

AGENDA

Committee of the Whole AGENDA FOR FEBRUARY 26, 2024 AT 5:30 PM



Lansing City Hall, Tony Benavides Lansing City Council Chambers
124 W. Michigan Avenue, 10th Floor

To provide input or ask questions on any item that is listed on the agenda,
members of the public may contact the City Council at city.council@lansingmi.gov or (517) 483-4177 prior to the meeting.

Council Member Garza, Chairperson

Council Member Hussain, Vice Chairperson

- 1. Call to Order**
- 2. Roll Call**
- 3. Minutes**
 - A. February 12, 2024
- 4. Public Comment on Agenda Items (Up to 3 Minutes)**
- 5. Presentations:**
 - B. Lansing Building Authority Financial Report 2022 - 2023
 - C. General Fund Status Report; Fiscal Year 2023-2024, Second Quarter
 - D. Presentation of a new mixed use/income housing facilities in the downtown area as proposed by Paul Gentilozzi
- 6. Discussion/Action:**
 - E. RESOLUTION - Reappointment; Stephen Young; Elected Officers Compensation Commission; Term to expire October 1, 2030
 - F. RESOLUTION -Polling Places; temporary relocation of multiple precincts for the May 2024 Special Election
 - G. RESOLUTION - Grant Acceptance; Michigan State Housing Development Authority (MSHDA) Housing Development Fund Grant for Transformational Housing
 - H. RESOLUTION - Grant Acceptance; Michigan Economic Development Corporation Transformational Muni Infrastructure for new City Campus
- 7. Other**
- 8. Adjourn**

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

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MINUTES
Committee of the Whole
Monday, February 12, 2024 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

Council President Garza called the meeting to order at 5:30 p.m.

PRESENT

Councilmember Peter Spadafore
Councilmember Adam Hussain
Councilmember Tamera Carter
Councilmember Trini Pehlivanoglu
Councilmember Jeffrey Brown
Councilmember Ryan Kost
Councilmember Jeremy Garza
Councilmember Brian T. Jackson- excused

OTHERS PRESENT

Sherrie Boak, Council Staff
Jim Smiertka, City Attorney
Mark Lawrence, Mayor's office
Lisa Hagen-Lawrence, OCA
Kris Klein, LEDC
Scott Keith, LEPFA
Kirby Doidge, LEPFA
Lt. Moore, MSP
Chris Swope, City Clerk
John Hindo, Boji
Shelbi Frayer, Deputy Mayor
Emily Linden, Internal Auditor
Jake Brower, Finance
Desiree Kirkland, Finance Director
Norma Bauer
Nick Zande
Loretta Stanaway
David Ellis
Deputy Chief Backus
Karl Dorshimer, LEDC
Victoria Unku

Minutes

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE MINUTES FROM JANUARY 22, 2024 AS PRESENTED. MOTION CARRIED 7-0.

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MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE MINUTES FROM FEBURARY 5, 2024 AS PRESENTED. MOTION CARRIED 7-0.

Public Comment

Ms. Bauer questioned the per diem proposed for the Charter Commission and if not used if it could be put back into the budget. Ms. Bauer questioned the proposed location of City Hall.

Ms. Stanaway questioned the budget amendment for funds used for LPD advertising. She then spoke on the City Hall relocation and the current building.

Mr. Zande spoke on the location of the Charter Commission, and then spoke on his concerns with the proposed use of a former religious building for government buildings.

Mr. Ellis spoke with his concerns on the ACT -1 -2024 agenda item and the parking lot purchase price which is \$1.35 million to make sure it is not developed.

Presentations

Tri-County Metro Narcotics Squad Financial Report 2022-2023

Chief Backus and Lt. Mark Moore with MSP who oversees the Tri County Metro. Lt. Moore summarized the Tri County Metro Task Force collectively working the narcotics in the Tri-County area, and over the years have also done crime investigations. Lt. Moore spoke on the grants they have received, including a JAG grant for \$140,000 which covers some employees, and equipment. They also receive funds from investigation forfeitures, and they also get off-sets from Clinton, Eaton and Ingham County, which can be 16%, 23% and 60% all depending on how they do financially with their forfeiture income. He concluded by noting there are no funds in their financing from the City, and since the City is the fiduciary, they have their audit under the City and have a clean audit for the last three (3) years.

Lansing Entertainment and Public Facilities Authority Financial Report 2022-2023

Mr. Keith and Kirby Doidge the LEPFA Finance Director, gave a brief overview of the audit, and they in turn also follow with the City Finance department. There was a preliminary audit in late November which was reviewed by the LEPFA Board and then submitted. The net position of LEFPA did increase based on a grant from the State, all properties had increases in revenues. Mr. Keith went over the audit and notation on the change in net position with all facilities. There was a clean audit, and a couple findings and they have begun the processes to correct those findings.

Mr. Doidge noted there were three findings, one on material journal entries, getting information late to the auditors, and those were provided. He noted that due to turn over in staffing, materials were late, but once they were turned in, they had a clean audit. Corrections have been put in place.

Ms. Linden asked with the total net for Groesbeck at \$680,000 if they anticipate any capital expenses for the upcoming budget cycle. Mr. Keith confirmed they are working on upgrading the course because there are six (6) holes currently using 1970's irrigation that will need to be replaced. They also anticipate increasing the cart storage. Council Member Kost asked if carts were added this year. Mr. Keith stated they have added carts but are being stored in maintenance area not near the clubhouse. Council Member Kost asked if the awning that was proposed in the past was built. Mr. Keith stated they have not. The former subsidy funds were used for replacement of the steps at the club house because of safety issues. Council Member Kost asked Ms. Linden if the credit card findings were an issue because of no receipts. Mr. Doidge explained an employee left and when they reconciled the credit card statement there was no back up, but they were able to get the receipts from searching the

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emails and obtaining receipts from the vendors. Council President Garza asked if they considered no receipts an impropriety. Mr. Doidge stated the employee left, but they were able to obtain all invoices and receipts.

Council Member Brown asked if they received grants, and if they did would they need more funds in subsidy from the City. Mr. Keith stated that if they make a profit, it is put in operating reserves per the agreement with the City. Council Member Brown asked if they are supporting themselves without a subsidy from the City. Mr. Keith stated they require funds an operating fund from the City. Mr. Doidge stated the stadium gets \$600,000 and LEPFA does not get any revenue from the stadium so they are all expenses. The Lansing Center gets \$1.3 million \$96,000 for the golf course. Council Member Brown asked if there is a marketing strategy to increase volumes and has that been put into place. Mr. Keith confirmed they are working with Choose Lansing, which is the former Lansing Convention Bureau.

Lansing Brownfield Redevelopment Authority Financial Report 2022-2023

Tax Increment Finance Authority Financial Report 2022-2023

Mr. Klein and Mr. Dorshimer presented on the component units, and noted both are operated under the City financial system. The City manages the audit process, LEDC works with the City and audit providing the disbursements. These are both tax increment finance authorities, and all income is from tax capture and authorized by state statues and they do not receive any city funds. They authority does receive grants and loans. The findings in the audit are shared with the LBRA and TIFA authority and both were report approved by the boards respectively.

Discussion/Action

RESOLUTION - Budget Amendment; Fiscal Year 2023-2024 Second Quarter

Council President Garza noted this was tabled initially and since that time any questions from Council Member have been answered.

MOTION BY COUNCIL MEMBER HUSSAIN TO REMOVE FROM THE TABLE THE RESOLUTION FOR BUDGET AMENDMENT, FISCAL YEAR 2023-2024 SECOND QUARTER. MOTION CARRIED 7-0.

Council President Garza noted this will fund public infrastructure for rehabilitating a community pool, funding for a sports infrastructure, addition spending for the Charter Commission election and to utilize advertising, recruitment and training for Fire, Police and Public Service. This will be a total of \$7,700,000.

Council Member Spadafore asked for a date on the start of the pool at which Mr. Lawrence was not able to provide that timeline but stated it would be open by 2025. Mr. Brower referred Council to the packet which included grant forms which include detailed information.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE BUDGET AMENDMENT FISCAL YEAR 2023-2024 SECOND QUARTER. MOTION CARRIED 7-0.

RESOLUTION – Charter Commission, Meeting Location and Per Diem Rate

Mr. Swope referred to the resolution which sets the location to Tony Benavides Lansing City Council Chambers and the per diem rate. He explained that when proposing the rate he went with the rate from the last time there was a Commission, inflation, what a Council salary would be per meeting and that determination was worked into these proposed rate so they are reasonably compensated.

Council Member Hussain acknowledged the explanation and spoke in support of the resolution. He then noted the 1975 resolution spoke to funds for administrative expenses, and

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asked if those were considered. Mr. Swope stated the budget amendment they just approved address an amendment in his budget for those anticipated expenses. Lastly, he added they will have 90 meetings through 2 ½ years.

Council Member Spadafore noted this should total \$18,000 for those 90 meetings and spoke in support of the resolution.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE CHARTER COMMISSION MEETING LOCATION AND PER DIEM RATE. MOTION CARRIED 7-0.

RESOLUTION – ACT-1-2024; Purchase Agreement; Masonic Temple, 217 S Capitol Avenue

Council Member Pehlivanoglu and Brown stepped away from the meeting at 6:06 p.m.

Council Member Pehlivanoglu returned to the meeting at 6:07 p.m.

Council Member Brown returned to the meeting at 6:08 p.m.

Ms. Frayer began her presentation in the packet on the proposed property purchase at 217 S Capitol Avenue.

Council Member Kost asked for confirmation that the funding is not specific to the purchase of the Masonic building. Ms. Frayer confirmed. She then went back to the presentation focusing on identifying the building and space for a “one- stop shop” for all citizens. The building is 20,000 sq. ft. smaller, courts and lock-up will be relocated, and then leaving only the administration portion. In 2016 there was a study done on renovating the current building, and with inflation they believe it would be \$70-\$100,000 million to renovate, and in her opinion the cost would not be efficient. Council Member Hussain asked if those were hard costs and police and courts were pulled out, and she said it was done in 2016, so no. Ms. Frayer then went into the presentation on the new potential building with downsizing to use the space efficiently. In the presentation Ms. Frayer spoke on three options to consider. One being \$42 million for the first 4 floors and would take 12-18 months to renovate. The top floors would be unoccupied for a future tenant. Option 2 Ms. Frayer stated would be a Brownfield putting dollars putting Economic Development & Planning (EDP) into this new space as well, which would then leave the current EDP location on N. Capital vacant. Lastly, option 3 a Brownfield with leasing to the Lansing School District, for the upper floors. Council Member Hussain asked for clarification the 3rd option because it was Council’s understanding that the Lansing School District (LSD) has backed out of the discussion. Ms. Frayer explained the initially spoke to the LSD about buying as a condo but she believed they are still interested in renting. Ms. Frayer then spoke on the current City hall appraised at \$2.78 million. Council Member Hussain referenced a previous City Hall sale where they were entering in to a 99-year lease with \$200,000 annual income, and therefore asked what the offer was currently on the current City Hall. Ms. Frayer did not have that information but stated she would get that information to Council.

Council President Garza referenced an earlier statement by Ms. Frayer that this new location would be a “one stop shop”, and asked how that would be feasible without EDP or the Fire department located there. Ms. Frayer explained it would be on the customer service area, however they do not have the logistics worked out. Council President Garza then asked about the metal detectors that the school district can utilize, and asked if the school does not rent would there be a need for metal detectors. Council Member Spadafore explained that the City can have metal detectors cannot have a weapon free zone. Mr. Smiertka added that there is a recent court of appeals that speaks to government buildings and the ability to prevent guns without violating the 2nd amendment.

Council President Garza spoke on the proposed Option 2, with EDP relocating to the new location also, and asked if the Administration had done any market study on selling their current location. Mr. Frayer stated they have not done anything with an appraisal on that

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property, but the developer interested in City Hall might be interested in it for the parking ramp, if the Council takes the direction of Option 2. Council President Garza then asked about the parking lot located next to the Masonic building owned by BCBS. Ms. Frayer confirmed that BCBS is interested in selling, and once the Masonic purchase is done, they can start negotiations on that.

Council Member Spadafore asked for verification on the square footage of 109,820 and Ms. Frayer stated that is the lower floor up to the 7th floor. He then asked how much square footage in the Option 1, and Ms. Frayer broke down the 70,000 sq ft. Council Member Spadafore asked Ms. Frayer to explain how a Brownfield could work for the City. Ms. Frayer stated it would be a Brownfield on the current building with the renovation, and there would be \$23 million max to renovate those three floors, and those dollars could be use. Council Member Spadafore asked for the timeline on renovating City Hall before they can actually capture the funds, and Ms. Frayer stated the plan would be to ideally have everyone out of the current City Hall by 2026, so that delays the capture. Council Member Spadafore noted that with that timeline it would delay usability of a new City Hall if they planned to use those Brownfield funds they capture in 2026, so it would not make sense to partial renovate. Ms. Frayer stated they could get a construction loan.

Council Member Hussain asked why there is a visibility easement involved. Ms. Frayer stated the \$1.3 million is the space between two buildings so no building can be built there, and when the City started working with Boji on the location, Boji took the Masonic building off the market and made it unavailable, so they are looking for reimbursement on that.

Council Member Kost asked Mr. Bondi when Boji bought the building and was told 2019. Council Member Kost asked for confirmation of the \$1.3 million in visibility and Mr. Hindo stated it was a \$1 million speculation. Council Member Kost noted that there was a bid process after the time Boji bought up the land and therefore made it unavailable before the bid based on "talks", so it makes it appear not transparent to the people. Mr. Hindo stated it was common knowledge the City was looking and they bid in the Bernero administration and bid twice under the Schor administration knowing the need was always there. As a developer he explained they forecast a project and see what best buildings could be used for certain uses. In doing their due diligence, that it would only make sense the building would be a City hall; has all features, historical registry, took an educated guess as a developer. Council Member Kost asked about the offer from the City Rescue Mission for purchasing the Masonic. Mr. Hindo acknowledged there was an offer, but they did not accept it because they felt this would be better for State or government as part of developer forecast. Council Member Kost asked Ms. Frayer how much the City owes on the current building, and Ms. Frayer stated they just have operating costs. Council Member Kost noted his thoughts on a purchase with moving EDP into it also, would not make sense because then it leaves another building empty owned by the City. Ms. Frayer stated she did not believe there would be issues with that building. Option 1 Ms. Frayer explained would be for the City to move in and wait on a tenant for the other floors, and doing the next option with a Brownfield would get all the work done in the building. Council Member Kost asked why they cannot renovate the current building and just move employees around from floor to floor temporarily similar to what is done in large stores. Ms. Frayer admitted they have not looked into that option, but voiced her concern with what she thinks would be health concerns in the current building during a renovation. She also noted there is currently no funding for a renovation of the current building. Council Member Kost asked if they have done an actual feasibility study since 2016 on the current building, and Ms. Frayer stated they have not.

Council Member Carter asked if they have looked at other areas in the area, and if Boji has any other locations that were not applicable. Mr. Hindo noted they do have a location at the former Davenport on Grand Avenue, and that location was proposed twice to the City which would also encompass taking some neighboring property and build a new building. When they bid that option, the City told them it was not affordable. Council President Garza asked if that bid was before the City was offered the \$40 million, and Mr. Hindo acknowledged yes it

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was before; under the Bernero administration, and the original RFP with the Schor administration. Council President Garza asked, if now that the City has the \$40 million can they look back at that option for a new building. Mr. Hindo stated they have not been approached about the since the first bid. He added that their bid would be different because of construction cost and inflation would be higher but can get that to Council.

Council Member Hussain asked Ms. Frayer on a comparison with the current location having a \$600,000 operating costs, what the annual operating expenses would be for the new location. Ms. Frayer stated she hoped it would be half, but they could not predict that until it is occupied and have a potential tenant would have in splitting those costs. Council Member Hussain asked if they could purchase contingent on selling the current City hall. Mr. Frayer stated with Option 1, they would decrease the budget of the project, and the only way to generate funds is to move out of the current and capture Brownfield funds to then finish additional floors at the new location. Council Member Hussain voiced his concern on the purchase, moving then having the current building sit vacant. Ms. Frayer felt confident it would not sit vacant, and they could put language with a timeline in the sale document of the current building to where the City could buy it back if it is not occupied. Council Member Hussain asked Ms. Frayer if a study has been done backing out the courts, police administration and lock up determining what the City would need for the current building, and Ms. Frayer admitted they have not done anything since the 2016 study, but with adding in inflation they are making their assumptions. Council Member Hussain noted to Ms. Frayer that when she was hired as the Chief Strategy Officer, the ordinance was written and she was hired to keep politics aside from the role and since has been hired she has taken on budget and long term financial. Ms. Frayer explained her belief that the age of the Masonic was concern to her, but based on the historical nature of the building, the work Cooley Law School did when they owned it, having a possible tenant contribute and getting the funds from the State, she believes this purchase is the best thing. Council Member Kost asked the last year there were renovations at the Masonic, and Mr. Hindo stated roughly 2010 when it received a new roof and new chiller by the then owner Cooley Law school. Council Member Kost asked again what the use of the EDP building would be utilized for if they moved into the new location and Ms. Frayer stated there could be an interest with the purchaser of the current City hall to utilize that as their parking. Council Member Brown asked how the location of the Masonic was determined during the bidding process. Ms. Frayer stated in 2017 and 2022 this administration put out a bid request to find a new location and funding. Boji replied both time and were successful both times in the bidding process, it was just if the City had the funds. Council Member Brown asked how many other bids were received, where were those proposed locations and what was their proposed bid. Ms. Frayer stated there were two others in 2022 and she can send those to Council, and she was not here in 2017 but would look for those as well. Council Member Brown asked what matrix was used in the bidding to determine that that Boji would get the bid. Ms. Frayer the bids were evaluated on feasibility, move in and price. Council Member Brown asked how if Boji bought from Cooley for \$1.2-\$1.3 million why is the purchase \$5 million. Ms. Frayer and Mr. Hindo explained that when Boji bought from Cooley they purchased three buildings at once in a package purchase of \$3.4 million, and when the title work and deeds were done the seller, Cooley, determined to put a price of \$1.7 million on the Masonic building. Ms. Frayer stated they have done a third-party appraisal and assessment. Council Member Brown asked if there has been an environmental study done for option 1 and option 2, and Mr. Hindo confirmed they have done a hazmat study and Council Member Brown asked for a copy. Council Member Brown asked about the plans for the current auditorium in the Masonic, and Mr. Hindo noted that is on the 6th floor and the option 1 currently to consider is renovation of the lobby to 4th floor. Ms. Frayer the initial programming is to still have discussion with the LSD to take over those floors. Council Member Brown asked if the LSD chooses not to move there what the plan would be, and Ms. Frayer assured the Council that the LSD is still interested in renting.

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Council Member Spadafore asked if the Administration has looked into the renovation costs for the current building, modernizing it, and it appears at the high end it would be \$35.4 million to renovate, and that is without having to factor in the detention costs would be different. He also noted that the State funds being offered can be used for plans, assessments, etc. Council Member Carter asked when the Administration provides the matrix on how the bid was determined to include the reason why the other bids were not chosen. Ms. Frayer stated they typically do not document why a bid was not selected. Council Member Spadafore noted for the Committee that there is 129,000 sq. foot in current building, and at \$500 per sq foot, it is much less, and he was under the impression from Administration that a study had been done since 2016.

Council Member Kost stepped away from the meeting at 6:53 p.m.

Council Member Brown inquired into the plaza area in front of the current City hall.

Council Member Kost returned to the meeting at 6:54 p.m.

The Committee spoke briefly on what used to be in the location, why it was not developed at the time of construction, and it was noted by Council Member Spadafore there at one time was a Federal covenant that it could not be used for anything other than a public space, but that could have expired. The OCA was asked to look into if the Federal covenant has expired.

MOTION BY COUNCIL MEMBER HUSSAIN TO TABLE ACTION ON THE AGENDA ITEM.

Council Member Spadafore reminded Council that this is a substantial investment and they should get all their questions answered before accepting the resources, but there is an opportunity for resources and funds.

