum total reimbursement of $280,200.00.

G. In accordance with the Act and the Brownfield Plan, the Parties desire to use the property tax revenues that are generated from an increase in the Property's taxable value due to the Improvements ("**Tax Increment Revenues**") to reimburse the Developer for Eligible Costs it incurs in improving the Property.

H. The Parties are entering into this Agreement to establish the terms and conditions and the procedures for such reimbursement with Tax Increment Revenues as they are generated.

TERMS AND CONDITIONS

In exchange for the consideration in and referred to by this Agreement, the Parties agree as follows:

1. Brownfield Plan. To the extent provisions of the Brownfield Plan conflict with this Agreement, the terms and conditions of the Brownfield Plan control. To the extent provisions of the Brownfield Plan or this Agreement conflict with the Act, then the Act controls.

2. Construction of Development. The Developer shall proceed with due care and diligence to complete the Improvements and undertake and complete the Eligible Activities resulting in the Eligible Costs, all in accordance with this Agreement, the Brownfield Plan, Development Agreement and all applicable laws, rules, regulations, permits, orders, and authorized requirements of any official or agency of competent jurisdiction.

3. Capture of Taxes. The parties agree that this Agreement and the Tax Increment Revenues collected and distributed pursuant to the Brownfield Plan are intended to fund the Eligible Costs and the Authority's costs as described in the Brownfield Plan.

4. Submission of Costs. For those Eligible Costs for which the Developer seeks reimbursement from the Authority, the Developer shall submit to the Authority such of the following as may be required by Authority representatives:

(a) a written statement detailing the costs,

(b) a written explanation as to why the amounts requested are subject to reimbursement pursuant to the Brownfield Plan and this Agreement,

(c) copies of invoices from the consultants, contractors, engineers, attorneys or others who provided such services,

(d) copies of waivers of liens by the contractors, subcontractors and material suppliers;

(e) if not already submitted, copies of the contract with the contractor or supplier providing the services or supplies for which reimbursement is sought;

(f) a statement from the engineer and project manager overseeing the work recommending payment; and

(g) A signed statement from the Developer attesting that all completed Eligible Costs comply with all local, state and federal laws and regulations.

(h) any other information which may be reasonably required by state authorities or reasonably required by the Authority.

The Developer may submit a reimbursement request including such information whenever it is available even though Tax Increment Revenues for the reimbursement may not be available at the time of submittal. As Tax Increment Revenues become available, the Authority will reimburse the Developer those Eligible Costs which have been approved by the Authority as directed by the Brownfield Plan. The Developer and Authority agree that the Authority may do so but is not obligated to reimburse Eligible Activities conducted after December 31, 2018.

5. Payments. Payments to the Developer shall be made as follows:

(a) Within sixty (60) days of its receipt of the materials identified in paragraph 4 above, the Authority shall decide whether the payment request is for Eligible Costs and whether such costs are accurate. If the Authority determines all or a portion of the requested payment is for Eligible Costs and is accurate, it shall see that the portion of the payment request that is for Eligible Costs is processed for payment as provided in subparagraph (b) below. If the Authority disputes the accuracy of any portion of any payment request or that any portion of any payment is for Eligible Costs, it shall notify the Developer in writing of its determination and the reasons for its determination. The Developer shall have thirty (30) days from its receipt to provide the Authority a written response to the Authority's decision and the reasons given by the Authority. Within thirty (30) days of receiving the written response from the Developer, the Authority shall make a final determination on the eligibility of the disputed cost(s) and inform the Developer in writing of its determination. The final determination shall be binding upon the Developer.

(b) Once it approves any request for payment as Eligible Costs and approves the accuracy of such costs, the Authority shall pay to the Developer pursuant to the Brownfield Plan, Development Agreement, LSRRF Accelerated Reimbursement Loan Agreement (if applicable) or EPA Revolving Loan Agreement (if applicable).

(c) The repayment obligation under this Agreement shall expire upon the payment by the Authority to the Developer of all LBRA approved amounts due the Developer under this Agreement or on December 31, 2033 whichever occurs first.

(d) The sole source for any reimbursement shall be such Tax Increment Revenues as described in the Brownfield Plan. To the extent permitted by law, such reimbursements, once approved by the Authority under subparagraph (b) above shall be and remain valid and binding obligations of the Authority until paid or until expiration of the time for payment as provided in subparagraph (c), or if the Developer is in default of the Development Agreement.

(1) Payment for Administrative Fees. The Authority will collect a payment for administrative fees annually from Tax Increment Revenues equaling 5% percent of the amount of Tax Increment Revenue collected each year that is derived from "Local Taxes", as defined by the Act. The purpose of this payment is to cover administrative costs and fees, as defined in section 7(h) of Act 381, that are part of the approval of the Brownfield Plan, an Act 381 Work Plan and any Eligible Activity on an eligible property. The payment is a reimbursable administrative cost subject to Tax Increment Revenues under Section 13(16) and Section 13(19) of the Act, and the satisfaction and performance of the terms of this Agreement. The Developer acknowledges that payment of the administrative fees will be made from

Tax Increment Revenues before payments to the LSRRF and before any payments of amounts due to the Developer hereunder.

(2) Payment for Local Site Remediation Revolving Fund (LSRRF). The Authority will collect a payment each year for deposit into the LSRRF. The payment will equal 5% percent of the amount of tax increment revenue collected each year that is derived from "Local Taxes", as defined by the Act. Collection and use of the payments deposited into the LSRRF will be in accordance with Section 8 and Section 13(5) of the Act. The Developer acknowledges that payment of the LSRRF will be made from Tax Increment Revenues before any payments of amounts due to the Developer hereunder.

(3) If the Developer has entered into a LSRRF Accelerated Reimbursement Loan (ARL) Agreement with the Authority (Exhibit D). The Authority will use the Tax Increment Revenues toward repayment of any outstanding ARL Loan balance. The Developer acknowledges that payment of any outstanding ARL balance will be made from Tax Increment Revenues up to an amount equal to the current balance before any payments of amounts due to the Developer hereunder.

(4) If the Developer has entered into an EPA RLF Loan Agreement with the Authority (Exhibit E). The Authority will use the Tax Increment Revenues toward repayment of any outstanding EPA RLF Loan balance. The Developer acknowledges that payment of any outstanding EPA RLF balance will be made from Tax Increment Revenues up to an amount equal to the current balance before any payments of amounts due to the Developer hereunder.

(5) If the Developer has entered into an Michigan Department of Environmental Quality Brownfield Redevelopment Loan (MDEQ BRL) Loan Agreement with the Authority (Exhibit F). The Authority will use the Tax Increment Revenues towards the repayment of any outstanding MDEQ BRL Loan balance. The Developer acknowledges that payment of any outstanding MDEQ BRL Loan balance will be made from Tax Increment Revenues up to an amount equal to the current balance before any payments of amounts due to the Developer hereunder.

(6) If Project has received pre-development funds from the LBRA's LSRRF or USEPA Assessment Grant, the Authority will use Tax Increment Revenues to reimburse the LSRRF and/or USEPA Assessment Grant in full prior to reimbursing the Developer for eligible activities. The Developer acknowledges that payment of any outstanding LSRRF or USEPA Assessment Grant contribution will be made from Tax Increment Revenues up to an amount equal to the current balance before any payments of amounts due to the Developer hereunder.

6. Assignment of Future Reimbursement Revenue. The Developer may assign, with the Authority's written approval, all or part of its rights and obligations under this Agreement to any affiliate or successor in interest. Developer shall, no later than sixty (60) days prior to such assignment, notify the Authority as specified under Subparagraph 10(e).

7. Adjustments. If, due to an appeal of any tax assessment or reassessment or any other reason, the Authority is required to reimburse any Tax Increment Revenues to taxing entities, the Authority may deduct the amount of any such reimbursement from any amounts due and owing the Developer or, if all amounts due the Developer under this Agreement have been fully paid, the Authority may invoice the Developer for the amount of such reimbursement and the Developer shall pay the Authority such invoiced amount within sixty (60) days of the Developer's receipt of the invoice from the Authority. Nothing in this agreement shall limit the right of the Developer to appeal any tax assessment.

