

AGENDA

Committee of the Whole July 22, 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.
To view the meeting live and participate in virtual public comment: <https://www.lansingmi.gov/1212/Council-Committee-Meetings>

Council Member Garza, Chairperson

Council Member Hussain, Vice Chairperson

- 1. Call to Order**
- 2. Roll Call**
- 3. Minutes**
 - A. July 8, 2024
- 4. Public Comment on Agenda Items (Up to 3 Minutes)**
- 5. Discussion/Action:**
 - B. ORDINANCE - Readoption of Codified Ordinances 2024
 - C. RESOLUTION - Sale of City Property; David C. Hollister Lansing City Hall Building; 124 W Michigan Avenue
- 6. Other**
- 7. 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, July 8, 2024 @ 6:00 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

Council President Garza called the meeting to order at 6:00 p.m.

PRESENT

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

OTHERS PRESENT

Sherrie Boak, Council Staff
Lisa Hagen-Lawrence, OCA
Greg Venker, OCA
Mark Lawrence, Mayor's Office
Heather Shawa, BWL
Dick Peffley, BWL
Jennifer Czeiszperger, Assessor
Elaine Fischhoff
Randy Dykhuis
Marshall Clabeaux
John Kenmiet
Nick Zande
Ron Pedersen
Loretta Stanaway

Minutes

MOTION BY COUNCIL MEMBER KOST TO APPROVE THE MINUTES FROM JUNE 24, 2024 AS PRESENTED. MOTION CARRIED 5-0.

Public Comment

Ms. Fischhoff spoke on the LBWL Budget presentation on their budget and forecast. Ms. Frischhoff spoke in opposition to the presentation lack of material and information on renewables and State standard.

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Mr. Dykhuis spoke on the BWL documents and noted some questions on clean energy projects. Those included why the RICE Plant labeled as clean- energy; why not spending more on clean renewable energy; what alternatives to the RICE plant were considered; why no wind projects; how will BWL meet the new State law requirements; did they look into clean energy tax credits; and concluded by asking questions to be asked.

Mr. Clabeaux spoke about BWL report specifically to the needs of the battery plant; air emissions and air monitoring; their investment in obsolete technologies.

Mr. Kenmiet spoke as a resident not of the City of the west side area and still has the questions of BWL on their lack of oversight and lack of public review of the RICE plant.

Mr. Zande spoke on the BWL budget and capital forecast, noting his concern with the RICE plant and lack of transparency, lack of clean energy source along with asking for Council to consider changing the Charter having BWL as a department.

Ms. Stanaway asked why BWL is not doing more with water for clean energy and the cost proposed for the RICE plant. Ms. Stanaway spoke in opposition to the BWL Board of Commissioners.

Mr. Pedersen spoke on the 2023 BWL clean energy plan, noting the 4 year plan does not reflect the proposed funding.

Presentations

Lansing Board of Water and Light FY 2025 Budget and Capital Forecast for Fiscal Year 2025-2030

Ms. Shawa and Mr. Peffley spoke on their presentation in the packet. Ms. Shawa began with highlights, reminding that when budget and forecast put together have key objectives: maintain ratings with rating agencies; cash on hand requirement from governance policy; debt service coverage of 2/3 and this budget meets that. Also, the policy speaks to generate adequate on revenue. Key assumptions that went into the forecast; it is a conservative budget; the wholesale market the funding is volatile. The forecast does assume that rate increases, being brought forward in August at a public meeting does meet.

Ms. Shawa then referenced the budget in the packet and went through the line items, the cash flow, bonds for this fiscal year. The next document was the capital plan, on average the annual average spending is \$8 million.

Council Member Jackson asked Ms. Shawa and Mr. Peffley questions based on an article where constituents have been told to go to BWL Commission for their answers, but the history has been that there are no answers. He then asked if natural gas is clean energy, and Mr. Peffley stated they use the definition from the State website for natural gas. Council Member Jackson noted the bond language they used renewable clean energy, but most of the funds are being used for the natural gas plant. Council Member Jackson asked if the bond language is misleading or false, and Mr. Peffley stated he does not believe the language is false. He believes that natural gas is cleaner than coal. Council Member Jackson then referred back to previous BWL Board meetings where there were lack of information to the public on the RICE plant. He then asked if there was ever a vote by the Board on the Rice plant, and Mr. Peffley stated it was part of the budget and voted on then by the BWL Board where they did ask questions. Council Member Jackson asked if the RICE plant is for the battery plant, and Mr. Peffley stated it is a back up source for the renewable energy. Council Member Jackson asked why we are selling out of State, and Mr. Peffley stated they are not aware of out of State but sell on the "grid", and you size it for the loads. Council Member Jackson asked why the energy can't be stored, and Mr. Peffley stated that is correct. They are building battery

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technology at two locations. Council Member Jackson asked if GM agreed to specific energy, and Mr. Peffley stated they have not requested it yet. Council Member Jackson asked how the City is going to achieve the energy goals, that we are already behind on, if we continue to add more natural gas which will put the City further behind. Mr. Peffley stated they are ahead of schedule, and numbers submitted to the State and are monitored. Council Member Jackson acknowledged that they do not have to do renewable energy, what is the percentage the BWL is at. Mr. Peffley stated they will be at 50% by 2030 but could not speak to what exactly is at now. They have to meet the law and do have to comply with it and are in compliance with the current law. Mr. Peffley stated he will provide documentation, and if Council Member Jackson has questions he can submit those. Council President Garza asked for the BWL response to be sent to him as well. Council Member Jackson asked about the 10 year plan from last year, and Ms. Shawa stated this is the phase one of this plan. Council Member Jackson asked if the BWL recalls the last 10 year plan, and recall that it said no new natural gas or fossil fuel being built. Mr. Peffley stated he does recall, and things change with the time. Council Member Jackson asked about future projects and Mr. Peffley outlined potential projects that are going up.

Council Member Kost asked if when BWL was looking at the gas plant, did they look at other options. Mr. Peffley stated they did an RFP for submittals on what would meet their requirements. There were 100 proposals and evaluated what fit; there were twelve public hearings. Council Member Kost asked if this is gas plant #3, and asked if they could commit they would not see another gas plant. Mr. Peffley confirmed it is #3 and stated that due to carbon capture they will probably not be able to. Council Member Kost asked if there is any wind in the next five years, and Mr. Peffley stated it is problematic getting licensing and permits. Council Member Kost asked if BWL is still getting electricity from DTE, and Mr. Peffley confirmed they do and they are getting out of coal on Belle River.

Council Member Jackson reiterated that there will not be another gas plant because of carbon capture, and Mr. Peffley confirmed and it is done to reduce emissions from the plant. Every technology has its draw backs. Council Member Jackson asked if BWL studied the capture for the RICE, and Mr. Peffley stated there is no carbon capture on RICE Plant, and it was chosen as the choice because of turn around on the plant. Council Member Jackson stated fossil fuel emits emissions. Council Member Jackson asked for more time on questions.

Council President Garza referred back to public questions, and asked if the levels of the ash ponds. Mr. Peffley stated there are private levels that have exceeded the levels that are recommended, with best practice. It is naturally occurring, right now it is at 90%. The modeling takes time, continue to monitor them, and the there is testing over a long period of time.

Council President Garza asked about the wind portfolio. Mr. Peffley state they prefer solar over wind because available when need it. BWL does receive a lot of wind with EPA agreements.

Council Member Pehlivanoglu asked the proposed rate increase, and would an impending rate be 7% and how did they get to that percentage. Mr. Peffley stated it is 7% for the recommended rate and has to be approved by the BWL Commissioners and at public meeting. There are multiple agencies BWL works with to help people to keep their utilities on.

Discussion/Action

RESOLUTION – Property Tax Poverty Exemption Guidelines

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Council President Garza noted it was initially referred to Committee on Ways and Means and needed to come out of that Committee to be addressed with Committee of the Whole and Council tonight.

Ms. Czeisperger explained the needs to be addressed and approved by Council for the action on the poverty exemption.

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE RESOLUTION FOR THE PROPERTY TAX POVERTY EXEMPTION GUIDELINES. MOTION CARRIED 5-0.

OTHER

No other topics at this time.

Adjourn

The meeting adjourned at 7:02 pm

Respectfully Submitted by,

Sherrie Boak Recording Secretary,

Lansing City Council

Approved by the Committee

ORDINANCE No. _____

An Ordinance of the City of Lansing, Michigan, Re-Adopting the Codified Ordinances of the City of Lansing.

THE CITY OF LANSING ORDAINS:

SECTION 1. That the Code of Ordinances of the City of Lansing, Michigan, as amended and republished by municipal code corporation through Supplement 61, and all general and permanent legislation of the City from the date of entry through December 31, 2023, except any ordinance repealed as provided by law, as revised, codified, arranged, numbered, edited, and consolidated into component codes, titles, chapters, and sections are hereby approved and readopted as the Codified Ordinances of Lansing, Michigan 2023, complete to December 31, 2023.

SECTION 2. The readoption of Codified Ordinances shall not be construed to affect a right or liability accrued or incurred under any legislative provision prior to the effective date of such readoption or an action or proceeding for the enforcement of such right or liability. Such readoption shall not be construed to relieve any person from punishment for an act committed in violation of any such legislative provision, nor to affect an indictment or prosecution thereof. For such purposes, any such legislative provision shall continue in full force notwithstanding its repeal for the purpose of revision and codification.

Section 3. Should any section, clause or phrase of this ordinance be declared to be invalid, the same shall not affect the validity of the ordinance as a whole, or any part other than the part so declared to be invalid.

Section 4. All ordinance or parts of ordinances in conflict with any of the provisions of this ordinance are hereby repealed.

24 Section 5. This ordinance shall take effect on the 30th day after enactment unless given
25 immediate effect by City Council and shall expire December 31, 2033.

REDEVELOPMENT AGREEMENT

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by and among

**THE CITY OF LANSING, COUNTIES OF INGHAM AND EATON, STATE OF
MICHIGAN**

and

BEITLER REAL ESTATE SERVICES LLC

EXHIBITS

Exhibit A Legal Description of the Property

Exhibit B Purchase Agreement Term Sheet

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REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (this “**Agreement**”), dated as of _____, 2024 (the “**Effective Date**”), is made by and among the CITY OF LANSING, COUNTIES OF INGHAM AND EATON, STATE OF MICHIGAN, a municipal corporation (the “**City**”), and BEITLER REAL ESTATE SERVICES LLC, an Illinois limited liability company (the “**Developer**”).

RECITALS

WHEREAS, the City owns certain real property commonly known as 124 W. Michigan Avenue, Lansing, Michigan 48933 and legally described on **Exhibit A** attached hereto (the “**Property**”), which Property is currently utilized as the Lansing, Michigan City Hall Administrative Building, as well as for certain police headquarters, police detention and court services (“**City Hall**”).

WHEREAS, the City and the Developer desire to cooperate in the redevelopment of the Property in accordance with the terms of this Agreement; and

WHEREAS, the City plans to relocate the City’s City Hall and the governmental operations currently taking place at the Property to new location(s); and

WHEREAS, the parties desire to enter into this Agreement to set forth the following terms and conditions related to the redevelopment of the Property.

NOW, THEREFORE, in consideration of the promises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I

REDEVELOPMENT OF THE PROJECT

Section 1.1. Redevelopment. The Developer will take ownership of and redevelop the Property in accordance with this Agreement, and the City will cooperate with the Developer in connection therewith as set forth in this Agreement, subject further to applicable law and regulation.

Section 1.2. Project Description. The redevelopment of the Property contemplated by this Agreement consists of the rehabilitation of the existing building(s) on the Property to include the following components: (a) an urban mixed use hotel component having approximately 183 guest rooms within approximately 128,930 gross square feet of floor area (the “**Hotel Component**”); (b) ancillary parking in the building; (c) a boutique specialty restaurant and cocktail lounge to be constructed in the upper most floor of the existing shorter portion of the building; and (d) a retail component consisting of approximately 2,961 square feet (collectively, the “**Project**”). The Project is more fully described in Developer’s Response to RFP dated March 22, 2022, which is incorporated herein by reference. The final room count of the Hotel Component and other final Project details and plans shall be subject to: (i) completion of the necessary design development and cost documents; (ii) completion of a market and

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feasibility analysis to be prepared by the Developer; and (iii) the Land Use Approvals (as defined herein) and other approvals necessary. As part of the Project, the exterior of the building may be completely replaced except for the westernmost face of the building which is currently clad in Indiana limestone, and on which Leonard Jungwirth's famous sculpture and the City Hall name are displayed. This redevelopment limitation covenant shall survive termination or expiration of this Agreement. Documentation acceptable to the City necessary to legally preserve this covenant will be included in the Purchase Agreement and otherwise entered into by the parties, and Developer agrees to cooperate with such preparation and execution of such documentation.

ARTICLE II

RELOCATION OF CITY HALL; DEVELOPMENT OF NEW CITY FACILITIES; AND PURCHASE OF THE PROPERTY

Section 2.1. Relocation of City Hall and Related Operations. As part of the redevelopment of the Property by the Developer, the City shall entirely vacate the Property and relocate the City's City Hall and any and all operations currently conducted therein, including, without limitation, all administrative offices, police headquarters, courts, detention and all other related City functions to a new city hall administrative building and other facilities contemplated in the November, 2022 Public Safety Ballot Proposal of the City (collectively, the "**New City Facilities**"), within sixty (60) days from the City's receipt of the last necessary certificate of occupancy for the New City Facilities (the "**City Relocation**"). The City shall deliver possession of the Property to the Developer pursuant to and in accordance with the Purchase Agreement (as defined herein) (such date being the "**Possession Date**"). Upon taking possession on the Possession Date, the Developer shall be responsible for all carrying costs, utilities, and insuring and indemnifying agreements related to the Property as contemplated in the Purchase Agreement.

Section 2.2. Real Estate Purchase Agreement. Subject to Article 5 hereof, the City shall sell to Developer and Developer shall purchase the Property from the City for the purpose of the Project (the "**Purchase Agreement**"). The Purchase Agreement shall be based upon the material terms identified in Exhibit B attached hereto. The closing date for the Purchase Agreement and the Possession Date shall be on or before Project Commencement (as defined herein).

Section 2.3. Real Estate Holding Company. To facilitate the Project and development of the New City Facilities, the Developer may assign its rights and obligations under the Purchase Agreement to one or more entities to be formed for the development of the Project (the "**Holding Company or Holding Companies**" as the case may be) as further set forth in the Purchase Agreement and further agreed to by the City.

Section 2.4. Access. From and after the Effective Date, Developer shall have access to the Property for all investigation and planning for the Project at all reasonable times provided that during such access Developer shall not unreasonably interfere with the City's ongoing business operations at the Property. The City shall be responsible for all repairs and maintenance of the Property and otherwise shall be responsible for properly securing the Property until the Possession Date.

