AGENDA
Committee on Development and Planning
Monday, April 3, 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**
   March 20, 2017

4. **Discussion/Action:**

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

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

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

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

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

F.) RESOLUTION – Setting of Public Hearing; Z-9-2016; Rezoning 2122 N MLK & Vacant Properties from Residential, Community Unit, Apartment Shop, Commercial and Parking to "H" Light Industrial, "G-2" Wholesale and "F" Commercial

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

H.) RESOLUTION – Introduction & Setting of Public Hearing
Ordinance Amendments to Section 1240.03; Garden Definitions

5) **Other**
6) **Adjourn**

DRAFT

MINUTES
Committee on Development and Planning
Monday, March 20, 2017 @ 4:00 p.m.
Council Conference Room, City Hall 10th Floor

CALL TO ORDER
Called to order at 4:09 p.m.

PRESENT
Council Member Brown Clarke, Chair
Council Member Yorko, Vice-Chair-excused
Council Member Houghton, Member
Council Member Hussain, Member

OTHERS PRESENT
Sherrie Boak, Council Staff
Jim Smiertka, City Attorney
Heather Sumner, Assistant City Attorney
Joan Nelson
John Krohn, Ingham County Land Bank
Julie Lehman, Greater Lansing Food Bank
Susan Stachowiak, Planning & Neighborhood Development

MINUTES
MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE MINUTES FROM MARCH 6, 2017 AS PRESENTED. MOTION CARRIED 3-0. .

DISCUSSION/ACTION
URBAN GARDENS
The Committee was asked not to reference the Draft that was in the packet, that it was no longer in consideration per Law. Mr. Smiertka provided a procedural back ground, beginning in the fall of 2016 when a Council Member approached law for an ordinance for urban agriculture, which included the inclusion of different terms, uses, etc. The City Attorney office created an ordinance and presented it to the full Council and at that time it was brought to everyone's attention there is a Michigan Right to Farm Act already in place. Therefore, Law now believes that the draft that was presented to Council in 2016 longer has any application.

Today the Committee received a draft copy of definitions proposed by Planning and Neighborhood Development and Law. Those included "Garden", "Garden Structure", "Gardening" and "Open Space".

Mr. Smiertka elaborated on the Right to Farm Act, which was a statue enacted in 1981 with the intent to protect farmers and those engaged in urban agriculture from the subdivision sprawl. The Right to Farm Act applies to commercial production of farm products, marketing, production, odor and any association with farming. "Farming" is defined in the Right to Farm Act, and generally accepts that they are buying and selling their produce. The Act prohibits, but not if they have not been found to be a private or public nuisance, and if the farm operation is engaged in general farming practices. The City enforces zoning through a nuisance action, and after vetting through Law, Mr. Smiertka opinion is that the Act prohibits any ordinance on commercial farming in any area or level in the City. The City can regulate noncommercial in the residential area, saying where they can be permitted and regulations. Most zoning categories address accessory uses and their restrictions, therefore to regulate them Law and PND has proposed definition changes in the residential districts. Mr. Smiertka then addressed a question stated outside of the meeting, where it was asked if these amendments would allow medical marihuana growing in residential districts. Mr. Smiertka confirmed that the Medical Marihuana Act allows 72 plants to be grown with its restrictions. Under the Medical Marihuana Facilities Act, the same thing occurs, and grow operations are limited to industrial districts. The Medical Marihuana Act preempts the Right to Farm Act.

Mr. Smiertka then moved his overview to the community garden portion, which in his opinion should not be part of the City regulations, and those types of gardens should be done by non-profits or associations. They are not subject to regulations, but Mr. Smiertka stated that Law's opinion is that the City should not be involved in.

Ms. Stachowiak noted to the Committee that there are restrictions in residential districts that the gardens cannot have stands to sell the produce. She admitted that the City has been allowing a group of selective depending on the area and circumstances, and allowing community gardens with neighborhoods to use for their own consumption, but not to sell. Mr. Smiertka pointed out that once those gardens start to sell they will need to meet requirements set by the Right to Farm Act.

Council Member Brown Clarke recapped asking Mr. Smiertka to confirm that at this point in time, per Law and PND that other than the commercial use at any level there are no barriers. Mr. Smiertka confirmed that for commercial use there are no barriers. Ms. Stachowiak stated that they will still have to comply with basic restrictions for zoning like any other use in that district. Council Member Brown Clarke then asked about the use of greenhouses and hoop house, and if those would be acceptable. Ms. Stachowiak confirmed they would be, as long as they meet the setback requirements and height restrictions. Mr. Smiertka referenced a case in the City of Troy in 2007 with the Michigan Supreme Court which allowed such items under the Right to Farm Act. Council Member Brown Clarke then asked if there was no residence if there could be just an accessory structure, green house, shed or hoop house. Ms. Stachowiak confirmed it referring to the new proposed amendments that would allow it.

Council Member Hussain asked Mr. Smiertka what the motivation was behind the proposed amendments, since his experience was that these gardens have become detriments, nuisances, and not a necessity to retain residents and businesses. Mr. Smiertka confirmed that there were other communities in Michigan where vacant lots were being turned into community gardens. Ms. Nelson added that several months ago a representatives from outside groups met to talk about the gardens in the City, some of those gardens be administered by the Garden Project. Ms. Nelson's opinion was that people grow for their own consumption, however there have also been some urban gardens, and she has noticed some areas are reinventing themselves as urban agriculture, drawing people to buy in the area then farm the area.

Urbandale Farm, at the end of Hayford was given as an example, also noting that some have farm stands and also sell at the local farm markets. Ms. Stachowiak told Council Member Hussain that some of the gardens are going in on vacant lots that cannot be built on because they are in the flood plain very costly to rebuild a residence on. Ms. Nelson spoke in support of the amendments proposed.

Council Member Hussain asked for data to support the theory of Ms. Nelson and Ms. Lehman. Ms. Nelson could not provide data, but her belief was that in 2004 there were 158 people weekly at the farmer markets and it is now up to 700-1100 people weekly. At the Hunter Park Garden House they have 30-45 people attending the "Planning your Garden event.

Ms. Lehman acknowledged her organization does to a pre-post survey with the community garden, and they support 85 community gardens on 16 acres with 1,300 families, those being 85% low to low moderate income based on HUD information. She also noted that when doing their survey they did find out that 80% of the participants give away the food they grow.

Mr. Krohn informed the Committee that the Garden Program has 165 parcels in the City, but he was not able to provide the number of parcels in the flood plain. The areas he was aware of in the flood plain included Knollwood Willow and Urbandale. Mr. Krohn asked for the support of the ordinance so they could protect the activities that urban farmers and gardeners are doing, and the need for accessory structures. He also pointed out that there has been an inconsistency on the permission of hoop houses from the City. With the Land bank lots, once the homes are demolished, there are garages that could structurally stay, but since they use Federal funds they have to also demolish the garage. Mr. Krohn spoke in support of leaving the accessory structure. Council Member Brown Clarke asked if those properties can be designated to a garden before the buildings are demolished, that way to protect the garage. Ms. Stachowiak answered stating that per the requirements of the demolition permit, everything has to be removed to finalize that permit, which includes the footings, garages and driveways.

Council Member Houghton asked if the property values are being affected by the gardens. The attendees could not provide any data.

Council Member Hussain outlined his concerns with the gardens and structures creating a haven for pests, rodents and even homeless people to stay, nothing the overall prospect has the potential of being an aesthetic disaster. Council Member Hussain pointed out to Ms. Nelson, Ms. Lehman and Mr. Krohn that when the gardens are abandoned the City can't enforce, so if the Council considers these amendments they need to think about the unintended consequences.

Council Member Brown Clarke agreed with Council Member Hussain on his concerns with the need to address and mitigate the concerns, along with making sure all the grows have a person of accountability, they comply with code and code does not need to monitor. She continued by stating the point that the Land Bank lots might not be buildable now, but could be in the future, so maybe the City should consider evaluating and designating certain places for grows or community gardens. Lastly an educational piece, she stated, could be created to inform the growers of the difference between the community garden and urban gardens, what is protected under the Right to Farm Act and what is not.

Mr. Smiertka asked Ms. Stachowiak to clarify why the definition for "Garden". Ms. Stachowiak stated it outlines what is permitted in residential districts, and Mr. Roberts in the City Attorney office asked that "Gardening" be added also.

Mr. Smiertka spoke to the concern with the rodents, and noted to the Committee that under the Right to Farm Act, they can farm and buy or sell and can be done in any zoning district. Clearly he noted that this Act preempts all local ordinances, so they cannot bring a nuisance ordinance against those activities.

Ms. Nelson stated she would go back to her group and they would start talking about the Right to Farm Act and its impact on them.

Council Member Brown Clarke outlined the next steps, those being the correct format of the ordinance with the amendments will be brought back to the Committee on April 3, 2017; then if passed out of Committee will be on the Council agenda on April 10, 2017 to introduce and set a public hearing which will be held on May 8th. After the hearing, the Committee will review it again on May 15th, 2017 based on any comments at the public hearing, then if there are no concerns it will be back before Council on May 22nd for adoption.

Council Member Brown Clarke referenced a letter of support of the proposed amendments by the Planning Board. The letter is made part of the minutes.

Adjourn at 4:59 p.m.
Submitted by, Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee on_________________

DRAFT

March 7, 2017

Dear members of the Lansing City Council Planning and Development Committee:

As a member of the Planning and Development Committee we understand you will have the Urban Ag Ordinance on the committee agenda in March.

Community gardens continue to grow in popularity across the city and are an important source of fresh food for our residents. With the spring growing season soon be upon us, it is important that Lansing residents start the year in compliance with any new policies that may be adopted by city council.

After listening to stakeholders across the city, the Lansing Planning Board approved a motion to support the proposed ordinance at its September meeting. The new ordinance will serve as an important guideline for gardeners and while ensuring the character of our neighborhoods is preserved.

We encourage the Planning and Development Committee to support this important new policy and look forward seeing the final version for adoption at city council.

Sincerely,

John P Runge

The Lansing Planning Board

Letter Adopted with a 6 vote.

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
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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 <u>Contingencies</u> on Eligible Activity Costs*	$ 185,738.00
	To Reimburse Developer for <u>Interest</u> 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.