Council President Garza asked if there is a timeline to appropriate the funds, and Ms. Frayer stated they were supposed to receive and appropriate in January but have asked for an extension. Council President Garza asked the date of the extension, and Mr. Lawrence stated he did not know that date, Council President Garza asked what the original date was, and Mr. Lawrence stated somewhere around the end of January, and he believed the City is okay. Council Member Spadafore noted to Ms. Frayer that there is a difference between spending and appropriating, and asked what the State is looking for from the City. Ms. Frayer stated they are looking for the City to take and spend the funds. Council Member Spadafore noted to the Committee that the City can appropriate money to purchase but can delay the purchase agreement. Ms. Frayer acknowledged the statement adding they can ask for half up front. Mr. Smiertka stated there is one thing to accept the grant, but the Mayor cannot sign a grant agreement without action of appropriation. Council Member Spadafore reiterated that Council can say yes to the appropriation but would not have to agree to a building purchase agreement. Mr. Smiertka stated again that the State would want to know that the Mayor has the authority to sign. Council Member Hussain noted he had a motion on the floor to table, and that this action would not affect the timeline.

MOTION APPROVED TO TABLE ACTION ON THE RESOLUTION FOR ACT-1-2024 7-0.

OTHER

No other topics.

Adjourn

The meeting adjourned at: 7:01 pm

Respectfully Submitted by, Sherrie Boak, Recording Secretary,
Lansing City Council

Approved by the Committee



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December 15, 2023

To the Honorable Mayor, Members of the City Council
of the City of Lansing, and Members of the Board of
Directors of the City of Lansing Building Authority
Lansing, Michigan

We have audited the financial statements of the City of Lansing Building Authority for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to City Council dated October 30, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Lansing Building Authority are described in Note 1 to the financial statements. As described in Note 7 to the financial statements, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based IT Arrangements*, during the year ended June 30, 2023. The implementation of GASB Statement No. 96 did not have an impact on the financial statements. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Contract receivable balances are based on past experience and future estimates of contract collections.

We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements that were detected as a result of audit procedures. The misstatements that were corrected by management related to various year-end accrual adjustments.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 15, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Building Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Building Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the City Council of the City of Lansing, the Board of Directors, and management of the City of Lansing and the City of Lansing Building Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maney Costain PC

**CITY OF LANSING
BUILDING AUTHORITY**

**REPORT ON FINANCIAL STATEMENTS
(with required supplementary information)**

YEAR ENDED JUNE 30, 2023



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, Members of the City Council
of the City of Lansing, and Members of the Board of
Directors of the City of Lansing Building Authority
Lansing, Michigan

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the City of Lansing Building Authority (the "Authority"), a blended component unit of the City of Lansing, Michigan, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the City of Lansing Building Authority as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Lansing Building Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Exclusive Presentation

As discussed in Note 1, the financial statements referred to above present only the Authority and do not purport to, and do not, present fairly the financial position of the City of Lansing, Michigan, as of June 30, 2023, and the changes in its financial position, or where applicable, its cash flows, for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the City of Lansing Building Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Maney Costeiran PC

December 15, 2023

CITY OF LANSING BUILDING AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Lansing Building Authority (the "Authority") was established pursuant to Act 31, Public Acts of Michigan, as amended, and is a blended component unit of the City of Lansing, Michigan. The Building Authority presents this management discussion and analysis of its financial performance as an overview of financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

Financial Highlights

The assets and deferred outflows of resources of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$4,370,494 (net position for all activities). All of this amount (unrestricted net position for all activities) may be used to meet the Authority's ongoing obligations to citizens and creditors. Other highlights include:

- The Authority's total net position increased by \$2,034,500 during the most current fiscal year.
- The Authority's total outstanding long-term obligations decreased by a net of \$747,746 during the current fiscal year. There are outstanding long-term obligations at year-end in the amount of \$19,612,525.

Overview of the Financial Statements

Basic Financial Statements. The Authority's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles promulgated by the Government Accounting Standards Board. The Authority is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. See Note 1 to the financial statements for a summary of the Authority's significant accounting policies.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis

The net position of the Authority is summarized for the purpose of determining the overall fiscal position. As shown below, the Authority's total assets and deferred outflows of resources exceeded liabilities by \$4,370,494 at the end of the fiscal year. The entire balance of the Authority's net position is considered unrestricted.

	Net Position	
	2023	2022
Assets		
Current and other assets	\$ 21,779,015	\$ 21,150,154
Deferred Outflows	2,908,626	3,087,381
Liabilities		
Current and other liabilities	704,622	1,878,125
Noncurrent liabilities	19,612,525	20,023,416
Total liabilities	20,317,147	21,901,541
Net Position		
Unrestricted	\$ 4,370,494	\$ 2,335,994

CITY OF LANSING BUILDING AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

When comparing the current fiscal year to the previous fiscal year, current net position has increased by \$23,800 more in the current year than what it increased by in the prior year. The current year increase in net position was more than the prior year increase due to an increase in lease revenue.

	Net Position	
	2023	2022
Operating revenue	\$ 3,095,549	\$ 3,015,528
Operating expenses	1,061,049	1,004,828
Change in net position	2,034,500	2,010,700
Net position, beginning of year	2,335,994	325,294
Net position, end of year	<u>\$ 4,370,494</u>	<u>\$ 2,335,994</u>

Capital Assets. The Authority has no capital assets at this time.

Long-term Obligation Administration

At the end of the current fiscal year, the City of Lansing Building Authority had total long-term obligations outstanding, net of unamortized discounts, of \$19,612,525. General obligation bonds were issued to provide funds for the construction and acquisition of major capital facilities for the City of Lansing, Michigan. General obligation bonds are direct obligations and pledge the full faith and credit of the City of Lansing, Michigan. These bonds are outstanding with varying amounts of principal maturing until 2040.

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Bonds Payable	\$ 20,481,733	\$ -	\$ 811,080	\$ 19,670,653
Unamortized discounts on bonds	(121,462)	63,334	-	(58,128)
Total	<u>\$ 20,360,271</u>	<u>\$ 63,334</u>	<u>\$ 811,080</u>	<u>\$ 19,612,525</u>

Additional information on the Authority's long-term debt can be found in Note 4 to the financial statements.

Economic Factors and Next Year's Budget and Rates

City of Lansing Building Authority expenses are governed by the laws of the State of Michigan and bond indenture covenants. These laws and covenants determine how bond proceeds are spent and how and when debt retirement payments are made.

Requests for Information

This financial report is designed to provide a general overview of the City of Lansing Building Authority finances and to show accountability for the money it receives and expends. Questions concerning any of the information provided in this report or requests for additional financial information should be made with the City of Lansing Finance Department - 8th Floor, 124 W. Michigan Avenue, Lansing, Michigan.

BASIC FINANCIAL STATEMENTS

CITY OF LANSING BUILDING AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

Current

Cash and cash equivalents	\$ 4,047,727
Investments	441,349
Receivables	
Interest	99,156
Contracts receivable, current	<u>1,508,137</u>

Total current assets	<u>6,096,369</u>
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Noncurrent assets

Contracts receivable	<u>15,682,646</u>
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TOTAL ASSETS	<u>21,779,015</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred charge on bond refunding	<u>2,908,626</u>
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LIABILITIES

Current liabilities

Current portion of accrued interest payable	704,622
Current portion of long-term obligations	<u>530,653</u>

Total current liabilities	<u>1,235,275</u>
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Noncurrent liabilities

Long-term obligations, net of current portion	<u>19,081,872</u>
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TOTAL LIABILITIES	<u>20,317,147</u>
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NET POSITION

Unrestricted	<u><u>\$ 4,370,494</u></u>
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CITY OF LANSING BUILDING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

OPERATING REVENUES	
Contract revenue	\$ 1,293,683
Investment income	76,866
Intergovernmental	<u>1,725,000</u>
TOTAL OPERATING REVENUES	<u>3,095,549</u>
OPERATING EXPENSES	
Interest expenses and fees	1,056,849
Other expenses	<u>4,200</u>
TOTAL OPERATING EXPENSES	<u>1,061,049</u>
CHANGE IN NET POSITION	2,034,500
Net position, beginning of year	<u>2,335,994</u>
Net position, end of year	<u><u>\$ 4,370,494</u></u>

**CITY OF LANSING BUILDING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Payments received from other governmental units	\$ 1,808,981
Payments to service providers	(1,343,353)
Payments made to vendors	<u>(312,255)</u>

**NET CASH PROVIDED BY
OPERATING ACTIVITIES**

153,373

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Principal paid on general obligation bonds, net	(811,080)
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CASH FLOWS FROM INVESTING ACTIVITIES

Maturities of investments	<u>539,069</u>
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**NET INCREASE IN CASH AND
CASH EQUIVALENTS**

(118,638)

Cash and cash equivalents, beginning of year

4,166,365

Cash and cash equivalents, end of year

\$ 4,047,727

**Reconciliation of operating income to net cash
provided by operating activities**

Operating income	\$ 2,034,500
Adjustments to reconcile operating income to net cash provided by operating activities	
Amortization of premiums and discounts on bond payable, net	63,334
Amortization of deferred charge on bond refunding	178,755
Decrease (increase) in:	
Accrued interest receivable	1,780
Contract receivable	(1,288,348)
Increase (decrease) in:	
Accrued interest payable	<u>(836,648)</u>

**NET CASH PROVIDED BY
OPERATING ACTIVITIES**

\$ 153,373

CITY OF LANSING BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lansing Building Authority (the "Authority") was established pursuant to Act 31, Public Acts of Michigan, as amended. The Authority has entered into various agreements with the City of Lansing, Michigan (the "City") covering buildings, parking lots, recreation facilities, and stadiums constructed by the Authority.

Reporting Entity

The accompanying financial statements are exclusive presentations of the financial condition and results of operations of the Authority. The Authority is a blended component unit of the City of Lansing, Michigan. A blended component unit is a legally separate entity from the City but is so intertwined with the City that it is, in substance, the same as the City. It is reported as part of the City and its financial data is combined with data of the appropriate funds. The Annual Financial Report of City of Lansing, Michigan, is available for public inspection at the City of Lansing City Hall.

Basis of Presentation

All operations of the Authority are accounted for in a single enterprise fund (a type of proprietary fund). Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The economic resources measurement focus, and the accrual basis of accounting are used in preparing the financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Restricted net position is reported for assets that are subject to restrictions beyond the Authority's control, less any liabilities payable from such restricted assets. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, and Equity

Deposits and Investments

The Authority's cash and cash equivalents are considered to be demand deposits and amounts held by the City of Lansing, Michigan for the benefit of the Authority.

Investments are stated at fair value. Investments that do not have established market values are reported at estimated fair value.

In accordance with Michigan Compiled Laws, the Authority is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

**CITY OF LANSING BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Deferred Outflows of Resources, Liabilities, and Equity (continued)

Deposits and Investments (continued)

- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers' acceptances of United States banks.
- e. The United States government or Federal agency obligations repurchase agreements.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

The Authority follows the investment policy of the City of Lansing.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority only has one item that qualifies for reporting in this category. It is the deferred charge on bond refunding reported in the statement of net position. A deferred charge on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price.

Long-term Obligations

In the financial statements, long-term debt is reported as a liability. Bond discounts and premiums are deferred and amortized over the life of the applicable bonds using the effective interest method. Bonds payable are reported net of the applicable bond discount and premium. Bond issuance costs are reported as expenses as incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**CITY OF LANSING BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit balances as of June 30, 2023:

Statement of net position	
Cash and cash equivalents	\$ 4,047,727
Investments	<u>441,349</u>
Total	<u><u>\$ 4,489,076</u></u>
Deposits and investments	
Cash and cash equivalents in money market accounts and pooled cash at the City of Lansing	\$ 4,047,727
Investments	<u>441,349</u>
	<u><u>\$ 4,489,076</u></u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. State law does not require, and the Authority does not have a policy for deposit custodial credit risk. As of year-end, none of the Authority's bank balance of \$125,441 was exposed to custodial credit risk because it was insured and collateralized for the accounts that were specifically held in the Authority's name.

A portion of the above deposits and investments are held by the City of Lansing, Michigan. Those specific deposit and investment accounts are not held in the name of the Authority. The amount of federal depository insurance and custodial credit risk of investments is determined for the City of Lansing, Michigan as a whole, and cannot be separately identified for the Authority related to these accounts.

The Authority's investment policy does not specifically address this risk, although the Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Authority evaluates each financial institution with which it deposits Authority funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk - Investments

As of June 30, 2023, the Authority's investments consisted of U.S. government debt securities totaling \$425,543.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and the Authority does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk, as these investments are uncategorized as to credit risk.

**CITY OF LANSING BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Credit Risk

State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The Authority's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, are summarized as follows:

Assets not subject to credit risk	\$ 425,543
Unrated	<u>15,806</u>
Total	<u><u>\$ 441,349</u></u>

Interest Rate Risk

State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The Authority's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. For investments held at year-end maturities are as follows:

Due in 1 - 5 years	\$ 425,543
No maturity	<u>15,806</u>
Total	<u><u>\$ 441,349</u></u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The Authority's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

Fair Value Measurements

The Authority is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

CITY OF LANSING BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurements (continued)

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the Authority's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. government bonds	<u>\$ -</u>	<u>\$ 441,349</u>	<u>\$ -</u>	\$ 441,349
Assets not subject to fair value				<u>15,806</u>
Total investments				<u>\$ 457,155</u>

NOTE 3 - CONTRACT RECEIVABLE

The Authority has entered into an agreement with the City for parking lots acquired or constructed by the Authority. These agreements generally terminate with the retirement of the related bond issues. Annual payments under these agreements are equal to the related bond principal and interest due each year. At termination of agreement, title to the property is passed to the City.

Under the accrual basis of accounting the Authority's contract receivable are classified as financed purchase. As a result, contract receivable is recognized in the accompanying statement of net position, whereas capital assets are not.

The agreement provides for the City to use, operate, and maintain the property, at its own expense, subject to the terms and conditions of the agreements.

Future minimum payments to be received under this agreement are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2024	\$ 1,508,137
2025	767,510
2026	1,242,510
2027	1,101,812
2028	939,894
Thereafter	<u>30,185,804</u>
Total minimum payments	35,745,667
Less amount representing interest	<u>(18,554,884)</u>
	<u>\$ 17,190,783</u>

CITY OF LANSING BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the Authority for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
General Obligation Bonds	\$ 20,481,733	\$ -	\$ 811,080	\$ 19,670,653	\$ 530,653
Unamortized premium/ (discount) on bonds	(121,462)	63,334	-	(58,128)	-
	<u>\$ 20,360,271</u>	<u>\$ 63,334</u>	<u>\$ 811,080</u>	<u>\$ 19,612,525</u>	<u>\$ 530,653</u>

General Obligations Bonds

\$8,161,692 2009 Building Authority refunding bonds, unrefunded portion, due in an amount of \$430,653, plus interest of 6.85% in 2024 (unlimited tax, general obligation). \$ 430,653

\$10,805,000 2017 Building Authority refunding bonds due in amounts ranging from \$200,000 to \$1,200,000 starting on June 1, 2026 and continuing through 2040. Interest is payable semi-annually at rates from 3.305% to 4.075% (limited tax, general obligation). 10,805,000

\$8,735,000 2020 Building Authority refunding bonds due in amounts ranging from \$100,000 to \$1,040,000, plus interest ranging from 1.045% to 2.793% through 2039 (unlimited tax, general obligation). 8,435,000

\$ 19,670,653

Annual debt service requirements to maturity for general obligation bonds are as follows:

Business-type Activities

Year Ended June 30,	General Obligations Bonds		
	Principal	Interest	Total
2024	\$ 530,653	\$ 1,360,993	\$ 1,891,646
2025	100,000	635,602	735,602
2026	575,000	626,607	1,201,607
2027	450,000	611,375	1,061,375
2028	300,000	600,327	900,327
2029-2033	4,500,000	2,780,778	7,280,778
2034-2038	9,845,000	1,540,185	11,385,185
2039-2040	<u>3,370,000</u>	<u>125,420</u>	<u>3,495,420</u>
	<u>\$ 19,670,653</u>	<u>\$ 8,281,287</u>	<u>\$ 27,951,940</u>

**CITY OF LANSING BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - LONG-TERM OBLIGATIONS (continued)

Prior Year's Defeased Bonds

In 2019, the City of Lansing, Michigan sold one of the City-owned parking structures. The construction of this structure was initially financed by bonds issued by the Authority. The proceeds from this sale were used to defeased the remaining principal of the Authority's 2012 and 2018 refunding bonds in the amount of \$4,775,000 and \$5,750,000, respectively. The defeased bonds mature through 2027. Accordingly, \$3,660,000 of defeased debt remains outstanding at year-end related to this transaction.

As of June 30, 2023, defeased bonds related to the prior year refunding of the 2009 Building Authority Capital Appreciation Bonds were still outstanding in the amount of \$590,983. The defeased bonds are scheduled to be paid by the escrow agent on June 1, 2024.

As of June 30, 2023, defeased bonds related to the prior year refunding of the 2014 Building Authority Refunding Bonds, were still outstanding in the amount of \$7,245,000. The defeased bonds are scheduled to be paid by the escrow agent in installments on June 1 of years 2024-2039.

NOTE 5 - RISK MANAGEMENT

The Authority as a blended component unit of the City of Lansing, is exposed to various risks that are covered by the City's policies including losses related to issues of cyber security, liability, errors and omissions, flood, boiler and machinery, property, employee bonding, crime, and workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage during the past three years.

NOTE 6 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted during the 2023-2024 fiscal year.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

**CITY OF LANSING BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - CHANGE IN ACCOUNTING PRINCIPLES

For the year ended June 30, 2023, the Authority implemented the following new pronouncement: GASB Statement No. 96, *Subscription-based Information Technology Arrangements*.

Summary:

Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Arrangements* was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

There was no material impact on the Authority's financial statement after the adoption of GASB Statement No. 96.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor, Members of the City Council
of the City of Lansing, and Members of the Board of
Directors of the City of Lansing Building Authority
Lansing, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Lansing Building Authority (the Authority), a blended component unit of the City of Lansing, Michigan, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 15, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Authority's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We identified a certain deficiency in internal control, described below as item 2023-001, that we consider to be a material weakness.

2023-001 MATERIAL JOURNAL ENTRIES

Condition: Material journal entries for the proper recognition of various financial statement amounts within the City's accounting records were recorded after year end, some of which were proposed by the auditors. In addition, we received several revisions to the City's trial balance (the final version coming in early December 2023), each of which contained material corrections to previous trial balances. A similar issue was noted and reported last year as 2022-001.

Criteria: Management is responsible for establishing, maintaining, and monitoring internal controls, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows, including the recording of all appropriate journal entries to assure the trial balance from which the financial statements are prepared, reflect amounts that are in conformity with U.S. generally accepted accounting principles.

Cause: Over the past several years, the City's Finance Department, who prepares the reconciliations of all accounts, has reduced in size due to budget reductions, staffing reductions, and staffing turnover. In addition, the Finance Department relies significantly on other Departments providing information to them for proper recording of transactions in the financial statements. A number of these Departments were behind in getting this information to the Finance Department. These issues have placed a significant burden on the month and year end close processes and have contributed to journal entries not being completed in a timely manner. We noted that this process did improve in the current fiscal year, however this was still a systemic issue for the City.

Effect: The accounting records were initially misstated by amounts material to the financial statements. Certain applicable adjustments were brought to the attention of management and were subsequently recorded in the general ledger.

Recommendation: We recommend that the City take steps to assure that material journal entries are not necessary at the time future audit analysis is performed.

Corrective Action Response: The Finance Team will continue the efforts begun this year regarding the identification and correction of potential errors in the financial statements prior to the beginning of future audits. The Finance Team will meet to review adjustments made to this year's financial statements and bottlenecks that were encountered and will develop a plan to address the most significant issues in a more timely manner going forward. Within budget constraints, Management will look to increase staffing levels and/or obtain temporary assistance earlier in the fiscal year, both within the Finance Department as well as other key departments, in order to perform more timely analyses of the various account balances. In FY23, Finance began working on the implementation of a new General Ledger software package, which ultimately will also help to resolve this issue.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maney Costeiran PC

December 15, 2023



CITY OF LANSING

INTERNAL AUDITOR

124 W MICHIGAN AVE FL 10

LANSING MI 48933-1605

(517) 483-4159

Date: February 12, 2024
To: Lansing City Council
From: Emily Linden, Internal Auditor
Subject: Lansing Building Authority Audit – Year End June, 30 2023

Overview

- Fund balance, beginning of year: \$2,335,994
- Fund balance, end of year: \$4,370,494
- Net Change in Fund Balance: \$2,034,500

Notes

- The Authority's total outstanding long-term obligations decreased by a net of \$747,746 during the current fiscal year. There are outstanding long-term obligations at year-end in the amount of \$19,612,525.
- The assets and deferred outflows of resources of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$4,370,494 (net position for all activities).