Section 2.5. Brownfield TIF. From and after the Effective Date, the City may pursue reimbursement for certain of Developer's redevelopment/remediation costs through a Brownfield tax increment revenue plan (the "TIF") covering the Property. If the City elects to pursue such reimbursement, it shall be entitled to retain 100% of the eligible tax increment revenue proceeds and shall also be responsible for all costs associated with the TIF. Developer agrees to assign any rights it may have to any TIF reimbursement that may be available as directed by the City and to otherwise reasonably cooperate with respect to the City's efforts to obtain reimbursement through the TIF.

Section 2.6. Maintaining Taxable Status. It is acknowledged that future tax revenue from the private development and ownership of the Property is a material part of the consideration to the City for this agreement and the sale of the Property to the Developer. The Developer agrees not to transfer or close on the sale of all or part of the Property to an entity, or take such other actions that will result in the Property becoming tax exempt until the year after the Project completion. The Developer further agrees that the Property, including the Project, will be placed on the tax rolls and that Developer will not take any action, directly or indirectly, that causes the Property, including the Project, to be removed from the tax rolls for a period of not less than twenty (20) years, commencing with the date of Project completion. In the event Developer causes the Property, including the Project, to be removed from the tax rolls after Project completion, then the Developer will reimburse the City for an amount equal to the taxable value of the Property, including the completed Project, in the year before it is no longer taxed (the original "Base Value") times nineteen (19) mills (the "Annual Amount") for each year remaining up to twenty (20) years from the date Project completion. The amount payable to the City will either be paid in one lump sum, or on an annual basis. The lump sum payment shall be the net present value calculated by increasing the Annual Amount by three percent (3%) for each year remaining. The lump sum is due and payable on or before the Developer closes on the transfer or sale of the property to any entity that results in the property becoming tax exempt. If annual payments are selected, they shall be due and payable on or before June 15th commencing in the year that the Property is no longer taxed, and on or before June 15th of each subsequent year for the remaining years. If annual payments are selected, the Base Value shall be increased each year over the prior year's Base Value by the rate promulgated annually by the State Tax Commission to cap inflation of taxable value. If annual payments are selected, the Developer will secure this obligation by providing a Letter of Credit in favor of the City from a financial institution approved by the City; the Letter of Credit will be renewed annually and will be an amount equal to the net present value as calculated above; such amount will be reduced each year after the annual payment is made by the Developer; and in the event payment is not made as provided for in this Agreement then the City will have the right to present the Letter of Credit for payment of the remaining lump sum amount due. This section shall survive termination or expiration of the Agreement.

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ARTICLE III

LAND USE APPROVALS; PERMITTING

Section 3.1. Land Use Approvals.

(a) Applications. Developer will submit application materials required under the City municipal code for zoning and any other municipal land use and development approvals required, if any, in order to undertake the Project (collectively, the "Land Use Approvals"). All applications for any Land Use Approvals shall be reviewed in accordance with the ordinances of the City.

(b) City Cooperation. The City will reasonably cooperate with and assist the Developer in applying for and processing the applications for Land Use Approvals in connection with the Project.

Section 3.2. Building and Construction Permits; Fees. The Developer shall comply with all applicable City building codes and construction requirements and shall be responsible for obtaining all building permits with respect to construction of the Project. The Developer shall be responsible for all fees associated with obtaining any building permits.

ARTICLE IV

CONSTRUCTION/REHABILITATION OF PROJECT

Section 4.1. Project Redevelopment.

(a) Design. The Developer shall prepare and submit detailed plans and specifications for the Project for review and approval by the City and the City's appointed representatives (collectively, the "Design Plans"), which approval shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed.

(b) Pre-Development Costs. The Developer shall be solely responsible for all pre-development costs associated with the Project incurred by Developer, including, without limitation, architectural, engineering, planning and design fees; legal, accounting and other professional fees.

(c) Bidding. No portion of the Project shall be construed as "public construction" and, as such, the Developer shall not be required to comply with any Michigan law governing public construction with respect to the Project.

(d) Financing. The Developer shall be solely responsible for the total cost and expense for the construction of the Project. The closing of financing for the Project (the "Financing Closing") shall occur no later than sixty (60) days after City Relocation. The Developer shall provide proof of financing to the City on or before Financing Closing.

(e) Commencement of Construction. Subject to Unavoidable Delays (as defined herein), commencement of construction of the Project shall take place within ninety (90) days

after the date of the City Relocation (the “**Project Commencement**”) unless extended at the request of Developer and approved in writing by the City, which approval shall not be unreasonably withheld. With the City’s written agreement, portions of the Project may commence after the Possession Date and Closing Date, but before City Relocation is fully complete, provided Financing Closing has occurred. In such case, Developer will become responsible for such carrying costs contemplated in Section 2.1 relative to the portions of the Property it then occupies.

(f) Design; Style, Size. The Project shall be built in accordance with the terms of Section 1.2, the Design Plans and any other written agreements or approvals between the parties.

(g) Project Completion. Subject to Unavoidable Delays, Developer shall use good faith and best efforts to substantially complete the Project within eighteen (18) months from Project Commencement (the “**Target Completion Date**”).

ARTICLE V

CONDITIONS PRECEDENT TO PROJECT COMMENCEMENT

Section 5.1. Conditions Precedent to Project Commencement. The Developer’s obligations to close under the Purchase Agreement and undertake the Project contemplated by this Agreement are conditioned on satisfaction of each of the following conditions (collectively, the “**Project Conditions Precedent**”) at or prior to Project Commencement:

- (a) Completion of the City Relocation.
- (b) Approval of any required Land Use Approvals for the Project.
- (c) Execution of a Parking Agreement wherein the City shall guarantee availability of no less than 100 parking spaces to Developer at market rates for use in connection with the Project.
- (d) Delivery by the City to the Developer, at City’s cost, and acceptance by the Developer, of a current Phase I environmental report covering the Property (“**Phase I**”).
- (e) City’s completion of any follow-up testing (e.g. phase II environmental testing) recommended by the Phase I, at City’s cost.
- (f) Consummation of the Financing Closing, which Developer will pursue with reasonable diligence.

ARTICLE VI

INSURANCE

Section 6.1. Insurance. The parties shall purchase and maintain such insurance coverages as may be reasonably required by the parties’ respective lenders and risk managers and as the parties otherwise agree is necessary to adequately protect the parties’ respective interests in the Project. The insurance policies and provisions to be set forth in the Purchase

Agreement contemplated by this Agreement shall be subject to the review and approval of the City, including its Risk Manager and the Developer. For the avoidance of doubt, Developer shall be responsible for insuring the Project and Property on an after the Possession Date.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

Section 7.1. Representations and Warranties by the City. The City represents and warrants that:

(a) The City is a municipal corporation duly organized and existing under the laws of the State of Michigan. The City has the power to enter into this Agreement and carry out its obligations hereunder and provision has been made to pay the liability that will accrue under this Agreement.

(b) The City has knowledge as to the presence of hazardous substances as the same are described in the regulations promulgated under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, and/or in the environmental laws of the State of Michigan in, on or under the Property. With respect to the Project, the City is aware of no facts the existence of which would cause it to be in violation of any state, local or federal environmental law, regulation or review procedure, or which would give any person a valid claim under the environmental laws of the State of Michigan.

(c) There is not pending, nor to the best of the City's knowledge after due inquiry is there threatened, any suit, action or proceeding against the City before any court, arbitrator, administrative agency or other governmental authority that materially and adversely affects the validity of any of the transactions contemplated hereby, the ability of the City to perform its obligations hereunder, or the validity or enforceability of this Agreement.

Section 7.2. Representations and Warranties by the Developer. The Developer represents and warrants that:

(a) The Developer is a limited liability company organized and validly existing under the laws of the State of Illinois.

(b) The Developer has duly authorized the execution of this Agreement and the performance of its obligations hereunder, and neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, is prevented, limited by or conflicts with or results in a breach of, any indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(c) There are no pending or threatened legal proceedings of which the Developer has knowledge which seek to restrain or enjoin the transactions contemplated by this Agreement or which question the authority of the Developer to execute and deliver this Agreement or the

validity of this Agreement.

(d) Developer acknowledges that it is acquiring the Property in its as is condition, including the presence of hazardous materials, and Developer shall be solely responsible for any remediation of such materials as required to complete the Project.

(e) Developer agrees that if this Agreement is terminated due to the fault of the Developer, including for failure to consummate Financing Closing, City will retain the Property and have no obligation to transfer it to Developer.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.1. Notice and Opportunity to Cure. Whenever any party to this Agreement alleges a default by the other, the party alleging the default shall provide written notice to the other specifying the nature of the default and the actions necessary to cure the default. Subject to Unavoidable Delays if the alleged default is not cured within thirty (30) days after the defaulting party's receipt of such notice, the non-defaulting party may take any one or more of the actions set forth below:

(a) The non-defaulting party may suspend its performance under this Agreement until it receives in writing and accepts in writing assurances from the defaulting party that the defaulting party will cure its default and continue its performance under this Agreement.

(b) The non-defaulting party may cancel and terminate this Agreement.

(c) The non-defaulting party may take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to the non-defaulting party, including any actions to collect any payments validly due and unpaid under this Agreement, to seek reimbursement of payments made, to terminate the Purchase Agreement or to pursue any claims for monetary damages at law or to enforce performance and observance of any obligation, agreement, or covenant to the defaulting party under this Agreement.

The non-defaulting party may elect to take no such action, notwithstanding an event of default not having been cured within said thirty (30) day period, if the defaulting party provides the non-defaulting party with written assurances satisfactory to the non-defaulting party that the event of default will be cured as soon as reasonably possible. No notice of such election by the non-defaulting party shall be required. As used in this Agreement, the term "**Unavoidable Delays**" means delays which are the direct result of strikes or other labor troubles, lack of responsible bidders, unforeseeable and unavoidable casualties to the Project not caused by the Developer, governmental actions, judicial action commenced by third parties that are not the fault of the Developer, the implementation of an environmental agency-approved work plan for remediation, or severe weather, acts of God, fire or other casualty, or other events or conditions beyond the reasonable control of the parties, or an emergency (defined as an urgent, sudden, and serious event or an unforeseen change in circumstances that necessitates immediate action to remedy harm or avert imminent danger to life, health, or property).

Section 8.2. No Remedy Exclusive. No remedy hereunder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right accruing upon any default shall impair any such right or shall be construed to be a waiver thereof, but any such right may be exercised from time to time and as often as may be deemed expedient.

Section 8.3. No Implied Waiver. In the event any agreement contained herein should be breached by any party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed a waiver of any rights or remedies which the non-breaching party shall have and shall not be deemed a waiver of any subsequent default of any such terms, conditions and covenants to be performed hereunder.

ARTICLE IX

ADDITIONAL PROVISIONS

Section 9.1. Amendments; Incorporation of Exhibits. As the parties continue work on the pre-development activities contemplated herein and prepare the Purchase Agreement in connection with the design, development, and financing of the Project, the parties will amend this Agreement to incorporate additional details, terms and conditions referenced herein. The parties may amend this Agreement, including but not limited to extending any deadlines, only by a written document agreed to and executed by the parties.

Section 9.2. Consents and Approvals; Good Faith. Except for matters for which there is a standard of discretion specifically set forth herein, wherever this Agreement provides for a determination, decision, selection, consent, approval, acceptance, adoption, satisfaction, or other action, the parties hereto shall exercise good faith in undertaking such actions and shall not unreasonably withhold, condition or delay any determination, decision, selection, consent, approval, acceptance, adoption, satisfaction or other action that may be necessary to fully implement the terms of this Agreement.

Section 9.3. Conflict of Interests. No member, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No member, official, or employee of any party to this Agreement shall be personally liable to any other party, or any of their respective successors in interest, in the event of any default or breach by a party to this Agreement for any amount which may become due to any other party on any obligations under the terms of this Agreement.

Section 9.4. Restrictions on Use. The Developer shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Project, or any part thereof.

Section 9.5. Broker's Commission. The parties acknowledge that no broker's

commission or finder's fee is payable with regard to this Agreement or the Project.

Section 9.6. Titles of Articles and Sections. Any titles of the several parts, Articles and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 9.7. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, transmitted by facsimile, delivered by a recognized overnight carrier, or delivered personally to the following addresses:

If to the Developer: Beitler Real Estate Services LLC
707 Skokie Blvd., Suite 600
Northbrook, IL 60062
Attn: J. Paul Beitler, Manager
Email: pbeitler@beitlerre.com
Attn: John Paul Beitler III, Manager
Email: jpbeitler@beitlerre.com

With a copy to: Taft Stettinius & Hollister LLP
111 East Wacker Drive, Suite 2800
Chicago, IL 60601
Attention: James Oakley
Email: joakley@taftlaw.com

If to City: City of Lansing Mayor's Office
9th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933
Phone: 517-483-4000
Fax: 517-483-6066

With copy to: Office of City Attorney
5th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933
Phone: 517-483-4320
Fax: 517-483-4081

Section 9.8. Counterparts. This Agreement may be executed with facsimile (or PDF or similar) signatures and/or in counterparts, each of which shall constitute one and the same instrument.

Section 9.9. No Third-Party Beneficiaries. It is the intention of the parties to this Agreement that no person who is not a party signatory to this Agreement shall, under a third party beneficiary theory or otherwise, have any rights or interests hereunder as against the City,

and no such other party shall have standing to complain of the City's exercise of, or alleged failure to exercise, its rights and obligations, or of its performance or alleged lack thereof, under this Agreement.

Section 9.10. Assignment. With the written approval of the City, Developer shall be permitted to assign its rights under this Agreement to a person or entity with similar or greater real estate development expertise and experience, subject to the City's reasonable approval of the assignee, which shall not be unreasonably delayed. Developer shall provide the City with a written notice of any proposed assignment.

Developer anticipates that its lender, at the time of Financing Closing, will have the right to pursue completion of the Project in the event of default or other actions of Developer resulting in Developer's failure to complete the Project.

Developer also agrees that in the event the lender fails to pursue completion of the Project in such instance, Developer will take such actions necessary to assign, pledge, transfer and set over to city, all of its right, title and interest in and to any general contractor, architect or other agreements relating to the Project, including all amendments, modifications, supplements, general conditions and addenda thereto, and shall take such other steps to enable City to continue completion of the Project. Prior to such occurrence described in this paragraph, City, by executing this Agreement does not assume any of Developer's obligations or duties concerning the agreements until and unless City shall exercise the rights under this provision.

This covenant of Developer includes, as necessary, its appointment of City as its attorney-in-fact to demand, receive and enforce Developer's rights with respect to the agreements, to give appropriate receipts, releases and satisfactions for and on behalf of Developer and to do any and all acts in the name of Developer or in the name of City with the same force and effect as Developer could do if this assignment had not been made. Developer hereby agrees not to assign, sell, pledge, transfer, mortgage or otherwise encumber its interest in the contemplated agreements relating to the Project.

The provisions of this section shall be binding upon and inure to the benefit of the assigns and successors in interest of the Developer and the City. This section shall survive termination or expiration of the Agreement.