<u>ELIGIBLE ACTIVITIES</u>

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

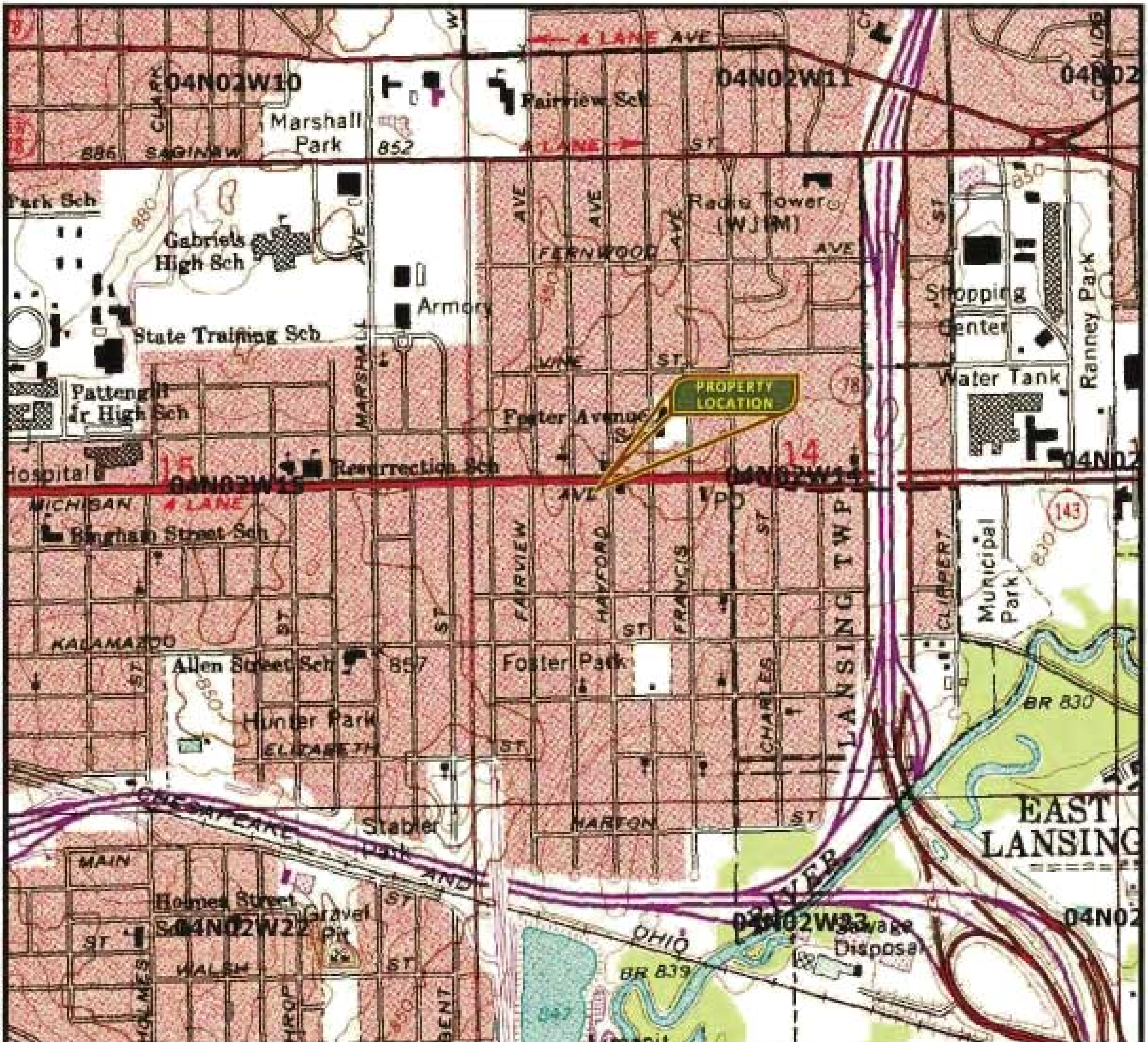

FIGURE 1
PROPERTY LOCATION

TRI TERRA

2216 - 2224 E. MICHIGAN AVENUE
LANSING, MICHIGAN 48912

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

1000 0 1000 2000 ft

PROJECT NUMBER: 15-1536-12

1:14,000

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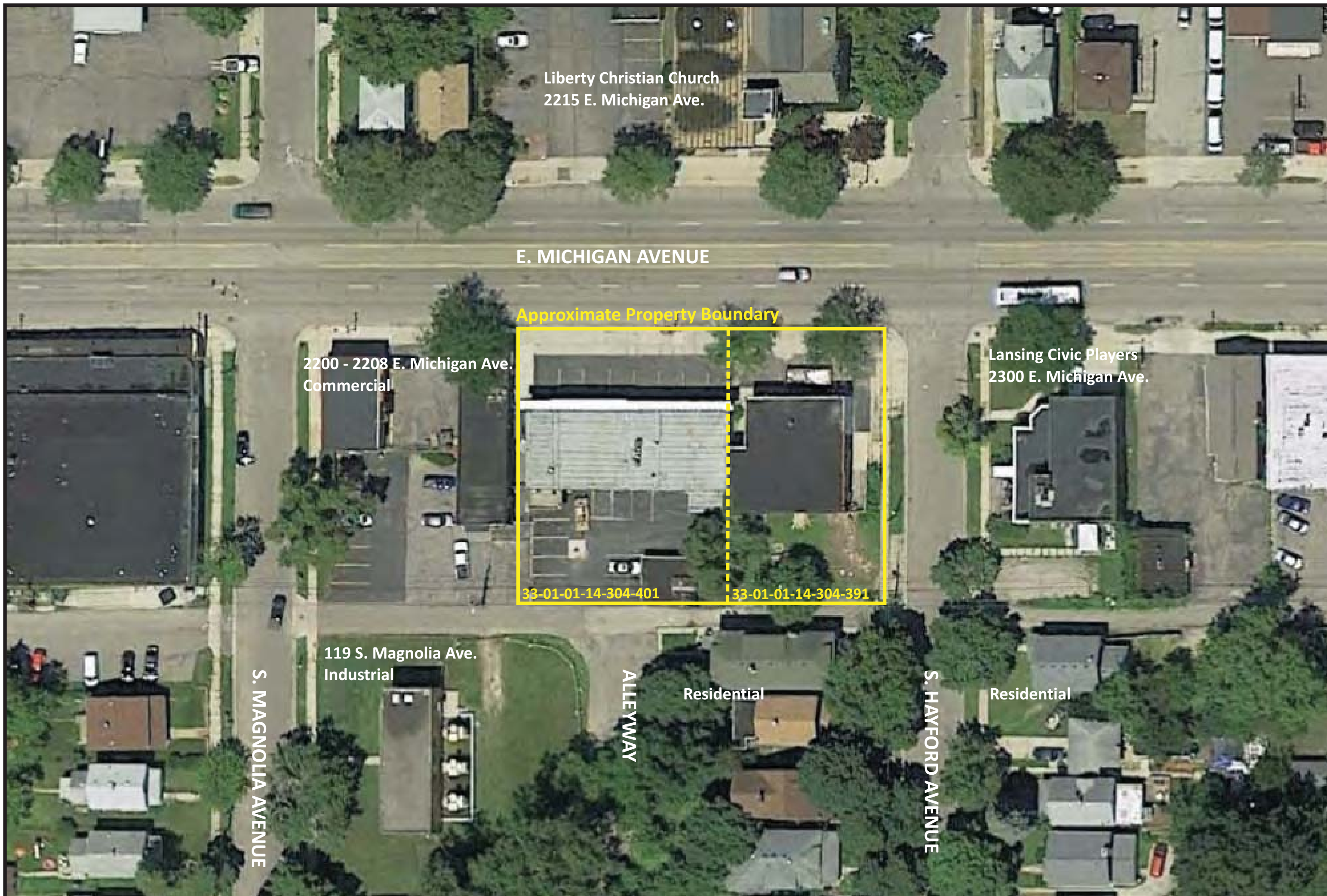
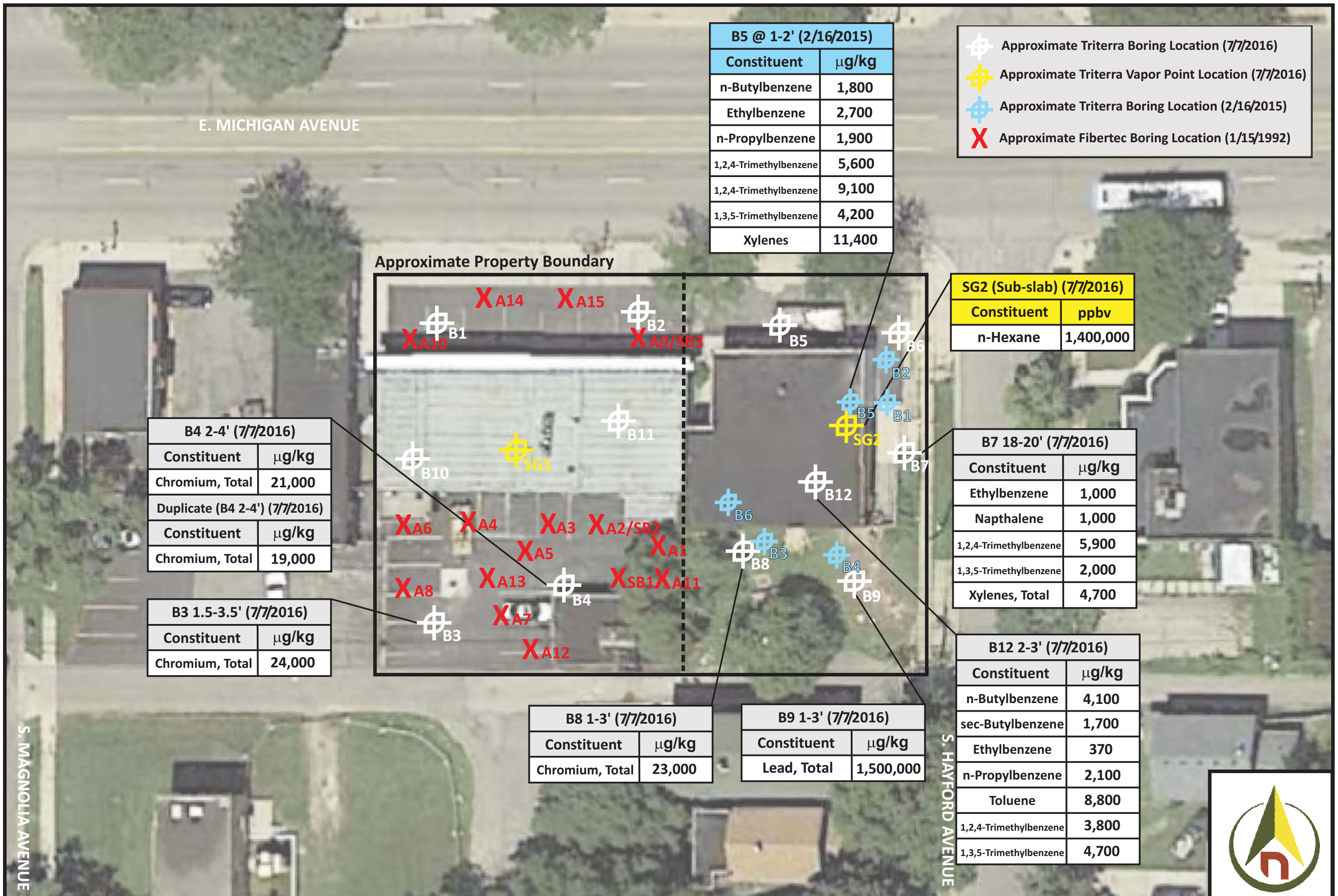


TRI TERRA	FIGURE 2	2216 - 2224 E. MICHIGAN AVENUE LANSING, MICHIGAN 48912
	PROPERTY ORIENTATION DIAGRAM	
	PROJECT NUMBER: 15-1536-12	DIAGRAM CREATED BY: RD DATE: 8/3/16



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

TRITERRA

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 5, 2017

Calendar Year / Plan Year	[illegible]
[illegible]	[illegible]

Annual TIR Revenue by Taxing Jurisdiction — Millage Rate

[illegible]	[illegible]

Total Capture Available

[illegible]	[illegible]

Reimbursement of BRA Administrative Costs

[illegible]	[illegible]

Reimbursement of Remaining Eligible Activities to Developer

[illegible]	[illegible]

Debt Millage - Not Captured - New Tax Revenue

[illegible]	[illegible]

Table 2
Schedule of Tax Increment Revenue
2216-2224 E. Michigan Avenue
Lansing, MI
January 5, 2017

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 <u>also entered into an</u> 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 <u>not entered into</u> a Local Site Remediation Revolving Fund Loan Agreement with the Authority.

E. The Developer has <u>not entered into</u> 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	**LANSING BROWNFIELD REDEVELOPMENT AUTHORITY**
By: ______________________	By: ______________________
Scott Gillespie	Karl R. Dorshimer, LBRA Representative
Its: Manager	

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 Provident Place ("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. 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 August 1, 2017 and ends February 28, 2019.

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

3. Make at least $7,000,000 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 18 Months after start date.

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.

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


Great Lakes
Glass & Vape
S Hayford Ave
S Magnolia Ave
S Fairview Ave
Clemens Ave
E Michigan Ave
KIND Dispensary
E Michigan Ave
E Michigan Ave
The Avenue Café
Strange Matter Coffe

Great Lakes
Glass & Vape
S Hayford Ave
S Magnolia Ave
E Michigan Ave
E M

[illegible]

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

approved
:)

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

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:

Sammy Gard

City Treasurer

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

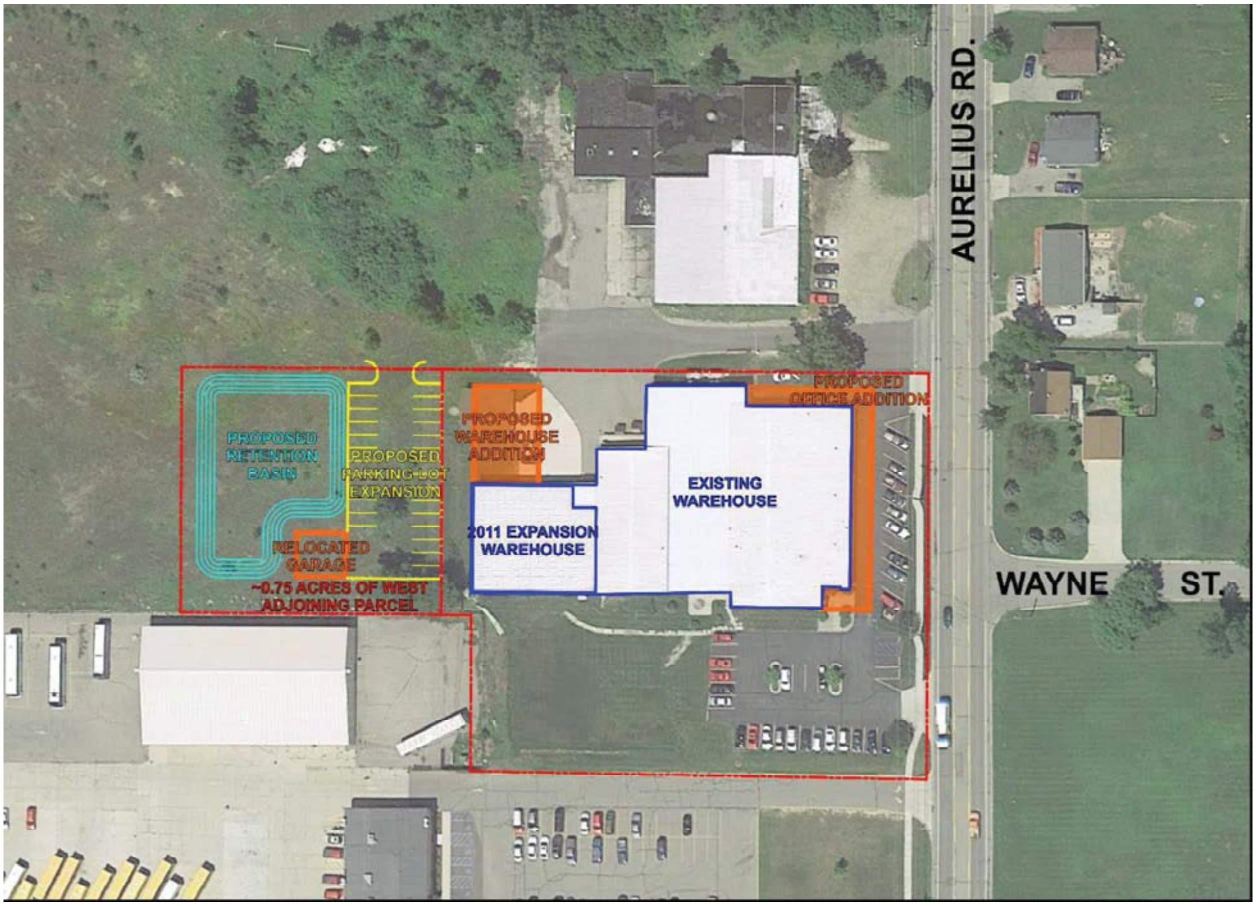
Approved by the Brownfield Redevelopment Authority on

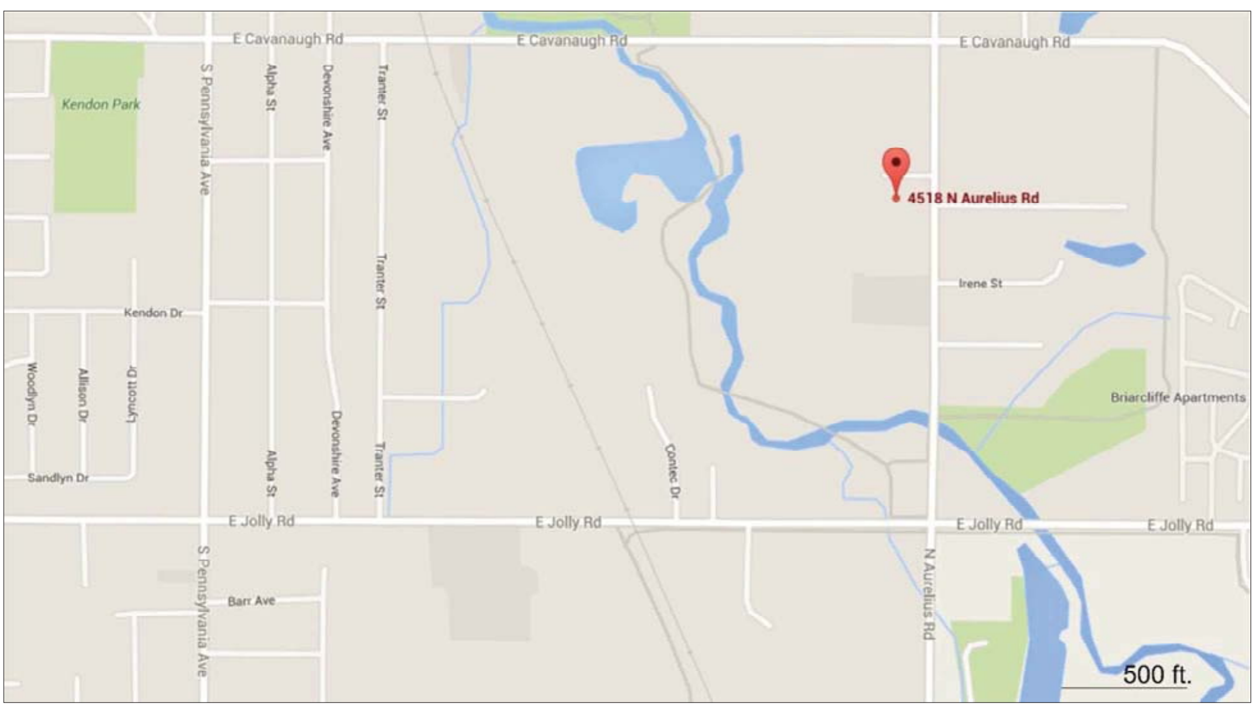
____

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

<u>Original Plan (LorAnn Oils Facility)</u>
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.