8. Obligation to Fund Eligible Activities. The Developer shall pay for the Eligible Costs with its own funds and receive reimbursement from the Authority by available Tax Increment Revenues (TIR) as described in the Brownfield Plan. It is anticipated that there will be sufficient available Tax Increment Revenues to pay for all Eligible Costs under this Agreement. However, if for any reason increased Tax Increment Revenues from the Development do not result in sufficient revenues to satisfy such obligations, the Developer agrees and understands that it will have no claim or further recourse of any kind or nature against the City or the Authority and the Developer shall assume full responsibility for any such loss or costs, including all responsibilities associated with any associated LSRRF Agreement or EPA RLF Loan Agreement.

9. Indemnification. The Developer shall defend, indemnify, and hold the City and the Authority, and their agents, representatives, and employees (hereinafter "Indemnified Persons") harmless from any loss, expense (including reasonable legal counsel fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from injuries to persons or property as a result of the ownership, operation, use or maintenance of the Improvements.

10. Miscellaneous.

(a) This is the entire agreement between the parties as to its subject matter. All previous negotiations, statements and preliminary instruments of the parties or their representatives are merged in this Agreement. The Agreement shall not be amended or modified except in writing signed by all the parties. It shall not be affected by any course of dealing and the waiver of any breach shall not constitute a waiver of any subsequent breach of the same or any other provision.

(b) This Agreement and the rights and obligations under this Agreement except as previously noted, are un-assignable and non-transferable without the consent of the other parties. It shall, however, be binding upon any successors or permitted assigns of the parties.

(c) This Agreement shall terminate when all reimbursements required under this Agreement have been made or the Brownfield Plan obligation to the Developer expires, whichever occurs first.

(d) All parties had input into the drafting of this Agreement and all had the advice of legal counsel before entering into this Agreement. In the event any ambiguity of any language in this Agreement arises, such ambiguity shall not be construed against any party.

(e) Notices shall be complete when delivered by personal delivery, by courier or delivery service (such as UPS, FedEx or other service) or by certified mail, return receipt requested to the addresses first written above. If any party refuses to accept delivery when presented, delivery shall be deemed to have occurred at the time of such refusal. Any such notice and communication shall be addressed as follows:

If to Authority:	Lansing Brownfield Redevelopment Authority 1000 South Washington Avenue, Suite 201 Lansing, MI 48910 Attn: Karl Dorshimer
If to Developer:	LORANN OILS, INC. 4518 Aurelius Road Lansing, MI 48910 Attn: John Grettenberger

(f) This Agreement shall be governed by the laws of the State of Michigan.

(g) This Agreement may be signed in multiple identical copies, each of which shall be deemed to be an original copy, and each facsimile or electronic copy shall constitute a legally binding, enforceable document.

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

(i) Each party shall take all actions required of it hereunder as expeditiously as possible and shall cooperate to the fullest extent possible with the other parties and with any individual, entity or governmental agency regarding the purposes of this Agreement. Each party shall execute and deliver all documents necessary to accomplish the purposes and intent of this Agreement, including, but not limited to, such documents or agreements as may be required by the Developer's lenders with respect to securing financing from such lenders.

By signing below, all parties represent and warrant their authority to enter into this agreement on behalf of their respective organizations. The parties have signed this Agreement as of the date first written above.

LORANN OILS, INC.

By:______________________________
John Grettenberger
Its: Manager

LANSING BROWNFIELD REDEVELOPMENT AUTHORITY

By:______________________________
Karl R. Dorshimer, LBRA Representative

EXHIBIT A

BROWNFIELD PLAN

EXHIBIT B
LEGAL DESCRIPTION OF PROPERTY

The location of the Project is commonly known as ______________________, Lansing, Michigan ("Project Area") and legally described as follows:

EXHIBIT C
Development Agreement

EXHIBIT D
LSRRF Agreement
(Optional)

EXHIBIT E
(EPA RLF Loan Agreement)

THE LANSING BROWNFIELD REDEVELOPMENT AUTHORITY

Resolution Recommending Approval of Plan #20a-rev1
LorAnn Oils Redevelopment Project – Amendment #1
2017 Building Expansion

At a meeting of the Board of Directors of the Lansing Brownfield Redevelopment Authority (LBRA) Lansing, Michigan, held on the 3rd day of February, 2017, at 8:30 a.m., pursuant to notice duly given:

PRESENT: Members: Andrea Ragan, James Butler III, Christopher 'Blake' Johnson, Pierre LaVoie, Calvin Jones, Shelley Davis

ABSENT: Members: Mayor Virg Bernero, Kimberly Coleman, Baldomero Garcia

The following preamble and resolution was offered by;

Member: Johnson, and supported by;

Member: Jones:

WHEREAS, The LBRA staff has worked closely with LorAnn Oils, Inc. (Developer) to draft Brownfield Plan #20a-rev1 (Plan); and

WHEREAS, The LBRA staff has duly reviewed such Plan and has found it to be in compliance with the provisions of the Act and meets the following determinations and findings:

1. The Plan constitutes a public purpose under the Act;
2. The Plan meets all of the requirements for a brownfield plan set forth in Section 13 of the Act;
3. The proposed method of financing the cost of the eligible activities, as described in the Plan, is feasible and the Authority has the ability to arrange the financing;
4. The costs of the eligible activities proposed in the Plan are reasonable and necessary to carry out the purposes of the Act; and
5. The amount of the captured taxable value estimated to result from the adoption of the Plan is reasonable; and

WHEREAS, The LBRA staff recommends approval of the Plan:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LANSING BROWNFIELD REDEVELOPMENT AUTHORITY, AS FOLLOWS:

1. The Brownfield Plan described as Brownfield Plan #20a-rev1 – F LorAnn Oils Redevelopment Project – Amendment #1 2017 Building Expansion in the form filed herewith is hereby approved by the Lansing Brownfield Redevelopment Authority and recommended for consideration by the City Council of the City of Lansing pursuant to Act 381 of Michigan Public Acts of 1996, as amended.

2. The LBRA Board hereby requests that the Lansing City Council, after required notification as specified by the Act, hold a public hearing in consideration of this matter, and subsequently approve the Plan.

YEAS:	Six (6)
NAYS:	Zero (0)
ABSTENTIONS:	Zero (0)
ABSENT:	Three (3)

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN)
)SS.
COUNTY OF INGHAM)

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a meeting of the Brownfield Redevelopment Authority held on the 3rd day of February, 2017, and said resolution is on file in the office of the Economic Development Corporation and is available to the public. Public notice of the said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan 1976, including in the case of a special or re-scheduled meeting, notice by publication or posting of at least eighteen (18) hours prior to the time set for the meeting. In addition, said meeting was held in full compliance with the Board's By-Laws.

IN WITNESS WHEREOF, I have hereunto affixed my official signature.

Pierre LaVoie, Secretary

ECONOMIC DEVELOPMENT CORPORATION
LANSING CITY TREASURER APPROVAL FORM
BUSINESS

Business Name: LorAnn Oils, Inc.
Business Contact Person: Mr. John Grettenberger, Jr.
Phone Number: 517-882-0215

Project Location: 4518 Aurelius Rd

Type of EDC Service: Brownfield Redevelopment Authority Application

EDC Contact Person Name: Eric Pratt

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

Due Date: As soon as possible

Approval:

Sammy Ford

City Treasurer

BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING
RESOLUTION TO SET A PUBLIC HEARING FOR
BROWNFIELD PLAN #20a-rev1
LORANN OILS, INC. EXPANSION REDEVELOPMENT PROJECT –
AMENDMENT #1

WHEREAS, the Lansing Brownfield Redevelopment Authority has prepared and forwarded an approved Brownfield Plan pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, Public Act 381 of 1996, as amended, for property commonly referred to as 4518 Aurelius Road located in the City of Lansing; and

WHEREAS, prior to Council′s action on this request, it is necessary to hold a public hearing on the Plan, to allow for any resident, taxpayer or ad valorem taxing unit the right to appear and be heard;

WHEREAS, maps, plats, and a description of the brownfield plan are available for public inspection at the Lansing Economic Area Partnership, 1000 South Washington, Suite 201, Lansing, MI 48912, and that all aspects of the brownfield plan are open for discussion at the public hearing.