Section 9.11. Litigation. The City and the Developer will reasonably cooperate with one another with respect to any litigation commenced by third parties in connection with this Agreement, provided, however, that any party to this Agreement that is not a party to the actual litigation shall not be required to incur substantial expense in so cooperating, but provided further, however that any legal or other costs incurred by the City because of the Developer's litigation, shall be an obligation payable by the Developer to the City.

Section 9.12. Exclusivity. During the term of this Agreement and unless the Agreement is Terminated, the Developer shall have the exclusive right to negotiate with the City concerning the Property and the Project and the City agrees that it shall not directly or indirectly solicit or entertain any other proposals for such development, leasing or acquisition of the Property during the term of this Agreement.

Section 9.13. Adequate Consideration. The parties acknowledge and agree that this Agreement is intended to be binding and enforceable and each party waives any right to challenge the enforceability of this Agreement based on discretion afforded either party in evaluating the fulfillment of certain conditions precedent to the redevelopment of the Project. City acknowledges that this Agreement requires Developer to commit time and resources in pursuing the Project and that such expenditures constitute good and sufficient consideration to City for entry into this Agreement. Furthermore, the parties agree that, upon satisfaction or waiver of the last of the contingencies set forth herein, this Agreement shall be deemed affirmed without inclusion of such contingencies.

Section 9.14. City Authority. Unless expressly stated otherwise in this Agreement, where consent, authority or agreement of the City is required or requested under this Agreement or any other agreements referenced herein, such consent, authority or agreement may be negotiated and provided by the Mayor of the City or his designee confirmed in writing.

ARTICLE X

TERMINATION OF AGREEMENT

Section 10.1. Termination. This Agreement shall terminate upon the following:

(a) In the event the City has cause to terminate the Agreement. As used in this Section, "cause" shall mean one or more of the following: (i) any material breach of this Agreement by Developer, which is not timely cured by Developer as permitted by the terms of this Agreement; (ii) Developer's indictment for alleged criminal activity related to the Property or Project; or (iii) willful misconduct or gross negligence by Developer related to this Agreement or the Project.

(b) In the event all of the Project Conditions Precedent are not satisfied on or before the Project Commencement, the Developer shall have the option to terminate this Agreement upon written notice to the City, unless the parties agree in writing to extend such date.

(c) In the event the Developer fails to commence construction of the Project as contemplated, including timely completion of Financing Closing, the City shall have the option to terminate this Agreement upon written notice to the Developer, unless the parties agree in writing to extend such date.

Section 10.2. Expiration. If not terminated pursuant to Section 10.1 above, this Agreement shall terminate upon the date all of the parties' other respective obligations hereunder are satisfied, but no such termination shall terminate any indemnification or other rights or remedies arising hereunder due to any default which occurred and was continuing prior to such termination.

Section 10.3. Effect of Termination. Upon termination of this Agreement pursuant to this Article X, this Agreement shall be null and void and, except for obligations that expressly survive termination or expiration, neither party shall have any further obligations or liabilities hereunder. Upon such termination the Developer and the City shall deliver to each other such documents as may be necessary to evidence the termination of this Agreement.

**CITY OF LANSING, COUNTIES OF INGHAM AND EATON
STATE OF MICHIGAN, a municipal corporation**

By: _____
Andy Schor, Mayor

By: _____
Chris Swope, City Clerk

BEITLER REAL ESTATE SERVICES LLC

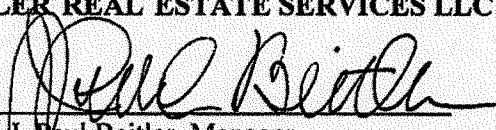
By:  _____
J. Paul Beitler, Manager

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

LOTS 6 & 7, W 50 FT LOT 8, LOTS 4 & 5 EXC N 105 FT, ALSO COM 16 FT W OF SE COR LOT 3, TH N 25 FT, W 24 FT, N 6 FT, W 26 FT, S 31.12 FT TO SW COR LOT 3, E 50 TO BEG; BLOCK 101 ORIG PLAT.

Property Parcel No.: 33-01-01-16-183-009

Commonly Known as the Lansing City Hall, 124 West Michigan Ave, Lansing, Michigan 48933.

EXHIBIT B

PURCHASE AGREEMENT TERM SHEET [to be more fully developed]

Seller. The City of Lansing

Purchaser. Holding Company or Holding Companies

Closing Date. On or before the Project Commencement.

Purchase Price. Two Million Seven Hundred Eight Thousand and 00/100 Dollars (\$2,780,000)
("Purchase Price").

076492.000048 4855-4356-9835.5



Valbridge
PROPERTY ADVISORS

Appraisal Report

Lansing City Hall
124 W Michigan Avenue
Lansing, Ingham County, Michigan 48910

Report Date: March 7, 2023



FOR:

City of Lansing
Shelbi Frayer
Deputy Mayor/Chief Strategy Officer
124 West Michigan Avenue
Lansing, Michigan 48933

Valbridge Property Advisors | Southern Michigan

2127 University Park Drive, Suite 390
Okemos, Michigan 48864

517.336.0001 phone
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valbridge.com

Valbridge File Number:
MI01-23-0041



1420 Washington Blvd.
Detroit, MI 48226
313-986-3313

2127 University Park Drive
Suite 390
Okemos, MI 48864
517-336-0001
valbridge.com

March 7, 2023

Shelbi Frayer
Deputy Mayor/Chief Strategy Officer
City of Lansing
124 West Michigan Avenue
Lansing, Michigan 48933

RE: Appraisal Report
Lansing City Hall, 124 W Michigan Avenue, Lansing, Ingham County, Michigan 48910

Dear Ms. Frayer:

In accordance with your request, an appraisal of the above referenced property was performed. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to the value opinions. This letter of transmittal does not constitute an appraisal report and the rationale behind the value opinion(s) reported cannot be adequately understood without the accompanying appraisal report.

The subject property, as referenced above, is located north side of W Michigan Avenue and east side of N Capitol Avenue and is further identified as tax parcel number 33-01-01-16-183-009. The subject site is a 0.70-acre or 30,274-square-foot parcel. The subject is a 10-story office/governmental building that contains 126,575 square feet. The building is made up of two sections one being the Lansing City Hall section that contains 10 floors, and the other being the Lansing Police Department section which contains 6 floors. The subject has average functional utility and competitive rating.

The analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client.

The client in this assignment is City of Lansing and the intended user of this report is Lansing Economic Area Partnership and no others. The intended use is for future decision making. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certifications contained in this report.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- We have been asked by the client to assume the subject is unoccupied. The gross building area and net rentable area for the subject was not provided and there are no assessing records, as the subject is not taxed. We were provided with a copy of older building plans, which were difficult to read. Due to the unusual shape of the subject it was not possible for the appraisers to accurately measure the building. We have used the provided plans and have, in many instances, scaled the measurements to arrive at a gross building area and a net rental area for the above grade space. We have assumed these measurements to be accurate; it is highly recommended an architect be hired to determine the gross building and net rentable area of the building.

Hypothetical Conditions:

- None

The value conclusions are based on the analysis in the following report and presented in the following table:

Value Conclusion	
Component	As Is
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	February 27, 2023
Value Conclusion	\$2,780,000
	\$21.96 PSF

This letter of transmittal is not considered valid if separated from this report and must be accompanied by all sections of this report, as outlined in the table of contents, in order for the value opinions set forth above to be valid.

Respectfully submitted,

VALBRIDGE PROPERTY ADVISORS | THE OETZEL – HARTMAN GROUP



James T. Hartman, MAI, SGA, AI-GRS
 Certified General Real Estate Appraiser
 State of Michigan, License # 1205005950
jhartman@valbridge.com



Cameron M. Clark
 Certified General Real Estate Appraiser
 State of Michigan, License # 1205075247
cclark@valbridge.com

JTH:CMC/mns
 File # MI01-23-0041

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Summary of Salient Facts

Summary of Salient Facts

Property Identification

Property Name	Lansing City Hall
Property Address	124 W Michigan Avenue Lansing, Ingham County, Michigan 48910
Latitude & Longitude	42.733969, -84.553194
Tax Parcel Number	33-01-01-16-183-009
Property Owner	City of Lansing

Site

Zoning	Business district (G-1)
FEMA Flood Map No.	26065C0131D
Flood Zone	C
Gross Land Area	0.695 acres
Usable Land Area	0.695 acres

Existing Improvements

Property Use	Office / Governmental
Occupancy Type	Owner and tenant-occupied
Gross Building Area (GBA)	126,575 sf
Net Rentable Area (NRA)	116,557 sf
Number of Buildings	2
Number of Stories	10
Year Built	1958
Condition	Average
Construction Class	B - Fire Resistant, Reinforced Concrete Frame
Construction Quality	Average
Garage Parking	60 spaces

Valuation Opinions

Highest & Best Use - As Vacant	Hold for future multi-family/mixed use development
Highest & Best Use - As Improved	Mixed use
Reasonable Exposure Time	12 to 24 months
Reasonable Marketing Time	12 to 24 months

Value Indications

Approach to Value	As Is
Cost	Not Developed
Sales Comparison	\$2,780,000
Income Capitalization	Not Developed

Value Conclusion

Component	As Is
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	February 27, 2023
Value Conclusion	\$2,780,000
	\$21.96 PSF

Aerial and Front Views

AERIAL VIEW



FRONT VIEW





Introduction

Client and Intended Users of the Appraisal

The client in this assignment is City of Lansing and the intended user of this report is Lansing Economic Area Partnership. Under no circumstances shall any of the following parties be entitled to use or rely on the appraisal or this appraisal report:

- i. The borrower(s) on any loans or financing relating to or secured by the subject property,
- ii. Any guarantor(s) of such loans or financing; or
- iii. Principals, shareholders, investors, members or partners in such borrower(s) or guarantors.

Intended Use of the Appraisal

The intended use of this report is for future decision making .

Real Estate Identification

The subject property is located at 124 W Michigan Avenue, Lansing, Ingham County, Michigan 48910. The subject property is further identified by the tax parcel number 33-01-01-16-183-009.

Legal Description

LOTS 6 & 7, W 50 FT LOT 8, LOTS 4 & 5 EXC N 105 FT, ALSO COM 16 FT W OF SE COR LOT 3, TH N 25 FT, W 24 FT, N 6 FT, W 26 FT, S 31.12 FT TO SW COR LOT 3, E 50 FT TO BEG; BLOCK 101 ORIG PLAT

Use of Real Estate as of the Effective Date of Value

As of the current date of value, the subject was an office/governmental property.

Use of Real Estate as Reflected in this Appraisal

The current opinion of value for the subject property reflects use as an mixed-use high rise.

Ownership of the Property

According to Assessing Records, title to the subject property is vested in City of Lansing.

History of the Property

Ownership of the subject property has not changed within the past three years.

Type and Definition of Value

The appraisal problem is to develop an opinion of the market value of the subject property. Market value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale with the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *buyer and seller are typically motivated;*
- *both parties are well informed or well advised, and acting in what they consider their own best interest;*
- *a reasonable time is allowed for exposure in the open market;*
- *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale¹*

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Opinions of value for the subject property were developed under the following valuation scenarios:

Valuation Scenario	Effective Date of Value
As Is Market Value of the Fee Simple Interest	February 27, 2023

Date of Report

The date of this report is March 7, 2023.

List of Items Requested but Not Provided

- None

Assumptions and Conditions of the Appraisal

This appraisal assignment and the opinions reported herein are subject to the General Assumptions and Limiting Conditions contained in the report and the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results.

Extraordinary Assumptions

- We have been asked by the client to assume the subject is unoccupied. The gross building area and net rentable area for the subject was not provided and there are no assessing records, as the subject is not taxed. We were provided with a copy of older building plans, which were difficult to read. Due to the unusual shape of the subject it was not possible for the appraisers to accurately measure the building. We have used the provided plans and have, in many instances, scaled the measurements to arrive at a gross building area and a net rental area for the above grade space. We have assumed these measurements to be accurate; it is highly recommended an architect be hired to determine the gross building and net rentable area of the building.

Hypothetical Conditions

- None

¹ FIRREA Code of Federal Regulations, Title 12, Part 34 Subpart C - 34.42, 1990; also Interagency Appraisal and Evaluation Guidelines, Federal Register / Vol.75, No. 237, 2010

Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the extent to which the subject property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via assessing records.
- Economic Characteristics - The subject property economic characteristics were identified via property owners.
- Physical Characteristics - The subject property physical characteristics were identified via floor plans and assessing records.

Extent to Which the Property Was Inspected

An appraisal inspection of the subject property was completed on February 27, 2023. The improvements were not measured during the course of the inspection.

Type and Extent of Data Researched

The following data was researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. Professionals familiar with the subject market/property type were also interviewed.

Type and Extent of Analysis Applied (Valuation Methodology)

Surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations were observed in the process of concluding a highest and best use for the subject property. The subject property was then valued based on the highest and best use conclusion.

Appraisers develop an opinion of property value with specific appraisal procedures that reflect three distinct methods of data analysis: the cost approach, sales comparison approach, and income capitalization approach. One or more of these approaches are used in all estimations of value.

- Cost Approach - In the cost approach, the value indication reflects the sum of current depreciated replacement or reproduction cost, land value, and an appropriate entrepreneurial incentive or profit.
- Sales Comparison Approach - In the sales comparison approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.
- Income Capitalization Approach - In the income capitalization approach, value is indicated by the capitalization of anticipated future income. There are two types of capitalization: direct

capitalization and yield capitalization, more commonly known as discounted cash flow (DCF) analysis.

All these approaches to value were considered. The availability of data and applicability of each approach to value within the context of the characteristics of the subject property, along with the needs and requirements of the client, were assessed. Based on this assessment, the Sales Comparison were developed. The income approach was not used, due to the complexity and uncertain variables with the subject's highest and best use being a mixed-use, office and apartment property. The Cost Approach was not used because market participants rarely employ the Cost Approach in their buy/sell decision making processes for properties like the subject. Further discussion of the extent of our analysis and the methodology of each approach is provided later in the respective valuation sections.

Appraisal Conformity and Report Type

The analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

Personal Property/FF&E

All items of non-realty are excluded from this analysis. The opinion of market value developed herein is reflective of real estate only.

Regional and Market Area Analysis

REGIONAL MAP



Overview

The subject is located in Lansing, in Ingham County. It is the Capital of the state, and is part of the Lansing-East Lansing MSA.

Population

Population characteristics relative to the subject property are presented in the following table.

Population

Area	2020	Estimated 2022	Annual Δ 2020 - 22	Projected 2027	Annual Δ 2022 - 27
United States	331,449,281	335,707,897	0.6%	339,902,796	0.2%
Michigan	9,883,640	10,078,165	1.0%	10,054,399	0.0%
Lansing-East Lansing, MI (MSA)	534,684	540,938	0.6%	540,199	0.0%
Ingham County	280,895	284,951	0.7%	284,623	0.0%
Lansing city	114,989	113,428	-0.7%	113,252	0.0%

Source: ESRI (ArcGIS)

Median Household Income

Total median household income for the region is presented in the following table. Overall, the subject's MSA and county compare unfavorably to the state and the country.