Audit Findings

- 2023-001 Material Journal Entries
 - Condition: Material journal entries for the proper recognition of various financial statement amounts within the City's accounting records were recorded after year end, some of which were proposed by the auditors. In addition, we received several revisions to the City's trial balance (the final version coming in early December 2023), each of which contained material corrections to previous trial balances. A similar issue was noted and reported last year as 2022-001.

General Fund Status Report – FY 2024 2nd Quarter

General Fund Summary

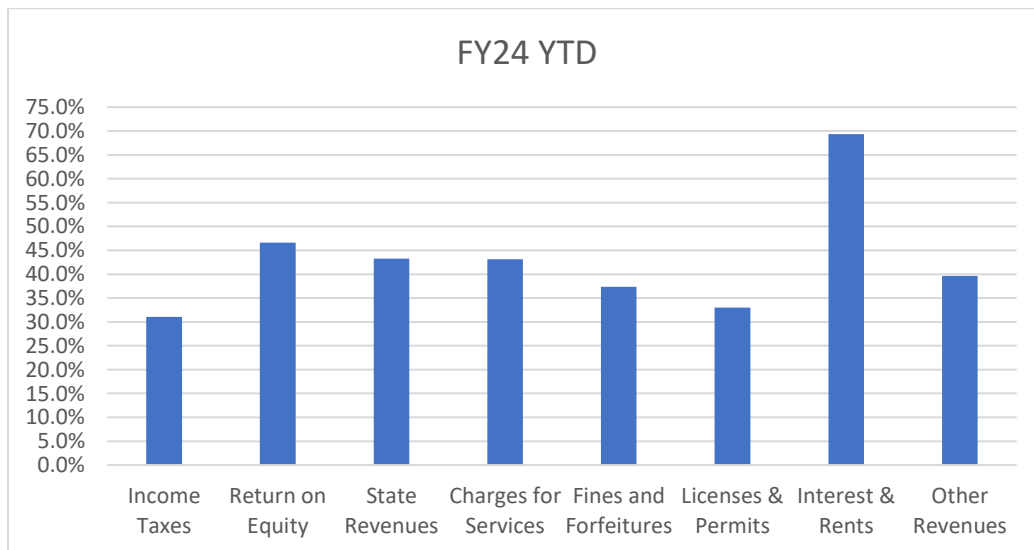
For FY24, the City adopted a budget of \$152.9 million in total revenue including transfers and \$159.3 million in total expenditures. The amended budget has total revenues at \$156.6 million and expenditures at \$165.4 million. The difference will be made up between leftover ARPA revenue-loss money (\$8.3 million) and use of fund balance (\$515,000).

The \$515,000 use of fund balance comes from approved budget amendments allocating money to Council carryforwards and storm damage repairs. The proposed budget amendment, if passed on February 12th, will reduce the fund balance usage to \$55,000. As of 6/30/2023, the General Fund balance is \$29.66M, with \$20.9M unassigned. This a 13.9% fund balance ratio.

The administration continues to monitor expenditures and seek necessary savings to maintain vital services while also making strategic investments to grow the City's economy and strengthen the quality of life for residents, workers, business owners, and visitors. With the aid of the American Rescue Plan Act, the City has been able to restore services negatively impacted by the COVID-19 pandemic.

The general fund budget report is presented in several formats for informational value as follows. After a separate revenue and expenditure summary, the City's general fund is presented as formally adopted in appropriation detail showing personnel vs. operating expenditures.

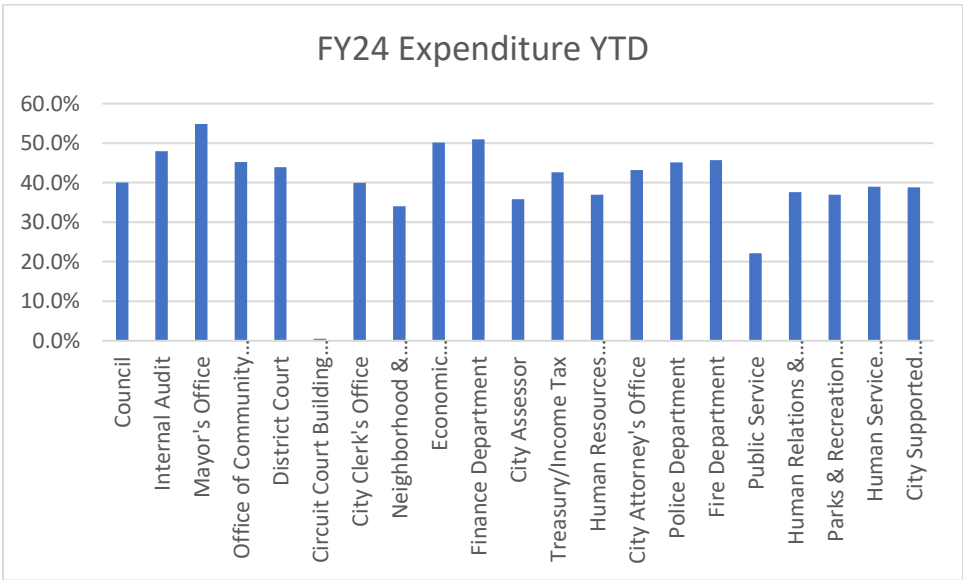
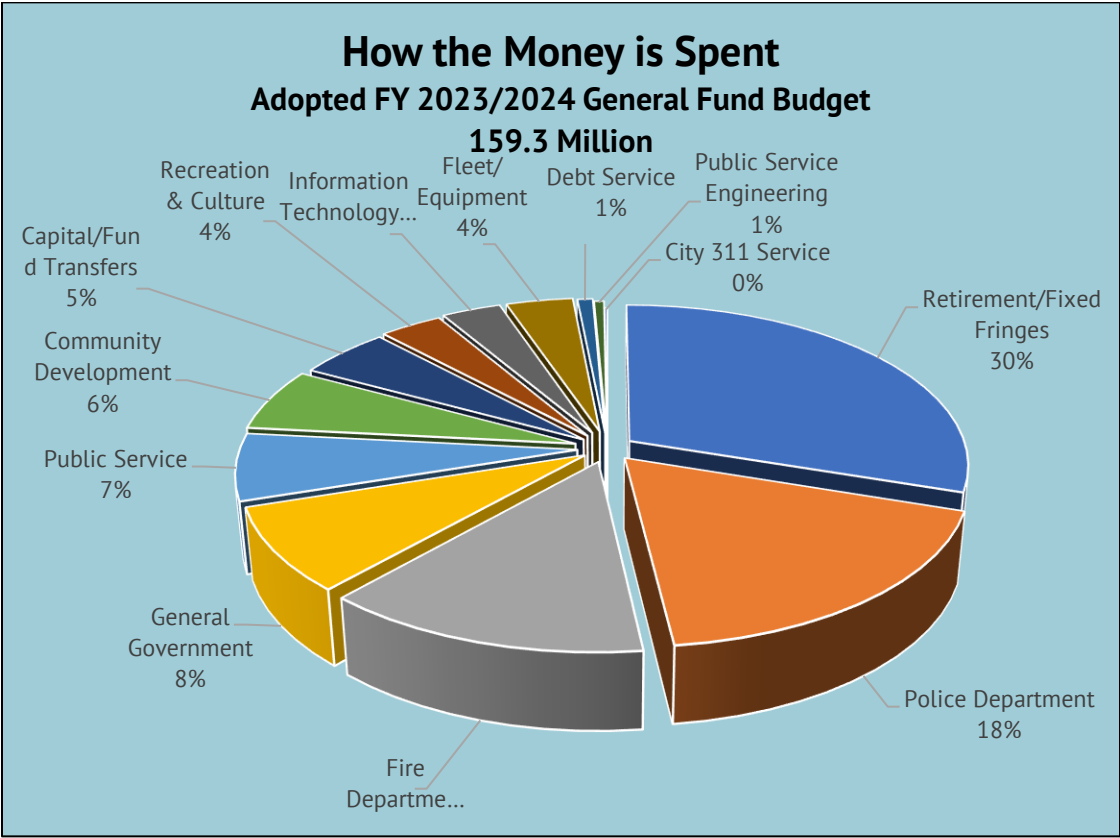
Revenue Summary



General Fund revenue collected through the second quarter of fiscal year 2023-2024 were almost \$92.4M, 59% of the amended budget.

- **Property Taxes (32.3% of GF revenue budget)** are largely collected at the beginning of the fiscal year. They were initially estimated to be \$50.6M. At the end of the second quarter, collections were roughly \$50.9M.
- **Income Tax (27% of GF revenue budget)** collections were \$13.1M (31.1% of its budgeted \$42.3M).
- **Return on Equity (ROE) (17.1% of GF revenue budget)** represents payment to the City from the Board of Water & Light. Historically, payments have been received in December and June. However, the new agreement calls for quarterly payment. Although the second payment was received in January, it is considered the Q2 payment.
- **State Revenue (14.8% of GF revenue budget)** are estimated to be \$23.2M in revenue. Quarter 2 YTD is higher than the three-year average.
- **Charges for Services (5.9% of GF revenue budget)** are trending slightly higher than the three-year average for the 2nd Quarter.
- **Fines and Forfeitures (1% of GF revenue budget)** are budgeted to be \$1.5M. Quarter-to-date, they are trending below expectations.
- **Licenses and Permits (1.2% of GF revenue budget)** are estimated to be \$1.8M. The City has received 33% of the budgeted amount and is on track.
- **Interest and Rents (0.4% of GF revenue budget)** are budgeted to be \$621,195 in FY24. The quarter-to-date amount is over \$430,000.
- **Other Revenues (0.3% of GF revenue budget)** are a very small percentage of the General Fund budget and are trending above expectations.

Expenditure Summary



General Fund expenditures are trending below the 3-year target by about 3%.

Vacancy Factor

There is a total of about 57 vacancies in the General Fund (out of 619 positions) and around 56 in other funds (out of 330). This totals over \$1.4M in estimated vacancy savings. The Lansing Fire Department went from 34 vacant positions in Q1 to 10 in Q2. The Lansing Police Department went from 32 vacant positions in Q1 to 20 in Q2. Overall, the GF vacancy rate is 9.25%, which is down almost 7% compared to last quarter. The Non-GF vacancy rate is 17%, down 1% compared to last quarter.

December 31, 2023 Revenue Summary

Fiscal Year July 1, 2023 - June 30, 2024

General Fund Revenues	<u>FY 2024</u> <u>Adopted</u> <u>Budget</u>	<u>FY 2024</u> <u>Amended</u> <u>Budget</u>	<u>FY 2023</u> <u>Dec. 31</u> <u>Actuals</u>	<u>Dec. 31</u> <u>Percent</u> <u>YTD</u>	<u>3 Year</u> <u>Dec. 31</u> <u>Avg.</u>
<u>Property Taxes</u>					
Non-Dedicated	37,849,000	37,849,000	38,114,006		
Dedicated - Police	3,827,250	3,827,250	3,827,250		
Dedicated - Fire	3,827,250	3,827,250	3,827,250		
Dedicated - Roads	2,551,500	2,551,500	2,551,500		
Dedicated - Parks	2,551,500	2,551,500	2,551,500		
Total	50,606,500	50,606,500	50,871,506	100.5%	100.9%
<u>Income Taxes</u>					
City Income Tax	39,350,000	42,285,000	13,140,503		
Total	39,350,000	42,285,000	13,140,503	31.1%	33.3%
<u>Return on Equity</u>					
Board of Water and Light	26,500,000	26,500,000	12,486,715		
Sewer Fund	300,000	300,000	-		
Total	26,800,000	26,800,000	12,486,715	46.6%	42.4%
<u>State Revenues</u>					
Revenue Sharing	17,744,475	17,976,375	6,491,548		
Fire Reimbursement Grants	2,700,000	2,700,000	2,547,788		
Personal Property Tax Reimbursement	1,000,000	1,500,000	904,646		
Recreational Marijuana	900,000	918,100	-		
Liquor License Fee	80,000	80,000	80,363		
Total	22,424,475	23,174,475	10,024,346	43.3%	34.3%
<u>Charges for Services</u>					
Public Safety	4,404,350	4,404,350	1,175,061		
Reimbursements	2,442,500	2,442,500	1,163,236		
Code Compliance	1,851,000	1,851,000	1,280,914		
Recreation Fees	468,750	468,750	313,845		
Appeals & Petitions	89,700	89,700	25,580		
Work for Others	33,200	33,200	50,777		
Central Stores	3,500	3,500	410		
Subscriptions and Information	2,300	2,300	780		
Total	9,295,300	9,295,300	4,010,604	43.1%	41.6%
<u>Fines and Forfeitures</u>					
Fines and Forfeitures	1,505,200	1,505,200	562,372		
Total	1,505,200	1,505,200	562,372	37.4%	44.7%
<u>Licenses & Permits</u>					
Cable Franchise Fees	1,000,000	1,000,000	221,183		
Marihuana Licenses	700,000	700,000	315,000		
Business Licenses	71,450	71,450	42,777		
Non-Business Licenses	35,600	35,600	16,135		
Building Licenses & Permits	17,750	17,750	6,700		
Total	1,824,800	1,824,800	601,795	33.0%	32.9%
<u>Interest & Rents</u>					
Interest Income	621,195	621,195	430,700		
Total	621,195	621,195	430,700	69.3%	75.0%
<u>Other Revenues</u>					
Miscellaneous	173,000	173,000	101,246		
Sale of Fixed Assets	120,000	120,000	29		
Donations & Contributions	119,000	119,000	61,924		
Total	412,000	412,000	163,199	39.6%	34.3%
<u>Total General Fund</u>					
Operating Revenue	152,839,470	156,524,470	92,291,738	59.0%	56.6%
Transfers from Other Funds	100,000	100,000	100,000		
Total	152,939,470	156,624,470	92,391,738	59.0%	56.7%

December 31, 2023 Departmental Summary

Fiscal Year July 1, 2023 - June 30, 2024

General Fund Appropriations	FY 2024 Adopted Budget	FY 2024 Amended Budget	FY 2024 Dec. 31 Actuals	Dec. 31 Percent YTD	3 Year Dec. 31 Target
Total General Fund Reserves	29,661,497	29,661,497	29,661,497		
Revenues (detail on previous page)	152,939,470	156,624,470	92,391,738	59.0%	56.7%
<u>Departmental Expenditures:</u>					
Council	657,507	794,819	318,413	40.1%	48.9%
Internal Audit	219,000	231,514	111,107	48.0%	48.4%
Mayor's Office	1,427,425	1,583,017	868,075	54.8%	48.6%
Office of Community Media	626,456	704,994	318,673	45.2%	48.7%
District Court	5,723,828	6,286,997	2,760,832	43.9%	48.9%
Circuit Court Building Rental	337,363	337,363	1,701	0.5%	1.1%
City Clerk's Office	1,602,373	1,780,665	711,641	40.0%	48.8%
Neighborhood & Citizen Engagement	1,491,669	1,556,407	529,248	34.0%	49.1%
Economic Development & Planning	6,272,104	6,820,769	3,420,659	50.2%	48.7%
Finance Department	2,238,610	2,324,926	1,183,990	50.9%	48.8%
City Assessor	1,707,829	1,987,550	711,677	35.8%	48.7%
Treasury/Income Tax	2,036,385	2,332,359	993,401	42.6%	48.9%
Human Resources Department	2,234,788	3,099,565	1,146,486	37.0%	49.1%
City Attorney's Office	2,364,324	2,640,175	1,140,849	43.2%	48.6%
Police Department	54,586,595	54,586,595	24,611,468	45.1%	47.2%
Fire Department	41,448,217	41,448,217	18,945,526	45.7%	47.2%
Public Service	13,506,989	13,606,989	3,011,626	22.1%	40.4%
Human Relations & Community Services	2,045,764	2,221,776	836,150	37.6%	48.7%
Parks & Recreation Department	8,092,939	9,335,135	3,449,460	37.0%	33.0%
Human Service Agency Support	2,084,932	2,584,932	1,008,229	39.0%	50.0%
<u>Non-Departmental Expenditures:</u>					
Library Building Rental	136,500	136,500	68,447	50.1%	50.0%
Operating Subsidies to Other Funds	799,796	1,299,796	1,299,796	100.0%	100.0%
City Supported Agencies	549,500	549,500	213,077	38.8%	1.4%
Capital Improvements	7,325,000	7,325,000	7,325,000	100.0%	100.0%
Debt Service & Penalties	1,341,410	1,341,410	-	0.0%	50.0%
Vacancy Factor	(1,500,000)	(1,500,000)	-		
City Recognitions	10,000	10,000			
Expenditures	159,367,303	165,426,970	74,985,532	45.3%	48.7%
Net Impact on Fund Balance	(6,427,833)	(8,802,500)			
ARPA Reimbursement	8,287,500	8,287,500			
Ending General Fund Reserves	31,521,164	29,146,497			

December 31, 2023 Budget Appropriation Summary

Fiscal Year July 1, 2023 - June 30, 2024

Estimated Revenues	<u>FY 2024</u> <u>Adopted</u> <u>Budget</u>	<u>FY 2024</u> <u>Amended</u> <u>Budget</u>	<u>FY 2024</u> <u>Dec. 31</u> <u>Actuals</u>	<u>Dec. 31</u> <u>Percent</u> <u>YTD</u>	<u>3 Year</u> <u>Dec. 31</u> <u>Avg.</u>
Property Taxes	50,606,500	50,606,500	50,871,506		
Income Taxes	39,350,000	42,285,000	13,140,503		
Return on Equity	26,800,000	26,800,000	12,486,715		
State Revenues	22,424,475	23,174,475	10,024,346		
Charges for Services	9,295,300	9,295,300	4,010,604		
Fines & Forfeitures	1,505,200	1,505,200	562,372		
Licenses & Permits	1,824,800	1,824,800	601,795		
Interest & Rent	621,195	621,195	430,700		
Other Revenue	412,000	412,000	163,199		
Transfers from Other Funds	100,000	100,000	100,000		
Total Revenues	152,939,470	156,624,470	92,391,738	59.0%	56.7%

Appropriations	FY 2024 Adopted Budget	FY 2024 Amended Budget	FY 2024 Dec. 31 Actuals	Dec. 31 Percent YTD	Dec. 31 Target Exp.
Council					
Personnel	541,898	541,898	265,826		
Operating	115,609	252,921	52,587		
Total	657,507	794,819	318,413	40.1%	48.9%
Internal Audit					
Personnel	219,000	219,000	106,238		
Operating	-	12,514	4,869		
Total	219,000	231,514	111,107	48.0%	48.4%
Courts					
Personnel	5,088,290	5,088,290	2,319,940		
Operating	972,901	1,536,070	442,593		
Total	6,061,191	6,624,360	2,762,533	41.7%	46.5%
Mayor's Office					
Personnel	1,309,579	1,309,579	761,978		
Operating	117,846	273,438	106,097		
Total	1,427,425	1,583,017	868,075	54.8%	48.6%
Media Center					
Personnel	622,556	622,556	283,941		
Operating	3,900	82,438	34,732		
Total	626,456	704,994	318,673	45.2%	48.7%
Clerk's Office					
Personnel	1,183,378	1,183,378	526,426		
Operating	418,995	597,287	185,215		
Total	1,602,373	1,780,665	711,641	40.0%	48.8%