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 **(INSERT DATE)** at 7:00 p.m. on Brownfield Plan #20a-rev1 – LorAnn Oils, Inc. Redevelopment Project – Amendment #1 under the Brownfield Redevelopment Financing Act, for property more particularly described as:

Part of the Southeast ¼ of Section 34, T4N, R2W, City of Lansing, Ingham County, Michigan, being more particularly described as follows; Commencing at the East ¼ Corner of said Section 34; thence S00°01’03”W, 744.50 feet along the East line of said Section 34; thence N89°53’43”W, 356.24 feet to the point of beginning of the following described Parcel; thence continuing N89°53’43”W, 193.76 feet; thence S00°01’03”W, 168.07 feet, parallel with the said East line; thence S89°19’29”E, 193.77 feet; thence N00°01’03”E, 170.00 feet, parallel with the said East line to the Point of Beginning. Containing 0.75 acres, more or less and subject to any easements or restriction of use of record. Parcel Number: 33-01-01-34-426-016, Ingham, County, Michigan.

And that the City Clerk cause notice of such hearing to be published twice in a publication of general circulation, no less than 10 days or more than 40 days prior to the date of the public hearing, and that the City Clerk also cause the legislative body of each taxing unit levying ad valorem taxes on this property, to be notified of Brownfield Plan #20a-rev1 – LorAnn Oils, Inc. Redevelopment Project – Amendment #1 and the scheduled public hearing.

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 approval of Brownfield Plan #20a-rev1 – LorAnn Oils, Inc. pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, Public Act 381 of 1996, as amended, for property commonly referred to as 4518 Aurelius Road located in the City of Lansing, but more particularly described as:

Part of the Southeast ¼ of Section 34, T4N, R2W, City of Lansing, Ingham County, Michigan, being more particularly described as follows; Commencing at the East ¼ Corner of said Section 34; thence S00°01’03”W, 744.50 feet along the East line of said Section 34; thence N89°53’43”W, 356.24 feet to the point of beginning of the following described Parcel; thence continuing N89°53’43”W, 193.76 feet; thence S00°01’03”W, 168.07 feet, parallel with the said East line; thence S89°19’29”E, 193.77 feet; thence N00°01’03”E, 170.00 feet, parallel with the said East line to the Point of Beginning. Containing 0.75 acres, more or less and subject to any easements or restriction of use of record. Parcel Number: 33-01-01-34-426-016, Ingham, County, Michigan.

Approval of this Brownfield Plan will enable the Lansing Brownfield Redevelopment Authority to capture incremental tax increases which result from the redevelopment of the property to pay for costs associated therewith. Further information regarding this issue, including maps, plats, and a description of the brownfield plan will be available for public inspection and may be obtained from Karl Dorshimer – Director of Economic Development, Lansing Economic Area Partnership, 1000 South Washington, Suite 201, Lansing, MI 48912, (517) 702-3387.

Chris Swope

City Clerk

BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING
RESOLUTION APPROVING BROWNFIELD PLAN #20a-rev1
LORANN OILS, INC. REDEVELOPMENT PROJECT – AMENDMENT #1

WHEREAS, the Brownfield Redevelopment Authority (the 'Authority') of the City of Lansing, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, Public Act, Public Act 381 of 1996, as amended, (the 'Act') has prepared a Brownfield Plan, submitted to Council and placed on file in the office of City Clerk, LBRA Brownfield Plan #20a-rev1 – LorAnn Oils, Inc. Redevelopment Project – Amendment #1 (the 'Plan'); and

WHEREAS, a public hearing was held by the Lansing City Council on **(INSERT DATE)** and at least 10 days before the public hearing the taxing jurisdictions were provided notice to be fully informed about the fiscal and economic implications of the proposed Plan and given a reasonable opportunity to express their views and recommendations regarding the Plan in accordance with Section 13 (10) and 14(1) of the Act; and

WHEREAS, the Lansing City Council, before and during its public hearing on the **(INSERT DATE)**, reviewed testimony and evidence regarding the Plan, and found that:

1. the Plan provides for the reimbursement of costs attributable to eligible activities to the developer and the Authority,

2. the Project includes, in addition to the eligible activities identified in the Plan, the redevelopment of the property,

3. the Project may result in new private investment of approximately $1,542,200,

4. the Plan provides for the capture of property tax increment revenues due to the private investment on the site, and devotes them to repaying the Authority for its costs associated with eligible activities it performs, and to repaying the developer for their costs associated with eligible actives they perform, in accordance with the Plan,

WHEREAS, the Authority Board of Directors, at its meeting on February 3, 2017, unanimously recommended approval of the Plan, for this Project;

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, after having duly considered the Plan, finds it is in compliance with the provisions of the Act and further finds:

- The Plan constitutes a public purpose under the Act;

- The Plan meets all of the requirements for a Brownfield Plan set forth in

Section 13 of the Act;

- The proposed method of financing the costs of the eligible activities, as described in the Plan, is feasible and the Authority has the ability to arrange the financing;

- The costs of the eligible activities proposed in the Plan are reasonable and necessary to carry out the purposes of the Act; and

- The amount of the captured taxable value estimated to result from the adoption of the Plan is reasonable.

IT IS FINALLY RESOLVED that the Lansing City Council hereby approves the LBRA 'Brownfield Plan #20a-rev1 – LorAnn Oils, Inc. Redevelopment Project – Amendment #1'.

Warner Norcross & Judd LLP
ATTORNEYS AT LAW

JARED T. BELKA
ATTORNEY
616.752.2447
FAX 616.222.2447

jbelka@wnj.com

February 13, 2017

Mr. Chris Swope
Lansing City Clerk
City Hall
124 West Michigan Ave.
Lansing, Michigan 48933

Re: **Act 146 Request for Establishment of Obsolete Property Rehabilitation District (OPRA) – DED Development, LLC**

Dear Mr. Swope:

I am writing on behalf of my client, DED Development, LLC, a Michigan limited liability company, to request that an Act 146 Obsolete Property Rehabilitation District be established for the property located at 629 W. Hillsdale Street, Lansing, MI. Attached to this letter of request is a site map of the requested district boundary of the subject property.

Thank you for your time and consideration of this request. If I can provide any additional information or be of assistance, please do not hesitate to contact me directly at (616) 752-2447.

Very truly yours,

Jared T. Belka

JTB/ckm

Enclosure
c: Derek Dalling via email

15282267

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 ______day of ________________, ______, by and between the City of Lansing, Michigan, a Michigan municipal corporation ("City"), and DED Development, 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 629 W. Hillsdale Street

Location of Project: See Exhibit A

Business Name of Applicant *(if applicable): DED Development, LLC*

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

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

Derek Dalling	100 %
	%
	%
	%

Project description:

DED Development, LLC is planning to redevelop the existing building into a new office for Kindsvatter Dalling & Associates, Inc. ("KD&A"). KD&A is a multi-client lobbying and association management consulting firm. KD&A is looking to acquire a permanent headquarters for the firm and have identified the vacant former firehouse as a property that could meet the firm's needs. The facility would not only serve as a day-to-day work environment for our present staff of eleven but it would also meet the firm's clients' needs by providing space for meetings, receptions, and training. KD&A would like to be secured in the new office by mid to late 2017 with acquisition and building upgrades taking place in 2017.

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

None

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

OPRA Certificate	7	Years
		Years
		Years
		Years

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

None

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)*:

Capitol National Bank and MCDC SBA

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:

$ 775,000

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

$ 30 /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)

DD 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.

DD 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.

DD 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.