<u>Amendment 1</u>
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:	I hereby certify that funds are available in Account No.: ______________
______________________	______________________
James Smiertka	City Controller
City Attorney	

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.	**LANSING BROWNFIELD REDEVELOPMENT AUTHORITY**
By:____________________ John Grettenberger Its: Manager	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 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'.

LorAnn Oils 2017 Expansion
Brownfield Plan #20 – Amendment #1

Presented by:

Mark Quimby
Senior Consultant
SME

&

John Grettenberger, Jr.
CEO
LorAnn Oils, Inc.

SME

LorAnn Oils, Inc.

3rd Generation Family-Owned Business

SME

LorAnn Oils, Inc.

3rd Generation Family-Owned Business

Flavoring company that manufacturers and distributes premium flavorings and essential oils

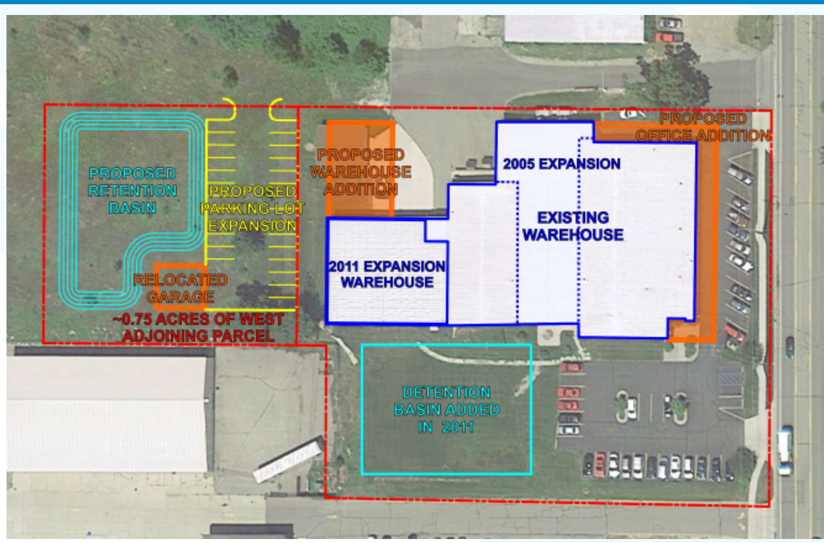
- Grandfather started LorAnn in 1962
- Moved into current property in 1972
- Celebrated 50th anniversary in 2012

LorAnn Oils, Inc.

2005 Brownfield Plan

- Renovation of existing 18,013 square-foot facility plus a 5,810 square-foot building addition to meet increased office and production needs.
- **Summary**
  - Capital investment of $914,700
  - Creation of 16 full-time jobs and 10 part-time jobs
  - $135,200 in eligible activities reimbursed with local taxes over 14 years (2005 – 2018)
- **Outcomes**
  - Investment of about $1,121,000 for 2005 expansion
  - Additional investment in 2012 of about $452,000 for 6,242 SF warehouse expansion
  - 20 new full-time jobs and 8 part-time jobs through 2016

2017 Brownfield Plan Amendment #1



2017 Brownfield Plan Amendment #1

- Purchase 0.75 acres of west-adjoining parcel to expand facility
- Two single-story additions to the existing structure.
    - Approximately 3,220 square-foot addition will be added to the northwest portion for warehouse space
    - Approximately 3,784 square-foot addition will be added to the east portion for office space.
- 0.75 acre west adjoining parcel will be used to expand parking and construct a retention basin.

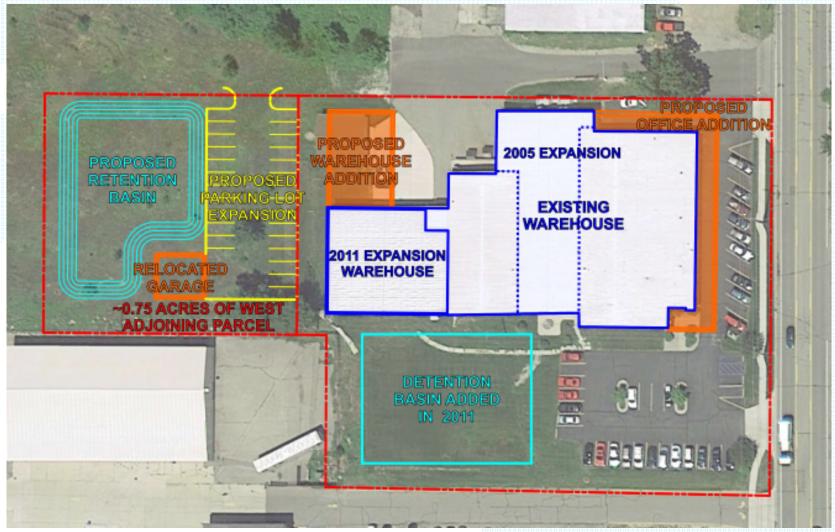
SME

2017 Brownfield Plan Amendment #1

- Capital investment of $1,542,200
- At least 9 more jobs over next 3 years
- $143,000 in new eligible activities by LorAnn
- $24,200 in LSRRF funded activities by LBRA to support project
- 11 more years of capture, but addition of state school taxes for reimbursement of new eligible activities
- Last year of capture projected in 2029
- 90% capture with 10% pass-through to taxing jurisdictions
- LBRA in first position to recover LSRRF contributions
- Adds 5 years of LSRRF capture at the end of reimbursement

SME

2017 Brownfield Plan Amendment #1



SME

Summary

- The Original Brownfield Plan was invaluable to LorAnn and allowed them to successfully expand their business.
- This lead to substantial growth, financial success, and the creation of new jobs in south Lansing.
- LorAnn's growth was so substantial that they further expanded their facility with additional warehouse space in 2012.
- This new Brownfield Plan Amendment will allow them to expand their existing facility and stay in South Lansing and result in an increased contribution to the local tax pool and the creation of more jobs.

SME

Summary

- This project and Brownfield Plan Amendment is a **win-win**
- **Win for LorAnn Oil** to help offset a portion of the expansion cost and make adding the current facility competitive with moving to a new location
- **Win for the City of Lansing** to keep a long-time (over 50 year) Lansing based business in South Lansing and create additional tax revenues and more jobs

SME

Questions?

SME

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

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.

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. <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. <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 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. <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 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

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,

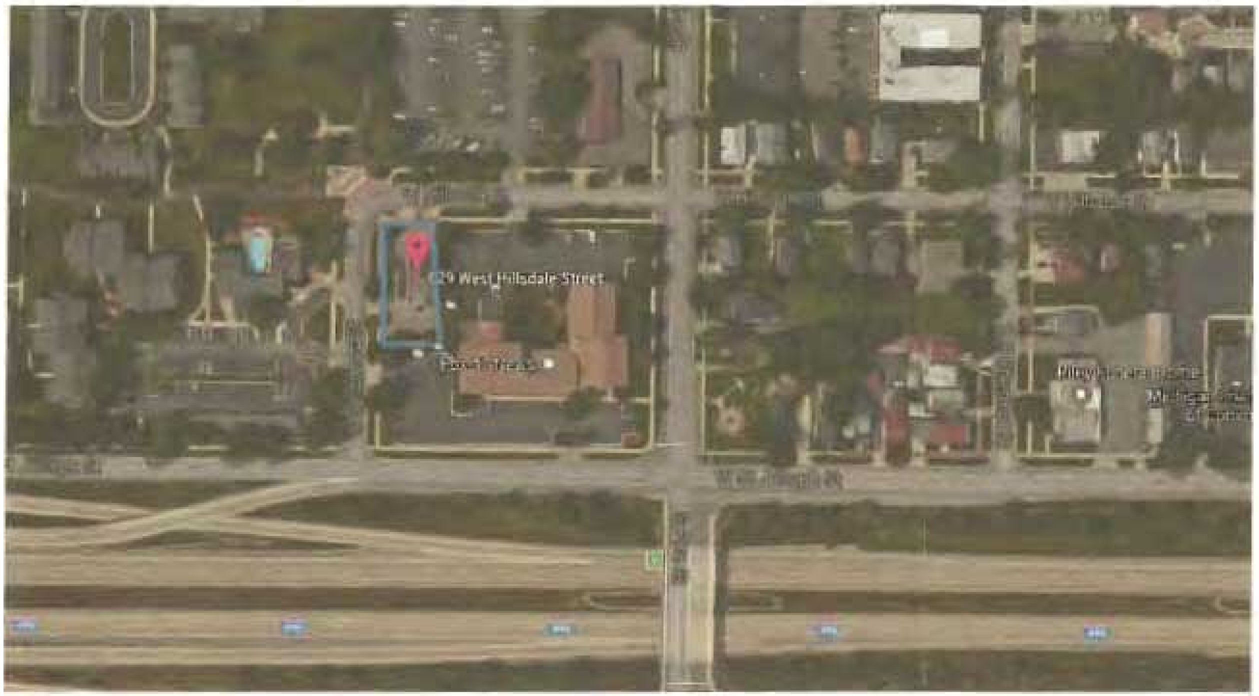
Jared T. Belka

JTB/ckm

Enclosure
c: Derek Dalling via email

15282267

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

CLEANER GREENER LANSING

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

Date: 1/10/2017

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
At 629 West Hillsdale Street

WHEREAS, the owner of 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, hereinafter called the "Developer", has executed a Purchase Agreement to acquire the property, and

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

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

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

LOT 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 and that such notice was given and said public hearing was held on March 27, 2017;

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

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

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)		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

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

<u>*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.*</u>

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

Resolution to Approve an Obsolete Property Rehabilitation Act Certificate
At 629 West Hillsdale Street

WHEREAS, pursuant to the Michigan Obsolete Property Rehabilitation Act, being Public Act 146 of 2000 (PA 146 of 2000), DED Development, LLC has filed an application for an Obsolete Property Rehabilitation Exemption Certificate (OPRA Certificate) with the Lansing City Clerk, for a proposed obsolete facility at 629 West Hillsdale Street, Lansing, Michigan (Obsolete Property); and

WHEREAS, DED Development, LLC (the Developer) owns the proposed Obsolete Property; and

WHEREAS, the proposed Obsolete Property is located within an Obsolete Property Rehabilitation District legally established by resolution adopted _____________, after a public hearing was held on March 27, 2017, as provided by section 3 of PA 146 of 2000; and

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

WHEREAS, a public hearing was held on March 27, 2017 in order to provide an opportunity for the applicant, the City Assessor, a representative of the affected taxing units, the residents, and other taxpayers of the City of Lansing general public appear and be heard regarding the approval of the OPRA Certificate; and

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

WHEREAS, the application is for 7 years and under no circumstances or criteria will an extension of the exemption be considered; and

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

WHEREAS, the applicant DED Development, LLC has provided answers to all required questions under the application instructions to the City of Lansing; and

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council hereby grants an Obsolete Property Rehabilitation Exemption for the real property, excluding land, located in an Obsolete Property Rehabilitation District at 629 West Hillsdale Street legally described as LOT 1 CAPITOL COMMONS URBAN RENEWAL PLAT NO 1, Ingham County, Michigan -- Parcel Number: 33-01-01-16-360-002.

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

FIRE STATION NO. 3

629 W. Hillsdale

Lansing, MI

Future home of

Kindsvatter Dalling & Associates, Inc.