Median Household Income

Area	Estimated 2022	Projected 2027	Annual Δ 2022 - 27
United States	\$62,203	\$67,325	1.6%
Michigan	\$63,818	\$75,735	3.5%
Lansing-East Lansing, MI (MSA)	\$63,263	\$75,381	3.6%
Ingham County	\$58,291	\$69,439	3.6%
Lansing city	\$45,902	\$52,698	2.8%

Source: ESRI (ArcGIS)

Employment

Employment by Industry - Lansing-East Lansing, MI (MSA)

Industry	2022 Estimate	Percent of Employment
Agriculture/Forestry/Fishing/Hunting	2,441	0.96%
Mining/Quarrying/Oil & Gas Extraction	103	0.04%
Construction	13,847	5.43%
Manufacturing	30,458	11.94%
Wholesale Trade	4,449	1.74%
Retail Trade	25,996	10.19%
Transportation/Warehousing	9,888	3.88%
Utilities	2,106	0.83%
Information	3,086	1.21%
Finance/Insurance	13,782	5.40%
Real Estate/Rental/Leasing	4,302	1.69%
Professional/Scientific/Tech Services	15,089	5.92%
Management of Companies/Enterprises	80	0.03%
Admin/Support/Waste Management Services	8,244	3.23%
Educational Services	34,671	13.60%
Health Care/Social Assistance	32,866	12.89%
Arts/entertainment/Recreation	3,825	1.50%
Accommodation/Food Services	18,238	7.15%
Other Services (excl Public Administration)	12,428	4.87%
Public Administration	19,108	7.49%
Total	255,007	100.0%

Source: ESRI (ArcGIS)

Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics. Overall, the Region boasts one of the lowest unemployment rates for metropolitan statistical areas in the country at 5.2 percent.

Unemployment Rates

Area	YE 2018	YE 2019	YE 2020	YE 2021	YE 2022	2023 ¹
United States	3.9%	3.7%	8.1%	5.3%	3.6%	3.9%
Michigan	4.2%	4.1%	10.0%	5.8%	4.2%	n/a
Lansing-East Lansing, MI (MSA)	3.6%	3.5%	7.7%	5.3%	3.6%	n/a
Ingham County, MI	3.7%	3.6%	7.8%	5.6%	3.6%	n/a
Lansing city, MI	5.2%	5.1%	11.0%	7.9%	5.2%	n/a

Source: www.bls.gov

data not seasonally adjusted; ¹January - most recent for US, others lag by 1-2 mos.)

Job Losses/Gains

Michigan's employment peaked in June of 2000 and experienced a continuous declining trend throughout the past decade. The following table summarizes the job losses/gains in total employment and manufacturing employment over the 21½ +/- year period from June 2000 through 2021.

STATE OF MICHIGAN EMPLOYMENT				
Year	Total Non-Farm Employment	Annual Job Loss/Gain	Manufacturing Employment	Annual Mfg. Job Loss/Gain
Jun-00	4,744,900		911,200	
2000	4,676,400	(68,500)	896,699	(14,501)
2001	4,563,700	(112,700)	821,200	(75,499)
2002	4,486,900	(76,800)	761,400	(59,800)
2003	4,415,900	(71,000)	717,500	(43,900)
2004	4,399,000	(16,900)	698,300	(19,200)
2005	4,389,700	(9,300)	677,500	(20,800)
2006	4,326,500	(63,200)	648,200	(29,300)
2007	4,267,800	(58,700)	617,300	(30,900)
2008	4,162,100	(105,700)	562,700	(54,600)
2009	3,870,500	(291,600)	454,900	(107,800)
2010	3,863,300	(7,200)	466,000	11,100
2011	3,952,100	88,800	501,400	35,400
2012	4,033,700	81,600	529,200	27,800
2013	4,109,700	76,000	548,400	19,200
2014	4,182,000	72,300	574,200	25,800
2015	4,243,500	61,500	590,900	16,700
2016	4,319,100	75,600	604,500	13,600
2017	4,369,100	50,000	616,100	11,600
2018	4,417,700	48,600	628,600	12,500
2019	4,442,700	25,000	654,600	26,000
2020	4,039,300	(403,400)	556,800	(97,800)
2021	4,193,500	154,200	583,700	26,900
Total Job Loss		(551,400)		(327,500)
% Decline over 20 1/2 +/- years		(11.6%)		(35.9%)

Source: Michigan Labor Market Info ~ www.milmi.org

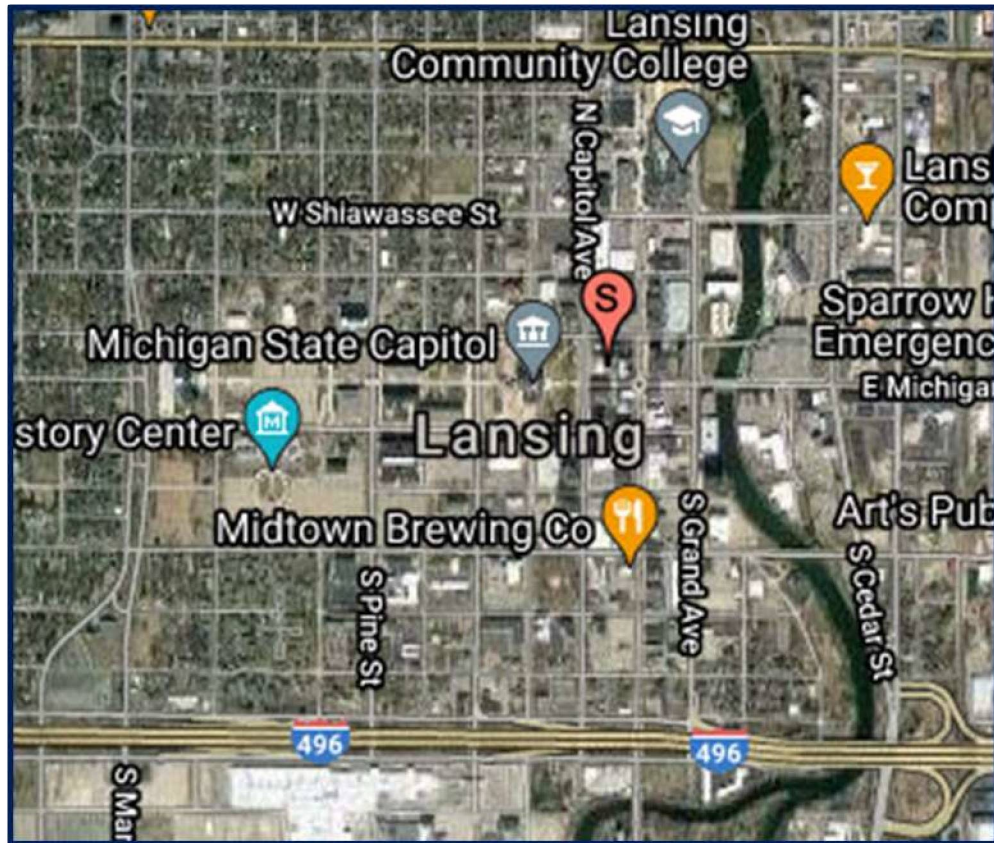
Unless noted, employment numbers are annualized

Peak employment levels within the state occurred in June of 2000 at 4,744,900 total non-farm jobs. Through 2009 a combined 881,600 jobs were lost, an 18.6% decline. Job losses have been particularly focused in the manufacturing sector. In June 2000 the manufacturing sector employed 911,200 persons, which declined through 2009 to 454,900, for a combined loss of 456,300 manufacturing jobs or a 50.1% decline. However, manufacturing in the state began to stabilize during 2010, finishing the year with a net gain of 11,100 jobs.

Prior to the pandemic, the continuing recovery in manufacturing has helped to turn overall non-farm employment in the State. The previous 5 years the State had added 260,700 jobs. According to MSU Center for Economic analysis, we see gross state product, a measure of all income generated in the state, to grow by 6.9 percent in 2023, down from 8.0 percent in 2022. Once adjusted for inflation, gross state product will only climb by 2.2 percent, down from 4.8 percent projected for 2022. We anticipate relatively strong growth in wages and salaries in 2023, driven largely by employment growth. Still, wage rates are expected to grow across all Michigan industries but is not anticipated to keep pace with inflation. Non-wage sources of income, like dividends, interest and rent are expected to rebound somewhat in 2023 from expected declines to growth of about 7.3 percent. This is assuming much of the stock valuation correction has already taken place in 2022.

City and Neighborhood Analysis

NEIGHBORHOOD MAP



Overview

The subject is located in Lansing in Ingham County. The central business district (CBD) area of Lansing is characterized by housing the States Capitol building and supporting office buildings structures.

Neighborhood Location and Boundaries

The subject neighborhood is located in the CBD section of Lansing. The area is urban in nature. The neighborhood is bounded by Saginaw Street to the north, Cedar Street to the east, I-496 to the south, and Martin Luther King Jr Blvd to the west.

Transportation Access

Within the immediate area of the subject property, transportation access helps define the character of its development. Major travel and commuter routes within the area of the subject property include Saginaw Street and Cedar Street. Access to the area is considered average.

Land Use Trends

The neighborhood is not experiencing a change in land use.

Demographics

The following table depicts the area demographics in Lansing within a one-, three-, and five-mile radius from the subject.

Neighborhood Demographics

Radius (Miles)	1 Mile	3 Mile	5 Mile
Population Summary			
2010 Population	12,422	88,500	197,009
2022 Population Estimate	12,536	87,717	193,836
2027 Population Projection	12,616	87,728	193,550
Annual % Change (2022 - 2027)	0.1%	0.0%	0.0%
Housing Unit Summary			
2010 Housing Units	6,952	42,411	86,400
% Owner Occupied	22.0%	50.5%	46.5%
% Renter Occupied	62.3%	38.2%	44.4%
2022 Housing Units	7,327	43,082	88,013
% Owner Occupied	17.2%	47.4%	45.3%
% Renter Occupied	67.7%	42.5%	45.8%
2027 Housing Units	7,345	43,390	88,551
% Owner Occupied	17.8%	47.9%	45.9%
% Renter Occupied	67.8%	41.9%	45.0%
Annual % Change (2022 - 2027)	0.1%	0.1%	0.1%
Income Summary			
2022 Median Household Income Estimate	\$36,678	\$48,513	\$48,675
2027 Median Household Income Projection	\$44,648	\$55,184	\$56,096
Annual % Change	4.0%	2.6%	2.9%
2022 Per Capita Income Estimate	\$26,836	\$28,774	\$28,900
2027 Per Capita Income Projection	\$31,766	\$34,093	\$34,005
Annual % Change	3.4%	3.5%	3.3%

Source: ESRI (ArcGIS)

(Lat: 42.733969, Lon: -84.553194)

Within a three-mile radius, the reported population is 87,717 with a projected growth rate of approximately 0.0% annually. There are 43,082 housing units within that three-mile radius. The growth rate is expected to be 0.1% annually.

Within a three-mile radius, the median household income is \$48,513. Looking ahead, annual household income growth is projected at 2.6% per year. The average income figures suggest that the inhabitants are within the lower to middle income brackets.

Nuisances & External Obsolescence

Neighborhood properties have adequate levels of maintenance. No adverse or unfavorable factors were observed.

Neighborhood Life Cycle

Most neighborhoods are classified as being in one of four stages: **growth, stability, decline, or renewal**. Overall, the subject neighborhood is in the stability stage of its life cycle.

Site Description

The subject site is located north side of W Michigan Avenue and east side of N Capitol Avenue. The characteristics of the site are summarized as follows:

Site Characteristics

Gross Land Area:	0.70 Acres or 30,274 SF
Usable Land Area:	0.70 Acres or 30,274 SF
Usable Land %:	100.0%
Shape:	Slightly Irregular
Topography:	Level
Drainage:	Appears adequate
Grade:	At street grade
Utilities:	All customary municipal utilities are provided to the subject
Off-Site Improvements:	sidewalks, pole lighting, curbing
Interior or Corner:	Mid-Block
Signalized Intersection:	Yes - Traffic signal at the site that enhances access
Excess Land:	None

Street Frontage / Access

Frontage Road	Primary	Secondary
Street Name:	W Michigan Avenue	N Capitol Avenue
Street Type:	Office	Office
Number of Curb Cuts:	1	0

Additional Access

Alley Access:	Yes
---------------	-----

Flood Zone Data

Flood Map Panel/Number:	26065C0131D
Flood Map Date:	08-16-2011
Flood Zone:	C
	The areas of minimal flood hazard, which are the areas outside the SFHA and higher than the elevation of the 0.2-percent-annual-chance flood, are labeled Zone C or Zone X (unshaded).
Portion in Flood Hazard Area:	0.00%

Other Site Conditions

Soil Type:	No soil or subsoil tests were performed.
Environmental Issues:	No environmental issues were noted at the time of inspection or disclosed by involved parties that would impact value.