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

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

DD Applicant agrees to request that all contractors and sub-contractors 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: Eric Pratt

Revenue currently paid to the City by the site or project: $ 0

Estimated total revenue to the City upon Project Completion:	$	428
Estimated total value of City Incentive(s): (7 Years)	$	74,363
Estimated total new net revenue to the City: (7 Years)	$	2,994

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

The Developer has a purchase agreement with the City of Lansing to acquire the former Fire Station No. 3 building and plans to invest over $570,000 to renovate the building for commercial office. This project will promote the adaptive reuse of a building built for a very specific use. Further, this project will promote the full utilization of the building and reduce blight.

Project Timeline: The project will commence with the approval of the OPRA Certificate by the City Council and be completed by 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 rehabilitating the vacant former Fire Station No. 3 building into a new office building for KD&A ("Project"). The Project is expected to generate an estimated 2 new or retain at least 9 full-time equivalent employees

(FTE) and requiring a total investment in real property of at least $570,000 and personal property of approximately $80,000 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 (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 629 W. Hillsdale Street ("Project Area") and legally described as follows:

LOT 1 CAPITOL COMMONS URBAN RENEWAL PLAT NO 1

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 April 31, 2017 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 9 full-time equivalent employees (FTE).

2. Purchase and/or locate within the Project Area, personal property with a fair market value of approximately $80,000. This personal property may not be moved to the Project Area from another location within the City of Lansing.

3. Make approximately $570,000 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:

DED DEVELOPMENT, LLC

____________________ By: ____________________
Derek Dalling

____________________ Its: Manager

CITY OF LANSING:

____________________ By: ____________________
Virg Bernero

____________________ Its: Mayor

LANSING ECONOMIC DEVELOPMENT CORPORATION:

____________________ By: ____________________
Karl R. Dorshimer

____________________ Its: Authorized Representative

Approved as to form:

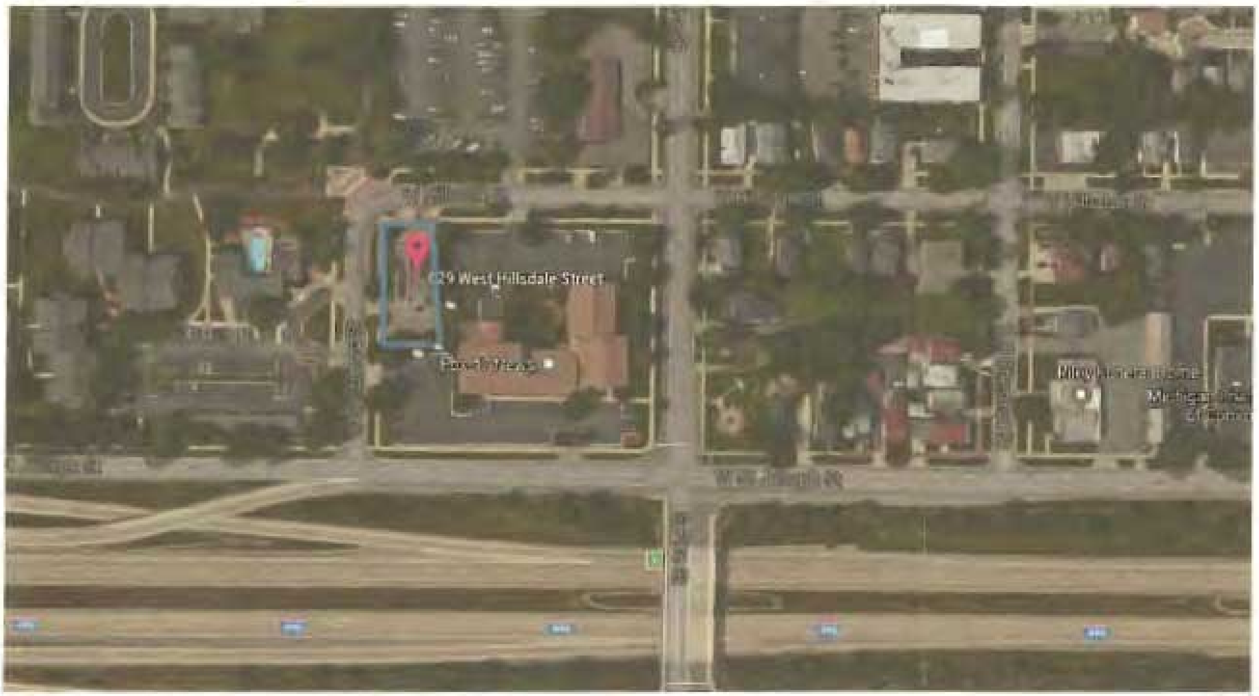
____
James Smiertka
City Attorney

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

____
City Controller

EXHIBIT A

Site Map of the Requested District Boundary



February 6, 2017

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

Re: Obsolete Property Rehabilitation Act District Application For 629 W. Hillsdale Street, Lansing, MI

General Project Description

DED Development, LLC ("DED") is developing this space as the new office for Kindsvatter Dalling & Associates, Inc. ("KD&A"). KD&A is a multi-client lobbying and association management consulting firm. KD&A is looking to acquire a permanent headquarters for the firm and identified the vacant former firehouse as a property that could meet the firm's needs. The property would not only serve as a the day-to-day work environment for the present staff of eleven but it would also meet the firm's clients' needs by providing space for meetings, receptions, and training. KD&A remains hopeful to be in the new office by late 2017 with acquisition and building upgrades commencing in early 2017.

District Establishment Purpose

In an effort to maximize the utility value of the functionally obsolete fire station, DED Development, LLC is planning to incur considerable costs to rehabilitate the proposed property into office space. The multi-year tax deferment benefit offered thru the establishment of the OPRA District will allow the developer to complete this successful project in a timely manner, stabilize following construction, and ultimately benefit the taxing jurisdictions in the long run. Without the exemption benefit, the project would not be feasible and would not take place.

Community Benefits

DED plans to invest approximately $570k into the rehabilitation of this project and create an estimated 2 new FTE jobs over the next 3 years. Environmental remediation includes abatement of lead, asbestos, and mold, which is currently present in the building. The rehabilitation of the functionally obsolete building will generate long term property taxes from a building which is not currently on tax rolls as well as income taxes from the jobs. Rehabilitation will include a new roof, new garage doors, new windows, brick repair, furnace, AC, and duct work, as well as other rehabilitation needed to convert the building from a fire station into an office setting. Site improvements will also be made for the repair of the existing surface parking lot.

Basis of Eligibility

Please see attached Statement of Obsolescence.

Project Costs and Phasing

Please see attached list of Project Costs and Phasing.

Property Taxable Value and Legal Description

The property is 629 W. Hillsdale Street, Parcel #: 33-01-01-16-360-002. *Specifics on this property are as follows:*

Owner's Name: DED Development, LLC (Pending)
Sq Feet of Building: Approximately 6,500
Tax ID Number: 33-01-01-16-360-002
Tax Value Land: $0(2016)
Tax Value Building: $0 (2016)
SEV Value Total: $0 (2016)
Legal Description: Lot 1, Capital Commons Urban Renewal Plan No.1, part of The Southwest ¼ of Section 16, T4N, R2W, City of Lansing, Ingham County, MI.

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

Sincerely,

Jared T. Belka
Attorney
Warner Norcross & Judd LLP

Virg Bernero, Mayor

CITY ASSESSORS OFFICE
Sharon L Frischman, MMAO, Assessor
3rd Floor City Hall
124 West Michigan Avenue
Lansing, Michigan 48933
(517) 483-4020
FAX: (517) 483-4101
www.lansingmi.gov/pubserv

Address: 629 W Hillsdale St.

Parcel No.: 33-01-01-16-360-002

RE: Statement of Obsolescence

This property has been reviewed and inspected by the City of Lansing Assessing Department. The building at this location is a two story brick building that was built specifically as a municipal fire station.