ASBESTOS

LEAD PAINT

MOLD

WATER DAMAGE

RESERVATION & RESTORATION

OUR VISION FOR THE NEW HEADQUARTERS

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. Project Completion Progress Reports

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

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

F. Verification of Project Completion

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

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

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

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

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

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

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

J. City's Rights under Act

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

K. Ambiguity

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

L. Rights and Remedies Cumulative

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

M. Right In Third Parties

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

N. Severability

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

O. Subsequent Waivers

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

P. Termination

This Agreement terminates upon 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:	**BEST CASE SCENAREO LLC:**
[signature]	By: [signature] Ryan Wert
Alexa Springsteen	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:	I hereby certify that funds are available in Account No.:__________________
______________________ James Smiertka City Attorney	______________________ City Controller

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

LANSING MICHIGAN

Virg Bernero, Mayor

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 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

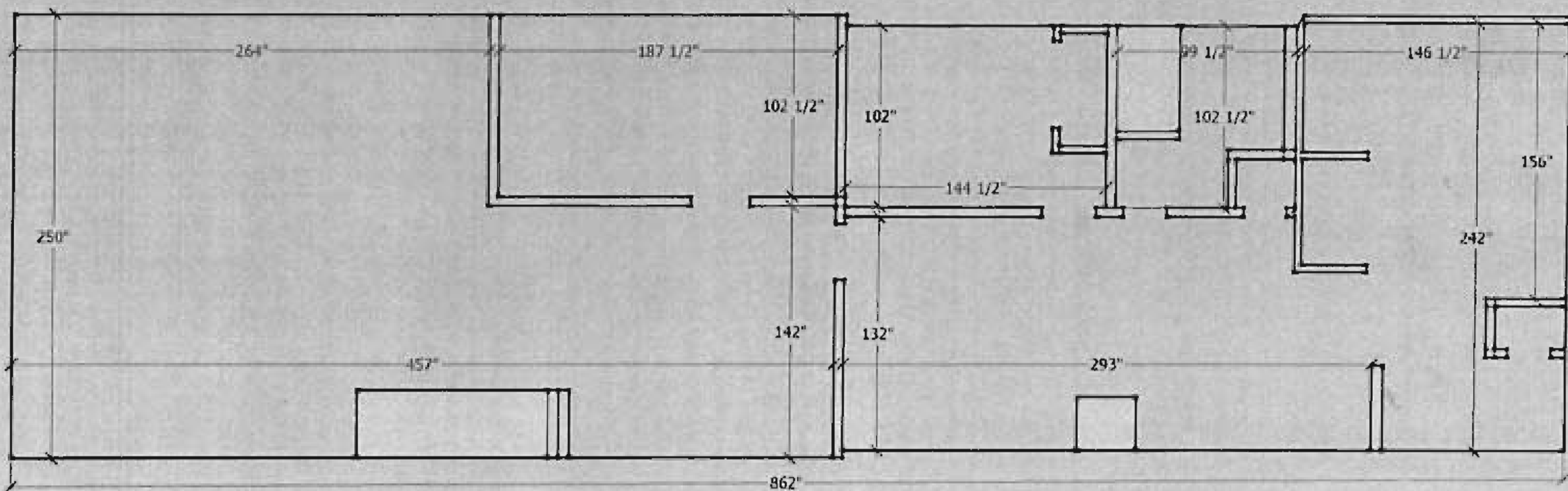
WHEREAS, the Act requires that before establishing the District the Lansing City Council shall give written notice by certified mail to the owners of all real property within the proposed District and shall hold a public hearing in order to provide an opportunity for owners, residents or other taxpayers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

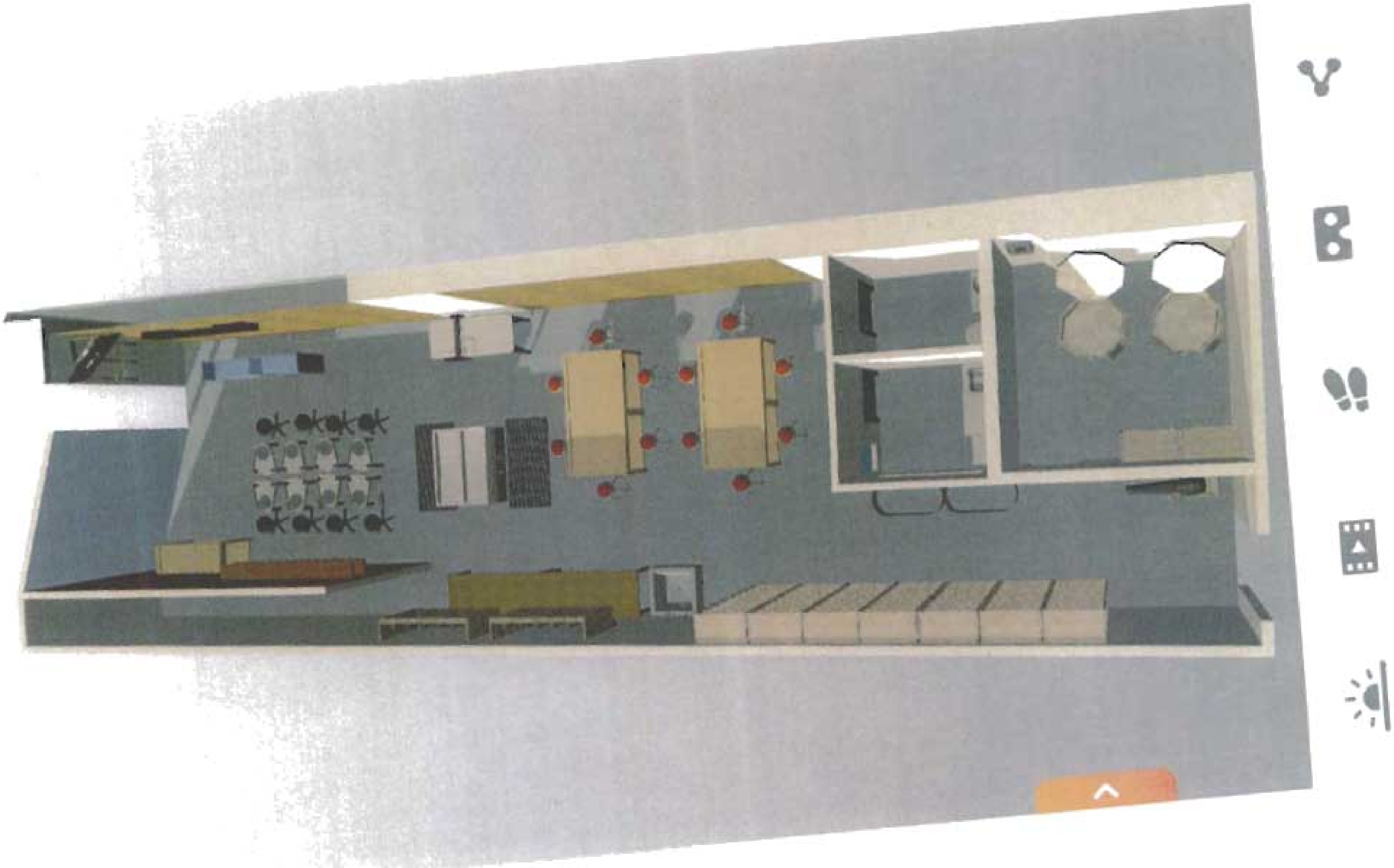
W 80 FT LOT 40 SPARROWS SUB OF BLOCK 200, Ingham County, Michigan -- Parcel Number: 33-01-01-21-257-002, and

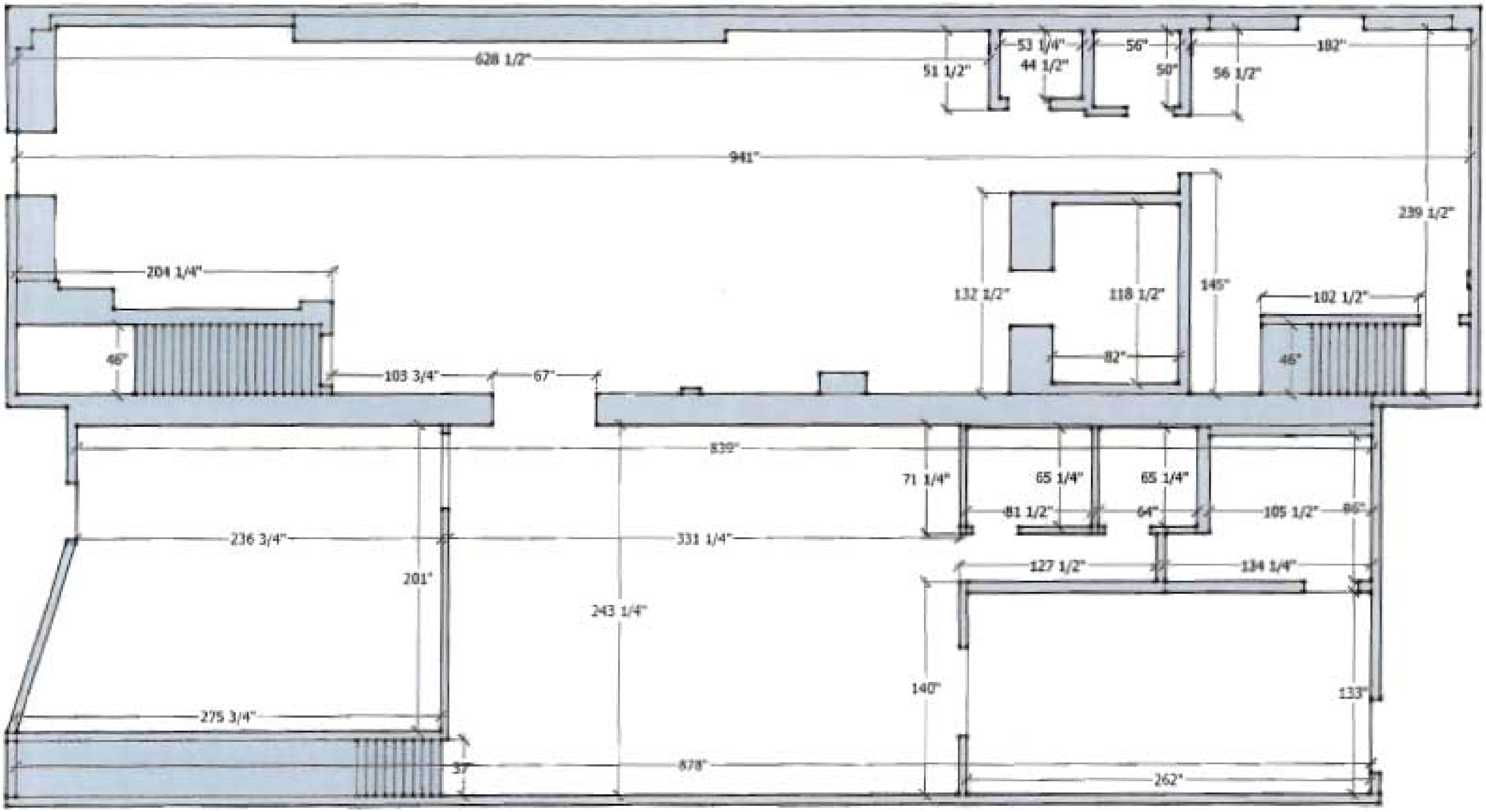
BE IT FINALLY RESOLVED that this resolution shall not be construed as the City Council's approval of any future application for an Obsolete Properties Rehabilitation Exemption Certificate for the Developer or any other applicant.