Adjacent Land Uses

North:	Office
South:	Office
East:	Office
West:	Governmental

Site Ratings

Access:	Average
Visibility:	Average

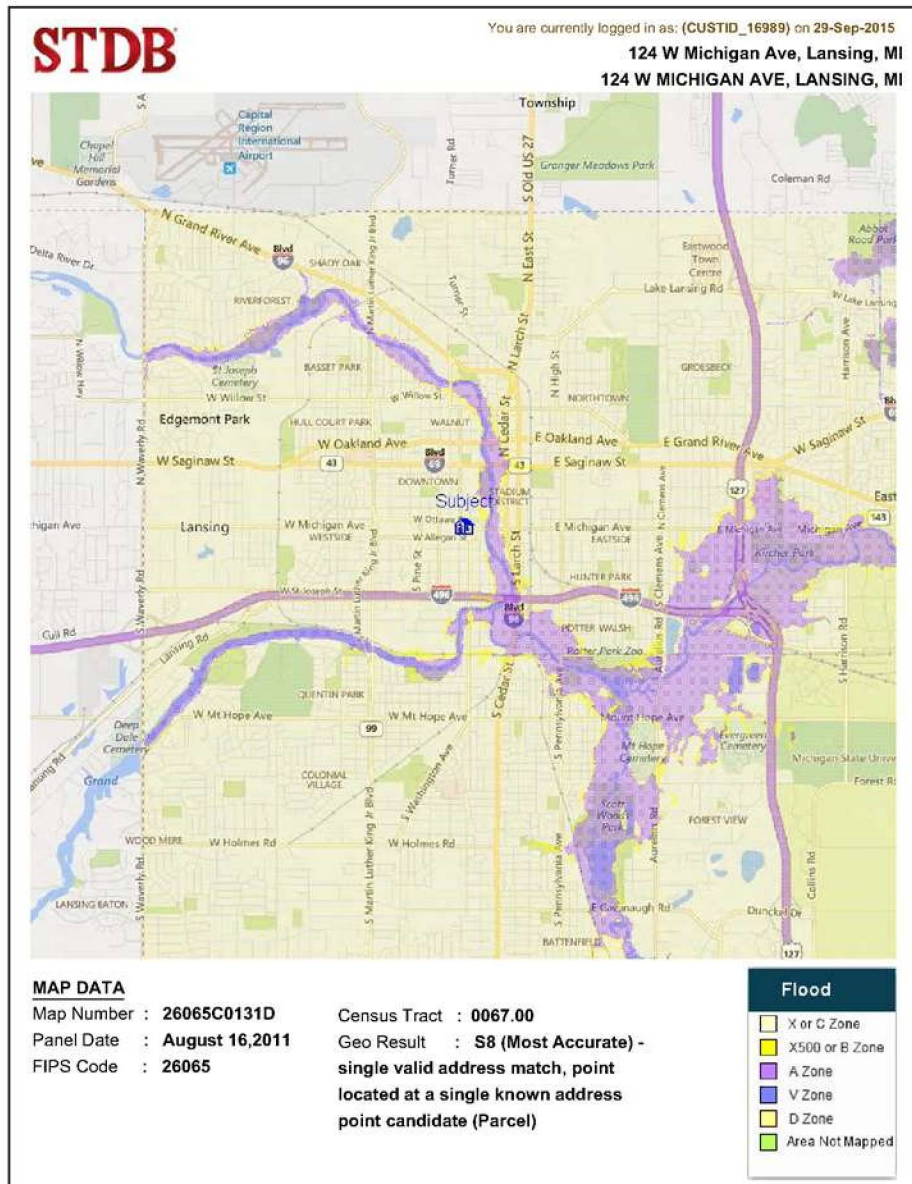
Zoning Designation

Zoning Jurisdiction:	Lansing
Zoning Classification:	G-1, Business district
Permitted Uses:	A variety of office and commercial uses

Analysis/Comments on Site

The subject has a parking garage located underneath the building that contains 60 parking spaces. Access to the site is from West Michigan Avenue.

FLOOD MAP



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Improvements Description

The subject is a 10-story office/governmental building that contains 126,575 square feet. The building is made up of two sections one being the Lansing City Hall section that contains 10 floors, and the other being the Lansing Police Department section which contains 6 floors. The subject has average functional utility and competitive rating.

Improvement Characteristics

Property Type:	Office
Property Subtype:	Office Building
Occupancy Type:	Owner and tenant-occupied
Tenancy:	Multi-Tenant
Investment Class:	Class
Number of Buildings:	2
Number of Stories	10
Construction Class:	B - Fire Resistant, Reinforced Concrete Frame per Marshall Valuation Service
Construction Quality:	Average
Gross Building Area (GBA):	126,575 SF (based on Floor Plans)
Net Rentable Area (NRA):	116,557 SF (based on Floor Plans)
Other Features/Amenities:	Below ground parking garage, connecting walkways

CITY HALL BUILDING			
Level	GBA Sq Ft	NRA Sq Ft	
Floor 10	9,815	9,049	
Floor 9	9,815	9,049	
Floor 8	9,815	9,049	
Floor 7	9,815	9,049	
Floor 6	15,276	14,193	
Floor 5	15,276	14,193	
Floor 4	15,276	14,193	
Floor 3	15,276	14,193	
Floor 2	10,277	8,740	
Floor 1	15,934	14,851	
Total Building	126,575	116,557	

Ratios & Parking

Land-to-Building Ratio:	0.24 to 1 (Usable Land/GBA)
Floor Area Ratio (FAR):	4.18 (based on GBA)
Parking Spaces:	60
Parking Ratio:	0.47 (per 1,000 sf of GBA)

Age / Life

Year Built:	1958
Renovated/Yr. Renovated:	Yes
Renovated Comments:	Various fixes and repairs over the years. Newer cooling tower.
Condition:	Average
Actual Age:	65 years

Structural Characteristics

Foundation:	Concrete
Building Frame:	Masonry and metal
Exterior Walls:	Blocks faced in limestone
Roof Type / Material:	Flat / Built-up with stone ballast

Interior Characteristics

Floors:	Carpet, vinyl tile, sealed concrete
Walls:	Painted drywall and wood paneling
Ceiling:	Drywall
Lighting:	Lay-in florescent
Restrooms:	Adequate for use

Mechanical Systems

Electrical:	Assumed adequate for use
Plumbing:	The property has adequate plumbing for the intended use.
Heating:	Steam
Air Conditioning:	Complete Engineered Cooling System
Fire Protection/Sprinklers:	Yes/ Wet
Number of Elevators:	3 Main

Site Improvements

Site Improvements:	Sidewalks, Concrete patio area
Landscaping:	Average

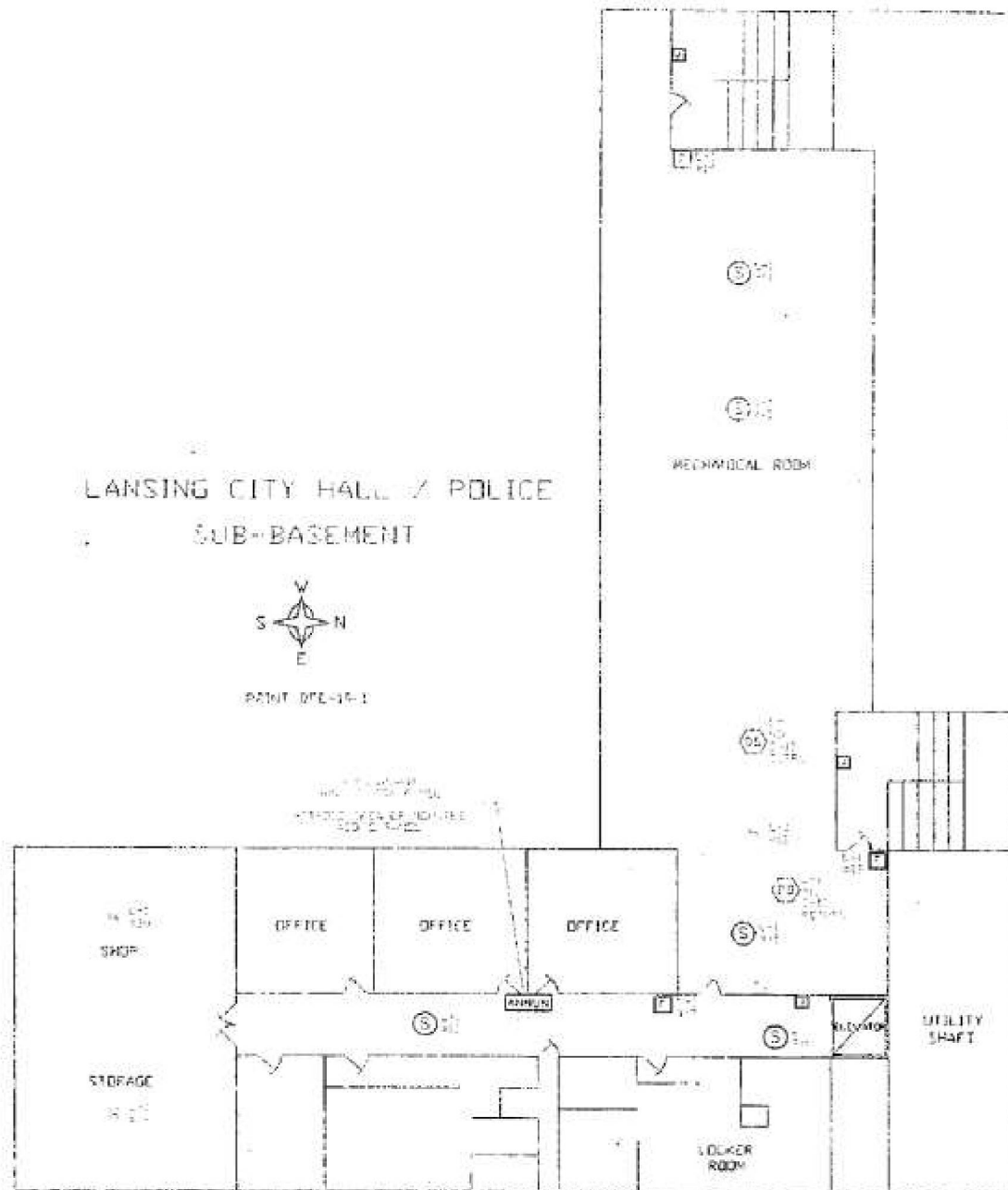
Legal, Conforming Status

Legally Permitted Use:	Yes
Conforms to Parking:	Yes
Conformity Conclusion:	The existing improvements appear to meet the zoning requirements.

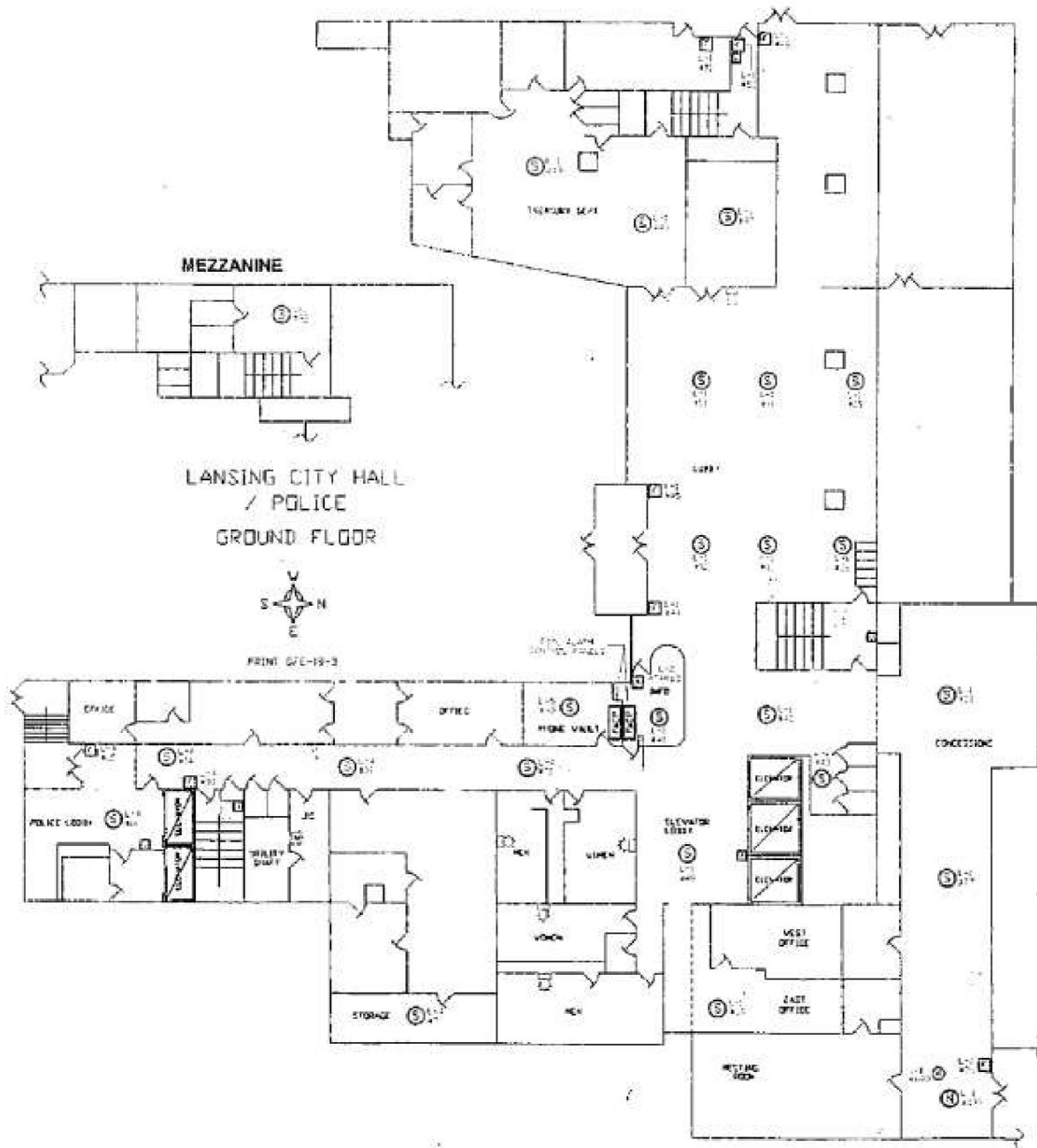
Analysis/Comments on Improvements

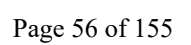
The City Hall building has 10 floors above ground and one below. The building is made up of two sections one being the Lansing City Hall section that contains 10 floors, and the other being the Lansing police station which contains 6 floors. The subject also has a below ground parking garage. The building has access from the lobby to the House building. Each floor in the main City Hall section of the building has the same general layout with two long hallways extending north and west from the elevators. The office areas consist of a combination of office grade carpeting and laminate tile floors. It has painted plasterboard, drywall and wall panel walls and dropped drywall ceilings. A typical private office space in the building consists of carpeted floors, gypsum board walls and a dropped ceiling with florescent tube lighting. The windows are single pane casement windows. Each floor in the main section of the building has a large vault. The buildings finish is in average condition and has a dated look and feel. The floor plan is divided up into two separate sections, the City Hall section and the Lansing police section. The city call section has access to the police section of the building from three different floors. All floors can be accessed by three main elevators. The functional utility of the property is average based upon a comparison of similar properties in the market area.