The design of this special use property is obsolete for any other purpose. The building is 6500 square feet with a basement. The large garage area, sleeping quarters, kitchen and eating facilities with office area would have to be redesigned for any other commercial use. Single family residential use is unlikely due to the location and large size of the building. It is my opinion that this property suffers more than 50% functional obsolescence due primarily to the design of the building .

Sharon L Frischman, MMAO (4), MCPPE, MCGA

Sharon L Frischman

Date: 1/10/2017

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
At 629 West Hillsdale Street

WHEREAS, DED Development, LLC, the owner of the property located at 629 West Hillsdale 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, DED Development, LLC has purchased the property and will be the legal owner of greater than fifty percent (50%) of all taxable value of the property located within the proposed District, and

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

LOT 1 CAPITOL COMMONS URBAN RENEWAL PLAT NO 1, Ingham County, Michigan -- Parcel Number: 33-01-01-16-360-002

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 the property located at 629 West Hillsdale Street, Lansing, Michigan, legally described as follows:

LOT 1 CAPITOL COMMONS URBAN RENEWAL PLAT NO 1, Ingham County, Michigan -- Parcel Number: 33-01-01-16-360-002

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.

Chris Swope

City Clerk

Warner Norcross&Judd LLP
ATTORNEYS AT LAW

JARED T. BELKA
ATTORNEY
616.752.2447
FAX 616.222.2447

jbelka@wnj.com

February 13, 2017

Mr. Chris Swope
Lansing City Clerk
City Hall
124 West Michigan Ave.
Lansing, Michigan 48933

Re: **Act 146 Obsolete Property Rehabilitation Act (OPRA) Application for DED Development, LLC**

Dear Mr. Swope:

I am writing on behalf of my client, DED Development, LLC, a Michigan limited liability company, to request approval consideration for an Act 146 Obsolete Property Rehabilitation Act Application (an original and two copies of the Application are enclosed) for the property located at 629 W. Hillsdale Street, Lansing, Michigan. A request to establish the OPRA district was submitted under separate cover.

Thank you for your time and consideration of this request. If I can provide any additional information or be of assistance, please do not hesitate to contact me directly at (616) 752-2447.

Very truly yours,

Jared T. Belka

JTB/ckm

Enclosure
c: Derek Dalling via e-mail

15446130

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) DED Development, LLC		
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code) 1000 W. St. Joseph, Suite 200, Lansing, Michigan 48915		
Location of obsolete facility (No. and street, City, State, ZIP Code) 629 W. Hillsdale Street, Lansing, MI 48933		
City, Township, Village (indicate which) City of Lansing		County Ingham County
Date of Commencement of Rehabilitation (mm/dd/yyyy) 03/01/2017	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 12/31/2017	School District where facility is located (include school code) 33020- Lansing Public Schools
Estimated Cost of Rehabilitation $570,000.00	Number of years exemption requested 7	Attach Legal description of Obsolete Property on separate sheet

Expected project likelihood (check all that apply):

- [x] Increase Commercial activity
- [x] Retain employment
- [x] 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 11

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. [x]

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) Derek Dalling	Telephone Number (517) 485-7711	Fax Number
Mailing Address 1000 W. St. Joseph, Suite 200, Lansing, Michigan 48915		Email Address derek@kdafirm.com
Signature of Company Officer (no authorized agents) [signature]		Title Manager

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.

Legal Description of Obsolete Property

Fire Station #3 and 629 W. Hillsdale, Lansing, MI (Parcel Identification No. 33-01-01-16-360-002), more particularly described on as follows ("Property"):

Lot 1, Capitol Commons Urban Renewal Plan No.1, part of the Southwest ¼ of Section 16, T4N, R2W, City of Lansing, Ingham County, MI.

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
At 629 West Hillsdale Street

WHEREAS, DED Development, LLC, owner of the property located at 629 West Hillsdale 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 1 CAPITOL COMMONS URBAN RENEWAL PLAT NO 1, Ingham County, Michigan -- Parcel Number: 33-01-01-16-360-002, 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.

December 14th, 2016

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

Re: Obsolete Property Rehabilitation Act District Application
1101 and 1103 S Washington Avenue, Lansing, MI 48910

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 those properties. The property has been inspected by the City of Lansing assessor who determined that it suffers from obsolescence. The applicant intends to rehabilitate the building at 1101 South Washington Street into a mixed use commercial building. The first floor will be the future home of Sleepwalker Spirits and Ale, a local craft beer brewery and restaurant previously located in the Allen Market Place kitchen incubator. The second floor (previously a dentist's office) will remain office space but will undergo significant cosmetic renovation.

Similarity, the building at 1103 South Washington Street will be rehabilitated into a mixed use commercial building. The first floor will be the future home of Wheel House pottery studio, an instructional art studio run by local artist and teacher Daniel Nunez. After significant structural and cosmetic renovation, the second floor will become two market-rate apartments.

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 alive 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.

Project Costs and Phasing

The OPRA tax abatement is a significant component of this project. The petitioner has estimated the renovation costs at approximately $270,000. Renovations are scheduled to be completed by September 1st, 2017. The renovation estimate includes:

Demolition: $13,000
HVAC: $55,000
Roof: $30,000
Electrical: $25,000
Plumbing: $25,000
Architectural Fees: $30,000
General Contractor: $45,000
Access and Egress (1103 to Basement): $15,000
Doors & Windows: $7,000
Cosmetic Improvements: $25,000

Property Taxable Value and Legal Description

The property is 1101 and 1103 S Washington Avenue, Lansing, MI 48910, Parcel #33-01-01-21-257-002. Specifics on this property are as follows:

Owner’s Name: Best Case ScenaREO, LLC

Sq Feet of Building: Approximately 3,300
Tax ID Number:
Tax Value Land: $12,800 (2016)
Tax Value Building: $79,200 (2016)
SEV Value Total: $92,000 (2016)
Legal Description: See Attached

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

Sincerely,

Ryan Wert
Best Case ScenaREO, LLC
222 E Elm St
Lansing, MI 48910
ryan@lansingrecording.com

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 ______day of _________________, 2017, by and between the City of Lansing, Michigan, a Michigan municipal corporation ("City"), and **BEST CASE SCENAREO 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: 1101 & 1103 South Washington Project

Location of Project (provide attached map):

Business Name of Applicant *(if applicable):* Best Case ScenaREO, LLC

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

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

Ryan Wert	11 %
Megan Wert	11 %
Andrej Walilko	11 %
Hillary Walilko	11 %
Daniel Nunez	56 %

Project description:

This project will entail the renovation of the two (2) commercial buildings located at 1101 and 1103 S. Washington Avenue. The building at 1101 S. Washington will be converted into a mixed-use development with a local craft beer brewery and restaurant on the first floor; and commercial office on the second floor. Similarly, the building at 1103 S. Washington Avenue will be converted into a mixed-use development with a local arts studio on the first floor and market-rate housing on the second floor. Upon creation of the OPRA District, the two building will be separated and given new legal descriptions. However, before the two buildings can be legally separated, a new fire-rated building wall we have to be built.

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

Super Fancy Enterprises	100 %
Elm Street Recording	100 %
	%

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

Obsolete Property Rehabilitation Act (OPRA) Tax Abatement	10 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):*

9 FTE

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

$ 507,755

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

$ 10.00 - $11.68 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 submitted with OPRA application materials the client needs to be willing to initial each of these)

RW 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.

RW 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.

RW 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.

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

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

RW 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: Eric Pratt

Revenue currently paid to the City by the site or project: (10 Years)	$	12,519
Estimated total revenue to the City upon Project Completion: (10 Years)	$	23,938
Estimated total value of City Incentive(s): (10 Years)	$	25,056
Estimated total new net revenue to the City: (10 Years)	$	11,418

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

The Developer is proposing to renovate two (2) functionally obsolete buildings and invest $500,000 to convert them into two (2) mixed used development with hospitality and arts studio on the ground-floors; with office and market-rate housing on the upper-floors.