1103 S Washington Upstairs

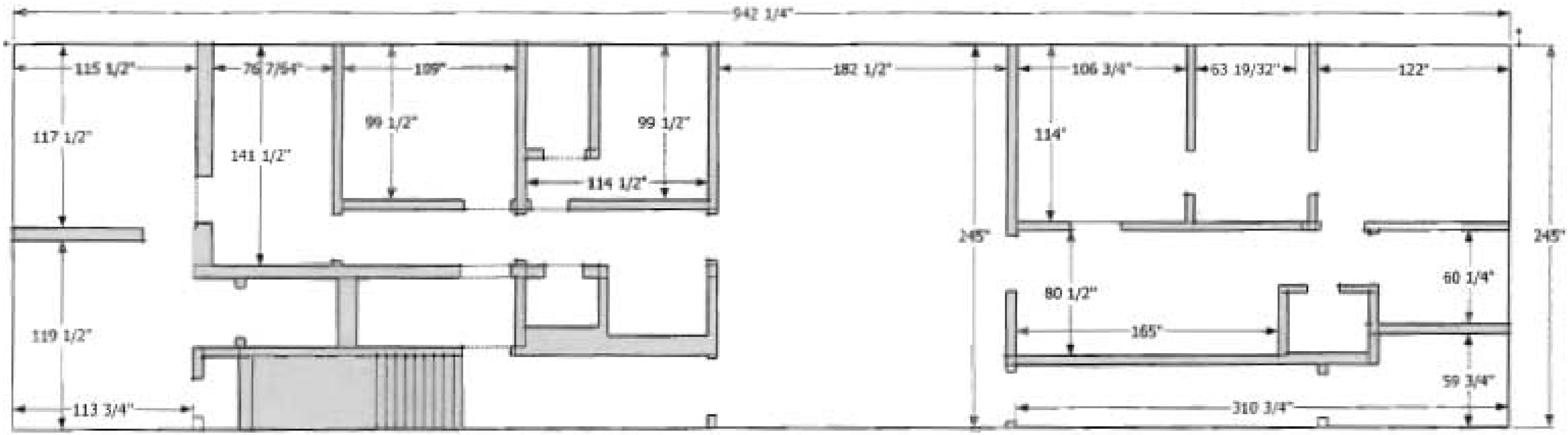


submitted @ mtg

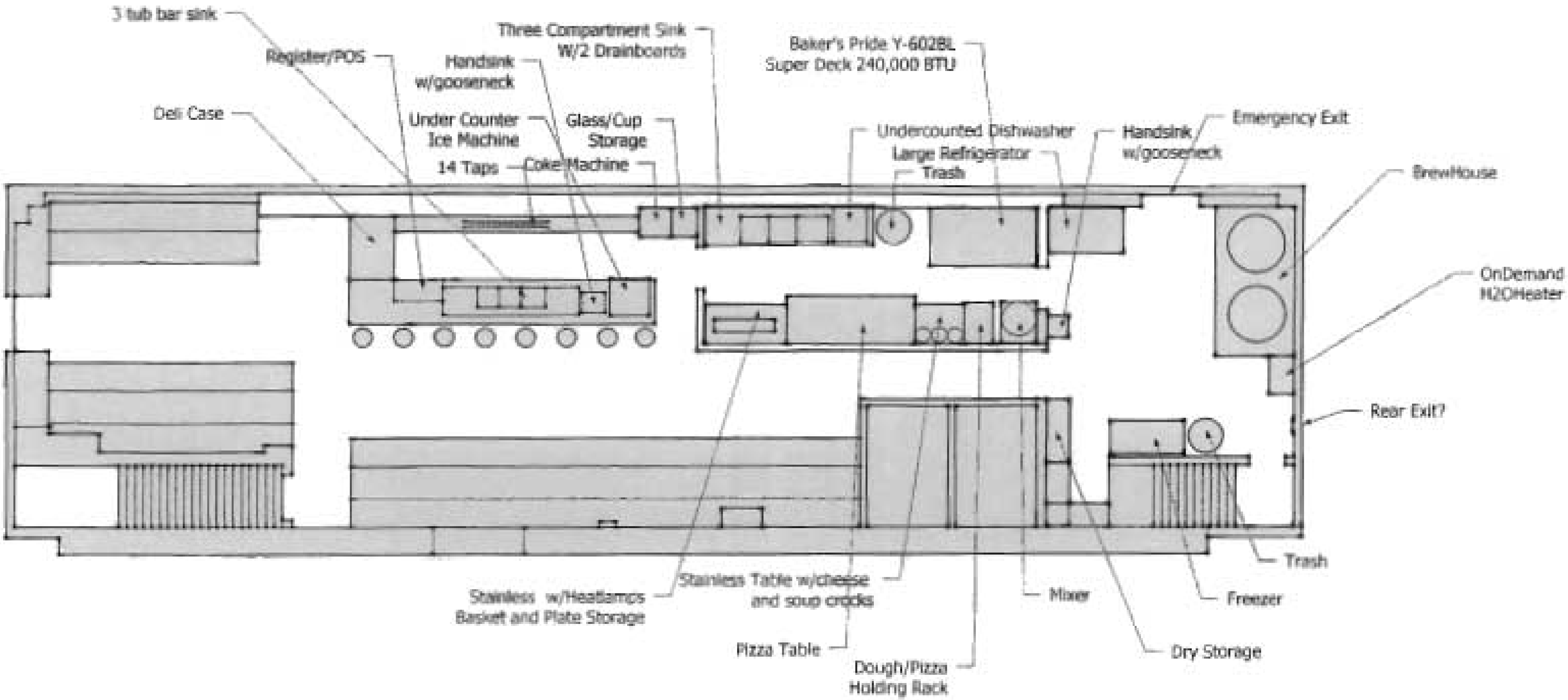




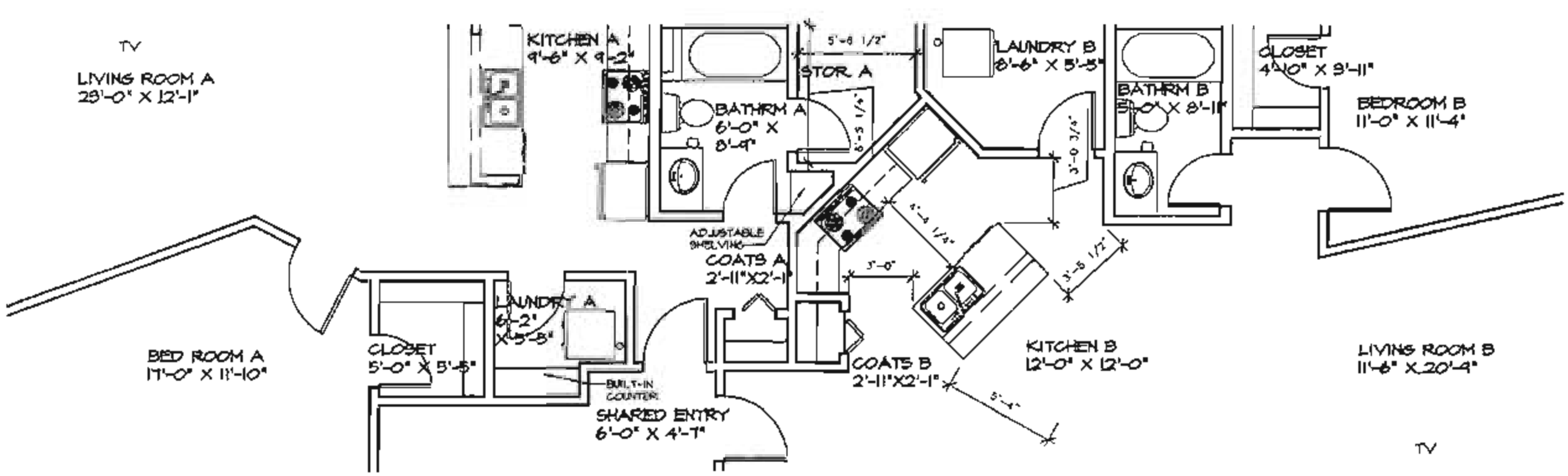
1101 & 1103 Combined



1101 Upstairs Existing



1101 Downstairs Proposed



SECOND FLOOR PLAN
OPTION 2

9/16" = 1'-0"
17.006
02/2017

studio [intrigue] ARCHITECTS

PRELIMINARY

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 Spizley and Councilmembers

FROM: Mayor Virg Bernero

DATE: 3-27-16

RE: Z-9-2016, 2122 N. MLK & Vacant properties to the north

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-9-2016, 2122 N. MLK & Vacant properties to the north

Date: March 14, 2017

The Lansing Planning Board, at its regular meeting held on March 7, 2017, voted (6-0) to recommend approval of a request by 3GT Racing, LLC to rezone the properties at 2122 N. ML King & the vacant parcels at the southeast and southwest corners of N. Grand River Avenue and Logan Access Street from "A" Residential, "DM-4" Residential, "CUP" Community Unit Plan, "E-1" Apartment Shop, "F" Commercial and "J" Parking Districts to "H" Light Industrial, "G-2" Wholesale and "F" Commercial districts, as depicted on the attached maps, with the condition that a 30 wide foot strip of land along the east property lines of parcels 33-01-01-05-476-062 & 33-01-01-05-476-122 will remain in a natural state (no structures, pavement or other improvements). The purpose of the rezoning is to permit offices, commercial and industrial uses on the subject properties.

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.

At the Planning Board public hearing held on January 3, 2017, the applicant spoke in favor of the request and 4 area resident expressed concerns about the entire site being rezoned to the "H" Light Industrial district which was the original request for rezoning the subject property.

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

STAFF REPORT

GENERAL INFORMATION

APPLICANT/OWNER:	3GT Racing, LLC 3400 West Road East Lansing, MI 48823
REQUESTED ACTIONS:	Rezone the properties at 2122 N. ML King & the vacant parcels at the southeast and southwest corners of N. Grand River Avenue and Logan Access Street from "A" Residential, "DM-4" Residential, "CUP" Community Unit Plan, "E-1" Apartment Shop, "F" Commercial and "J" Parking Districts to "H" Light Industrial, "G-2" Wholesale & "F" Commercial Districts
EXISTING LAND USE:	2122 N. ML King - Vacant Bowling Alley SE & SW Corners of MLK & Logan Access – Vacant
EXISTING ZONING:	2122 N. ML King – "F" Commercial, "J" Parking, "A" & "DM-4" Residential, "CUP" Community Unit Plan SE Corner of MLK & Logan Access–"A" & "DM-4" Residential SW Corner of MLK & Logan Access–"A" Residential & "E-1" Apartment Shop
PROPOSED ZONING:	"H" Light Industrial, "F" Commercial & "G-2" Wholesale
PROPERTY SIZE:	2122 N. MLK – 12.77 acres SE Corner of MLK & Logan Access – 1.367 acres SW Corner of MLK & Logan Access - .317 acres
SURROUNDING LAND USE:	N: Commercial/Residential S: River/Residential E: Residential W: Industrial
SURROUNDING ZONING:	N: "F" Commercial, "J" Parking, "D-1" Professional Office, "G-2" Wholesale & "A" Residential Districts S: "B" & "DM-4" Residential & "J" Parking Districts E: "A" Residential District W: "H" Light Industrial & "F" Commercial Districts

MASTER PLAN: The Design Lansing Comprehensive Plan designates the subject property for "Urban – Mixed-Use Corridor" land use. N. ML King and N. Grand River are both designated as major arterials. Logan Access Street is designated as a local road.

DESCRIPTION:

This is a request by 3GT Racing, LLC to rezone the properties at 2122 N. ML King & the vacant parcels at the southeast and southwest corners of N. Grand River Avenue and Logan Access Street from "A" Residential, "DM-4" Residential, "CUP" Community Unit Plan, "E-1" Apartment Shop, "F" Commercial and "J" Parking Districts to "F" Commercial, "G-2" Wholesale & "H" Light Industrial Districts. The purpose of the rezoning is to permit light industrial, commercial, office and storage uses on the subject properties.

AGENCY RESPONSES

BWL:

Building Safety:

Fire Marshal:

Parks & Recreation: No comments.

Public Service:

Traffic Engineer: The Transportation and Non-Motorized Section has no objection to the rezoning request. Any proposed changes in access would need to be evaluated in light of the changed use.

COMPATIBILITY WITH SURROUNDING LAND USE

The original request was to rezone the entire property to "H" Light Industrial. Staff was not supportive of that request based on the potential for certain uses to become established on the subject property that could negatively impact the neighborhood to the east. These same concerns were expressed by several residents of the adjoining neighborhood at the public hearing that was held on January 3, 2017. Based on those concerns, the applicant has submitted a revised rezoning proposal as depicted on the attached maps. Under the revised proposal, the frontage along Grand River and the Logan Access Street would be zoned "F" Commercial, the west approximately ½ of the remainder of the site (includes the vacant bowling alley building and existing parking lot) would be zoned "H" Light Industrial and the east ½ of the site would be zoned "G-2" Wholesale. The only significant difference between the "G-2" Wholesale and "F" Commercial districts is that "G-2" allows storage but does not permit residential use.

COMPLIANCE WITH MASTER PLAN

The Design Lansing Comprehensive Plan designates the subject property for "Urban Mixed-Use Corridor" land use. The Plan specifies the following for this land use classification:

> "To encourage the redevelopment of strip commercial corridors between cores to create a transit-supportive mix of uses, with a clear pedestrian orientation"

The Plan lists the following as typical uses for this classification:

> "Retail and personal services, medium-density residential in an urban format (see Residential Corridor), office, live-work, R&D and selected light industrial with special approval. Smaller-scale automobile-oriented uses may be acceptable when appropriate architecture and screening are used, and driveway curb cuts can be located and designed to maintain a clear pedestrian orientation."

The applicant's revised proposal is not only consistent with the land use pattern being advanced in the Master Plan but is also consistent with sound planning principles. The proposal:

1. Confines the commercial uses to Grand River Avenue which is already predominately zoned commercial in the vicinity of the subject property.

2. Confines the light industrial zoning to the west half of the property, consistent with the light industrial zoning that already exists on the west side of MLK, and separates it from the residential neighborhood to the east by approximately 275 feet, thus mitigating the concerns about heavy impact industrial uses negatively impacting the quality of life for the residents of the adjoining neighborhood.

3. Rezones the east, approximately 275 feet of the site to "G-2" Wholesale to permit general commercial, office and warehouse/storage uses that, through proper screening and buffering as required by ordinance, would not negatively impact the adjoining residential neighborhood.

IMPACT ON VEHICULAR AND PEDESTRIAN TRAFFIC

The proposed rezoning, regardless of the uses that could potentially be established on the subject properties under the "H" Light Industrial district, would not have any negative impacts on traffic in the area. The sites are all located on major arterials which are designed to carry the highest volume of traffic. Impacts on traffic are further mitigated by the sites having access to Logan Access Road which relieves traffic at the N. MLK and N. Grand River intersection.

IMPACT ON PUBLIC FACILITIES

The subject properties are already served by all necessary public facilities. New construction will be required to be reviewed and approved through the City's site plan review process during which the adequacy of public facilities to serve the proposed development will be determined.

ENVIRONMENTAL IMPACT

New construction will be required to go through the City's administrative site plan review process at which time the site would have to be brought into compliance with all City codes and ordinance including those regulating storm water management. Additional storm water controls will likely be required for certain industrial uses to protect the river against any contamination from the site.

IMPACT ON FUTURE PATTERNS OF DEVELOPMENT

The proposed rezoning, as revised, should not have any negative impacts on future patterns of development in the area. The property along the west side of N. ML King is already zoned "H" Light Industrial and the majority of the properties on the north side of N. Grand River Avenue and along the Logan Access Street are already zoned commercial. Thus, the proposed rezoning of the area of the subject properties along MLK, N. Grand River and the Logan Access Street is consistent with established zoning and land use patterns in the vicinity of the subject property. The proposed rezoning of the east, approximately ½ of the site to "G-2" Wholesale will allow the applicant to make reasonable use of the site, while protecting the residents of the neighborhood to the east from any potential negative impacts that may be caused by future use of that area of the site.

SUMMARY

This is a request by 3GT Racing, LLC to rezone the properties at 2122 N. ML King & the vacant parcels at the southeast and southwest corners of N. Grand River Avenue and Logan Access Street from "A" Residential, "DM-4" Residential, "CUP" Community Unit Plan, "E-1" Apartment Shop, "F" Commercial and "J" Parking Districts to "F" Commercial, "G-2" Wholesale & "H" Light Industrial Districts. The purpose of the rezoning is to permit light industrial, commercial, office and storage uses on the subject properties. The findings of fact as outlined in this staff report support a positive recommendation for the requested rezoning, as revised.