Appropriations	FY 2024 Adopted Budget	FY 2024 Amended Budget	FY 2024 Dec. 31 Actuals	Dec. 31 Percent YTD	Dec. 31 Target Exp.
Neighborhood & Citizen Engagement					
Personnel	1,018,426	1,018,426	391,888		
Operating	473,243	537,981	137,361		
Total	1,491,669	1,556,407	529,248	34.0%	49.1%
Economic Development & Planning					
Personnel	3,451,387	3,451,387	1,626,015		
Operating	2,820,717	3,369,382	1,794,643		
Total	6,272,104	6,820,769	3,420,659	50.2%	48.7%
Finance/Operations					
Personnel	1,770,206	1,770,206	897,336		
Operating	468,404	554,720	286,654		
Total	2,238,610	2,324,926	1,183,990	50.9%	48.8%
Assessing					
Personnel	1,707,829	1,707,829	639,945		
Operating	-	279,721	71,732		
Total	1,707,829	1,987,550	711,677	35.8%	48.7%
Treasury					
Personnel	1,749,356	1,749,356	817,917		
Operating	287,029	583,003	175,484		
Total	2,036,385	2,332,359	993,401	42.6%	48.9%
Human Resources					
Personnel	1,968,618	1,968,618	790,427		
Operating	266,170	1,130,947	356,059		
Total	2,234,788	3,099,565	1,146,486	37.0%	49.1%
Attorney's Office					
Personnel	2,364,324	2,364,324	1,044,502		
Operating	-	275,851	96,347		
Total	2,364,324	2,640,175	1,140,849	43.2%	48.6%
Police					
Personnel	45,876,734	45,876,734	21,932,688		
Operating	8,709,861	8,709,861	2,678,780		
Total	54,586,595	54,586,595	24,611,468	45.1%	47.2%
Fire					
Personnel	35,291,150	35,291,150	17,606,429		
Operating	6,157,067	6,157,067	1,339,097		
Total	41,448,217	41,448,217	18,945,526	45.7%	47.2%
Public Service					
Personnel	3,695,596	3,695,596	1,426,632		
Operating	9,811,393	9,911,393	1,584,994		
Total	13,506,989	13,606,989	3,011,626	22.1%	40.4%
Human Relations & Community Service					
Personnel	1,894,264	1,894,264	779,153		
Operating	151,500	327,512	56,998		
Total	2,045,764	2,221,776	836,150	37.6%	48.7%

Appropriations	FY 2024 Adopted Budget	FY 2024 Amended Budget	FY 2024 Dec. 31 Actuals	Dec. 31 Percent YTD	Dec. 31 Target Exp.
Parks & Recreation					
Personnel	5,299,345	5,299,345	2,305,552		
Operating	2,793,594	4,035,790	1,143,908		
Total	8,092,939	9,335,135	3,449,460	37.0%	33.0%
Human Services					
Operating	2,084,932	2,584,932	1,008,229		
Total	2,084,932	2,584,932	1,008,229	39.0%	50.0%
City Supported Agencies/MRJE					
Operating	549,500	549,500	213,077		
Total	549,500	549,500	213,077	38.8%	1.4%
City Recognitions	10,000	10,000	-		
Total	10,000	10,000	-	0.0%	
Non-Departmental					
Vacancy Factor	(1,500,000)	(1,500,000)	-		
Library Lease	136,500	136,500	68,447		
Debt Service	1,341,410	1,341,410	-		
Net Transfers	8,124,796	8,624,796	8,624,796		
Total	8,102,706	8,602,706	8,693,243	101.1%	100.5%
Total Expenditures	159,367,303	165,426,970	74,985,532	45.3%	48.7%

Vacancy Factor Report

Quarter Ending December 31, 2023

Department	Key	PCN	Position Description	Bargaining Unit	FTE	Vacancy	Vacancy Factor
Vacancies Counted Toward General Fund Vacancy Factor							
MAYOR	1012300	LABREMGR	CHIEF LABOR NEGOTIATOR	MAYOR	1.00	2/1/2023	26,874
HRCS	1012500	DIEOPSPC	DIVERSITY, INCLUSION & EO SPECIALIST	T243CTP	1.00	7/14/2023	14,779
HRCS	1012500	COMMINVT	COMMISSION INVESTIGATOR	T214NS	1.00	7/3/2023	14,822
HRCS	1012500	HMISPFAN	HMIS PERFORMANCE ANALYST	T214NS	1.00	10/1/2021	14,226
CODE COMPLIANCE	1012610	CCOFICER	CODE ENFORCEMENT WORKER	T243CTP	1.00	11/25/2023	4,682
CODE COMPLIANCE	1012610	CCOFICER	CODE ENFORCEMENT WORKER	T243CTP	1.00	10/23/2023	9,364
CODE COMPLIANCE	1012610	LDHOUSIN	LEAD HOUSING INSPECTOR	T243SUPV	1.00	8/21/2022	18,014
CODE COMPLIANCE	1012610	CCOFICER	CODE ENFORCEMENT WORKER	T243CTP	1.00	9/2/2023	12,173
FINANCE/OPERATIONS	1012710	FINDRCTR	FINANCE DIRECTOR	EXEC MGMT PLAN	0.50	8/13/2021	NO BDGT IMPACT
FINANCE/OPERATIONS	1012710	DPYFINDIR	DEPUTY FINANCE DIRECTOR	NON BARG SUPV	1.00	2/28/2023	NO BDGT IMPACT
ASSESSOR	1012720	ADMAST28	ADMIN ASSISTANT	T243CTP	1.00	10/16/2023	8,934
ASSESSOR	1012720	COMINDAP	COMMERICAL/INDUSTRIAL APPRAISR	T243CTP	1.00	6/15/2022	23,207
ASSESSOR	1012720	RESAPPLD	RESIDENTIAL APPRAISER LEAD	T243CTP	1.00	10/18/2019	18,128
ASSESSOR	1012720	RESAPPTR	RESIDENTIAL APPRAISER APPRENTICE	T243CTP	1.00	5/24/2019	14,876
ASSESSOR	1012720	RESIDAPP	RESIDENTIAL APPRAISER	T243CTP	1.00	10/5/2017	CONTRACT
TREASURY	1012730	CTYTREASR	CITY TREASURER	EXEC MGMT PLAN	0.50	8/13/2021	NO BDGT IMPACT
TREASURY	1012730	CUSTSRREP	CUSTOMER SERVICE REP	T243CTP	1.00	9/17/2022	10,558
TREASURY	1012730	ADMAST28	ADMINISTRATIVE ASSISTANT 28	T243CTP	1.00	10/8/2022	14,177
TREASURY	1012730	TRESYINV	TREASURERY INVESTIGATOR	T243CTP	1.00	8/20/2022	17,268
HUMAN RESOURCES	1012800	PAYRTECH	PAYROLL TECHNICIAN	T243CTP	1.00	10/16/2023	9,824
HUMAN RESOURCES	1012800	SAFTYADM	HEALTH & WELLNESS SPECIALIST	T243CTP	0.25	7/1/2022	3,719
CITY ATTORNEY	1012900	LGLADVSR	LEGAL ADVISOR	T214 NS	1.00	7/1/2020	18,180
CITY ATTORNEY	1012800	ASTATY36	ASSISTANT CITY ATTORNEY	T214 NS	1.00	11/11/2022	24,470
CITY ATTORNEY	1012800	ASTATY36	ASSISTANT CITY ATTORNEY	T214 NS	1.00	12/1/2023	7,906
PUBLIC SERVICE/BUILDINGS	1013140	CUSTOWKR	CUSTODIAL WORKER 300	UAW	1.00	12/3/2021	10,128
PUBLIC SERVICE/BUILDINGS	1013140	ELECFACW	ELECTRICAL FACILITY CTRL WKR	UAW	1.00	11/2/2018	12,036
PUBLIC SERVICE/BUILDINGS	1013140	PROPTMGR	Facilities&PropertiesSuperintendent	T243SUPV	1.00	6/30/2023	18,921
PUBLIC SERVICE/BUILDINGS	1013140	PLUMBSUP	BuildingServicesSupv	T243SUPV	1.00	6/10/2018	20,016
POLICE - ADMIN	1013201	ADMSPC31	ADMINISTRATIVE SPECIALIST 31	T214 NS	1.00	12/28/2011	CONTRACT
POLICE - DETENTION	1013224	SERGANT3	SERGEANTIII	CCLPSUPV	1.00	10/15/23	18,251
POLICE - DETENTION	1013224	DETENOFF	DETENTION OFFICER	T243CTP	1.00	09/22/22	18,128
POLICE - DETENTION	1013224	DETENOFF	POLICE OFFICER 1	CCLP NS	1.00	1/31/2023	19,644
POLICE - INVESTIGATIONS	1013240	DETECT2C	DETECTIVE IIC	CCLP NS	1.00	5/1/2021	20,999
POLICE - INVESTIGATIONS	1013240	DETECT2B	DETECTIVE IIB	CCLP NS	1.00	8/26/2023	20,999
POLICE - INVESTIGATIONS	1013240	DETECT2B	DETECTIVE IIB	CCLP NS	1.00	8/14/2023	20,999
POLICE - INVESTIGATIONS	1013240	DETECT2B	DETECTIVE IIB	CCLP NS	1.00	7/21/2023	20,999
POLICE - INVESTIGATIONS	1013240	DETECT2B	DETECTIVE IIB	CCLP NS	1.00	10/13/2023	18,092
POLICE - INVESTIGATIONS	1013240	DETECT2B	DETECTIVE IIB	CCLP NS	1.00	10/13/2023	18,092
POLICE - INVESTIGATIONS/CSI	1013240	DTCTVCSI	CSIINVESTIGATOR	CCLP NS	1.00	09/24/22	13,745
POLICE - INVESTIGATIONS/CSI	1013240	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	10/07/23	12,688
POLICE - INVESTIGATIONS/SOS	1013240	POLOFFDT	POLICE OFFICER DETECTIVE PAY	CCLP NS	1.00	06/01/23	20,999
POLICE - INVESTIGATIONS/SOS	1013240	POLOFFDT	POLICE OFFICER DETECTIVE PAY	CCLP NS	1.00	02/14/23	20,999
POLICE - INVESTIGATIONS/SOS	1013240	POLOFFDT	POLICE OFFICER DETECTIVE PAY	CCLP NS	1.00	06/16/22	20,999
POLICE - INVESTIGATIONS/CSI	1013240	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	07/14/22	13,745
POLICE - INVESTIGATIONS/CSI	1013240	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	12/17/22	13,745
POLICE - INVESTIGATIONS/CSI	1013240	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	05/06/23	13,745
POLICE - PATROL	1013251	POLSSCLWR	SOCIAL WORKER	T243CTP	1.00	10/25/23	10,396
POLICE - PATROL	1013251	CRMRESAN	CRIME RESEARCH ANALYST	T243CTP	1.00	05/20/22	CONTRACT
FIRE - ADMIN	1013501	ASTFIRCF	ASSISTANT FIRE CHIEF	NB SUPV	1.00	9/14/2023	OVERTIME
FIRE - LOGISTICS	1013510	SECRTY26	SECRETARY	T243CTP	1.00	6/24/2023	9,167
FIRE - LOGISTICS	1013510	MATALSP3	MAINTENANCE ALARM SPECIALIST	IAFF	1.00	7/1/2022	14,706
FIRE - PREVENTION	1013530	INSPECT4	INSPECTORIV	IAFF	1.00	3/11/2023	22,122
FIRE - OPERATIONS	1013520	FIRFIGTR	FIRE FIGHTER	IAFF	1.00	12/30/2023	OVERTIME
FIRE - OPERATIONS	1013520	FIRFIGTR	FIRE FIGHTER	IAFF	1.00	12/30/2023	OVERTIME
FIRE - OPERATIONS	1013520	FIRFIGTR	FIRE FIGHTER	IAFF	1.00	12/11/2023	OVERTIME
FIRE - OPERATIONS	1013520	FIRFIGTR	FIRE FIGHTER	IAFF	1.00	12/2/2023	OVERTIME
FIRE - OPERATIONS	1013520	FIRFIGTR	FIRE FIGHTER	IAFF	1.00	10/17/2023	OVERTIME
FIRE - TRAINING	1013540	SECRTY26	SECRETARY	T243CTP	1.00	9/8/2023	10,062
PARKS/BUSINESS & MGMT	1013810	PTCLRK23	CLERK 23	T243CTP	0.50	11/11/2023	2,050
PARKS/COMMUNITY CENTERS	1013811	PTCLRK22	PT CLERK 22	T243CTP PT	0.50	7/24/2023	3,634
2nd Quarter Vacancy factor:					57.25		726,292
1st Quarter Vacancy factor:					99.75		856,010
Total GF YTD Vacancy Factor							1,582,301.69
Total # of GF Positions					619		

Vacancy Factor Report

Quarter Ending December 31, 2023

Department	Key	PCN	Position Description	Bargaining Unit	FTE	Vacancy	Vacancy Factor
Non-Vacancy Factor (non-General Fund) Vacancies							
PUBLIC SERVICE/O&M	1013611	FRSTWKR6	ARBORIST 500	UAW	1.00	6/1/2023	12,036
PUBLIC SERVICE/O&M	1013611	DRIVRWKR	DRIVER WORKER 300	UAW	1.00	09/19/2023	11,079
PUBLIC SERVICE/O&M	1013611	DRIVRWKR	DRIVER WORKER 300	UAW	1.00	06/18/2022	11,079
PUBLIC SERVICE/O&M	1013611	DRIVRWKR	DRIVER WORKER 300	UAW	1.00	03/31/2022	11,079
PUBLIC SERVICE/O&M	1013611	DRIVRWKR	DRIVER WORKER 300	UAW	1.00	01/16/2022	11,079
PUBLIC SERVICE/O&M	1013611	SNMATWKR	MAINTENANCE WORKER	UAW	1.00	12/02/2023	3,409
PUBLIC SERVICE/O&M	1013611	SNMATWKR	MAINTENANCE WORKER	UAW	1.00	03/26/2021	11,079
PUBLIC SERVICE/O&M	1013611	SWRTMWK5	SEWER MAINTENANCE WORKER	UAW	1.00	03/15/2023	13,016
PUBLIC SERVICE/O&M	1013611	SWRTMWK5	SEWER MAINTENANCE WORKER	UAW	1.00	11/21/2023	5,807
PUBLIC SERVICE/O&M	1013611	FRSTWKR5	ARBORIST 500	UAW	1.00	02/22/2023	12,036
PUBLIC SERVICE/O&M	1013611	PKSMTWK4	PARKS MAINTENANCE WORKER	UAW	1.00	09/29/2023	12,036
PUBLIC SERVICE/O&M	1013611	EQPOPWK5	EQUIPMENT OPERATOR WORKER 500	UAW	1.00	12/02/2023	3,704
PUBLIC SERVICE/O&M	1013611	SWRTMWK3	SEWER MAINTENANCE WORKER	T243SUPV	1.00	01/31/2022	13,016
PUBLIC SERVICE/O&M	1013611	OMSUPERT	O&M SUPERINTENDENT	NBSUPV	1.00	5/8/2023	22,663
PUBLIC SERVICE/O&M	1013611	PUBWKSUP	PUBLIC SERVICE SUPERVISOR	T243SUP	1.00	12/4/2021	18,128
PUBLIC SERVICE/O&M	1013611	SOLWASUP	SOLID WASTE SUPERVISOR	T243SUP	1.00	8/15/2020	16,421
ED&P/CDBG REHAB	5266305600	REHABCSF	REHAB CONSTRUCTION SPCLST	T243CTP	1.00	8/19/2023	12,173
ED&P/BUILDING SAFETY	2492610	BLDINSUP	BUILDING INSPECTOR SUPERVISOR	T214SUPV	1.00	12/23/2023	1,540
ED&P/BUILDING SAFETY	2492610	PLNREVSU	PLANT REVIEW SUPERVISOR	T214SUPV	1.00	1/8/2022	20,016
ED&P/BUILDING SAFETY	2492610	MECINSUP	MECHANICAL INSPECTOR	T243CTP	1.00	6/30/2023	18,128
ED&P/PARKING	5853641	CUSTSREP	CUSTOMER SERVICE REP 28	T243CTP	1.00	1/22/2018	14,876
ED&P/PARKING	5853641	MANTWKR2	MAINTENANCE WORKER 200	UAW	1.00	4/19/2023	12,036
ED&P/PARKING	5853641	PKGRVCL	PARKING REVENUE AMBASSADOR	UAW	1.00	3/27/2023	9,352
PUBLIC SERVICE/WWTP	5903670	ASPLSUP	ASSIST PLANT SUPERINTENDENT	NB SUPV	1.00	7/31/2020	21,561
PUBLIC SERVICE/WWTP	5903670	LABSUP-TBD	LAB SUPERVISOR	T243SUP	1.00	7/1/2017	18,128
PUBLIC SERVICE/WWTP	5903670	INDSRUP	INDUSTRIAL SURVEILLANCE SUPERVISOR	T243CTP	1.00	7/1/2015	18,128
PUBLIC SERVICE/WWTP	5903670	ELECTECH	ELECTRICAL TECHNICIAN	T243CTP	1.00	10/5/2006	15,642
PUBLIC SERVICE/WWTP	5903670	WWMATWK6	WASTE WATER PLANT LABORER	UAW	1.00	7/12/2019	12,036
PUBLIC SERVICE/WWTP	5903670	WWSYSANL	WASTEWATER SYSTEMS ANALYST	T243CTP	1.00	10/23/2015	16,421
PUBLIC SERVICE/WWTP	5903670	UTLELWKR	UTILITY ELECTRICAL WORKER	UAW	1.00	10/1/2022	13,016
PUBLIC SERVICE/WWTP	5903670	WWMATWK6	WASTEWATER MAINTENANCE WKR 400	UAW	1.00	12/30/2023	-
PUBLIC SERVICE/WWTP	5903671	WWMATWK7	WASTEWATER MAINTENANCE WKR 401	UAW	1.00	11/4/2023	6,818
PUBLIC SERVICE/WWTP	5903670	LABTECHN	LABORATORY TECHNICIAN	T243CTP	1.00	6/30/2023	10,062
PUBLIC SERVICE/WWTP	5903670	WWPLTOP5	WASTEWATER PLANT OPERATOR	UAW	1.00	9/16/2023	12,036
PUBLIC SERVICE/WWTP	5903670	WWPNTOP6	WASTEWATER MAINTENANCE WKR 600	UAW	1.00	5/27/2020	13,016
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	9/15/2023	13,016
PUBLIC SERVICE/FLEET	6433623	RADIOTEC	RADIO INST. TECHNICIAN	T243CTP	1.00	7/14/2023	10,062
PUBLIC SERVICE/FLEET	6433623	ATGARSUP	ASSIST SHIFT GARAGE SUPERVISOR	T243SUP	1.00	7/1/2017	14,876
PUBLIC SERVICE/FLEET	6433623	ATGARSUP	ASSIST SHIFT GARAGE SUPERVISOR	T243SUP	1.00	7/12/2019	14,876
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	3/29/2019	13,016
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	5/13/2019	13,016
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	8/17/2019	13,016
PUBLIC SERVICE/FLEET	6433623	SRVCSPEC	SERVICE SPECIALIST	T243CTP	1.00	9/20/2019	11,731
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	6/4/2022	13,016
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	7/21/2021	13,016
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	12/16/2023	2,002
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	10/28/2023	9,011
PUBLIC SERVICE/FLEET	6433623	VEHWKR04	VEHICLE MAINTENANCE WORKER 400	UAW	1.00	11/1/2020	11,079
PUBLIC SERVICE/ENGINEERING	6453603	ADMSPC30	ADMINISTRATIVE SPECIALIST	T243CTP	1.00	12/1/2023	3,411
PUBLIC SERVICE/ENGINEERING	6453603	ENGTEC34	ENGINEERING TECHNICIAN SUPV	T243SUPV	1.00	4/17/2023	14,779
PUBLIC SERVICE/ENGINEERING	6453603	ENGINR38	ENGINEER 38	T214NS	1.00	1/26/2023	23,286
PUBLIC SERVICE/ENGINEERING	6453603	ENGINR38	ENGINEER 38	T214NS	1.00	6/6/2019	23,286
PUBLIC SERVICE/ENGINEERING	6453603	TRANSENG	TRANSPORTATION ENGINEER	NB SUPV	1.00	1/1/2020	27,631
HUMAN RESOURCES	1012800	SAFTYADM	HEALTH & WELLNESS SPECIALIST	T243CTP	0.75	7/1/2022	11,157
HUMAN RESOURCES	1012800	PTPRTECH	PT RETIREMENT ANALYST	T243PT	0.50	7/1/2023	7,821
DISTRICT COURT	7602201	DPCLERK2	DEPUTY CLERK 2	DCT243	1.00	10/27/2023	7,055
DISTRICT COURT	7602201	DPCLERK2	DEPUTY CLERK 2	DCT243	1.00	9/11/2023	9,970
2nd Quarter Vacancy factor:					56.25		712,779
1st Quarter Vacancy factor:					59.25		761,193
Total Non-GF YTD Vacancy Factor							1,473,972.14
Total # of Non-GF Positions					330		



CITY OF LANSING

INTERNAL AUDITOR

124 W MICHIGAN AVE FL 10

LANSING MI 48933-1605

(517) 483-4159

Date: February 26, 2024
To: Lansing City Council
From: Emily Linden, Internal Auditor
Re: Committee of the Whole – February 26, 2024
Subject: General Fund Status Report and Vacancy Report – FY 2024 2nd Quarter

General Fund Status Report Overview

City Council adopted an amended budget that allocated \$156.6 million in General Fund revenue and \$165.4 million in General Fund expenditures. At the end of the second quarter the City has received \$92,391,738 in operating revenue (59% of yearly total) and has spent \$74,985,532 in expenditures (45.3% of yearly total).