Project Timeline: The project is anticipated to begin in April 31, 2017 and be completed by December 30, 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 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 expected to hire at least 9 or retain at least 0 new full-time equivalent employees (FTE) and requiring a total investment in real property of at least $348,500.00 and personal property of $112,000.00, 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 1101 & 1103 South Washington Project ("Project Area") and legally described as follows:

W 80 FT LOT 40 SPARROWS SUB OF BLOCK 200

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 April 31, 2017 and ends December 30, 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 9 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 $ 112,000. This personal property may not be moved to the Project Area from another location within the City of Lansing.

3. Make at least $ 348,500 of improvements to the real property (including infrastructure). 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 30, 2018.

E. <u>Project Completion Progress Reports</u>

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. <u>Verification of Project Completion</u>

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. <u>Consideration of Applicant's Compliance with the Agreement</u>.

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. <u>Failure of Applicant to Pay Tax Applicable to Personal Property</u>

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 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:

Alexa Springsteen

BEST CASE SCENAREO LLC:

By: ______________________
Ryan Wert

Its: Manager

CITY OF LANSING:

____

____

By: ______________________
Virg Bernero

Its: Mayor

LANSING ECONOMIC DEVELOPMENT CORPORATION:

____

____

By: ______________________
Karl R. Dorshimer

Its: Authorized Representative

Approved as to form:

____
James Smiertka
City Attorney

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

____
City Controller

LANSING MICHIGAN
Virg Bernero, Mayor

CITY ASSESSORS OFFICE
Sharon L Frischman, Assessor
3rd Floor City Hall
124 West Michigan Avenue
Lansing, Michigan 48933
(517) 483-4020
FAX: (517) 483-4101
www.lansingmi.gov/pubserv

WORKING TOWARD A CLEANER GREENER LANSING

Address: 1101 and 1103 S Washington Ave.

Parcel No.: 33-01-01-21-257-002

RE: Statement of Obsolescence

This property has been reviewed and inspected by the City of Lansing Assessing Department. The building at this location is a two story building that was originally built as two separate buildings. There is an opening on the first floor only.
The heating and electrical systems are out of date and need modernization. An old fuel oil tank is in the basement and may be difficult to remove.
There are some single pane windows that have been painted and concealed under paneling or drywall.
The second level of 1101 is a former dentist office with very small office areas and a waiting room area. The air /gas/electrical lines for the dentistry equipment are still there under the floor. There is no elevator to access the second floor. The bathrooms are not handicap assessable.
The roof of 1103 has a large leak. Part of the celling is improvised plastic which is filled with debris from the leak. The second level was formally used as a living area, which is not habitable at this time.

I have determined that this (these) buildings suffer from more than 50% functional obsolescence both together and separately.

Sharon L Frischman, MMAO (4), MCPPE, MCGA

Date: 1/30/17

ECONOMIC DEVELOPMENT CORPORATION
LANSING CITY TREASURER APPROVAL FORM
BUSINESS

Business Name: Best Case ScenaREO, LLC
Business Contact Person: Mr. Ryan Wert
Phone Number: 517-487-1910

Project Location: 1101 S. Washington Street

Type of EDC Service: OPRA Application

EDC Contact Person Name: Eric Pratt

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

Due Date: As soon as possible

Approval:

Cheryl Fox 2/22/17

City Treasurer

Deputy Treasurer

ECONOMIC DEVELOPMENT CORPORATION
LANSING CITY TREASURER APPROVAL FORM
BUSINESS

Business Name: Super Fancy Too, LLC
Business Contact Person: Mr. Ryan Wert
Phone Number: 517-487-1910

Project Location: 1101 S. Washington Street

Type of EDC Service: OPRA Application

EDC Contact Person Name: Eric Pratt

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

Due Date: As soon as possible

Approval:

Cheryl Fox 2/22/17
City Treasurer Deputy Treasurer

ECONOMIC DEVELOPMENT CORPORATION
LANSING CITY TREASURER APPROVAL FORM
BUSINESS

Business Name: REO Life, LLC
Business Contact Person: Mr. Daniel Nunez
Phone Number: 517-712-9013

Project Location: 1103 S. Washington Ave.

Type of EDC Service: OPRA Application

EDC Contact Person Name: Mr. Eric Pratt

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

Due Date: As soon as possible

Approval:

Cheryl Fox 2/22/17

City Treasurer Deputy Treasurer

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
1101 and 1103 South Washington Street

WHEREAS, Best Case ScenaREO, LLC, the owner of the property located at 1101 and 1103 South Washington 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, Best Case ScenaREO, LLC has purchased the property and will be the legal owner of greater than fifty percent (50%) of all taxable value of the property located within the proposed District, and

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

W 80 FT LOT 40 SPARROWS SUB OF BLOCK 200

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 the property located at 1101 & 1103 South Washington Street, Lansing, Michigan, legally described as follows:

W 80 FT LOT 40 SPARROWS SUB OF BLOCK 200

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.

Chris Swope

City Clerk

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
1101 and 1103 South Washington Street

WHEREAS, the owner of property located at 1101 and 1103 South Washington 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, Best Case SenaREO, LLC, 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:

W 80 FT LOT 40 SPARROWS SUB OF BLOCK 200, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-002

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:

W 80 FT LOT 40 SPARROWS SUB OF BLOCK 200, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-002, 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.

XV A2d

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 Patricia Spitzley and Councilmembers

FROM: Mayor Virg Bernero

DATE: 2-9-17

RE: Z-1-2017, Rezoning - 4215 N. Grand River Avenue

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

VB/rh
Attachment

Virg Bernero, Mayor

City of Lansing

Inter-Departmental Memorandum

WORKING TOWARD A CLEANER GREENER LANSING

To: Virg Bernero, Mayor

From: Susan Stachowiak, Zoning Administrator

Subject: CITY COUNCIL AGENDA ITEM
Z-1-2017, Rezoning - 4215 N. Grand River Avenue

Date: February 8, 2017

The Lansing Planning Board, at its regular meeting held on February 7, 2017, voted (4-0) to recommend approval of the request by First Class, Inc. to rezone the property at 4215 N. Grand River Avenue. The purpose of the rezoning is to permit commercial use of the subject property.

The Planning Board found, based on testimony, evidence and the staff report, that the proposed rezoning will be consistent with the existing land use patterns in the area and with goals of the future land use pattern being advanced in the Design Lansing Comprehensive Plan.

No comments were received at the Planning Board public hearing held on February 7, 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

GENERAL INFORMATION

APPLICANT:	First Class, Inc. c/o Hakim, Toma & Yalddo, P.C. 3351 Claystone, SE Suite 101 Grand Rapids, MI 49546
OWNER:	Oliver Building, LLC P.O. Box 80701 Lansing, MI 48908
REQUESTED ACTIONS:	Rezone 4215 N. Grand River Avenue from "D-1" Professional Office to F" Commercial District
EXISTING LAND USE:	Vacant Building
EXISTING ZONING:	"D-1" Professional Office District
PROPOSED ZONING:	"F" Commercial District
PROPERTY SIZE:	60' x 150'= 9,000 square feet - .2 acres
SURROUNDING LAND USE:	N: Office/Industrial S: Single Family Residential E: Retail Convenience Store W: Multiple Family Residential
SURROUNDING ZONING:	N: "H" Light Industrial District S: "A" Residential District E: "F" Commercial & "J" Parking Districts W: "D-1" Professional District
MASTER PLAN:	The Design Lansing Comprehensive Plan designates the subject property for "Suburban commercial" land use. N. Grand River is designated as a principal arterial.

DESCRIPTION:

Z-1-2017. This is a request by First Class, Inc. to rezone the property at 4215 N. Grand River Avenue from "D-1" Professional Office District to "F" Commercial District. The purpose of the rezoning is to permit commercial use of the subject property.