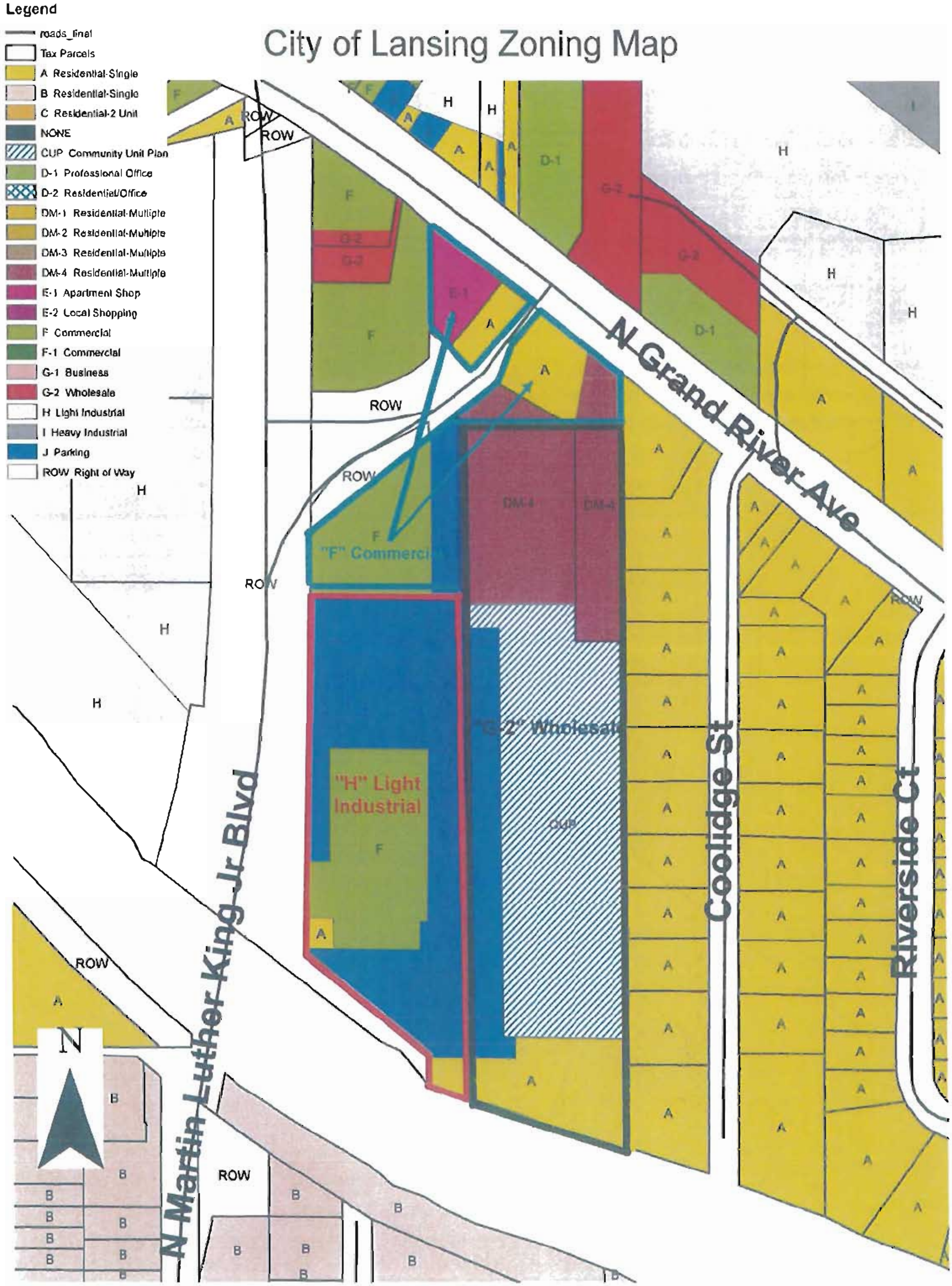
RECOMMENDATIONS

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

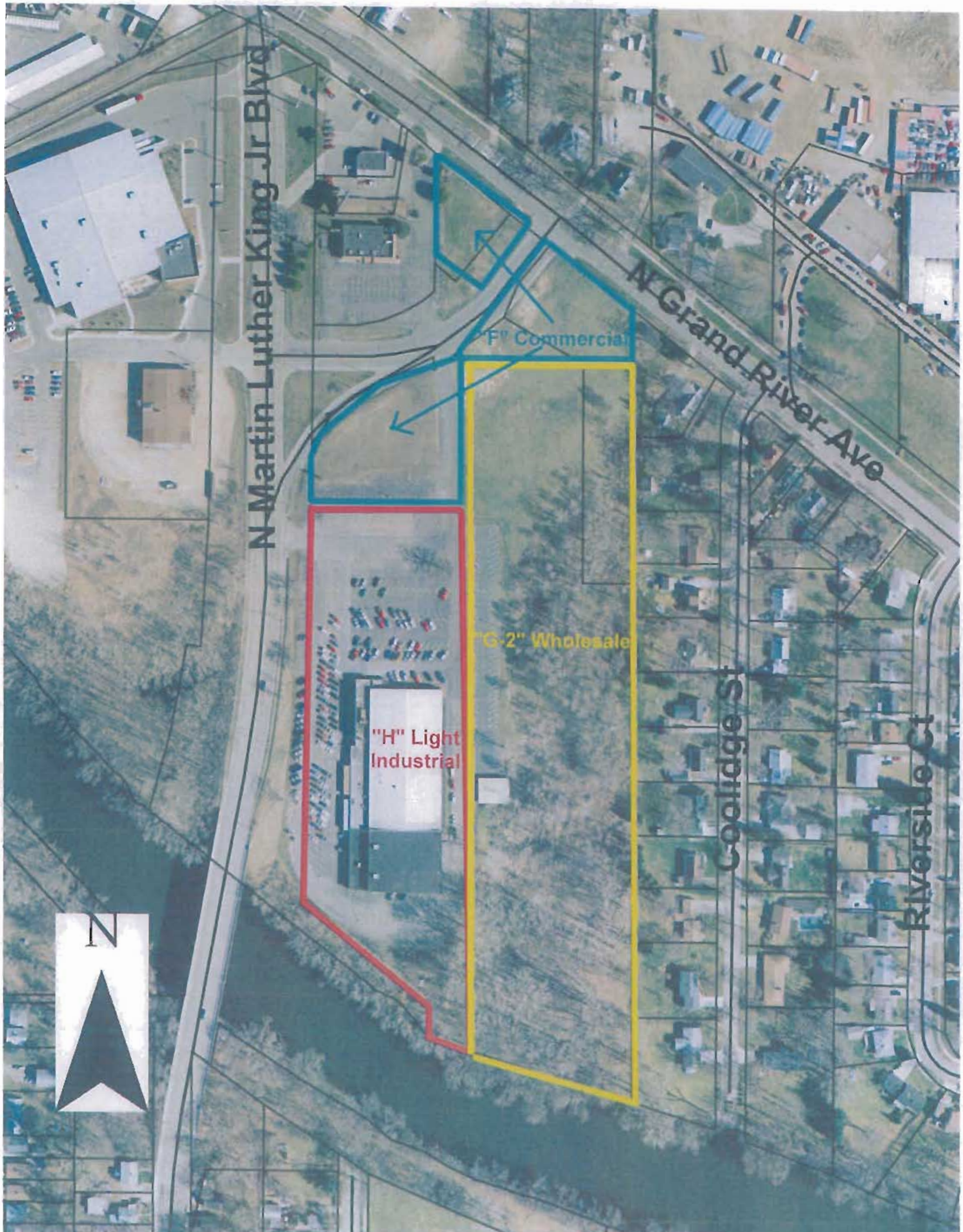
> Z-9-2016 be approved to rezone the properties at 2122 N. ML King & the vacant parcels at the southeast and southwest corners of N. Grand River Avenue and Logan Access Street from "A" Residential, "DM-4" Residential, "CUP" Community Unit Plan, "E-1" Apartment Shop, "F" Commercial and "J" Parking Districts to "H" Light Industrial, "G-2" Wholesale and "F" Commercial districts, as depicted on the attached maps, with the condition that a 30 wide foot strip of land along the east property lines of parcels 33-01-01-05-476-062 & 33-01-01-05-476-122 will remain in a natural state (no structures, pavement or other improvements).

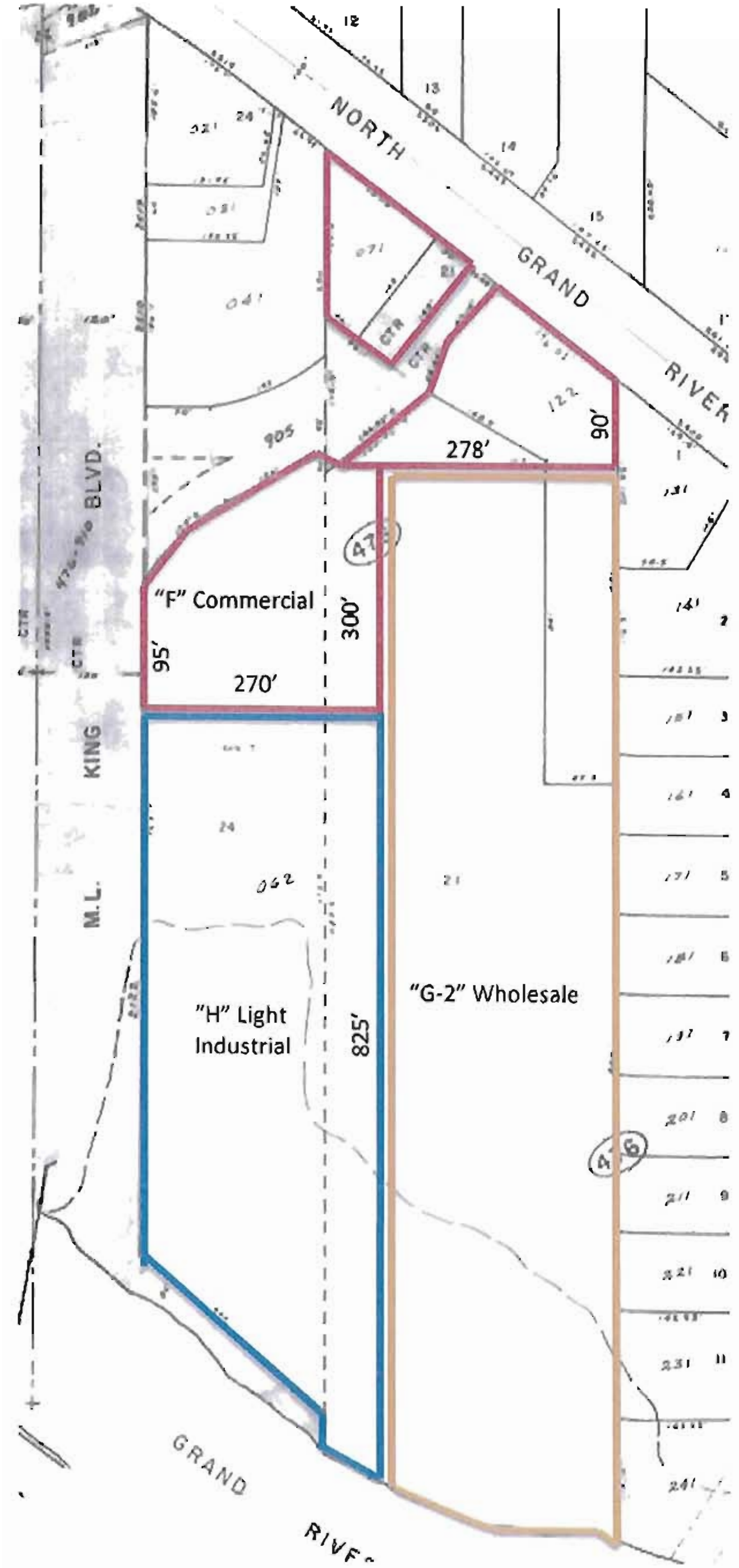
Respectfully Submitted,

Susan Stachowiak
Zoning Administrator


City of Lansing Zoning Map
Legend
roads_final
Tax Parcels
A Residential-Single
B Residential-Single
C Residential-2 Unit
NONE
CUP Community Unit Plan
D-1 Professional Office
D-2 Residential/Office
DM-1 Residential-Multiple
DM-2 Residential-Multiple
DM-3 Residential-Multiple
DM-4 Residential-Multiple
E-1 Apartment Shop
E-2 Local Shopping
F Commercial
F-1 Commercial
G-1 Business
G-2 Wholesale
H Light Industrial
I Heavy Industrial
J Parking
ROW Right of Way
N Grand River Ave
N Martin Luther King Jr Blvd
Coolidge St
Riverside Ct
"F" Commercial
"G-2" Wholesale
"H" Light Industrial
ROW
CUP
DM-4
E-1
D-1
G-2
N

City of Lansing Zoning Map





NORTH GRAND RIVER
M.L. KING BLVD.
"F" Commercial
95'
270'
300'
278'
90'
"H" Light Industrial
825'
"G-2" Wholesale
GRAND RIVER

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-9-2016: Parcel 33-01-01-05-476-062 - Rezoning from "DM-4" & "A" Residential, "CUP" Community Unit Plan, "F" Commercial & "J" Parking Districts to "F" Commercial, "G-2"Wholesale & "H" Light Industrial Districts

Parcel 33-01-01-05-476-071 - Rezoning from "E-1" Apartment Shop & "A" Residential Districts to "F" Commercial District

Parcel 33-01-01-05-476-122 - Rezoning from "DM-4" & "A" Residential District to "F" Commercial & "G-2"Wholesale District

with the condition that a 30 wide foot strip of land along the east property lines of parcels 33-01-01-05-476-062 & 33-01-01-05-476-122 will remain in a natural state (no structures, pavement or other improvements).

INTRODUCTION OF ORDINANCE

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-9-2016: Parcel 33-01-01-05-476-062 - Rezoning from "DM-4" & "A" Residential, "CUP" Community Unit Plan, "F" Commercial & "J" Parking Districts to "F" Commercial, "G-2"Wholesale & "H" Light Industrial Districts

Parcel 33-01-01-05-476-071 - Rezoning from "E-1" Apartment Shop & "A" Residential Districts to "F" Commercial District

Parcel 33-01-01-05-476-122 - Rezoning from "DM-4" & "A" Residential District to "F" Commercial & "G-2"Wholesale District

with the condition that a 30 wide foot strip of land along the east property lines of parcels 33-01-01-05-476-062 & 33-01-01-05-476-122 will remain in a natural state (no structures, pavement or other improvements).

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

CITY OF LANSING
NOTICE OF PUBLIC HEARING

Z-9-2016, 2122 N. ML King & the Vacant Parcels at the Southeast and Southwest Corners of N. Grand River Avenue and Logan Access Street
Rezoning from "A" & "DM-4" Residential, "CUP" Community Unit Plan, "E-1" Apartment Shop, "F" Commercial and "J" Parking Districts to "H" Light Industrial, "F" Commercial & "G-2" Wholesale Districts.

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-9-2016. This is a request by 3GT Racing, LLC to rezone the properties at 2122 N. ML King and the vacant parcels at the southeast and southwest corners of N. Grand River Avenue and Logan Access Street from "A" Residential, "DM-4" Residential, "CUP" Community Unit Plan, "E-1" Apartment Shop, "F" Commercial and "J" Parking Districts to "H" Light Industrial "F" Commercial & "G-2" Wholesale Districts, with the condition that a 30 wide foot strip of land along the east property lines of parcels 33-01-01-05-476-062 & 33-01-01-05-476-122 will remain in a natural state (no structures, pavement or other improvements). The purpose of the rezoning is to permit office, commercial and light industrial uses on the subject properties.