Notes:

- The budget amendment passed on February 12th reduced the fund balance usage to \$55,000.
- As of 6/30/2023, the General Fund balance was \$29.66M, with \$20.9M unassigned.
 - This is a 13.9% fund balance ratio.

Revenue Notes:

- Income tax collections are below 2nd quarter expectations. 31.1% of budgeted revenue from income taxes have been collected, which is below the three-year average of 33.3% collected by the end of the second quarter.
- Fines and Forfeitures collections are below 2nd quarter expectations. 37.4% of budgeted revenue from fines and forfeitures have been collected, which is below the three-year average of 44.7% collected by the end of the second quarter.
- Interest and rents collections are below 2nd quarter expectations. 69.3% of budgeted revenue from interest and rents have been collected, which is below the three-year average of 75% collected by the end of the second quarter.

Expenditure Notes:

- The Mayor's Office has spent 54.8% of their yearly General Fund budget. The three-year second quarter average for the Mayor's Office is 48.6%.

- Economic Development and Planning has spent 50.2% of their yearly General Fund budget. The three-year second quarter average for the Economic Development and Planning is 48.7.
- The Finance Department has spent 50.9% of their yearly General Fund budget. The three-year second quarter average for the Finance Department is 48.8%

Vacancy Factor Report Overview

The General Fund second quarter vacancy factor is 57.25 resulting in a savings of approximately \$726,292. The year-to-date General Fund vacancy factor savings total is \$1,582,301.69.

The Non-General Fund second quarter vacancy factor is 56.25 resulting in a savings of approximately \$712,779. The year-to-date Non-General Fund vacancy factor savings total is \$1,473,972.14.

The combined second quarter General Fund and Non-General Fund vacancy factor savings total \$3,056,273.83.

Notes:

- There are about 57 vacancies in the General Fund.
 - LFD went from 34 vacancies in Q1 to 10 in Q2.
 - LPD went from 32 vacancies in Q1 to 20 in Q2.
- There are about 56 vacancies in other funds.

General Fund Vacancy Factor		
1 st Quarter Vacancy Factor	99.75	856,010
2 nd Quarter Vacancy Factor	57.25	726,292
Total General Fund	157	1,582,301.69

Non-General Fund Vacancy Factor		
1st Quarter Vacancy Factor	59.25	761,193
2 nd Quarter Vacancy Factor	56.25	712,779
Total Non-General Fund	115.5	1,473,972.14



NEW VISION LANSING, LLC

REDEFINING LIVING AND WORKING DOWNTOWN

Timeline

2020

June: First meeting with City administration about the further development of the Atrium and its Grand Avenue frontage.

During COVID the State of Michigan Government shut down in person operations and began cancelling State occupied leases in the private sector.

Eventually they would cancel 350,000 square feet of space creating a \$6,000,000 per year economic rent loss to Landlords, and an ensuing \$35,000,000 loss in property values resulting in a \$5,000,000 property tax loss per year when balance for the overall tax base.

2021

Throughout: Development and market research for multi-family projects.

Visits to other Midwest locations with thriving downtown markets.

November: 2nd meeting with City showing mixed use concept of Apartments and Office space.

2022

Throughout: Internal architectural designs and reviews focusing on maximum economic impact for downtown.

November: NVL entered discussions with Johns/Elliott to purchase their river front vacant parcel just north of the Grand Tower Building for \$2,000,000.

December: The Atrium expansion plan is reviewed and determined to be currently better suited for residential growth. Meetings with the owners of West Ottawa and North Walnut parcels change their development plans from building to selling. NVL, LLC is the buyer.

2023

January: Project concepts were developed to study what a major transformational landmark multifamily building could look like on the river. Project team begins to focus exclusively on Tower design for that site.

February: Our first legislative meeting with Senator Sam Singh on how the State could help Lansing recover from these major economic setbacks in the CBD. A following meeting with Senator Anthony gained traction as we displayed how multifamily transformation development was the logical path for long term growth in the CBD.

Timeline

2023 – Continued

March: First meeting with House and Senate Appropriations staff to discuss economic potentials for growth through our proposed Transformational multifamily developments.

March: Presentations to both Appropriations Chairs with economic details and architectural designs. Detailed economic reward discussions.

April: First introduction of proposed plans with Mayor and his staff. First discussion of our application for appropriations and State considerations.

April: First project briefing with MEDC and MSHDA displaying scope and direction for projects and discussing Missing Middle programs and Transformation Brownfield details.

May: Project team contracts executed for construction, architectural and engineering. Second Appropriation Chairs meetings to answer questions and further define project scope.

May: Answers to questions by Legislative Service Bureau staffs.

June: Presentation to Speaker of the House and staff.

June: Updated meeting with Mayor and LEDC staff, and Lansing Board of Water and Light.

2023 – Continued

June: Commitment of support by Appropriation Chairs and Speaker of the House, officially in the budget for consideration. Updated review of newest architectural designs, unit mixes and project economics.

July: Governor signs Omnibus Budget and we are in for Transformational Housing projects in Downtown Lansing.

August: First request to Carol Wood and Adam Hussein regarding process and permissions to meet with City Council members in small groups to bring them into the information loop of what the scope and intent of our project were, and how they would accomplish the goals.

August – December: Meetings with Council Members to discuss project details, scope and benefits to the City. In addition, we have met monthly with Mayor's office and bi-weekly with LEDC staff.

2024

Throughout: Meeting with Mayors Office, Building and Planning, LEDC along with MEDC and MSHDA on at least a monthly basis waiting for appropriation approval by Council.



Development Summary

Total Development Costs:
\$228,000,000

Total Developed Square Footage:
440,000

Total Apartment Units:
460

Total Parking:
530 Spaces – 417 Underground or in parking structures

Retail / Restaurant Space:
17,800 Square Feet

Office Square Footage:
76,500 New and existing

Workforce Rent Structures:
150 Units

Construction Period:
Q2 2024 – Washington Square Begins Construction
Q3 2024 – Tower On Grand Begins Construction
Q4 2024 – Capitol Tower Begins Construction

**All sizes, counts, and other values presented here represent the current state of architectural development. These values may change pending final site and construction review by NVL or the Building and Planning Departments*

Economic Benchmarks

Largest Non-Automotive Private Development in the History of Lansing

Construction Labor Wages:

500 – 700 Workers

\$60,000,000 in wages paid during construction

Directly related income to Lansing companies during construction:

\$4,500,000

City Income tax revenue for construction workers: **\$450,000**

Tax Base Stability:

Attractive living options will bring more people to Lansing and increase the income tax base of the city.

Increased taxable value increment: **\$35,000,000.**

Retail spending by workers: **\$2,000,000**

Increase in school bond payments per year: **\$134,000 per year more than base rate.**

Yearly General Fund Payments from Brownfield:

\$85,000

Fees and expenses collected by LEDC or TIFA during Brownfield

Plan Life:

\$125,500

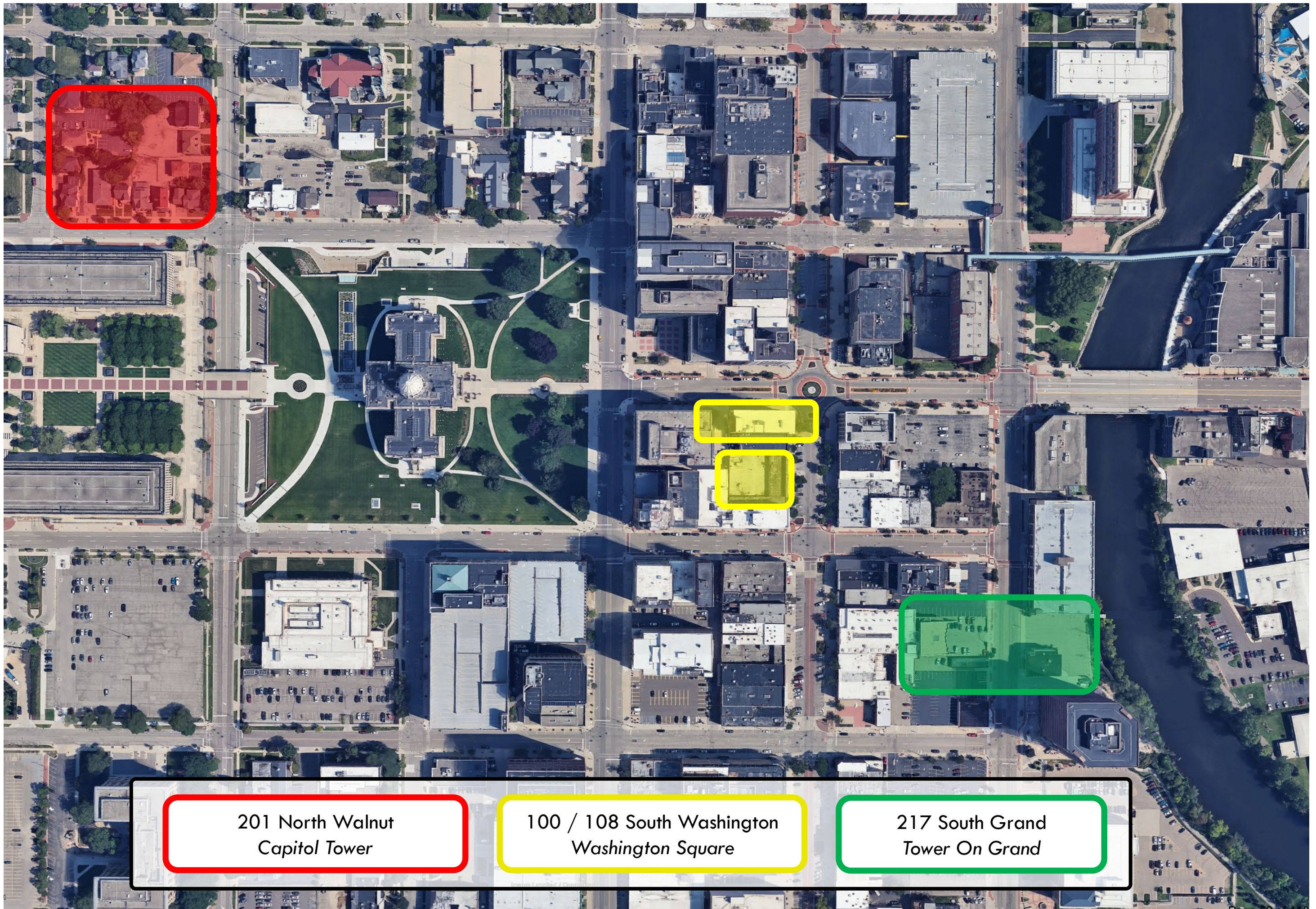
City of Lansing share of property tax today:

\$115,000

Developer Guarantee to City During Brownfield 3X or not less than **\$350,000/Year Escalating at ½ CPI During Brownfield (Based On 19 Mills)**

460 New Residential Units Built Downtown That Will House 600 Residents Resulting in: **\$500,000 / Year of City Income Taxes**

Total recurring revenue to Lansing per year from project occupancy: **\$1,900,000 per year**



201 North Walnut
Capitol Tower

100 / 108 South Washington
Washington Square

217 South Grand
Tower On Grand



WASHINGTON SQUARE APARTMENTS AND PARKING

100 / 108 SOUTH WASHINGTON



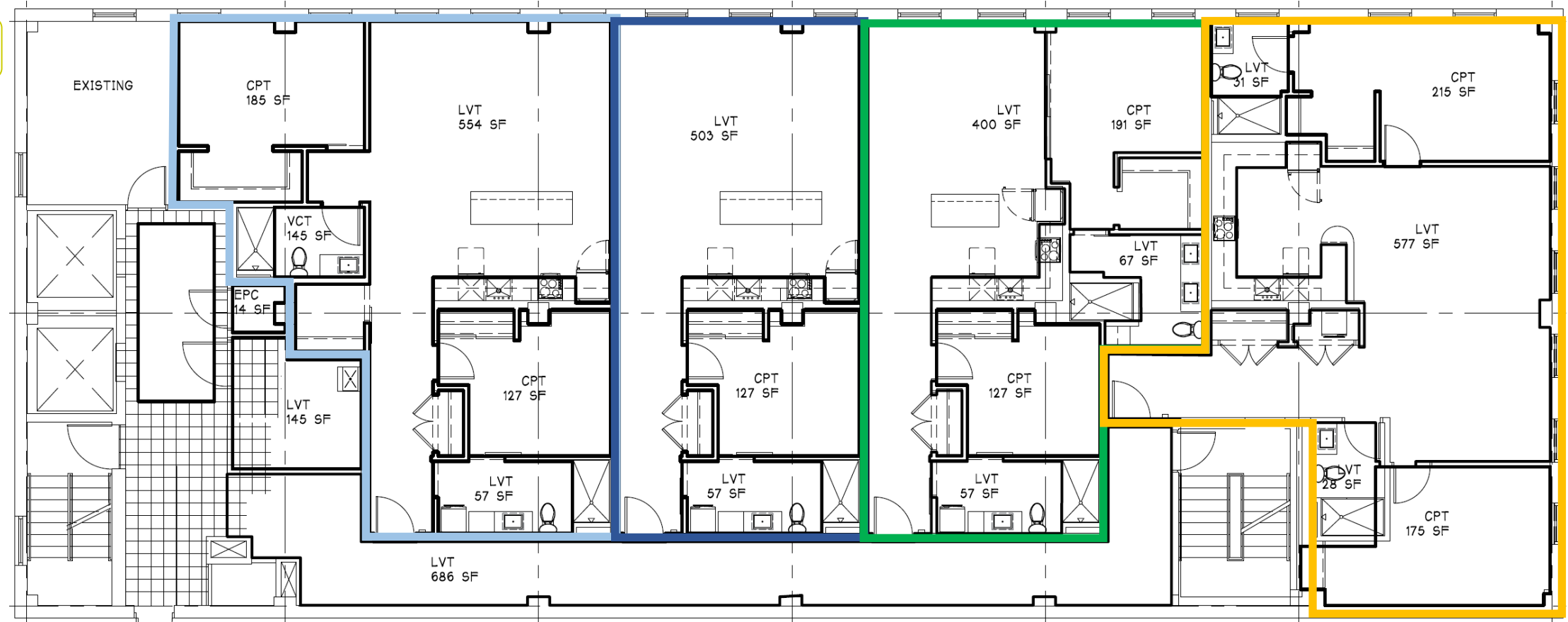


WASHINGTON SQUARE
100 SOUTH WASHINGTON

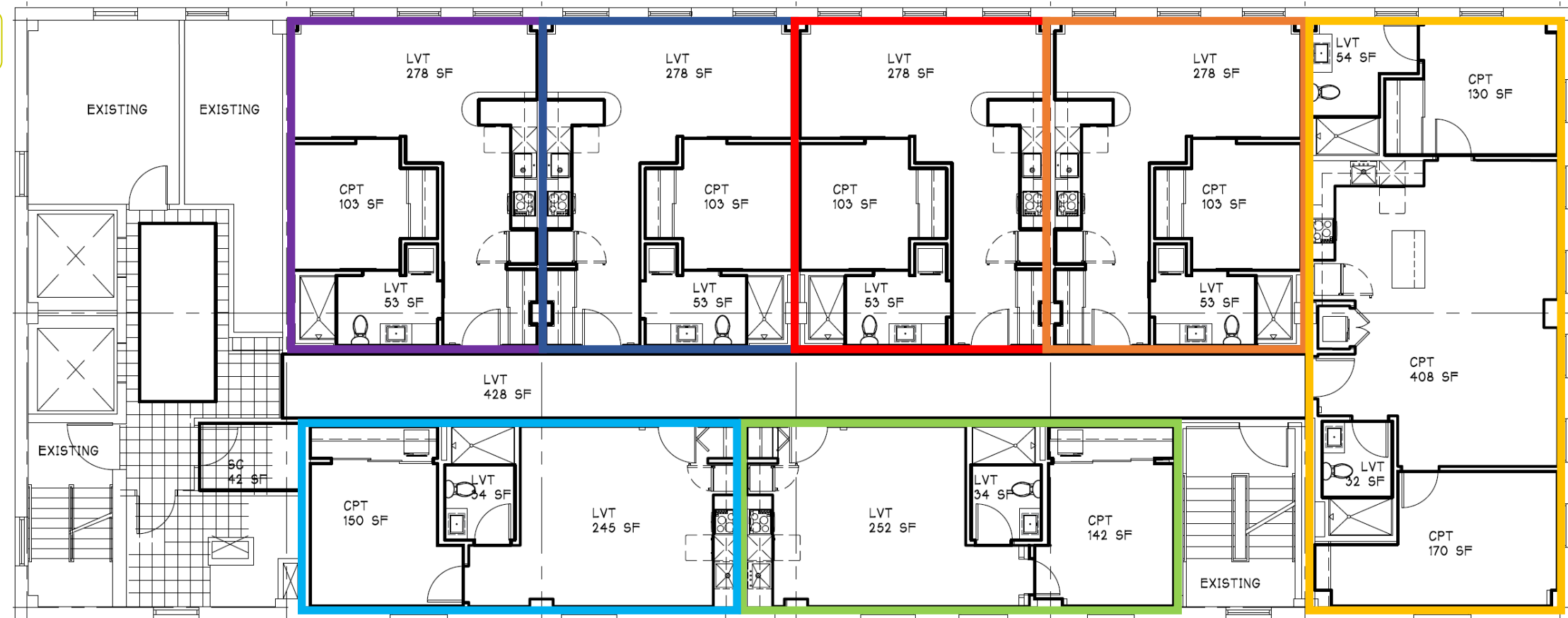
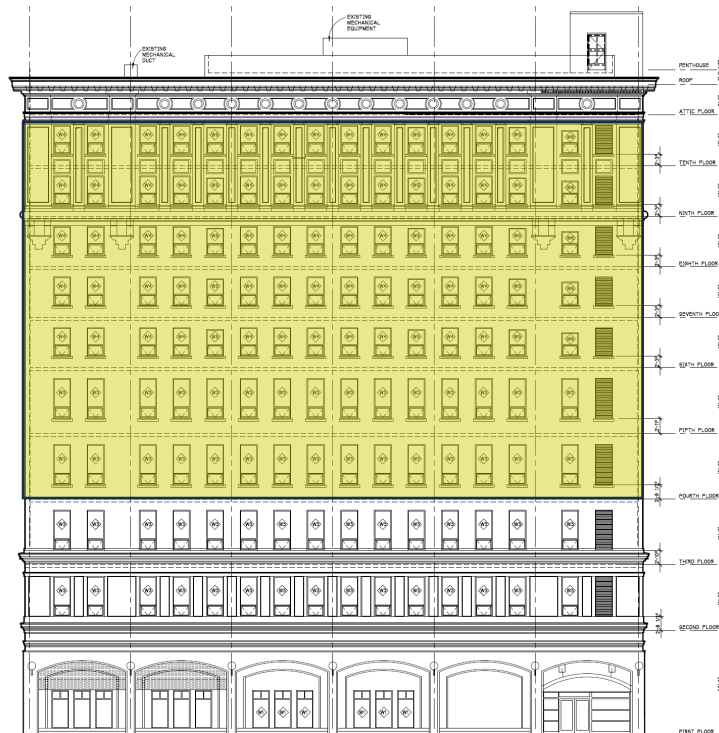
100 CARS OF PARKING
5,000 SQFT OF NEW RETAIL SPACE