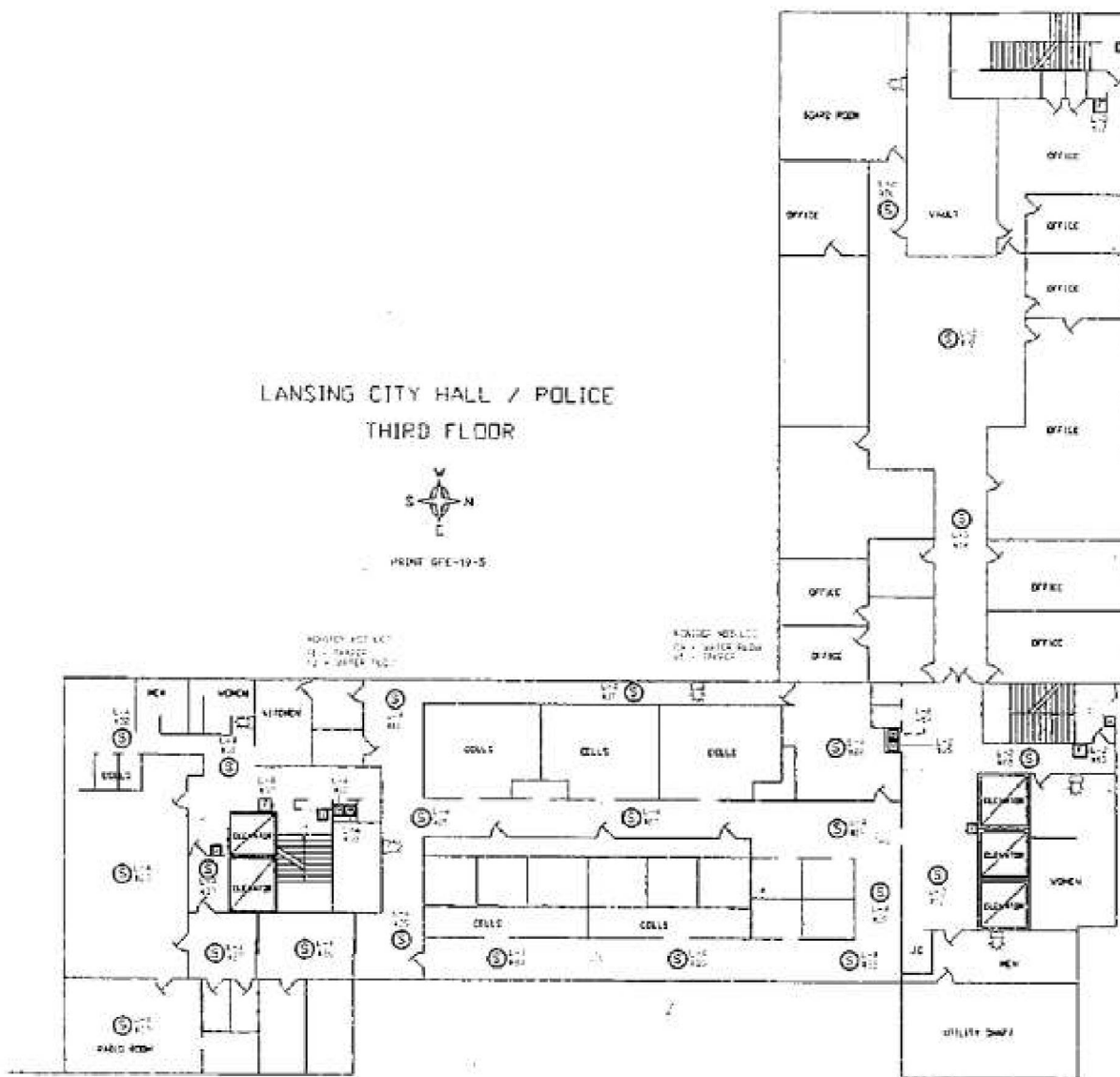
BUILDING LAYOUT OF EACH LEVEL

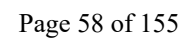


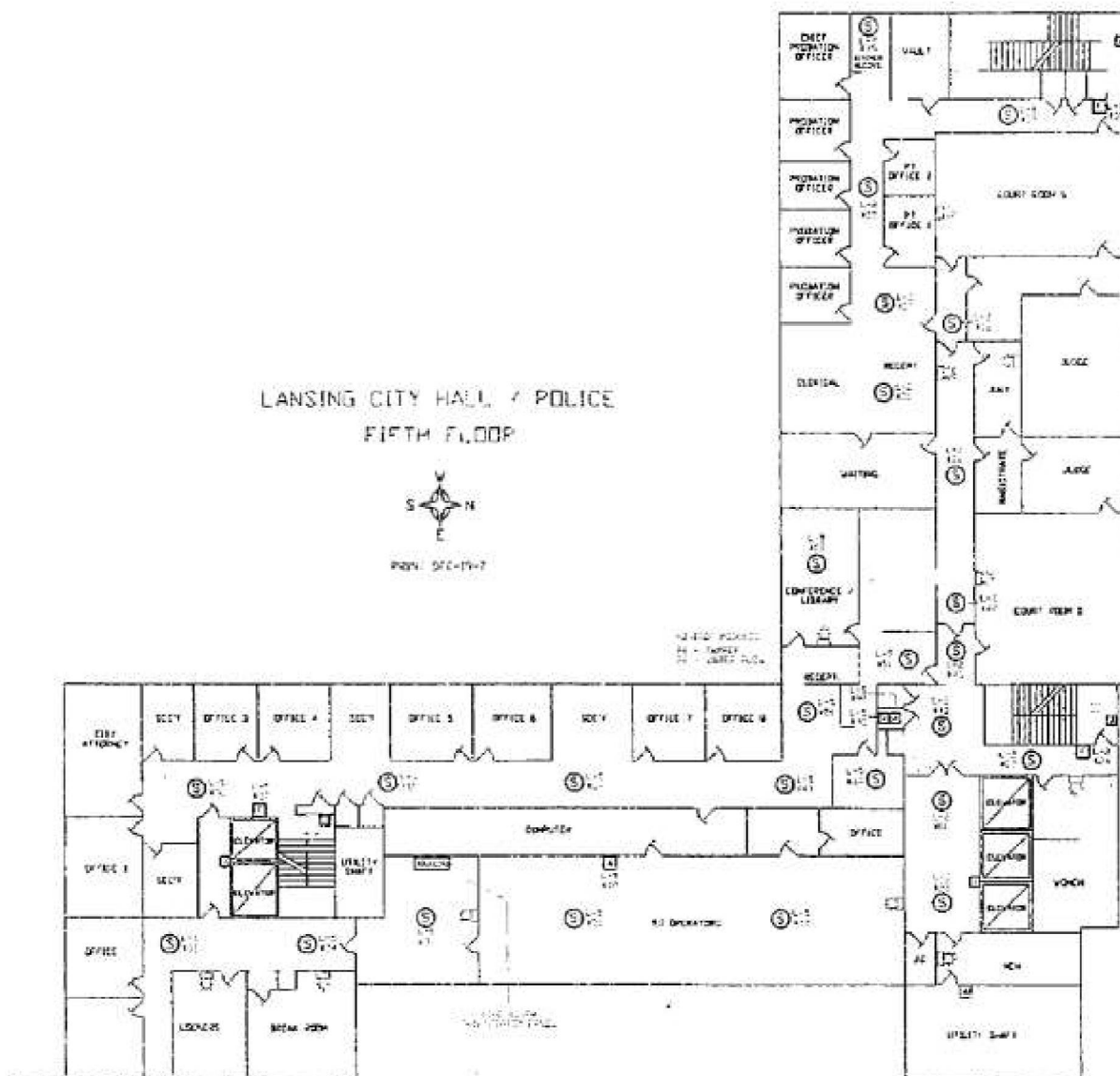


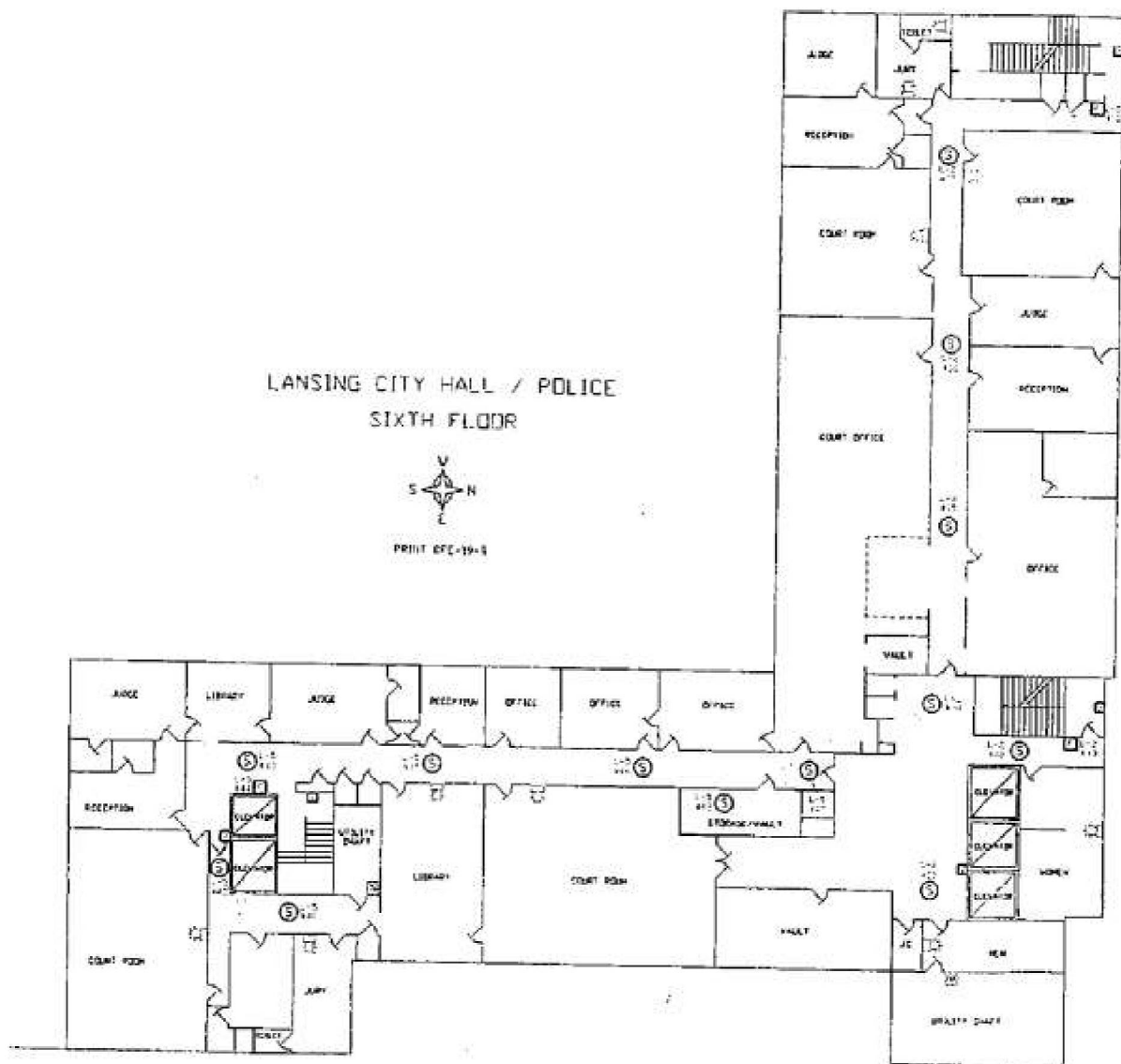


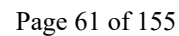


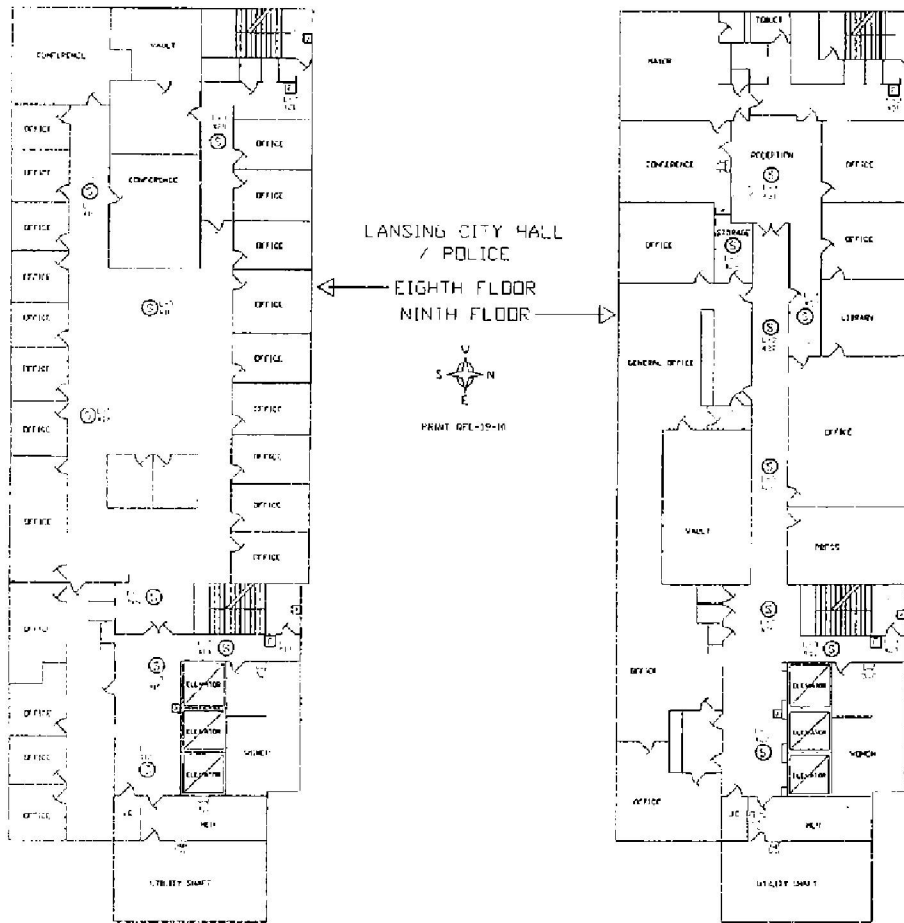


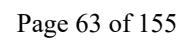












Assessment and Tax Data

Assessment Methodology

Property assessments are initially established by the local assessor and are intended to reflect 50% of the "true cash value" (also known as market value) of the property on the tax day, December 31, of each year. The local assessment is then subject to equalization, which results in the property's State Equalized Value (S. E. V.).

To determine the current year's capped value, the assessor is required to multiply the prior year's capped assessment by the CPI increase (inflation rate multiplier). The lesser of the S. E. V. and capped assessed value is the current year's taxable value for that property. When a transfer of ownership occurs, the next year's taxable value is generally based on the S.E.V. that had been calculated annually. The actual sale price must not be the sole basis of the new S.E.V. for that property.

Each property assessed for real estate tax purposes in the State of Michigan has a S.E.V., capped value, and a taxable value. Generally, the capped value is lower, reflecting long-term ownership. The S.E.V. is to represent 50% of true cash value. This appraisal has used the S.E.V. (assessed value) for calculating the real estate taxes. Real property taxes are determined on the basis of a tax rate per thousand dollars of S.E.V. (assessed value).