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

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-9-2016

Parcel Numbers: 33-01-01-05-476-062/-071/-122

Legal Descriptions: 33-01-01-05-476-062: Commencing on the East line of Lot 24, 322 Feet South of the South line of N. Grand River Ave, Thence South 62degrees, 20 minutes, West 126 Feet, Southwesterly on a 260 Feet radius curve to the left 127 Feet +/- to a point 120 Feet East of the West line of Lot 24, South 765 Feet +/- to a line 30 Feet Northeasterly & Parallel to the Southerly line of Lot 24, Southeasterly 240 Feet to the East line of Lot 24, S 30 Feet +/- to the bank of the Grand River, Southeasterly along the bank of the River to the East line of Lot 21, North 846 Feet, West 82.5 Feet, North 341 Feet, North 06 degrees, 30 minutes, East 11.7 Feet, North 61 degrees, 30 minutes, West 148.5 Feet, Southwesterly 150.95 Feet +/- to a point 30 Feet South of beginning, North 30 Feet to Beginning; Townsends Subdivision on Sections 4, 5, 8 & 9, from "DM-4" & "A" Residential, "CUP" Community Unit Plan, "F" Commercial & "J" Parking Districts to "F" Commercial, "G-2" Wholesale & "H" Light Industrial Districts

33-01-01-05-476-071: Commencing at the Northwest Corner of Lot 21, Thence South 179.5 Feet, Southerly Parallel with Grand River Avenue, 46.1 Feet, Northerly 143 Feet to the Southerly line of N. Grand River Ave, 157.5 Feet Southerly from beginning, Northwesterly to beginning; Townsends Subdivision on Sections 4, 5, 8 & 9, from "E-1" Apartment Shop & "A" Residential Districts to "F" Commercial District

33-01-01-05-476-122: Commencing at the Northeast Corner of Lot 21, Thence South 441 Feet, West 82.5 Feet, North 341 Feet, North 06 degrees, 30 minutes, East 11.7 Feet, North 61 degrees, 30 minutes, West 148.5 Feet, North 19 degrees, 45 minutes, East 58.45 Feet, North 38 degrees, 03 minutes, East 87.15 Feet to the South line of N. Grand River Ave, Southeasterly 176.02 Feet to beginning; Townsends Subdivision on Sections 4, 5, 8 & 9, "DM-4" & "A" Residential District to "F" Commercial & "G-2"Wholesale District;

With the restrictive condition that a 30 wide foot strip of land along the east property lines of parcels 33-01-01-05-476-062 & 33-01-01-05-476-122 will remain in a natural state (no structures, pavement or other improvements), which condition shall run with the land and be binding upon the successor owner of the land.

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.

XV A. 2 a.

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

Virg Bernero, Mayor

TO: City Council President Judi Brown Clarke and Councilmembers

FROM: Mayor Virg Bernero

DATE: 12-8-16

RE: Act-11-2016, 637 E. Michigan Avenue, Vacant N. East Street Easements

---

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
Act-11-2016, 637 E. Michigan Avenue, Vacant N. East Street Easements

Date: December 7, 2016

At its regular meeting held on December 6, 2016, the Planning Board voted unanimously (4-0) to recommend approval of Act-11-2016. The applicant, 637 E. Michigan, LLC is requesting that the City vacate utility easements remaining in the vacated N. East Street right-of-way (ROW) at the site of the former Clara's restaurant. The Planning Board found that the reservation of the easements is no longer necessary for the City, railroad or any other government agency or public/private utility.

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

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

Attachments

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

Act-11-2016, 637 E. Michigan Ave. (former Clara's restaurant), PPN 33-01-01-16-277-403

Vacate N. East Street Easements

WHEREAS, Jason Kildea, of 637 E. Michigan, LLC, 330 Marshall St., Ste. 100, Lansing, MI, requests that the City vacate utility easements remaining in the vacated N. East Street right-of-way (ROW) at the site of the former Clara's restaurant; and

WHEREAS, on September 11, 1978 the Lansing City Council vacated the west 22.65 feet of the N. East Street ROW bordering the east side of the former Clara's property, reserving easements for utilities; and

WHEREAS, on October 8, 1990, the east 18.6 feet of the N. East Street ROW adjacent to Clara's were vacated, along with and the entire 41.25 foot width north to Shiawassee Street (approx. 1200 feet), reserving easements; and

WHEREAS, according to the applicants, they have reviewed the title insurance information with the Office of the City Attorney and Transportation Engineer Andy Kilpatrick, and they agree the easements are no longer needed nor will they be needed in the future; and

WHEREAS, at its meeting on December 6, 2016, the Planning Board reviewed the location, character, and extent of the proposal in accordance with is Act 33 Review procedures, and found that the reservation of easements is unnecessary; and

WHEREAS, on December 6, 2016, the Planning Board voted unanimously (4-0), to recommend the vacation of the easements reserved in the 1978 and 1990 resolutions located within the N. East Street ROW and now attached to the former Clara's property at 637 E. Michigan Avenue; and

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

NOW, THEREFORE BE IT RESOLVED, that the Lansing City Council hereby approves Act-11-2016, and vacates the easements reserved in 1978 and 1990 over and under the property described as:

> A parcel of land in the Northeast ¼ of Section 16, Town 4 North, Range 2 West, City of Lansing, Ingham County, Michigan, being described as:
>
> Commencing at the East ¼ of said Section 16; thence North 00 degrees 02 minutes 00 seconds East along the East line of said Section 16, a distance of

107.75 to the Point of Beginning of this description; thence North 89 degrees 55 minutes 05 seconds West a distance of 18.95 feet; thence North 00 degrees 32 minutes 08 seconds East 542.59 feet; thence South 89 degrees 58 minutes 00 seconds East perpendicular to the East line of said Section 16, a distance of 14.20 feet to a point on the East line of said Section 16; thence South 00 degrees 02 minutes 00 seconds West along the East line of said Section 16, a distance of 542.58 feet to the Point of Beginning.

BE IT FINALLY RESOLVED, that the Mayor, on behalf of the City, is hereby authorized to sign and execute all documents to complete this transaction, subject to prior approval as to content and form by the City Attorney.

STAFF REPORT

APPLICANT/OWNER: 637 E. Michigan, LLC
330 Marshall St., Ste 100
Lansing, MI 48912

REQUESTED ACTION:
The Applicant requests that the City vacate utility easements remaining in the vacated N. East Street ROW at the site of the former Clara's restaurant. The street was vacated in 1990 with a reservation of utility easements that, according to the applicants, are no longer necessary.

EXISTING LAND USE: Vacant commercial building (former Clara's restaurant)

EXISTING ZONING: "H" Light Industrial.

EASEMENT SIZE & SHAPE: Rectangular Shape, approx. 41.25' x 542.58' (22,381 square feet)

SURROUNDING LAND USE:
N: Parking lot, residential townhouses.
S: Light industrial, commercial.
E: Light industrial, commercial.
W: "Commercial, light industrial, Cooley Law School Park.

SURROUNDING ZONING: Primarily "H" Light Industrial.

MASTER PLAN DESIGNATION: The Design Lansing Comprehensive Plan designates the subject property as Downtown Mixed-Use Center: Edge.

BACKGROUND

On September 11, 1978 the Lansing City Council vacated the west 22.65 feet of the N. East Street ROW bordering the east side of the former Clara's property. On October 8, 1990, the east 18.6 feet were vacated. Utility easements were reserved in both cases.

The 1990 action (Act-21-90) was to vacate the remainder of the N. East Street adjacent to Clara's, and the entire 41.25 foot width north to Shiawassee Street (approx. 1200 feet).

AGENCY RESPONSES:

AT&T:
ATT Legacy does not have any phone lines north of Michigan Avenue adjacent to Clara's. This line was rerouted a number of years ago.

Board of Water and Light:
We have a water main along Pere Marquette west of Clara's. I do not show any water distribution facilities between the railroad and Clara's.

City Attorney:
In 1990 the City Council vacated portions of East Street lying between Michigan Avenue and Shiawassee Street. The vacation was done by resolution 551 passed September 27, 1990. Preliminary to the passage of the resolution, the City had conducted an Act 285 review (n/k/a Act 33). Because of the Act 285 review, the City made the vacation subject to the reservation of certain interests in the vacated street.

In 2013, the owners of Clara's wanted to refinance their property and requested the City acknowledge the street vacation by a Quit Claim Deed. The Quit Claim Deed's purpose was solely to affirm that the West side of East Street had been vacated. The owners were represented by the law firm of Miller Canfield. Because the 1990 resolution was subject to certain reserved interests in the City, the Quit Claim Deed was made a subject to these interests. For the reason that the Council had already vacated the subject right of way, no additional Council action was needed for the Quit Claim Deed.

Parks and Recreation: No comments.

Public Service - Engineering:
Railroad rights-of-way (which East Street was) are often used by telecoms and gas companies. I know CSX has storm sewer along their tracks. CSX may also have other utilities in the corridor.

In the picture from August 2015, there is an established pole line with wires on them. There is an *underground utility paralleling the tracks. The railroad (CSX) has storm sewer in the grade and* likely their own buried communication lines.

CSX Railroad:
Per Peter Trolle, Facilities Manager this will not impact CSX facilities. Thank you.

OTHER

According to the applicants, they have reviewed the title insurance information with the city attorney and Tranportation Engineer Andy Kilpatrick, and they agree the easements are no longer needed or will they be needed in the future.

The overhead wires in the photograph on the previous page appear to be located on the original Union Depot (former Clara's) site, not within the former East Street ROW.

ANALYSIS

Please refer to the attached diagrams of the existing and proposed easements (Exhibits A & B, respectively).

Location: The subject easements are located just east of the former Clara's restaurant in the former N. East Street ROW, which was vacated (reserving utilities) and is now part of the former Clara's property.

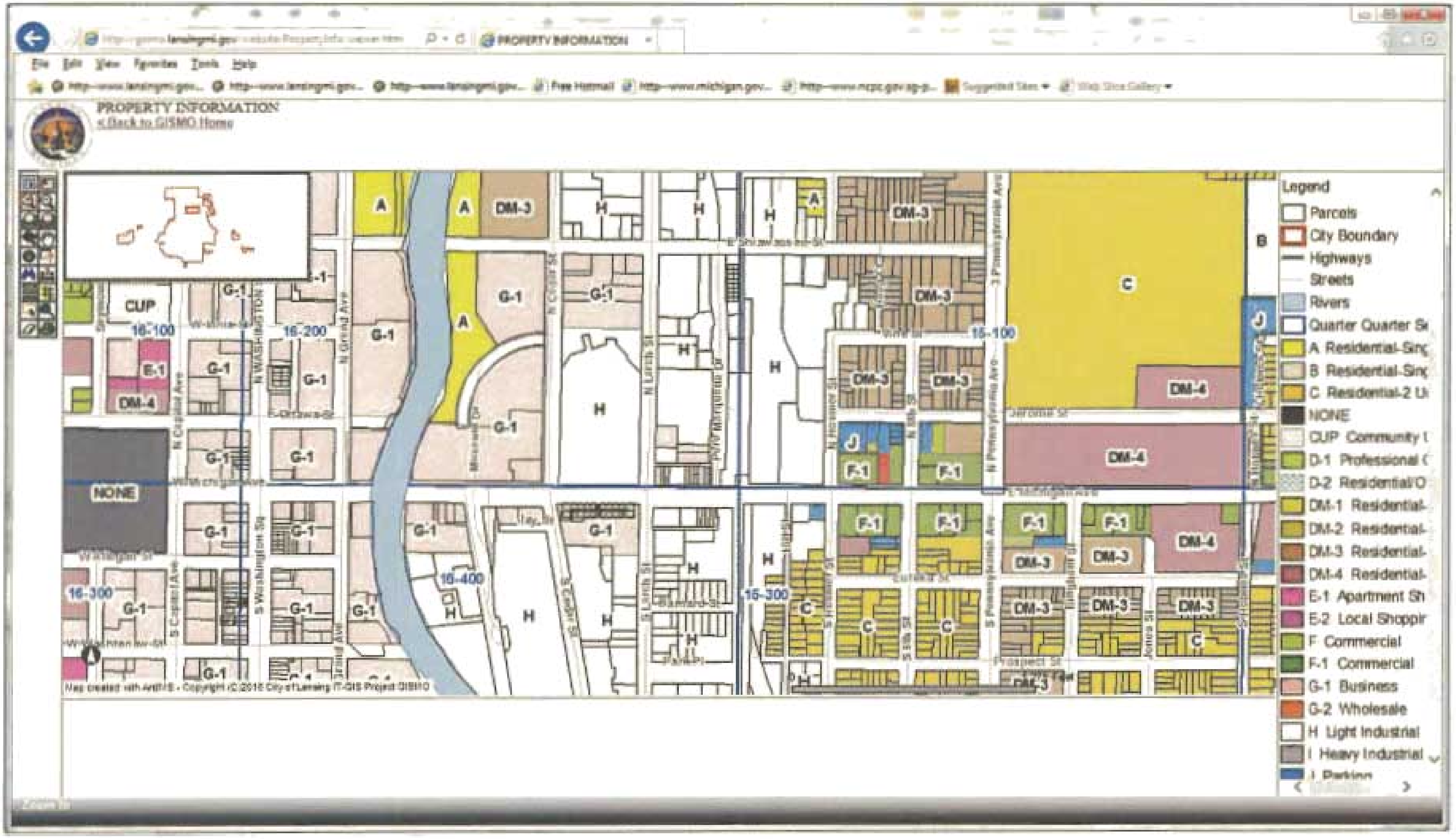
Character: The character of the area will be unaffected by this decision.

Extent: The proposal is limited in extent to include only those easements reserved along the east side of the former Clara's property in the 1978 and 1990 Council resolutions (an area measuring approx. 41.25' x 542.58' (22,381 square feet).

RECOMMENDATION

Staff recommends approval as proposed, based on a finding that the easements are no longer necessary.