AGENCY RESPONSES

BWL:	
Building Safety:	The Building Safety Office has no objections. Permit(s) may be required for alterations and/or change of use.
Development Office:	Development has no comment.
Fire Marshal:	
Parks & Recreation:	No comments.
Public Service:	Any changes in use that has a significant increase in water and sewer use should notify public service to ensure there is sewer capacity available. Any redevelopment of the site with significant site changes will require a site plan review.
Traffic Engineer:	The Transportation and Non-Motorized Section has no comments regarding the rezoning. The Applicant should be aware that any changes proposed to the driveway will require MDOT approval

COMPATIBILITY WITH SURROUNDING LAND USE:

The subject property contains a 1,800 square foot office building and is located in an area that is characterized by commercial, quasi-industrial, office and multiple family residential land uses. The adjacent property to the east is already zoned "F" Commercial and therefore, the proposed rezoning will not result in a "spot zone". Furthermore, while the subject property adjoins a residential neighborhood to the south, given the layout of the site, all of the activity will be confined to the area north of the building. Thus, the residences to the south will be shielded by the building from any negative impacts (noise, light glare, etc.) that could be generated by a commercial use.

Most of the properties on the south side of N. Grand River between Andrea and Grandell Avenue are currently zoned "D-1" Professional Office. N. Grand River, however, is classified as a "principal arterial" and is one of only seven in the entire City. From a planning perspective, commercial uses should primarily be concentrated along principal arterials as they are designed to carry the highest volumes of traffic. Office uses, by contrast, which typically do not generate nearly as much traffic as commercial uses, should primarily be concentrated along minor arterials. The proposed rezoning from "D-1" Professional Office to "F" Commercial is therefore, consistent with proper land use planning principles.

COMPLIANCE WITH MASTER PLAN:

The Design Lansing Comprehensive Plan designates the subject property for "Suburban Commercial" land use. The Plan specifies the following for this land use classification:

> "To allow for general retail and commercial use, including large footprint and automobile-oriented uses, in a suburban development format that also encourages a mix of uses and accommodates pedestrians, cyclists and transit users."

The Design Lansing Comprehensive Plan establishes the following placemaking characteristics for the "Suburban Commercial" land use category:

> "Buildings located close to the street (with parking located to the side and rear) should be encouraged at major intersections; otherwise, parking should be permitted between buildings and the street. Buildings should be oriented toward the street with a clearly-defined primary entry. Landscaped setbacks should be required to screen parking from the street. Interior parking lot landscaping should be required to provide pedestrian access routes, define vehicular circulation patterns and provide for tree planting and stormwater management. Shared driveways and connections between parking lots on adjacent parcels should be encouraged to limit driveway curb cuts. Sidewalks should be required."

The "F" Commercial district is the most appropriate zoning designation to facilitate the "Suburban Commercial" land use development strategy being advanced in Design Lansing Master. It allows for restaurants, retail stores, gasoline stations, car washes and other general commercial uses as well as automobile-oriented site design regulations. In addition, the current layout of the site is consistent with the placemaking characteristics described above.

IMPACT ON VEHICULAR AND PEDESTRIAN TRAFFIC:

The proposed rezoning will have no impact on vehicular or pedestrian traffic. The only access to the site is via N. Grand River Avenue which is a principal arterial designed to carry a high volume of traffic.

IMPACT ON PUBLIC FACILITIES:

The site is already served by all necessary public facilities. No changes are proposed for the site that would have an impact on public facilities.

ENVIRONMENTAL IMPACT:

The proposed rezoning will have no environmental impacts as the site is already developed and no changes are proposed at this time. New construction would require administrative site plan review at which time the site would have to be brought into compliance with all City codes and ordinance including those regulating storm water management.

IMPACT ON FUTURE PATTERNS OF DEVELOPMENT:

As depicted on the attached zoning map, the site directly east of the subject property is currently zoned "F" Commercial and therefore, the request will not result in a "spot zone". There is also "F" Commercial zoning to the northwest. The property directly north of the subject property is zoned "H" Light Industrial which district permit all commercial land uses. Given the surrounding zoning pattern, if the rezoning were to be denied, it would deprive the property owner of land use rights that are already afforded to many other property owners in the vicinity of the subject property.

SUMMARY

This is a request by First Class, Inc. to rezone the property at 4215 N. Grand River Avenue from "D-1" Professional Office District to "F" Commercial District. The purpose of the rezoning is to permit commercial use of the subject property.

The findings of fact as outlined in this staff report support a positive recommendation for the requested rezoning. The proposed rezoning will be consistent with the existing zoning and land use patterns in the area and with the future land use pattern being advanced in the Design Lansing Comprehensive Plan. Additionally, the proposed rezoning will have no negative impacts on traffic patterns, the environment or future patterns of development in the area.

RECOMMENDATIONS

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

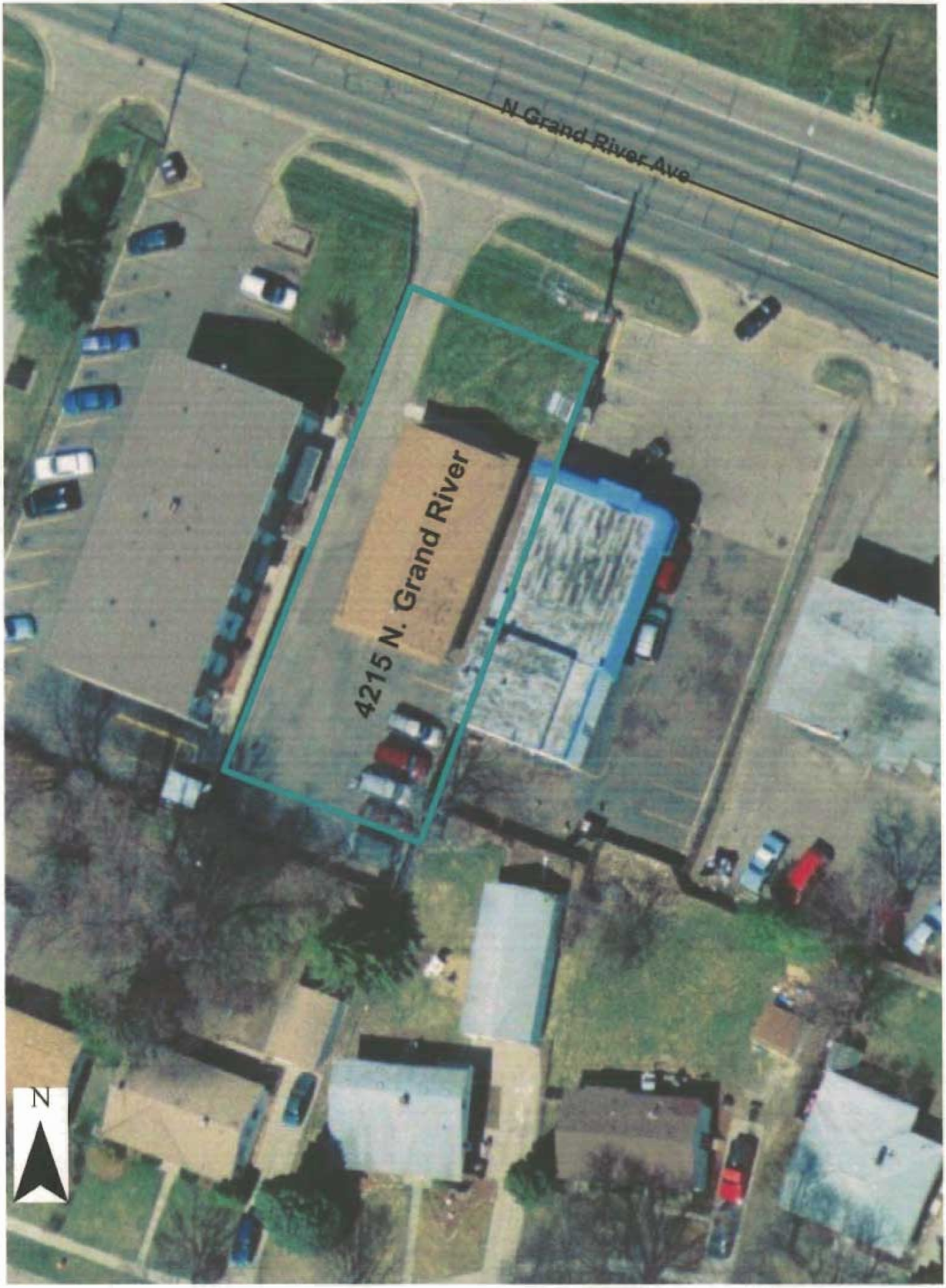
> Z-1-2017 be approved to rezone the property at 4215 N. Grand River Avenue from "D-1" Professional Office District to "F" Commercial District.