Assessed Values and Property Taxes

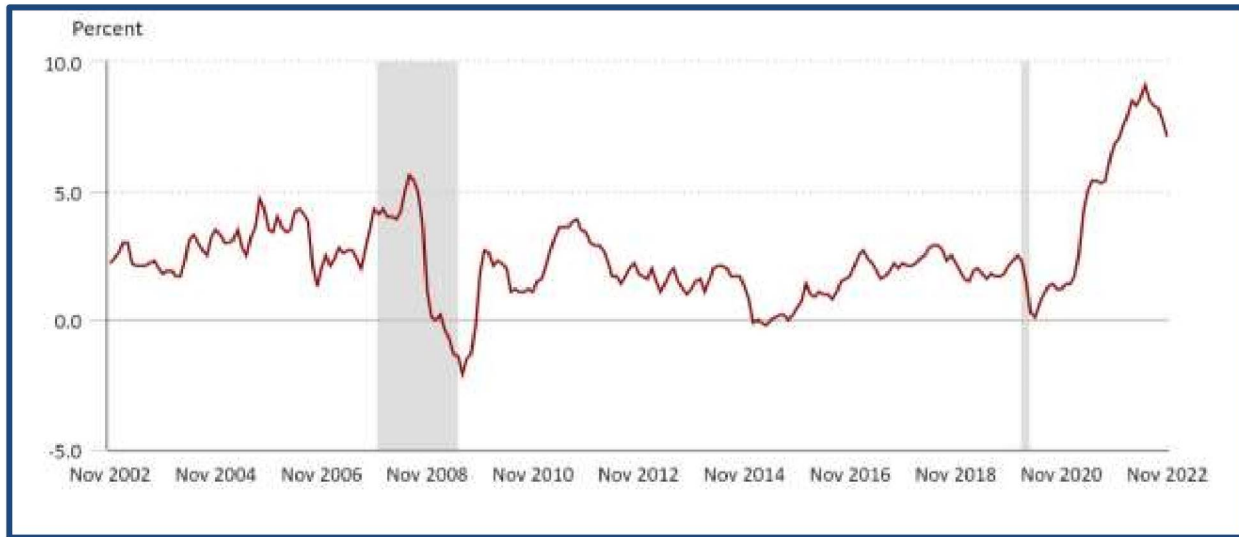
The subject property is owned by the city of Lansing and is not assessed nor taxed.

Market Analysis

Inflation

Inflation is perhaps the biggest 2023 concern for CRE markets and investors. High inflation rates are being driven by both demand (stimulus, more businesses opening, high savings rates) and supply factors (labor shortages and supply chain disruptions). While at the highest rate in 30 years, inflation will likely stay high for the next year. The following table presents historical inflations rates:

ANNUAL CPI RATE OF CHANGE



Source: U.S. Bureau of Labor Statistics

The November 2022 CPI reading was an annual rate of 7.1%, down from the annual rate of 9.0% in June, a pace not seen since 1990. Because of the unique nature of the causes of this rate of inflation, the demand outlook does not point to accelerating inflation over the medium term, which is most important for the overall economic outlook and for decision makers at the Federal Reserve. Market participants anticipate that the Fed will continue to hike interest rates in early 2023 to combat inflation. The biggest risk is that unexpected runaway inflation would be damaging to the economy and negatively affect commercial property markets. However, this is not the expected scenario and elevated inflation can have a net positive impact on commercial property values.

Interest Rates

To combat inflation, the Federal Reserve raised the federal funds rate by 25 basis points in March 2022, reflecting the first increase since 2018. However, this increase had little to no impact in year over year inflation and the Federal Reserve raised rates by an additional 50 basis points in May 2022, followed by 75 basis points in June, July, September, and November 2022. Interest rate increases were moderated in December at 50 basis points in response to CPI rolling over.

Interest rate increases affect capital-intensive industries like real estate. As credit becomes more expensive, investor return requirements increase, which can lead to higher capitalization rates expectations. As inflation persists and the market anticipates additional rate hikes by the Fed, slower growth in CRE pricing and transactions is expected.

In general, nominal (non-inflation adjusted) real estate returns perform well under a variety of rate environments, while inflation-adjusted real estate returns are strongest during periods of stability, according to research done by Trepp. In a March 2022 report on interest rates and commercial real estate, moderate declines or slight increases (0 to 50 basis points) create the strongest returns, with median annual growth at 3.1%. Trepp outlined the following possible impacts of higher interest rates on major CRE sectors:

Multifamily

Issuance in this sector surged in the low-interest-rate environment of 2020 and 2021. Sharply higher interest rates put a dent in issuance in late 2022, as higher borrowing costs reduced demand for debt financing. In the long-term, issuance could rebound. Despite the current trend of declining unemployment and rising income, wage inflation is outpacing price inflation as of now. If this inflation trend continues, consumer demand could be pushed further toward rental properties.

However, the market is currently experiencing a shift away from renting. According to data from the United States Census Bureau, the homeownership rate increased to 65.5% in Q4 2021, a decline from the Q2 2020 peak of 67.9% (a rate height that has yet to be surpassed by those seen post-2008 financial crisis). Additionally, those between the ages of 25 to 29 have increased their homeownership share to 35.4%, up from 34.8% a year earlier, possibly suggesting that younger families are moving away from renting.

Office

The office sector also benefited from the low-interest-rate environment. However, rising interest rates have resulted in an overall drag on growth in 2022 with some companies reducing their projections for future office space needs. With that in mind, landlords have been more willing to lock in tenants at their current rates rather than risk losing them. However, firms are in the midst of the debate over hybrid, in-person, and fully remote expectations from employees, and some are choosing to offload their excess office spaces and either downsize or do away with their in-person spaces for good.

Additionally, rising rates have been problematic when it comes to refinancing. The office market is already in turmoil and rising interest rates are adding to the uncertainty in the market.

Retail

With rising interest rates and a slowing economy, some retailers may curtail plans for growth in response to an up-and-coming potential drop in disposable consumer income. This curtailment may make it more difficult to backfill vacant spaces and lead to consolidation by retailers. Investors could choose to approach 2023 with a more conservative view of retail occupancy going forward.

Lodging

The hotel industry faces challenges from both a supply and demand perspective. CMBS lenders abruptly stopped funding loans when the pandemic took effect in 2020, but, since then lodging loan issuance has picked up. While this seems like good news, the uptick in issuance could prove too fast and there is a potential for the supply to outpace demand. There may not be enough demand to absorb the new supply if consumers and businesses maintain and reduce their levels of spending.

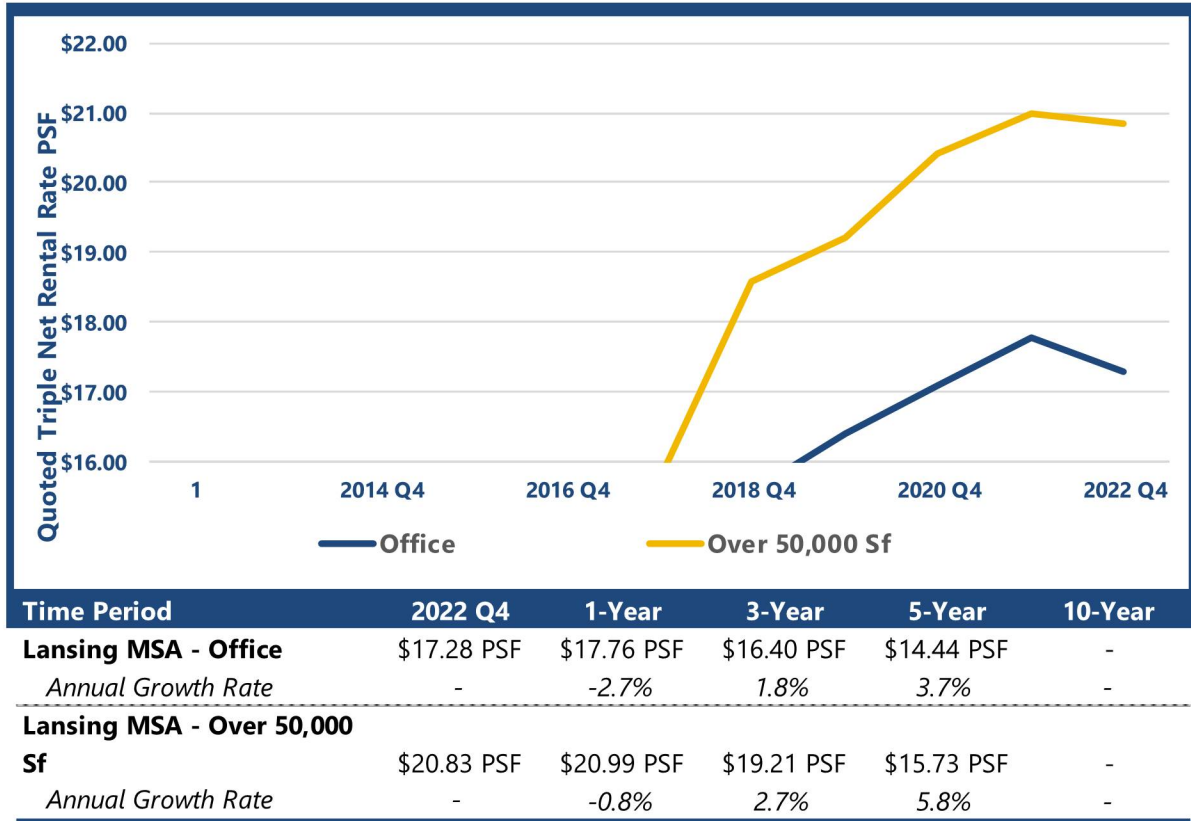
Conclusions

Various market participants will feel the effects of rising interest rates. As highlighted above, each sector of the CRE space will react differently to these rising rates. Ultimately there was some volatility in late 2022 experience across most CRE sectors, which is expected to continue until interest rates moderate.

Local Market Performance

Market analysis is a study of market conditions for a specific property type. The following market analysis of the Lansing MSA Office property market is based on data obtained from the CoStar Group, Inc., a leading provider of real estate information services. The analysis presents the subject property's macro and micro markets and includes a breakdown of over 50,000 sf space.

LANSING MSA - QUOTED RENTAL RATE TRENDS



Source: CoStar Group, Inc.

Lansing MSA - Office

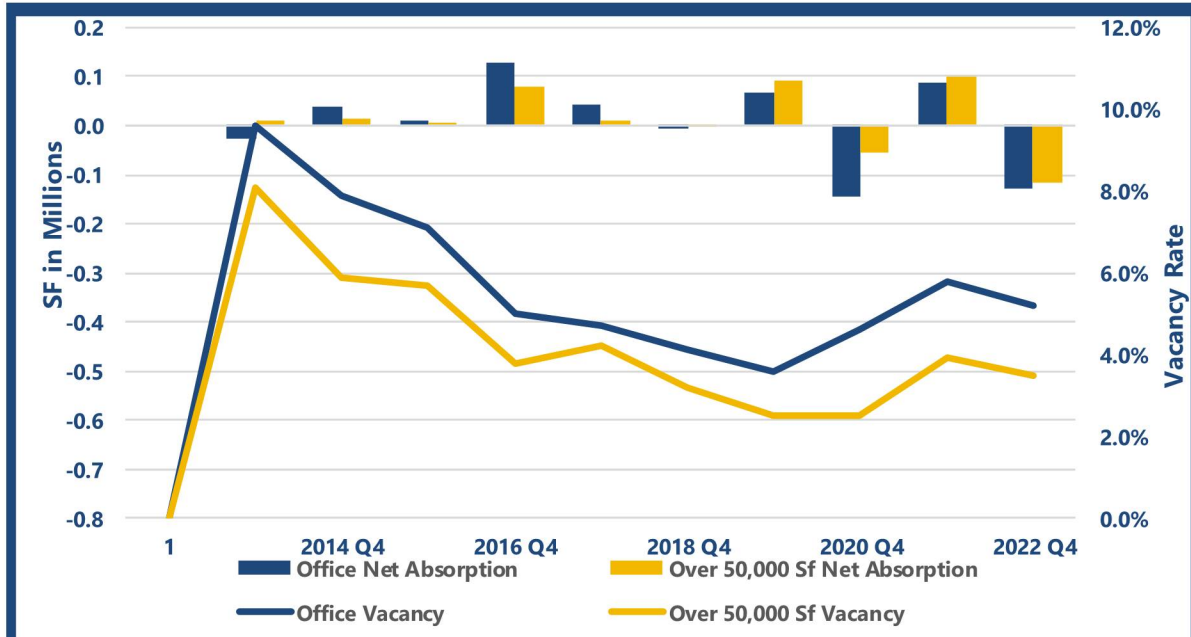
The Lansing MSA had a 2022 4th Quarter average quoted rental rate of \$17.28 per square foot for Office space, compared to \$17.76 in the 2021 4th Quarter, or a 2.7% decrease over the prior year. This was lower than the long-term trend.

Lansing MSA - Over 50,000 Sf

The Lansing MSA had a 2022 4th Quarter average quoted rental rate of \$20.83 per square foot for over 50,000 sf space, compared to \$20.99 in the 2021 4th Quarter, or a 0.8% decrease over the prior year. This was lower than the long-term trend.

Sector Comparison

The average quoted rental rate for over 50,000 sf space was 20.5% higher than Office space and the long-term growth trend was 5.8%.

LANSING MSA - VACANCY AND NET ABSORPTION TRENDS


Time Period	2022 Q4	1-Year	3-Year	5-Year	10-Year
Lansing MSA - Office	5.2%	5.8%	3.6%	4.7%	-
Avg. Annual Net Absorp. SF	-	229K	-99.1K	-26.1K	181.1K
Avg. Annual Deliveries SF	-	67.5K	39.2K	32.5K	106.3K
Lansing MSA - Over 50,000 Sf					
Sf	3.5%	3.9%	2.5%	4.2%	-
Avg. Annual Net Absorp. SF	-	118.1K	-21.2K	11.8K	131K
Avg. Annual Deliveries SF	-	62.5K	20.8K	12.5K	83.2K

Source: CoStar Group, Inc.

Lansing MSA - Office

The Lansing MSA had a 2022 4th Quarter vacancy rate of 5.2% for Office space. Net absorption was positive with 228,966 square feet absorbed in the prior year and 67,500 square feet delivered. This resulted in a vacancy rate decrease of 60 basis points.

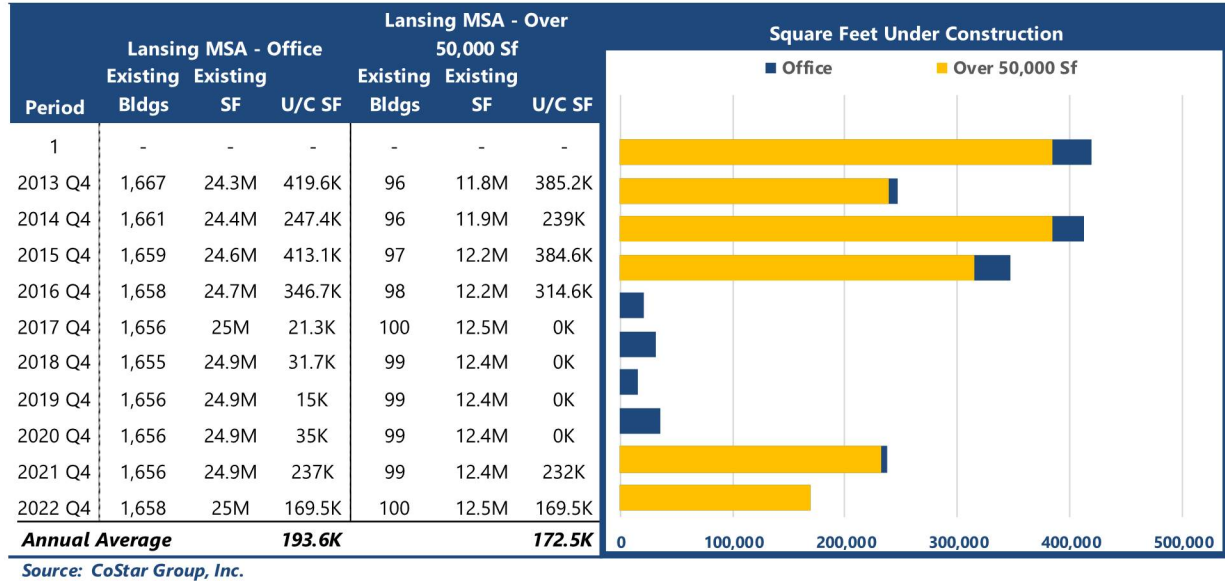
Lansing MSA - Over 50,000 Sf

The Lansing MSA had a 2022 4th Quarter vacancy rate of 3.5% for over 50,000 sf space. Net absorption was positive with 118,072 square feet absorbed in the prior year and 62,500 square feet delivered. This resulted in a vacancy rate decrease of 40 basis points.