Pere Marquette Dr
Google earth
feet
1000
meters
500


PROPERTY INFORMATION
< Back to GISMO Home
Legend
Parcels
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A Residential-Sinc
B Residential-Sinc
C Residential-2 U
NONE
CUP Community
D-1 Professional
D-2 Residential/O
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DM-2 Residential-
DM-3 Residential-
DM-4 Residential-
E-1 Apartment Sh
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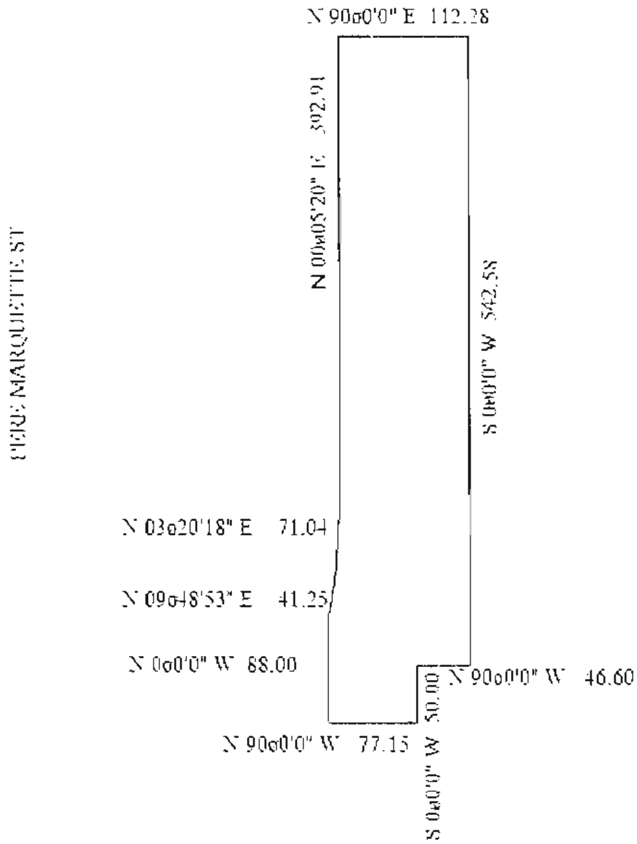
F Commercial
F-1 Commercial
G-1 Business
G-2 Wholesale
H Light Industrial
I Heavy Industrial
J Parking
N Capitol Ave
N Washington
N Grand Ave
N Cedar St
N Larch St
N Pennsylvania Ave
S Capitol Ave
S Washington Sq
S Cedar St
S Larch St
S Pennsylvania Ave
Jerome St
Jones St
Prospect St
Eureka St
E Michigan Ave
W Michigan Ave
16-100
16-200
16-300
16-400
15-100
15-300
Map created with ArcGIS - Copyright (C) 2016 City of Lansing IT-GIS Project GISMO

Image/Sketch for Parcel: 33-01-01-16-277-403



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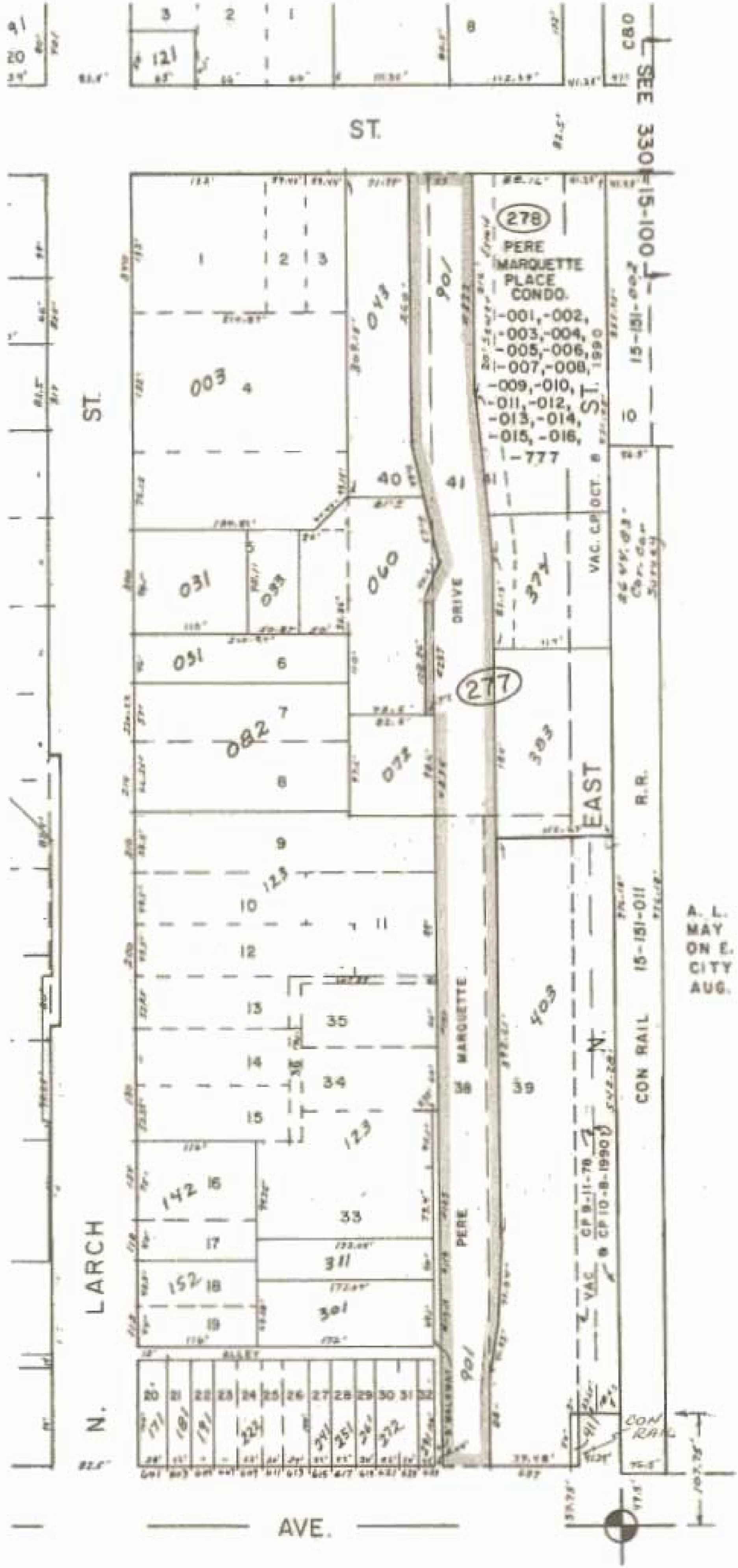

ST.
SEE 330-15-100
CBO
278
PERE MARQUETTE PLACE CONDO.
-001, -002, -003, -004, -005, -006, -007, -008, -009, -010, -011, -012, -013, -014, -015, -016, -777
VAC. CP OCT. 8 1990
15-151-002
EAST ST.
R.R.
CON RAIL
15-151-011
A. L. MAY ON E. CITY AUG.
277
PERE MARQUETTE DRIVE
CP 9-11-78 & CP 10-8-1990 VAC
N. LARCH ST.
ALLEY
CON RAIL
AVE.
003
031
033
060
043
901
082
073
374
383
403
123
142
152
311
301

Resolution # 551

LIBER 1866 PAGE 112 September 27, 1990

COMMITTEE ON PHYSICAL DEVELOPMENT

Act-21-90
North East Street

WHEREAS the City has determined that a portion of North East Street right-of-way between East Michigan Avenue and East Shiawassee Street is excess to City requirements; and

WHEREAS the North East Street ROW is located within the original plat of Lansing and is more particularly described as:

> A parcel of land in the northeast ¼ of Section 16, T4N, R2W, City of Lansing, Ingham County, Michigan; the boundary of said parcel being described as commencing at the east ¼ corner of said Section 16; thence N 00° 02' 00" east along the east line of said Section 16 a distance of 257.75 feet to the point of beginning of this description; thence north 89° 55' 05" west a distance of 41.25 feet; thence north 00° 02' 00" east parallel to the east line of said Section 16 a distance of 1173.60 feet to the southerly line of Shiawasse Street; thence south 89° 55' 05" east along the southerly line of Shiawassee Street a distance of 41.25 feet to a point on the east line of said Section 16; thence south 00° 02' 00" west along the east line of said Section 16 a distance of 1173.60 feet to the point of beginning; said parcel containing +/- 1.111 acres;

and

WHEREAS the Lansing Planning Board has reviewed this request under the provisions of Act 285 of Michigan Public Acts of 1931 and has recommended the City vacate North East Street as described subject to the City maintaining public access easements for City and other public utilities and an easement for the encroachment of the existing railroad track; and

WHEREAS the Physical Development Committee of City Council has reviewed and concurred with the Planning Board's recommendations;

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council approves the vacation of the above described portion of North East Street right-of-way; and

FURTHER BE IT RESOLVED that the vacation be subject to public utility easements for maintaining installation, repair or removal of sewer and utilities and the existing railroad tracks until such time as they are removed.

By Councilmember Canady:

Carried unanimously; Councilmember Adado absent.

[*space above this line for recording purposes*]

QUIT CLAIM DEED

The City of Lansing, a Michigan municipal corporation, whose business address is 124 W. Michigan Avenue, Lansing, Michigan 48933 ("Grantor"), conveys and quitclaims to Clara's Inc., a Michigan corporation whose address is 637 E. Michigan Avenue, Lansing, Michigan 48933 ("Grantee"), the following premises located in the City of Lansing, Ingham County, Michigan, legally described as:

> A parcel of land in the Northeast 1/4 of Section 16, Town 4 North, Range 2 West, City of Lansing, Ingham County, Michigan, being described as: Commencing at the East 1/4 corner of said Section 16; thence North 00 degrees 02 minutes 00 seconds East along the East line of said Section 16, a distance of 107.75 feet to the Point of Beginning of this description; thence North 89 degrees 55 minutes 05 seconds West a distance of 18.95 feet; thence North 00 degrees 32 minutes 08 seconds East 542.59 feet; thence South 89 degrees 58 minutes 00 seconds East perpendicular to the East line of said Section 16, a distance of 14.20 feet to a point on the East line of said Section 16; thence South 00 degrees 02 minutes 00 seconds West along the East line of said Section 16, a distance of 542.58 feet to the Point of Beginning.
>
> Subject to the reservation by the Grantor of an easement for the installation, maintenance, repair and removal of sewer and other public utilities and for the existing railroad tracks, if any, until such time as the railroad tracks are removed.

For and in consideration of the sum of $1.00, the receipt and sufficiency of which is hereby acknowledged.

This deed is exempt from transfer taxes pursuant to MCL 207.505(a) and (l) and MCL 207.526(a) and (n).

[*signature page follows*]

CERTIFIED

MAY 2 9 2013

INGHAM COUNTY
REGISTER OF DEEDS

GRANTOR:
City of Lansing

By:
Name: Virg Bernero
Title: Mayor of Lansing
Date: May 20, 2013

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

The foregoing instrument was acknowledged before me on May 20TH, 2013 by Virg Bernero, who is The Mayor of City of Lansing, a Michigan municipal corporation, on behalf of the City.

RENEE FREEMAN
Notary Public, State of Michigan
County of Ingham
My Commission Expires Jul. 11, 2014
Acting in the County of

Notary Public
Ingham County, Michigan
My commission expires: 7-11-14

Drafted by and when recorded return to:
Eric C. Bartley, Esq.
Miller Canfield Paddock & Stone
840 West Long Lake Road, Suite 200
Troy, Michigan 48098

21,135,935.2\151026-00001

APPROVED AS TO FORM ____________
CITY ATTORNEY

By COMMITTEE ON BUILDINGS AND PROPERTIES—

Resolved by the City Council of the City of Lansing:

Whereas, East Street was dedicated in the original Plat of the Town of Michigan (now the City of Lansing) as recorded June 23, 1847, Liber 7, Page 626, Ingham County Records; and

Whereas, it is desirable to vacate the portion of East Street described as:

Commencing North 0°02' East 107.75 feet and North 89°56'06" West 18.95 feet from the East ¼ Corner of Section 16, Track 4 North—Range 2 West, City of Lansing, Ingham County, Michigan. Thence North 0°02'06" East 142.80 feet, thence Southwesterly 39.47 feet along 290.92 foot radius curve to the right, chord bearing South 80°31' 11" West 39.44 feet, thence Southwesterly 12 feet more or less along 100.71 foot radius curve to the left chord bearing South 22°54'13" West 152.26 feet, point being the west right-of-way line of East Street, thence South on west right-of-way line of East Street to a point 22.1 feet West of beginning, East 22.1 feet to beginning.

The above description to coincide with a line survey provided by Sir Pizza Corporation.

Subject to the following: For any and all purposes the right of ingress, and egress for the employees of the Board of Water and Light and the City of Lansing, the employees of utilities, either public or private, to use the land vacated or so much as may be necessary for the installation, maintenance, repair or removal of utilities.

Now, Therefore, Be It Resolved by the Action of the Lansing City Council that the portion of East Street described above be vacated.

Be It Further Resolved that the City Clerk is hereby authorized and directed to record a certified copy of this Resolution with the Register of Deeds, and shall also send a copy of the recorded Resolution to the State Treasurer.

Adopted by the following vote:

Yeas: Councilmen Adado, Baker, Belen, Bruske, Gunther, Hull, McKane—7.

Nay: Councilman Bleir—1.

By COMMITTEE OF THE WHOLE—

Resolved by the City Council of the City of Lansing:

Whereas, the City of Lansing has been offered a parcel of property 70 feet by 150 feet lying south of properties fronting on Armstrong Street east of Joshua, and

Whereas, said property has been recommended for acquisition as part of a proposed park site and is being offered for the cost of recording the deed.

Now, Therefore Be It Resolved, the Property Manager is directed and hereby authorized to accept the deed for said property with the cost of recording the deed charged to Account 101-682-969 740.

Adopted by the following vote:

Unanimously.

By COMMITTEE ON PUBLIC SERVICE AND HIGHWAYS—

Resolved by the City Council of the City of Lansing:

That the Easement Grant between Lanny and Gaynelle Dittmer, husband and wife whose address is 1929 Gay Lane, and the City of Lansing, for the construction, reconstruction, and maintenance of a sidewalk and fence along the south ten (10) feet of the property described as follows, be approved.

Lot 79 exc. the N 40 ft. of the W 120 ft. Supervisors Plat of Prosperity Farms No. 1, City of Lansing, Ingham County, Michigan, and

That the City Clerk be directed to have said Easement Grant recorded with the Registrar of Deeds Office.

Adopted by the following vote:

Unanimously.

By COUNCILMEN BELEN, ADADO, and BAKER—

Resolved by the City Council of the City of Lansing:

Whereas, the City of Lansing has a franchise agreement with Continental Cablevision of Lansing, Inc., and the City of East Lansing has a franchise agreement with National Cable Company; and

Whereas, the two companies agree in principle to the concept of an interconnect between the systems so that Lansing and East Lansing cable subscribers may have access to local access programming from both systems; and

Whereas, both companies are prepared to work out the technological aspects of such an interconnect with the advice of appropriate governmental and advisory bodies; and

Whereas, all parties concerned have evidenced a willingness to work out the operational aspects of such an interconnect for the maximum benefit of residents of both cities;

<u>AGENDA ITEM</u>

INFORMATION

NOT AVAILABLE

AT THE TIME

PACKET WAS

DISTRIBUTED