Respectfully Submitted,

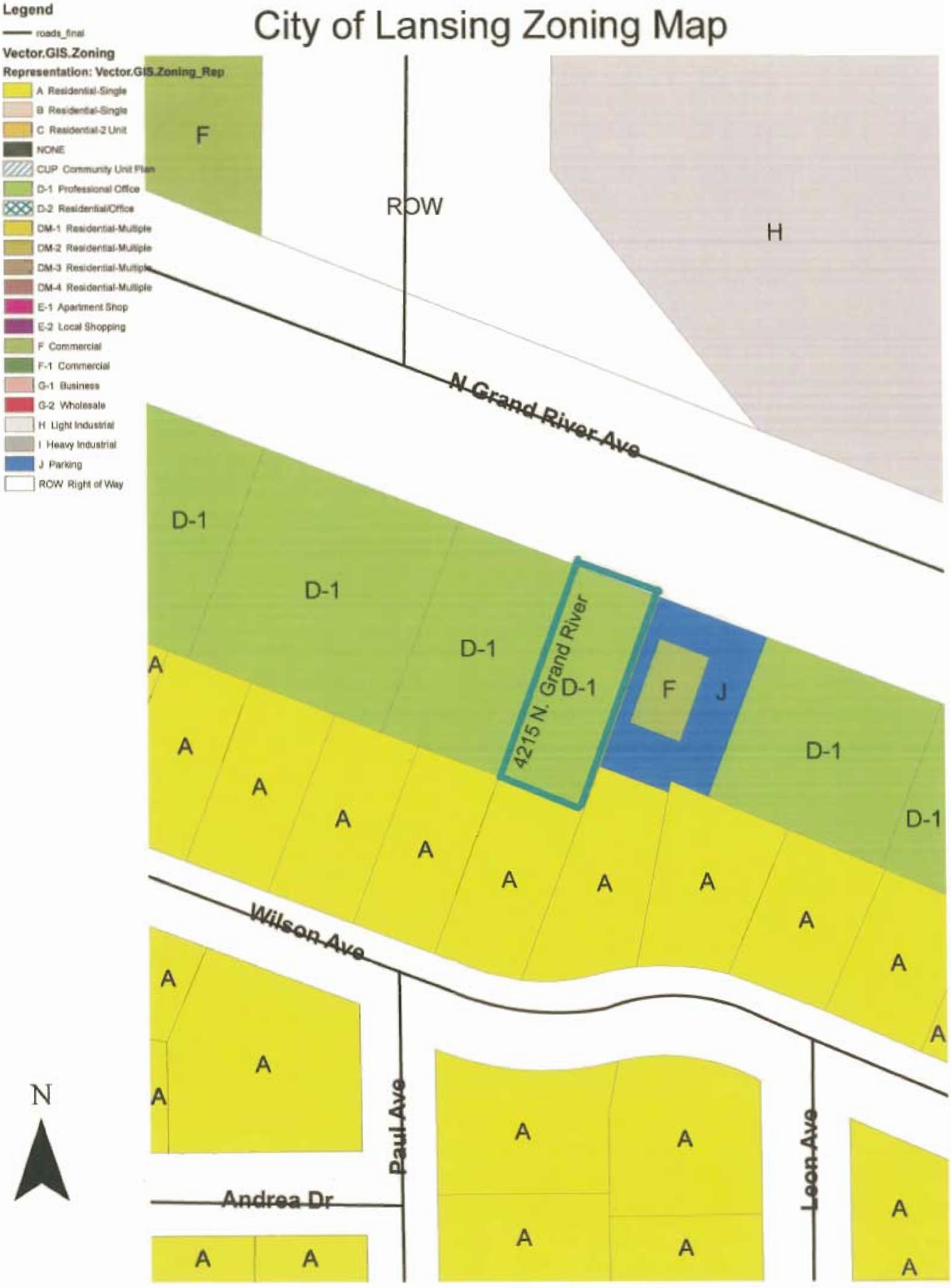
Susan Stachowiak
Zoning Administrator


FOR LEASE


LOTTO


N Grand River Ave
4215 N. Grand River
N

City of Lansing Zoning Map



INTRODUCTION OF ORDINANCES

The following ordinance of the City of Lansing, Michigan, providing that the Code of Ordinances be amended by providing for the rezoning of property located in the City of Lansing, Michigan, and for the revision of the district maps adopted by Section 1246.02 of the Code for property located at:

Z-1-2017: 4215 N. Grand River Avenue, Rezoning from “D-1” Professional Office to “F” Commercial District

was introduced by the Committee on Development & Planning, read a first and second time by its title and referred to the Committee on Development and Planning.

CITY OF LANSING
NOTICE OF PUBLIC HEARING

Z-1-2017, 4215 N. Grand River Avenue
Rezoning from “D-1” Professional Office District to “F” Commercial District

The Lansing City Council will hold a public hearing on Monday, , 2017 at 7:00 p.m. in Council Chambers, 10th Floor, Lansing City Hall, 124 W. Michigan Avenue, Lansing, Michigan to consider Z-1-2017. This is a request by First Class, Inc. to rezone the property at 4215 N. Grand River Avenue from “D-1” Professional Office District to “F” Commercial District. The purpose of the rezoning is to permit commercial use of the subject property.

For more information, please call Lansing City Council at 517-483-4177. If you are interested in this matter, please attend the public hearing or send a representative. Written comments will be accepted between 8 a.m. and 5 p.m. on City business days if received before 5 p.m., Monday, , 2017 at the City Clerk’s Office, Ninth Floor, City Hall, 124 West Michigan Ave., Lansing, MI 48933 or email city.clerk@lansingmi.gov.

Chris Swope, City Clerk

BY THE COMMITTEE ON DEVELOPMENT & PLANNING

RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolved by the City Council of the City of Lansing that a public hearing be set for Monday, , 2017, at 7 p.m. in City Council Chambers, Tenth Floor, Lansing City Hall, 124 West Michigan Avenue, Lansing, Michigan, for the purpose of approving and/or opposing the Ordinance for rezoning:

Z-1-2017: 4215 N. Grand River Avenue, Rezoning from “D-1” Professional Office to “F” Commercial District

ORDINANCE # _______

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, PROVIDING FOR THE REZONING OF A PARCEL OF REAL PROPERTY LOCATED IN THE CITY OF LANSING, MICHIGAN AND FOR THE REVISION OF THE DISTRICT MAPS ADOPTED BY SECTION 1246.02 OF THE CODE OF ORDINANCES.

The City of Lansing ordains:

Section 1. That the district maps adopted by and incorporated as Section 1246.02 of the Code of Ordinances of the City of Lansing, Michigan be amended to provide as follows:

To change the zoning classification of the property described as follows:

Case Number:	Z-1-2017
Parcel Number's:	33-01-01-06-252-231
Legal Descriptions:	Lot 99, Northwestern Subdivision No 3, City of Lansing, Ingham County, MI, from "D-1" Professional Office to "F" Commercial District.

Section 2. All ordinances or parts of ordinances inconsistent with the provisions hereof are hereby repealed.

Section 3. This ordinance was duly adopted by the Lansing City Council on _________, 2017, and a copy is available in the office of the Lansing City Clerk, 9th Floor, City Hall, 124 W. Michigan Avenue, Lansing, MI 48933.

Section 4. This ordinance shall take effect upon the expiration of seven (7) days from the date this notice of adoption is published in a newspaper of general circulation.