FLOORS 2 AND 3



FLOORS 4 THRU 10



WASHINGTON SQUARE
100 SOUTH WASHINGTON

A UNIT TYPE FOR EVERY STYLE





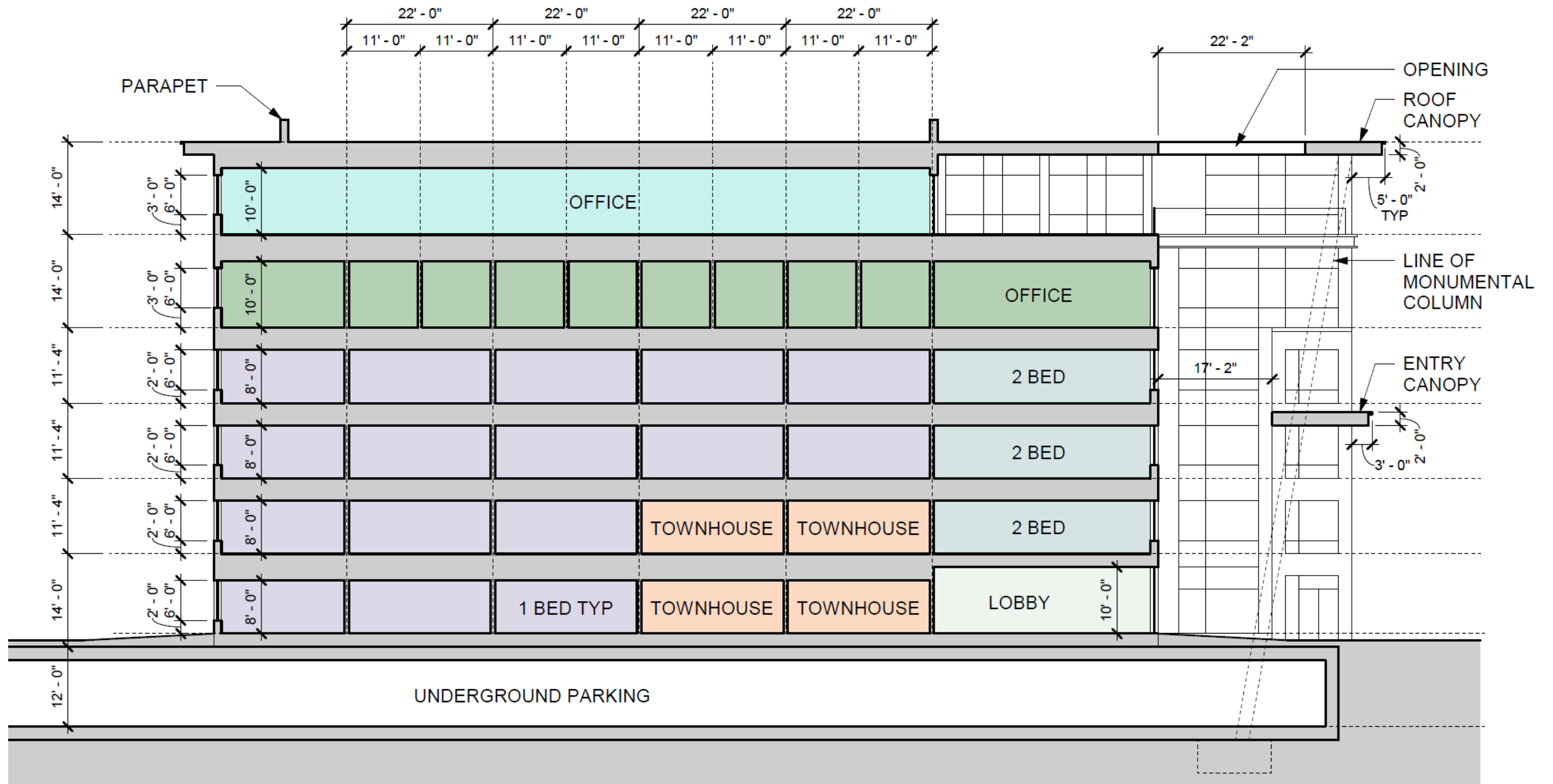




CAPITOL TOWER

201 NORTH WALNUT STREET







NEW VISION
LANSING, LLC

CAPITOL TOWER
201 NORTH WALNUT STREET

TOTAL OF 110,000 SQFT
36,000 SQUARE FEET OF CLASS-A OFFICE SPACE WITH TENANTS IN NEGOTIATION









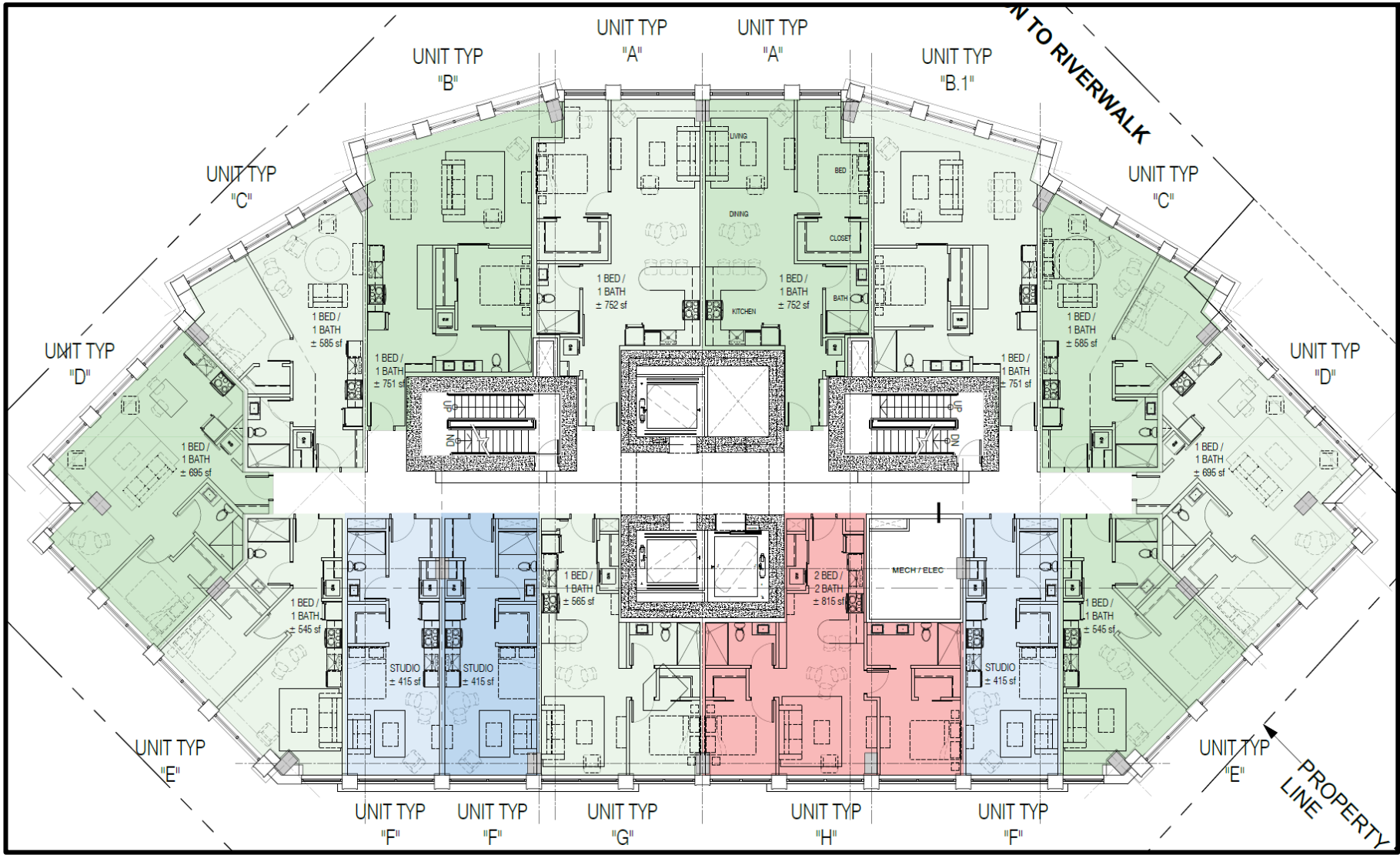
TOWER ON GRAND

215 SOUTH GRAND AVENUE

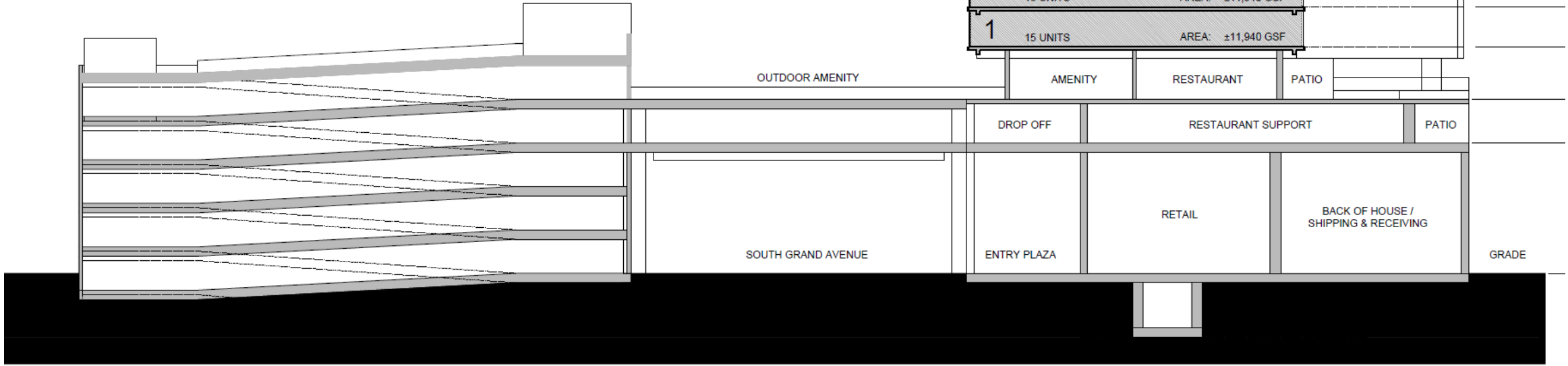


TOWER ON GRAND
215 SOUTH GRAND AVENUE

292 UNITS
250,000 SQFT OF LIVING SPACE



22	OUTDOOR AMENITY	AREA: ±11,940 GSF
21	6 UNITS	AREA: ±11,940 GSF
20	8 UNITS	AREA: ±11,940 GSF
19	10 UNITS	AREA: ±11,940 GSF
18	12 UNITS	AREA: ±11,940 GSF
17	12 UNITS	AREA: ±11,940 GSF
16	14 UNITS	AREA: ±11,940 GSF
15	14 UNITS	AREA: ±11,940 GSF
14	14 UNITS	AREA: ±11,940 GSF
13	14 UNITS	AREA: ±11,940 GSF
12	14 UNITS	AREA: ±11,940 GSF
11	14 UNITS	AREA: ±11,940 GSF
10	14 UNITS	AREA: ±11,940 GSF
9	14 UNITS	AREA: ±11,940 GSF
8	16 UNITS	AREA: ±11,940 GSF
7	15 UNITS	AREA: ±11,940 GSF
6	16 UNITS	AREA: ±11,940 GSF
5	15 UNITS	AREA: ±11,940 GSF
4	16 UNITS	AREA: ±11,940 GSF
3	15 UNITS	AREA: ±11,940 GSF
2	16 UNITS	AREA: ±11,940 GSF
1	15 UNITS	AREA: ±11,940 GSF



TOWER ON GRAND
215 SOUTH GRAND AVENUE

315 CARS OF ATTACHED PARKING SERVING
THE APARTMENT TOWER AND ATRIUM OFFICE CENTER





TOWER ON GRAND
215 SOUTH GRAND AVENUE

40,000 SQUARE FEET OF PODIUM SPACE
RESTAURANT, RETAIL, LOBBY, APARTMENT AMENITIES



TOWER ON GRAND
215 SOUTH GRAND AVENUE

RIVERFRONT LIVING WITH 360 DEGREE VIEWS OF THE CAPITOL CITY AND BEYOND





TOWER ON GRAND
215 SOUTH GRAND AVENUE

ROOFTOP AMENITY SPACE
LOUNGE, PRIVATE DINING ROOMS



TOWER ON GRAND
215 SOUTH GRAND AVENUE

ROOFTOP CAPITOL VIEWS
OBSERVATION DECK







TOWER ON GRAND
215 SOUTH GRAND AVENUE

RIVERFRONT SEATING AND OBSERVATION AREA



NEW VISION LANSING FUNDING

Total Development Costs
\$228,000,000

State of Michigan Appropriation Funding:
(\$40,000,000)

MSHDA Missing Middle Funding:
(\$8,000,000)

Developer Guaranteed Debt:
(\$140,000,000)

Developer Equity:
(\$40,000,000)

Total Funding
Sources:
\$228,000,000

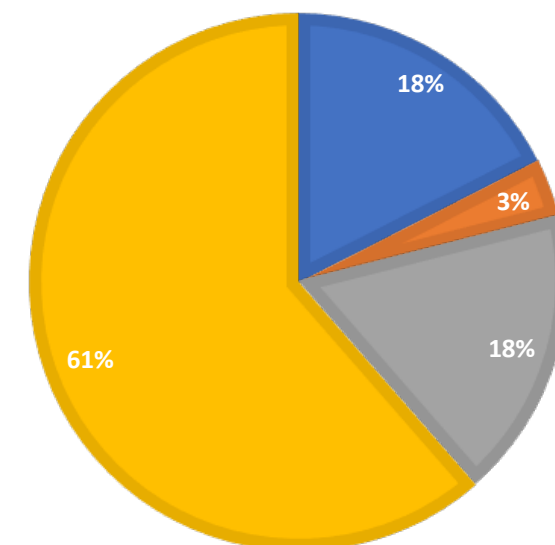
Appropriation – Permitted Uses:

- (a) Property acquisition.
- (b) Construction, renovations, or commercial space conversion.
- (c) Blight removal.
- (d) Environmental remediation activities.
- (e) Gap financing necessary to complete a project.
- (f) Consulting for planning, design, construction, architectural, or engineering.
- (g) Other municipal infrastructure improvements directly related to a project.

New Vision Lansing Capitol Stack

Total Project Cost	\$ 228,000,000
Developer Equity Contribution	\$ 40,000,000
MSHDA Missing Middle	\$ 8,000,000
Appropriation	\$ 40,000,000
Developer Guaranteed Debt	\$ 140,000,000

Developer Equity Contribution MSHDA Missing Middle
Appropriation Developer Guaranteed Debt



CAPITAL STACK

What Is a Brownfield:

- Brownfield plans use the increase in property tax payments to reimburse developers for certain construction activities that occur on sites that may be contaminated, blighted, or functionally obsolete.
- A Brownfield plan does not reduce the amount of tax revenue received by the city in the current state. All Taxing jurisdictions will collect the base tax for the life of the plan
- The property taxes that are captured pass through the “Brownfield Authority” who collects a fee for administering and managing the brownfield process. These fees are also used to fund other projects throughout the city as well as operate the economic development arm of the city.
- Not all taxes can be captured. School debt, for example, will be collected at the increased taxable value. This significantly increases (by approximately \$130,000 per year) the amount of school bond payments covered by these projects.
- Under a Transformational Brownfield Plan, reserved for projects with a total value of more than \$75,000,000 (in this region), a project is allowed to capture additional revenues from state income tax withholding and sales taxes.
- If the money is not spent or the targets contained within the approved brownfield plans are not met, the developer is not reimbursed.
- Brownfield plans benefit the local community by effectively leveraging local investment to be matched 2:1 at the State of Michigan level.

Application for Appointment to Board or Commission

Thank you for your interest in serving on a Lansing Board, Commission or Committee.

Certain boards, commissions or committees require appointees to be a registered elector in the City of Lansing (Charter Section 2-102) and be a resident of Lansing for one year prior to taking office (Charter Section 2-102).

Appointees to every board, commission or committee must not be in default to the City at the time of taking office (Charter Section 2-103.2) and not have been convicted, within 20 years of taking office, of a violation of the election laws of the City of Lansing, State of Michigan, or the United States; a violation of public trust; or any felony (Charter Section 2-103.1).

(Section Break)

Date	12/14/2018
------	------------

First Name	Stephen
------------	---------

Middle	Ellsworth
--------	-----------

Last Name	Young
-----------	-------

Other name(s) by which you have been known, including maiden names	Field not completed.
--	----------------------

Date of Birth	
---------------	--

Address	2133 Moores River Drive
---------	-------------------------

City	Lansing
------	---------

State	Michigan
-------	----------

Zip Code	48910
----------	-------

Email	seyyes1979@gmail.com
-------	--

Gender	
--------	--

Ward	4
------	---

Precinct	<i>Field not completed.</i>
Best phone number to contact you	
Last 4 digits of social security number	
In what year did you move to Lansing?	1973
Additional information regarding experience and credentials	Lived and worked in Lansing proper since mid-90's; Lived in Lansing area since 1974; Recently appointed by Governor Snyder to the Northern Michigan University Board of Trustees for a term beginning 1/1/2019
Occupational Background	<i>Field not completed.</i>
Educational Background	BA, Michigan State University, 1979
Please attach a resume if available	SYResume2018.pdf
First choice for board to serve on	Elected Officers Compensation Commission
Second choice of a board to serve on	<i>Field not completed.</i>
Third choice of a board to serve on	<i>Field not completed.</i>
Fourth choice of a board to serve on	<i>Field not completed.</i>
Please comment briefly on why you wish to serve on a particular board or commission. Please be specific as to your goals and ideas about how you wish to contribute to the work of the board or commission	Lansing has been my home for years. I am in a position both professionally and personally to give back to the community that I have been a part of for so many years and would like to serve.
Qualifications and Eligibility – At this time, if you do not meet one or more of the	<i>Field not completed.</i>

qualifications or eligibility requirements listed at the top, please state here the requirement to be met and explain how you will be qualified or eligible before you would be sworn in to an appointed office

Background Check Authorization	I agree
--------------------------------	---------

Please type your name in this box to signify that you can serve on a board or commission and the information in this application is accurate to the best of your knowledge	Stephen Young
--	---------------

Date & Time	12/14/2018 5:00 PM
-------------	--------------------

Email not displaying correctly? [View it in your browser.](#)

Boak, Sherrie

From: Hetke, Veronica
Sent: Tuesday, January 23, 2024 11:50 AM
To: Stephen Young
Subject: RE: [EXTERNAL] Application Update

Wonderful! Thank you so much!

Veronica Hetke

Scheduling Coordinator

City of Lansing – Office of Mayor Andy Schor

124 W. Michigan Ave. | Lansing, MI 48933

O: 517-483-4587 | C: 517-290-9398 | E: Veronica.Hetke@lansingmi.gov

[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#)



Andy Schor, Mayor

From: Stephen Young <seyyes1979@gmail.com>
Sent: Tuesday, January 23, 2024 11:49 AM
To: Hetke, Veronica <Veronica.Hetke@lansingmi.gov>
Subject: RE: [EXTERNAL] Application Update

Veronica- I have reviewed app and the information is still correct. Only change of course is the new email address which you now have. Other than that it is fine.

Thanks.

Sent from my iPhone

On Jan 23, 2024, at 9:34 AM, Hetke, Veronica <Veronica.Hetke@lansingmi.gov> wrote:

Hello Steve,

I am reaching out to ask you if the attached application is still correct. Please let me know if your address or contact information has changed! I am working on getting a reappointment resolution drafted for you. I'll keep you posted!

Thank you,

Veronica Hetke

Scheduling Coordinator

City of Lansing – Office of Mayor Andy Schor

124 W. Michigan Ave. | Lansing, MI 48933

O: 517-483-4587 | C: 517-290-9398 | E: Veronica.Hetke@lansingmi.gov

[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#)

<image001.png>

<mime-attachment>

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

WHEREAS, the Mayor has recommended the reappointment of Stephen Young as an At-Large member of the Elected Officers Compensation Commission for a term to expire October 1, 2030; and

WHEREAS, the Mayor's office has confirmed with this resolution, that they have vetted the applicant based on the original application and believes that the applicant meets the qualifications as required by the City Charter; and

WHEREAS, the Committee of the Whole met on February 26, 2024 and took affirmative action.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms the reappointment of Stephen Young as an At-Large member of the Elected Officers Compensation Commission for a term to expire October 1, 2030.

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

WHEREAS, City Clerk Chris Swope received notice that all Lansing School District Schools will be unusable as a Polling Place for the May 7, 2024 City Special Charter Commission Election due to the disruption in classroom instruction and public unrestricted access to the building; and

WHEREAS, Post Oak School is the Polling Place for Ward 1, Precinct 3; and

WHEREAS, Lyons School is the Polling Place for Ward 2, Precinct 12; and

WHEREAS, Cavanaugh School at is the Polling Place for Ward 2, Precinct 13; and

WHEREAS, Forest View School at is the Polling Place for Ward 2, Precinct 17; and

WHEREAS, Gardner School at is the Polling Place for Ward 2, Precinct 18 and Ward 2 Precinct 20; and

WHEREAS, Mt. Hope School (Woodcreek building) is the Polling Place for Ward 3, Precinct 22; and

WHEREAS, Dwight Rich School is the Polling Place for Ward 3, Precinct 23 and Ward 3, Precinct 24; and

WHEREAS, Cumberland School is the Polling Place for Ward 4, Precinct 39; and

WHEREAS, City Clerk Chris Swope recommends the following Polling Place relocations for the May 7, 2024 City Special Charter Commission Election:

- Ward 1, Precinct 3 be relocated to Grand River Head Start;
- Ward 2, Precinct 12 be relocated to Bethlehem Lutheran Church;
- Ward 2, Precinct 13, Ward 2, Precinct 17, Ward 2, Precinct 18 and Ward 2, Precinct 20 be relocated to Parker Memorial Baptist Church;
- Ward 3, Precinct 22 be relocated to the Alfreda Schmidt Southside Community Center;
- Ward 3, Precinct 23 and Ward 3, Precinct 24 be relocated to the Dr. Eva Evans Welcome Center; and
- Ward 4, Precinct 39 be relocated to Hope Ministries Church.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, relocates the following Polling Places for the May 7, 2024 City Special Charter Commission Election:

- Ward 1, Precinct 3 be relocated to Grand River Head Start;
- Ward 2, Precinct 12 be relocated to Bethlehem Lutheran Church;
- Ward 2, Precinct 13, Ward 2, Precinct 17, Ward 2, Precinct 18 and Ward 2,

- Precinct 20 be relocated to Parker Memorial Baptist Church;
- Ward 3, Precinct 22 be relocated to the Alfreda Schmidt Southside Community Center;
- Ward 3, Precinct 23 and Ward 3, Precinct 24 be relocated to the Dr. Eva Evans Welcome Center; and
- Ward 4, Precinct 39 be relocated to Hope Ministries Church.

BE IT FINALLY RESOLVED, that the City Clerk shall work to ensure proper signage, to assist relocated voters in finding their Polling Place.



City of Lansing

OFFICE OF THE CITY ATTORNEY

James D. Smiertka, City Attorney

February 14, 2024

Dear Council President Garza and Vice President Hussain:

After having had sufficient time, I have reviewed the two budget resolutions that propose to modify the Mayor's supplemental appropriation grant acceptance resolutions presented at OCA Leadership. My review has taken into consideration prior opinions including the 2006 legal opinion submitted to you previously and also my Boys and Girls Club opinion of 1996. Because these resolutions constitute budget amendments, Council's options are to either accept or reject the Mayor's proposals, but they cannot be modified. Therefore, the two resolutions, as amended by Council and passed by COW, are improper and cannot be approved as to form. Since these grant acceptance resolutions ultimately amend the budget, an up or down vote is the only option for City Council. The Mayor's two new resolutions to accept the grant dollars referred Monday night, are an up or down vote, and cannot include modified language.

Sincerely,

A handwritten signature in black ink, appearing to read "J. D. Smiertka", is written over a horizontal line.

James D. Smiertka
City Attorney



LANSING CITY COUNCIL

GRANT INFORMATION FORM

(Required for all grant applications and acceptances)

REFERRAL DATE: February 12, 2024

GRANT NAME: Transformational Housing Projects Enhancement Grant

DEPARTMENT: Mayor

CONTACT PERSON (INCLUDE EMAIL AND PHONE): Jake Brower/Mark Lawrence, 517-483-4576

APPLICATION DATE AWARD DATE: 12/13/2023

GRANT CYCLE: State FY 2024 (thru 12/2025) Check One: ☐ Annual ☒ One-Time

FUND AMOUNT: \$40,000,000 (Breakdown below should total this amount)

GOODS & SERVICES

PERSONNEL

CONSTRUCTION \$40,000,000

LAND

OTHER

CITY MATCH (IF APPLICABLE): \$0

GRANT PAYS FOR: for the direct eligible costs of creating affordable housing units or completing other corridor improvements.

FUND ALLOCATIONS (Please describe the purpose of the grant and allowable uses):

State/Federal Grants - \$40,000,000 (subgrant, capital projects).

HOUSING DEVELOPMENT FUND GRANT AGREEMENT ENHANCEMENT GRANT # LEG-2024-384-ENH

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
735 East Michigan Avenue, Lansing, Michigan 48912

THIS ENHANCEMENT GRANT AGREEMENT ("Agreement") made and entered into as of December 13, 2023, by and between City of Lansing, a local unit of government, whose address is 124 W Michigan Ave, Lansing Michigan 48933 (the "Grantee"), and the Michigan State Housing Development Authority, a public body corporate and politic of the State of Michigan, whose address is 735 East Michigan Avenue, Lansing, Michigan 48912 ("the Authority").

RECITALS

A. Enacted on July 31, 2023, 119 PA 2023 (the "Act") appropriated funding to the Michigan Department of Labor and Economic Opportunity for "Enhancement Grants" intended to be allocated to the Michigan State Housing Development Authority ("Authority") to award and administer special grants to intended grantees.

B. Funds appropriated pursuant to the Act are to be used to support initiatives and expand opportunities for low- and moderately low-income housing, including but not limited to improving the Grantee's ability to provide housing services, building capacity, initiate and coordinate housing development, and to provide gap funding for housing projects falling at 120% or less of the local region's Average Median Income.

C. The Authority is responsible for administering Enhancement Grants, ensuring that funds are distributed in accordance with 119 PA 2023.

D. The Authority, as a public body, is charged with the responsibility of regulating the use of funds advanced by it to assure that such funds are being used for authorized purposes and in a manner that are in accordance with the Act and the Authority's General Rules (R 125.101, et seq., as amended) (the "Rules").

E. The Grantee has represented to the Authority that it is not debarred, is authorized to conduct business in the State of Michigan, that the signatory executing this Agreement is authorized to bind the Grantee to the terms of this Agreement and fully intends to distribute funds in accordance with the Act for housing-related purposes as described in Exhibit A attached and incorporated in this Agreement.

F. This Enhancement Grant, LEG-2024-384-ENH, in an amount not to exceed Forty Million Dollars (\$40,000,000) (the "Grant") is for housing-related activities more specifically described in Exhibit A (the "Program").

NOW, THEREFORE, in consideration of and as a condition to receiving the Grant, the Grantee agrees that:

1. The terms and conditions set forth herein are a reasonable and appropriate means to assure the use of funds in accordance with the Act, the Rules, and the Authority's Authorizing Resolutions.

2. All aspects of the Grantee's plan for the use of the Grant are specifically described in the Program attached hereto as Exhibit A, which Program is incorporated herein, and the Grantee will operate the Program as described in Exhibit A.

3. All actions of the Grantee and requirements of the Grantee's Program are subject to the terms of this Agreement, the provisions of the Act and the Rules of the Authority.

4. The activities of the Grantee will be subject to the review of and, in the discretion of the Authority, audit by Authority staff to ensure compliance with this Agreement, the Act and the Authority's Rules, and the Grantee will provide any books, records or documents in such form and at such place as the Authority may request.

5. The Grantee acknowledges and agrees to comply with federal and state laws and regulations that could be applicable to projects wherein funds from this grant may be used.

6. The Grantee agrees to draw down Grant proceeds only when and, in such amounts, as may be necessary to pay for the activities as Authorized in the Act or otherwise described in Exhibit A.

7. All requests for the disbursement of Grant proceeds shall be submitted to the Executive Director of the Authority or her designee, shall be made in writing, and shall include the amount of Grant proceeds to be disbursed, a description of the purposes for which the proceeds are to be used, copies of invoices, billings, or such other documentation as may be necessary to demonstrate project costs, and such other information as the Executive Director or his designee may request.

8. If an advance or a portion of the Grant for a specific purpose is not used for that purpose due to conditions that make it impossible to use as provided herein, or if the Grantee decides not to use the money, upon such decision, the sum shall be returned to the Authority immediately.

9. Grant proceeds are to be used for housing-related activities. Accordingly, the Grantee shall, prior to disbursement of funds, prepare and submit to the Authority a detailed budget of work to be completed.

10. Any of Grantee's activities that are assisted using grant proceeds and the selection of persons for participation in the Program shall not discriminate against any person on the grounds of race, color, creed, religion, height, weight, sex, sexual orientation, age (except for a Development specifically designed for elderly occupants), national origin, handicap, or marital or familial status except as provided by law. The Grantee shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968 (as amended by the Fair Housing Amendments Act of 1988), the Americans with Disabilities Act, the Elliott-Larsen Civil Rights Act, and the Michigan Persons with Disabilities Civil Rights Act.

11. Within 30 days from the termination date of this Agreement, the Grantee shall provide to the Authority a report including, but not limited to, all receipts, expenditures, project activities and accomplishments including a comparison of the final budget to the approved budget and supporting documentation for claimed expenditures.

12. The Grantee assumes responsibility for any and all costs to implement the Grantee's Program exceeding the amount of the Grant.

13. All documents and reports delivered to the Grantee under this Agreement shall become and be the property of the Grantee.

14. In the event of a violation of any of the provisions of this Agreement, the Authority will notify the Grantee in writing of the violation and the Grantee will have a 30-day period in which to correct the violation. In the event the violation is not corrected to the satisfaction of the Authority within the time prescribed herein, the Authority may:

- a. immediately terminate the Grant, without further notice, in a writing signed by the Authority's Executive Director; and
- b. pursue any other remedy provided at law or in the Act.

15. The Grantee hereby agrees that an election by the Authority to pursue any one remedy shall not be construed to preclude or be a waiver of the right to pursue any other remedy available to it.

16. The term of this Agreement shall commence on December 13, 2023 and shall terminate, unless extended by the Authority, on December 12, 2025.

17. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portion hereof.

18. This Agreement may be signed in several counterparts and all so executed shall constitute one agreement, binding on all parties hereto.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

SIGNATURE PAGES TO FOLLOW

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year shown above.

CITY OF LANSING

By: _____

Shelbi Frayer
Its: Deputy Mayor

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year shown above.

**MICHIGAN STATE HOUSING
DEVELOPMENT AUTHORITY**

By: _____

Amy Hovey
Its: Executive Director

Exhibit A
ENHANCEMENT GRANT # LEG-2024-384-ENH
Grantee: City of Lansing

In accordance with Public Act 119 of 2023, Article 9, Section 1012, State Senator Sarah E. Anthony is the grant sponsor and certified that this grant is for a public purpose. The following information is a summary of the grant provided by State Senator Sarah E. Anthony.

Public Purpose:

This program is designed to support the Transformational Housing Project, overseen by the City of Lansing, to support the development of a new city campus for the City of Lansing. This includes the construction of new mixed use/income housing facilities in the downtown area. Funds will be used to construct transformational housing infrastructure at workforce and market rates across multiple sites in downtown Lansing. The project will include residential, commercial, and parking inventory.

Disbursement and Use of Funds:

Initial disbursement of 10% may be provided to the grantee upon execution of the grant agreement. After the initial 10% disbursement, additional funds will only be disbursed after verification that the initial payment has been fully expended, in accordance with the project purpose.

The grant cannot be increased or deviated from the boilerplate language. Grant funds can only be used for expenditures that occur on or after the effective date of December 13, 2023, through December 12, 2025.

Progress Reports and Final Reporting:

A Summary of the grant activities performed during the grant term is required. An accounting of Grantee's actual expenditure of all funds on the Project over the grant period is required, including the breakdown of Grantee's actual use of Grant funds on the Project within each applicable category of the Budget, and corresponding copies of supporting documentation of such expenditures, such as receipts, general ledgers, or other evidence of expenditure activity statements; the Grantee's estimated percentage of completion of the Project; and any other information deemed relevant by Grantee to support the grant activities actually performed. Each Financial Status Report ("FSR") and progress report must be submitted on the MSHDA IGX grant management system by the designated authorized signatory. FSRs and progress reports must be submitted 30 days after the end of a calendar quarter.

Reporting requirements include the following:

1. Calendar year quarterly Financial Status Report and progress report
2. Cost certification for projects over \$10 million
3. The number and location of housing units created and/or preserved
4. Financial audit
5. Grant/financial narrative (final report)

Budget:

Component	Budget
Construction: Infrastructure Hard Costs (materials) Environmental	\$40,000,000
Total	\$40,000,000

Resolution #2024-###

By the Committee on Ways and Means
Resolved by the City Council of the City of Lansing

WHEREAS, on July 31, 2023, the State of Michigan enacted 119 PA 2023 (the “Act”) appropriating funding to the Michigan Department of Labor and Economic Opportunity for “Enhancement Grants” intended to be allocated to the Michigan State Housing Development Authority (the “Authority”) to award and administer special grants to intended grantees; and,

WHEREAS, funds appropriated pursuant to the Act are to be used to support initiatives and expand opportunities for low- and moderately low-income housing, including but not limited to improving the Grantee’s ability to provide housing services, building capacity, initiate and coordinate housing development, and to provide gap funding for housing projects falling at 120% or less of the local region’s Average Median Income; and,

WHEREAS, the Authority has awarded this Enhancement Grant, LEG-2024-384-ENH, in an amount not to exceed Forty Million Dollars (\$40,000,000.00) for housing-related activities; and,

WHEREAS, these funds are to be used for the construction of new mixed use/income housing facilities in the downtown area as proposed by Paul Gentilozzi; and,

WHEREAS, the award does not require local matching funds and was awarded on a non-competitive basis; and,

WHEREAS the funds are to be used as part of a project anticipated to create more than 450 new mixed use/income housing facilities in the downtown area as proposed by Paul Gentilozzi, subject to the terms of the grant agreement;

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council hereby accepts the Housing Development Fund Grant, subject to the terms of the grant agreement.

BE IT FINALLY RESOLVED, the Administration is authorized to create appropriate accounts and to make the necessary operating transfers for the expenditure and control of the balance of the grant funds, and to execute any necessary agreements upon approval as to form by the City Attorney.



CITY OF LANSING

INTERNAL AUDITOR

124 W MICHIGAN AVE FL 10

LANSING MI 48933-1605

(517) 483-4159

Date: February 26th, 2024

To: Committee of the Whole

From: Emily Linden, Internal Auditor

Subject: Grant Acceptance; Michigan State Housing Development Authority (MSHDA) Housing Development Fund Grant for Transformational Housing

Overview

- Department: Mayor's Office
- Grant Name: Transformational Housing Projects Grant
- City Contact: Jake Brower/Mark Lawrence
- Award Date: December 13, 2023
- Grant Cycle: December 13, 2023-December 12, 2025
- Amount: \$40,000,000
- One-time money
- No City match required

Act 119 PA 2023 appropriated funding to the Michigan Department of Labor and Economic Opportunity for "Enhancement Grants" intended to be allocated to the Michigan State Housing Development Authority to award and administer special grants to intended grantees.

Eligible Uses

Funds appropriated pursuant to the Act are to be used to support initiative and expand opportunities for low- and moderately low-income housing, including but not limited to:

- Improving the Grantee's ability to provide housing services
- Building capacity
- Initiate and coordinate housing development
- Provide gap funding for housing projects falling at 120% or less of the local region's Average Median Income

Public Purpose in Grant Agreement: This program is designed to support the Transformational Housing Project, overseen by the City of Lansing, to support the development of a new city campus for the City of Lansing. This includes the construction of new mixed use/income housing facilities in the downtown area. Funds will be used to construct transformational housing infrastructure at

workforce and market rates across multiple sites in downtown Lansing. The project will include residential, commercial, and parking inventory.

- The City intends to use these funds for the construction of more than 450 new mixed use/income housing facilities in the downtown area as proposed by Paul Gentilozzi.

Other Notes

- Reporting requirements include:
 - Calendar year quarterly financial status report and progress report
 - Cost certification for projects over \$10 million
 - The number and location of housing units created and/or preserved
 - Financial audit
 - Grant/financial narrative (final report)



LANSING CITY COUNCIL

GRANT INFORMATION FORM

(Required for all grant applications and acceptances)

REFERRAL DATE: February 12, 2024

GRANT NAME: Transformational Municipal Infrastructure Enhancement Grant

DEPARTMENT: Mayor

CONTACT PERSON (INCLUDE EMAIL AND PHONE): Jake Brower/Mark Lawrence, 517-483-4576

APPLICATION DATE AWARD DATE: 1/12/2024

GRANT CYCLE: State FY 2024 (thru 09/2027) Check One: ☐ Annual ☒ One-Time

FUND AMOUNT: \$40,000,000 (Breakdown below should total this amount)

GOODS & SERVICES

PERSONNEL

CONSTRUCTION \$40,000,000

LAND

OTHER

CITY MATCH (IF APPLICABLE): \$0

GRANT PAYS FOR: for development of a new city campus in the downtown corridor including a municipal administration building, facilities, and adjacent infrastructure.

FUND ALLOCATIONS (Please describe the purpose of the grant and allowable uses):

State/Federal Grants - \$40,000,000 (construction).

**MICHIGAN ECONOMIC DEVELOPMENT CORPORATION
GRANT WITH
CITY OF LANSING**

The Michigan Economic Development Corporation (the “MEDC”) enters into a binding agreement (the “Agreement”) with City of Lansing (the “Grantee”). As used in this Agreement, the MEDC and Grantee are sometimes individually referred to as a “Party” and collectively as “Parties.”

Grantee: City of Lansing
124 W. Michigan Avenue
Lansing, Michigan 48933

I. NATURE OF SERVICES.

- A. Purpose.** The purpose of this Agreement is to provide funding to the Grantee to support the City of Lansing’s development of a new city campus in the downtown corridor including a municipal administration building, facilities, and adjacent infrastructure
- B. Eligible Costs.** Grantee may expend funds on the following combination of costs directly related to the development of a new city campus:
 - i. Property acquisition
 - ii. Planning, design, and engineering costs
 - iii. Construction of a new city administration building owned by the City of Lansing; and/or
 - iv. Adjacent infrastructure improvements, including facades, fixtures, equipment, greenspace, streetscapes, utilities, or lighting.
- C. Legislative requirement.** The city campus plan funded under this Agreement must identify any opportunities to leverage efficiencies with other governmental entities in a municipal administration building as part of the city campus plan. If excess space is available, the Grantee shall seek to provide space for community-based organizations or to serve residents (A-C collectively the “Grant Activities”).

II. PERFORMANCE SCHEDULE.

Starting Date: October 1, 2023

Ending Date: September 30, 2027

The term of this Agreement (the “Term”) shall commence on the Starting Date and shall continue until the occurrence of an event described in Section IX of this Agreement.

- III. INCORPORATION BY REFERENCE.** The following documents are incorporated by reference as binding obligations, term, and conditions of this Agreement.

Exhibit A: Grantee’s Budget

In the event of any inconsistency between the provisions of Exhibit A and this Agreement, the provisions of this Agreement shall control.

IV. PAYMENT SCHEDULE INFORMATION.

- A.** The MEDC agrees to pay the Grantee a sum not to exceed Forty Million Dollars (\$40,000,000) (the "Grant"). This Agreement does not commit the MEDC to approve requests for additional funds during or beyond the Term.
- B.** MEDC requires that payments under this Agreement be processed by electronic funds transfer (EFT). Grantee is required to register to receive payments by EFT at the State Integrated Governmental Management Applications (SIGMA) Vendor Self Service (VSS) website (www.michigan.gov/VSSLogin).
- C.** The Grant shall be disbursed in two tranches. Subject to Section IV.B., an initial disbursement of 50% of the Grant funds shall be made by the MEDC to the Grantee within thirty days of execution of this Agreement by both Parties (the "Initial Payment").
- D.** Additional funds shall only be disbursed after verification that the previous payment has been expended, in full, in accordance with this Agreement and Grantee's Budget, including providing appropriate supporting documentation. A second, and final, payment of the remaining 50% of the Grant funds under this Agreement shall be made by the MEDC to Grantee upon receipt and approval by the Grant Administrator of Grantee's supporting documentation showing that the remaining costs for which payment is requested have been appropriately expended in accordance with Grantee's Budget. Supporting documentation may include invoices, accounting ledgers, a detailed project scope and budget, demonstration of a competitive bid process, public support or community engagement activities, plan designs or engineering documents including environmental or economic impact, historic preservation considerations or evaluation of alternative options, existing or other planned downtown improvement activities that complement, maximize, or leverage a city campus plan funded under this section, plans to transition any existing public safety facilities currently located at an existing campus to new facilities (if applicable), and/or other supporting documentation as approved by the Grant Administrator. Grantee shall provide such documentation to Grant Administrator when requesting disbursement, or at Grant Administrator's request through the Term. Grant Administrator shall provide Grantee with appropriate submission instructions of Grantee's supporting documentation. Grantee's supporting documentation may be subject to a final audit prior to the release of final payment.

- E. The Grantee agrees that all funds shown in the Budget, described in Exhibit A, are to be spent as specified. Grantee may not submit a request for the same costs twice. Grantee may reallocate expenditures between the categories identified in Grantee's Budget of up to ten percent (10%) of the total Grant funds without prior written approval of the Grant Manager. Changes greater than ten percent (10%) of the total Grant Funds are only allowed upon review and written approval by the Grant Administrator. The addition of any Budget categories requires review and written approval by the Grant Administrator.

- V. **MEDC GRANT ADMINISTRATOR.** The Grantee must communicate with the MEDC representative named below or his or her designee regarding this Agreement. The Grant Administrator may be changed, at any time, at the discretion of the MEDC.

Kristyn Blackmer (the "Grant Administrator")
Michigan Economic Development Corporation
300 North Washington Square
Lansing, Michigan 48913
blackmerk1@michigan.org

VI. **GRANTEE DUTIES.**

- A. The Grantee agrees to submit documentation of the expenditures of funds in accordance with Grantee's Budget (Exhibit A) and submit quarterly progress reports in form and substance satisfactory to the MEDC. Quarterly reporting shall include, at a minimum, the status of the Grant Activities and an accounting of all funds expended on Grant Activities during that quarter.

VII. **RELATIONSHIP OF THE PARTIES.**

- A. Due to the nature of the services described herein and the need for specialized skill and knowledge of Grantee, the MEDC is entering into this Agreement with Grantee. As a result, neither Grantee nor any of its employees or agents is or shall become an employee of the MEDC due to this Agreement.
- B. Grantee will provide the services and achieve the results specified in this Agreement free from the direction or control of the MEDC as to means and methods of performance.
- C. Grantee assumes full responsibility for any insurance or other fringe benefits, including, but not limited to, Social Security, Worker's Compensation, income tax withholdings, retirement or leave benefits for its employees. The MEDC is not responsible for any such insurance or other fringe benefits..

- D. Including those items provided for in Grantee's Budget in order for Grantee to achieve the Grant Activities, all tools, supplies, materials, equipment, and office space necessary to carry out this Agreement are the sole responsibility of Grantee.
 - E. Grantee shall retain all control of its employees and staffing decisions independent of the direction and control of the MEDC.
- VIII. **ACCESS TO RECORDS.** During the Term, and for seven (7) years after the Ending Date, the Grantee shall maintain reasonable records, including evidence that the services actually were performed and the identity of all individuals paid for such services, and shall allow access to those records by the MEDC or their authorized representative at any time during this period.
- IX. **TERMINATION.** This Agreement shall terminate upon the earlier of the following:
- A. The Ending Date.
 - B. Termination by the MEDC:
 - 1. By giving thirty (30) calendar days prior written notice to the Grantee in the event of fraudulent behavior or other egregious circumstances directly relating to the Grantee or the Grant Activities not otherwise covered by Section XIX of this Agreement, which would in the judgment of the MEDC CEO, reflect unfavorably on the State of Michigan if the Agreement were not terminated; or
 - 2. In the event that the Legislature of the State of Michigan the State Government, or any State official, commission, authority, body, or employee or the federal government (a) takes any legislative or administrative action which fails to provide, terminates, or reduces the funding necessary for this Agreement; or (b) takes any legislative or administrative action, which is unrelated to the source of funding for the Agreement, but which affects the MEDC's ability to fund and administer this Agreement and other MEDC programs, provided, however, that in the event such action results in an immediate absence or termination of funding, cancellation may be made effective immediately upon delivery of notice to the Grantee; or
 - 3. Pursuant to Section XIX of this Agreement.
- X. **MEDC EMPLOYEES.** The Grantee will not hire any employee of the MEDC to perform any services covered by this Agreement without prior written approval from the Chief Executive Officer of the MEDC.
- XI. **CONFIDENTIAL INFORMATION.** Except as required by law, the Grantee shall not disclose any information, including targeted business lists, economic

development analyses, computer programs, databases, and all materials furnished to the Grantee by the MEDC without the prior written consent of the MEDC. All information described in this Section shall be considered "Confidential Information" under this Agreement. Confidential Information does not include: (a) information that is already in the possession of, or is independently developed by, Grantee; (b) becomes publicly available other than through breach of this Agreement; (c) is received by Grantee from a third party with authorization to make such disclosures; or (d) is released with MEDC's written consent.

- XII. PUBLICATIONS.** Except for Confidential Information, the MEDC hereby agrees that researchers funded with this Agreement shall be permitted to present at symposia, national, or regional professional meetings, and to publish in journals, theses, or dissertations, or otherwise of their own choosing, the methods and results of their research. Grantee shall at its sole discretion and at its sole cost and expense, prior to publication, seek intellectual property protection for any Inventions (as described in Section XIII) if commercially warranted. Grantee shall submit to the MEDC a listing of articles that Grantee has submitted for publication resulting from work performed hereunder in its quarterly report to the MEDC. Grantee shall acknowledge the financial support received from the MEDC, as appropriate, in any such publication.
- XIII. INTELLECTUAL PROPERTY RIGHTS.** Grantee shall retain ownership to the entire right, title, and interest in any new inventions, improvements, or discoveries developed or produced under this Agreement, including, but not limited to, concepts know-how, software, materials, methods, and devices ("Inventions") and shall have the right to enter into license agreements with industry covering Inventions.
- XIV. CONFLICT OF INTEREST.** Except as has been disclosed to the MEDC, Grantee affirms that neither the Grantee nor its Affiliates or their employees has, shall have, or shall acquire any contractual, financial business, or other interest, direct or indirect, that would conflict in any manner with Grantee's performance of its obligations under this Agreement or otherwise create the appearance of impropriety with respect to this Agreement.

Grantee further affirms that neither Grantee nor any affiliates or their employees has accepted or shall accept anything of value based on an understanding that the actions of the Grantee or its affiliates or either's employees on behalf of the MEDC would be influenced. Grantee shall not attempt to influence any MEDC employee by the direct or indirect offer of anything of value. Grantee also affirms that neither Grantee, nor its Affiliates or their employees has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Grantee or its Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the execution of this Agreement.

In the event of change in either the interests or services under this Agreement,

Grantee will inform the MEDC regarding possible conflicts of interest which may arise as a result of such change. Grantee agrees that conflicts of interest shall be resolved to the MEDC's satisfaction or the MEDC may terminate this Agreement. As used in this Paragraph, "conflict of interest" shall include, but not be limited to, conflicts of interest that are defined under the laws of the State of Michigan.

- XV. INDEMNIFICATION AND GRANTEE LIABILITY INSURANCE.** To the extent permitted by law, The Grantee shall indemnify, defend and hold harmless the MEDC, its corporate board of directors, executive committee members including its participants, its corporate board of directors, its officers, agents, and employees (the "Indemnified Persons") from any damages that it may sustain through the negligence of the Grantee pertaining to the performance of this Agreement.

The Grantee shall maintain such insurance to protect the Indemnified Persons from claims that might arise out of or as a result of the Grantee's operations; however, Grantee's indemnification obligation shall not be limited to the limits of liability imposed under the Grantee's insurance policies. The Grantee will provide and maintain its own general liability, property damage, and Worker's Compensation insurance. The insurance shall be written for not less than any limits of liability required by law for the Grantee's obligation for indemnification under this Agreement.

- XVI. TOTAL AGREEMENT.** This Agreement, together with Exhibit A incorporated herein, is the entire agreement between the Parties superseding any prior or concurrent agreements as to the services being provided, and no oral or written terms or conditions which are not contained in this Agreement shall be binding. This Agreement may not be changed except by mutual agreement of the Parties reduced to writing and signed.

- XVII. ASSIGNMENT/TRANSFER/SUBCONTRACTING.** Except as contemplated by this Agreement, the Grantee shall not assign, transfer, convey, subcontract, or otherwise dispose of any duties or rights under this Agreement without the prior specific written consent of the MEDC. Any future successors of the Grantee will be bound by the provisions of this Agreement unless the MEDC otherwise agrees in a specific written consent. The MEDC reserves the right to approve subcontractors for this Agreement and to require the Grantee to replace subcontractors who are found to be unacceptable.

- XVIII. COMPLIANCE WITH LAWS.** The Grantee is not and will not during the Term be in violation of any laws, ordinances, regulations, rules, orders, judgments, decrees, or other requirements imposed by any governmental authority to which it is subject, and will not fail to obtain any licenses, permits, or other governmental authorizations necessary to carry out its duties under this Agreement.

- XIX. DEFAULT.** The occurrence of any one or more of the following events or conditions shall constitute an "Event of Default" under this Agreement, unless a

written waiver of the Event of Default is signed by the MEDC: (a) any representation, covenant, certification, or warranty made by the Grantee shall prove incorrect at the time that such representation, covenant, certification, or warranty was made in any material respect; (b) the Grantee's failure generally to pay debts as they mature, or the appointment of a receiver or custodian over a material portion of the Grantee's assets, which receiver or custodian is not discharged within sixty (60) calendar days of such appointment; (c) any voluntary bankruptcy or insolvency proceedings are commenced by the Grantee; (d) any involuntary bankruptcy or insolvency proceedings are commenced against the Grantee, which proceedings are not set aside within sixty (60) calendar days from the date of institution thereof; (e) any writ of attachment, garnishment, execution, tax lien, or similar writ is issued against any property of the Grantee, which is not removed within sixty (60) calendar days. (f) the Grantee's failure to comply with the reporting requirements hereof; (g) the Grantee's failure to comply with any obligations or duties contained herein; and/or (h) Grantee's use of the Grant funds for any purpose not contemplated under this Agreement.

XX. AVAILABLE REMEDIES. Upon the occurrence of any one or more of the Events of Default, the MEDC may terminate this Agreement immediately upon notice to the Grantee. The termination of this Agreement is not intended to be the sole and exclusive remedy in case any Event of Default shall occur and each remedy shall be cumulative and in addition to every other provision or remedy given herein or now or hereafter existing at law or equity.

XXI. REIMBURSEMENT. If this Agreement is terminated as a result of Section XIX(h) hereof, the MEDC shall have no further obligation to make a Grant disbursement to the Grantee. The Grantee shall reimburse the MEDC for disbursements of the Grant determined to have been expended for purposes other than as set forth herein as well as any Grant funds, which were previously disbursed but not yet expended by the Grantee.

XXII. NOTICES. Any notice, approval, request, authorization, direction, or other communication under this Agreement shall be given in writing and shall be deemed to have been delivered and given for all purposes: (a) on the delivery date if delivered by electronic mail or by confirmed facsimile; (b) on the delivery date if delivered personally to the Party to whom the same is directed; (c) one business day after deposit with a commercial overnight carrier, with written verification of receipt; or (d) Three business days after the mailing date, whether or not actually received, if sent by U.S. mail, return receipt requested, postage, and charges prepaid, or any other means of rapid mail delivery for which a receipt is available. The notice address for the Parties shall be the address as set forth in this Agreement, with the other relevant notice information, including the recipient for notice and, as applicable, such recipient's facsimile number or electronic mail address, to be as reasonably identified by notifying Party. The MEDC and Grantee may, by notice given hereunder, designate any further or different addresses to which subsequent notices shall be sent.

- XXIII. ACCESS TO RECORDS AND INSPECTION RIGHTS.** During the Term, there will be frequent contact between the Grant Administrator and the Grantee. Until the end of the Term, to enable the MEDC to monitor and ensure compliance with the terms of this Agreement, the Grantee shall permit the MEDC to visit the Grantee, and any other location where books and records of the Grantee are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of this Agreement, including the expenditure of the Grant disbursements; provided, however, that such audit right shall survive the end of the Term by three (3) years. At such visits, the Grantee shall permit any employee or agent of the MEDC to make copies or extracts from information and to discuss the affairs, finances, and accounts of the Grantee related to this Agreement with its officers, employees, or agents. The MEDC shall have the right to remove, photocopy, photograph, or otherwise record in any way any part of such books and records with the prior written consent of the Grantee, which consent shall not be unreasonably withheld.
- XXIV. GOVERNING LAW.** This Agreement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced, and governed under the laws of the State of Michigan without regard to the doctrines of conflict of laws. The terms of this provision shall survive the termination or cancellation of the Agreement.
- XXV. COUNTERPARTS AND COPIES.** The Parties hereby agree that the faxed signatures of the Parties to this Agreement shall be as binding and enforceable as original signatures; and that this Agreement may be executed in multiple counterparts with the counterparts together being deemed to constitute the complete agreement of the Parties. Copies (whether photostatic, facsimile or otherwise) of this Agreement may be made and relied upon to the same extent as though such copy was an original.
- XXVI. JURISDICTION.** In connection with any dispute between the Parties under this Agreement, the Parties hereby irrevocably submit to jurisdiction and venue of the Michigan circuit courts of the State of Michigan located in Ingham County. Each Party hereby waives and agrees not to assert, by way of motion as a defense or otherwise in any such action any claim; (a) that it is not subject to the jurisdiction of such court; (b) that the action is brought in an inconvenient forum; (c) that the venue of the suit, action, or other proceeding is improper; or (d) that this Agreement or the subject matter of this Agreement may not be enforced in or by such court.
- XXVII. SEVERABILITY.** All of the clauses of this Agreement are distinct and severable and, if any clause shall be deemed illegal, void, or unenforceable, it shall not affect the validity, legality, or enforceability of any other clause or provision of this Agreement. To the extent possible, the illegal, void, or unenforceable provision shall be revised to the extent required to render the Agreement enforceable and valid, and to the fullest extent possible, the rights and responsibilities of the Parties

shall be interpreted and enforced to preserve the Agreement and the intent of the Parties. Provided, if application of this section should materially and adversely alter or affect a Party's rights or obligations under this Agreement, the Parties agree to negotiate in good faith to develop a structure that is as nearly the same structure as the original Agreement (as may be amended from time to time) without regard to such invalidity, illegality, or unenforceability.

XXVIII. PUBLICITY. At the request and expense of the MEDC, the Grantee will cooperate with the MEDC to promote the Grant Activities through one or more of the placement of a sign, plaque, media coverage, or other public presentation at the project or other location acceptable to the Parties.

XXIX. SURVIVAL. The terms and conditions of sections VII, VIII, XI, XV, XVII, XXIV, XXVI, and XXVII shall survive termination of this Agreement.

(remainder of page intentionally left blank)

The signatories below warrant that they are empowered to enter into this Agreement.

GRANTEE ACCEPTANCE:

City of Lansing

Dated: _____

Andy Schor
Mayor

MEDC ACCEPTANCE:

Michigan Economic Development Corporation

Dated: _____

Christin Armstrong
Secretary

EXHIBIT A

GRANTEE'S BUDGET

1. Grantee: City of Lansing		2. Project Title: Transformational Municipal Infrastructure			
3. Project Cost Elements		4. Funding Sources			
Activities	Other/Additional Notes	Michigan Enhancement Grant	Local Funding	Other Funding	Total
Construction:	Renovation and construction of a new Lansing City Hall in the downtown	\$ 40,000,000.00			\$ 40,000,000.00
Infrastructure Hard Costs (Materials)					
Environmental					
Total		\$ 40,000,000.00	\$ -	\$ -	\$ 40,000,000.00

Resolution #2024-###

By the Committee on Ways and Means
Resolved by the City Council of the City of Lansing

WHEREAS, on July 31, 2023, the State of Michigan enacted 119 PA 2023 (the “Act”) appropriating funding to the Michigan Department of Labor and Economic Opportunity (the “Department”) for “transformational municipal infrastructure” for which the City of Lansing was an eligible recipient; and,

WHEREAS, funds appropriated pursuant to the Act are to be used to develop a city campus that will improve customer service and public accessibility, increase building efficiencies, modernize aging facilities, and improve downtown commerce and redevelopment; and,

WHEREAS, the Department, through the Michigan Economic Development Corporation (“MEDC”) has awarded a grant, Case - 400195, for a sum not to exceed Forty Million Dollars (\$40,000,000.00) to provide funding to the City of Lansing to support the development of a new city campus in the downtown corridor including a municipal administration building, facilities, and adjacent infrastructure; and,

WHEREAS, the MEDC grant was awarded to the City of Lansing, which was notified of the grant award on January 12, 2024; and,

WHEREAS, the award does not require local matching funds and was awarded on a non-competitive basis; and,

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council hereby accepts the MEDC Grant, subject to the terms of the grant agreement.

BE IT FINALLY RESOLVED, the Administration is authorized to create appropriate accounts and to make the necessary operating transfers for the expenditure and control of the balance of the grant funds, and to execute any necessary agreements upon approval as to form by the City Attorney.



CITY OF LANSING

INTERNAL AUDITOR

124 W MICHIGAN AVE FL 10

LANSING MI 48933-1605

(517) 483-4159

Date: February 26th, 2024

To: Committee of the Whole

From: Emily Linden, Internal Auditor

Subject: Grant Acceptance; Michigan Economic Development Corporation Transformational Municipal Infrastructure for new City Campus

Overview

- Department: Mayor's Office
- Grant Name: Transformational Municipal Infrastructure Enhancement Grant
- City Contact: Jake Brower/Mark Lawrence
- Award Date: January 12, 2024
- Grant Cycle: October 1, 2023-September 30, 2027
- Amount: \$40,000,000
- One-time money
- No City match required

Act 119 PA 2023 appropriated funding to the Michigan Department of Labor and Economic Opportunity for "transformational municipal infrastructure".

Eligible Uses

This grant is specifically to support the City of Lansing's development of a new city campus in the downtown corridor including a municipal administration building, facilities, and adjacent infrastructure. Eligible costs include the following that are directly related to the development of a new city campus:

- Property acquisition
- Planning, design, and engineering costs
- Construction of a new city administration building owned by the City of Lansing and/or
- Adjacent infrastructure improvements including facades, fixtures, equipment, greenspace, streetscapes, utilities, or lighting

Other Notes

- Reporting requirements include:

- Submitting documentation of expenditures in accordance with the Grantee's budget
- Quarterly progress reports including grant activities and an accounting on all funds expended