Sector Comparison

The vacancy rate for over 50,000 sf space was lower than office space. Both sectors had vacancy rates that were relatively consistent with the long-term trend.

LANSING MSA - EXISTING SUPPLY AND CONSTRUCTION TRENDS



Lansing MSA - Office

There were 1,658 buildings totaling 25 million square feet of Office space in the Lansing MSA with 169,472 square feet under construction in the 2022 4th Quarter. New construction represented 0.7% of existing supply.

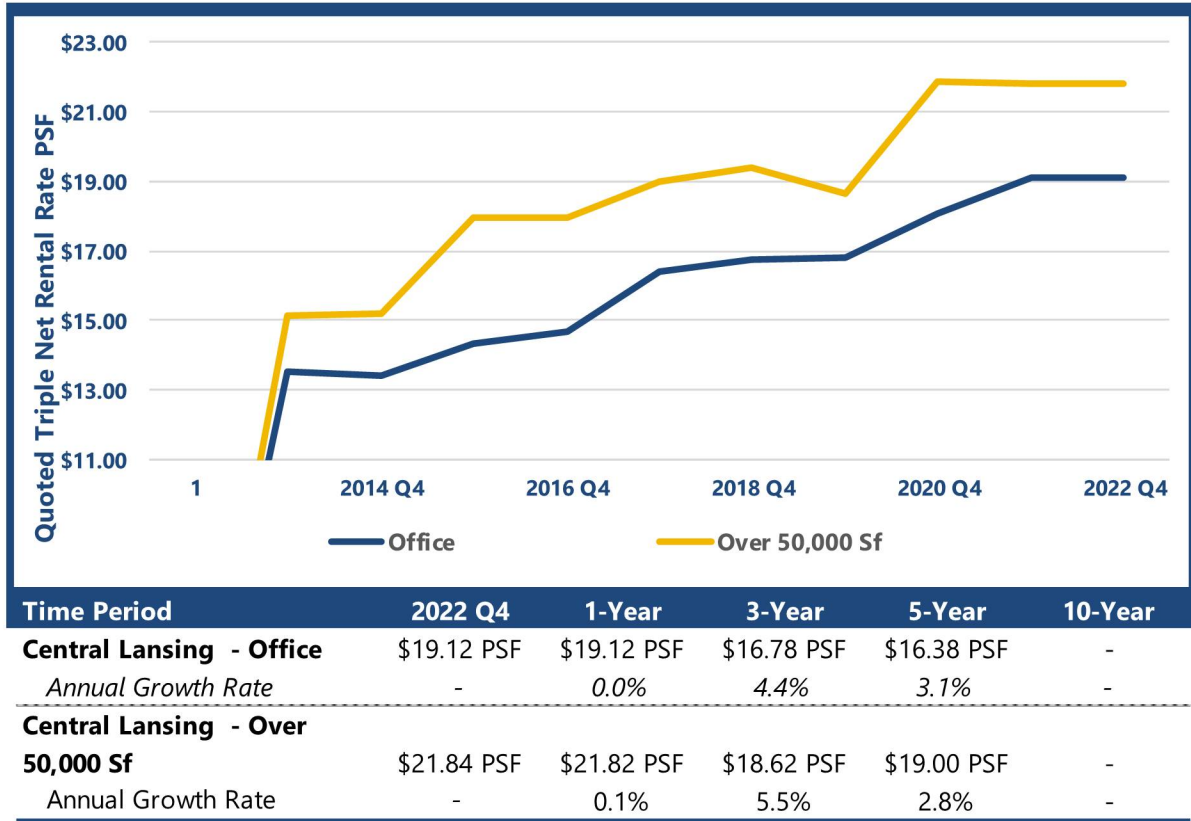
Lansing MSA - Over 50,000 Sf

There were 100 buildings totaling 12.5 million square feet of over 50,000 sf space in the Lansing MSA with 169,472 square feet under construction in the 2022 4th Quarter. New construction represented 1.4% of existing supply.

Sector Comparison

Over 50,000 sf space represented 50.0% of existing supply and 100.0% of new construction in the 2022 4th Quarter.

CENTRAL LANSING - QUOTED RENTAL RATE TRENDS



Source: CoStar Group, Inc.

Central Lansing - Office

The Central Lansing had a 2022 4th Quarter average quoted rental rate of \$19.12 per square foot for Office space, compared to \$19.12 in the 2021 4th Quarter, or a 0.0% decrease over the prior year. This was lower than the long-term trend.

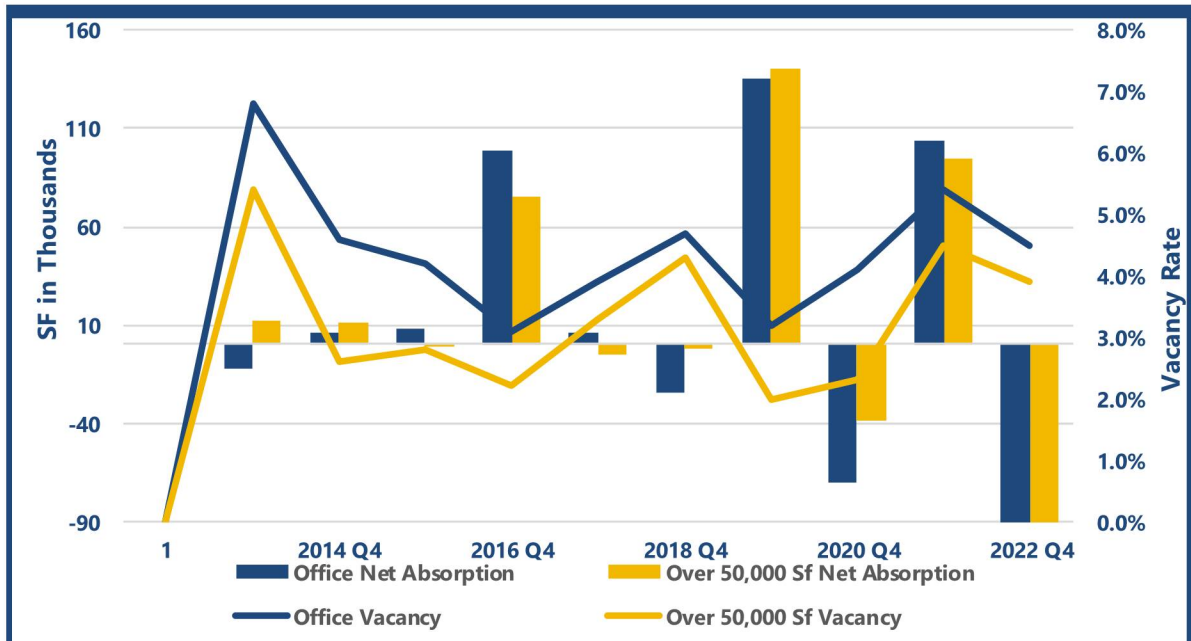
Central Lansing - Over 50,000 Sf

The Central Lansing had a 2022 4th Quarter average quoted rental rate of \$21.84 per square foot for over 50,000 sf space, compared to \$21.82 in the 2021 4th Quarter, or a 0.1% increase over the prior year. This was lower than the long-term trend.

Sector Comparison

The average quoted rental rate for over 50,000 sf space was 14.2% higher than Office space and the long-term growth trend was similar.

CENTRAL LANSING - VACANCY AND NET ABSORPTION TRENDS



Time Period	2022 Q4	1-Year	3-Year	5-Year	10-Year
Central Lansing - Office	4.5%	5.4%	3.2%	3.9%	-
Avg. Annual Net Absorp.	-	113.7K	-55K	-19.6K	32.9K
Avg. Annual Deliveries	-	5K	1.7K	1.7K	23.5K
Central Lansing - Over 50,000 Sf	3.9%	4.5%	2.0%	3.3%	-
Avg. Annual Net Absorp.	-	40.3K	-51.7K	-10.1K	26.8K
Avg. Annual Deliveries	-	0K	0K	0K	19.8K

Source: CoStar Group, Inc.

Central Lansing - Office

The Central Lansing had a 2022 4th Quarter vacancy rate of 4.5% for Office space. Net absorption was positive with 113,683 square feet absorbed in the prior year and 5,000 square feet delivered. This resulted in a vacancy rate decrease of 90 basis points.

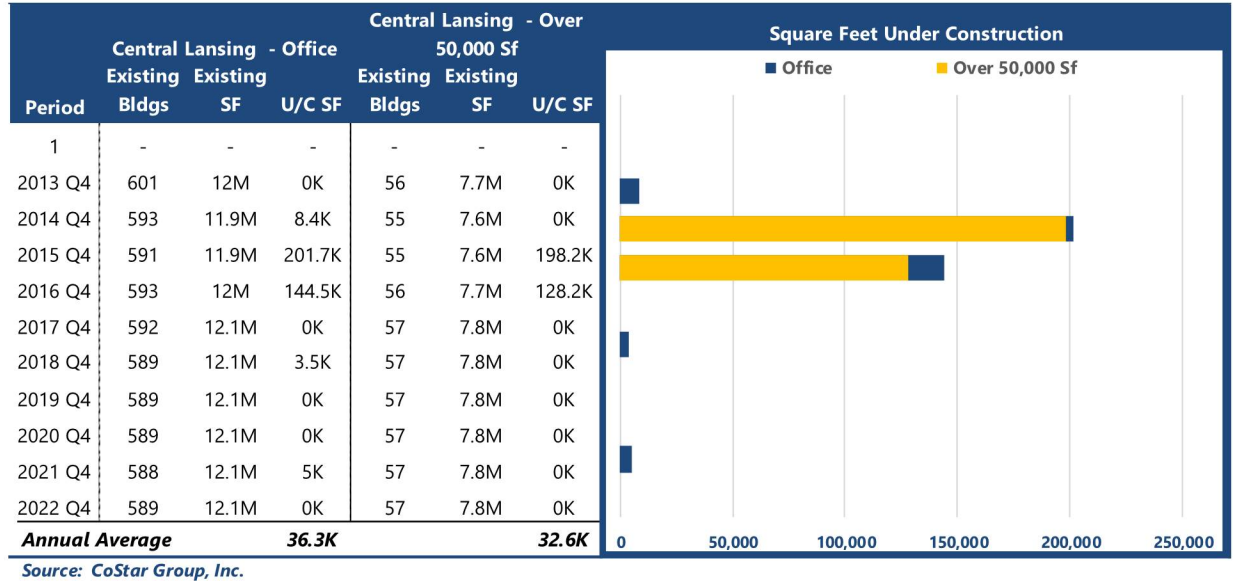
Central Lansing - Over 50,000 Sf

The Central Lansing had a 2022 4th Quarter vacancy rate of 3.9% for over 50,000 sf space. Net absorption was positive with 40,289 square feet absorbed in the prior year with 0 square feet delivered. This resulted in a vacancy rate decrease of 60 basis points.

Sector Comparison

The vacancy rate for over 50,000 sf space was lower than office space. Both sectors had vacancy rates that were relatively consistent with the long-term trend.

CENTRAL LANSING - EXISTING SUPPLY AND CONSTRUCTION TRENDS



Central Lansing - Office

There were 589 buildings totaling 12.1 million square feet of Office space in the Central Lansing with 0 square feet under construction in the 2022 4th Quarter. No new construction was occurring.

Central Lansing - Over 50,000 Sf

There were 57 buildings totaling 7.8 million square feet of over 50,000 sf space in the Central Lansing with 0 square feet under construction in the 2022 4th Quarter. No new construction was occurring.

Sector Comparison

Over 50,000 sf space represented 65.0% of existing supply and no new construction in the 2022 4th Quarter.

Market Analysis Conclusions

The rental rate trends, vacancy rate and absorption trends, and existing supply and new construction levels indicate the market is oversupplied. Prudent developers are expected to hold for future speculative development until vacancy rates normalize or achieve significant pre-leasing prior to development.

Apartment Supply and Demand Trends –Ingham County Market

The following table presents the Ingham County market multifamily market inventory levels, absorption, vacancy, and rental rates.

**Apartment Market Statistics
 Ingham County Market**

Period	Inventory			Asking Rent		Effective Rent		Vacancy	Net Absorption	Under Construction	
	Buildings	Units	Average Unit Size	Per Unit	Per SF	Per Unit	Per SF			Total Buildings	Total Units
2022 Q3	615	29,952	865	\$1,033	\$1.21	\$1,028	\$1.21	5.3%	-31	6	541
2022 Q2	614	29,930	865	\$1,019	\$1.19	\$1,015	\$1.19	5.1%	10	6	491
2022 Q1	614	29,930	865	\$999	\$1.17	\$996	\$1.17	5.1%	-11	6	491
2021 Q4	613	29,749	866	\$973	\$1.14	\$970	\$1.14	4.5%	34	6	623
2021 Q3	612	29,728	866	\$968	\$1.13	\$962	\$1.13	4.6%	177	5	441
2021 Q2	611	29,698	864	\$954	\$1.12	\$949	\$1.11	5.1%	309	6	471
2021 Q1	610	29,650	864	\$932	\$1.09	\$923	\$1.08	6.0%	140	6	392
2020 Q4	610	29,650	864	\$913	\$1.07	\$907	\$1.06	6.4%	111	5	370
2020 Q3	609	29,610	865	\$911	\$1.07	\$905	\$1.06	6.7%	255	5	389
2020 Q2	607	29,123	860	\$908	\$1.06	\$901	\$1.05	6.0%	59	7	876
2020 Q1	606	28,978	861	\$896	\$1.05	\$890	\$1.04	5.7%	34	7	991
2019 Q4	604	28,885	862	\$900	\$1.05	\$892	\$1.04	5.5%	19	9	1,084
2019 Q3	603	28,794	861	\$902	\$1.05	\$896	\$1.05	5.3%	84	9	1,085
2019 Q2	603	28,794	861	\$905	\$1.06	\$890	\$1.04	5.6%	73	8	1,045
2019 Q1	603	28,794	861	\$894	\$1.05	\$879	\$1.03	5.9%	187	6	799
2018 Q4	603	28,794	861	\$887	\$1.04	\$870	\$1.02	6.5%	80	5	654
2018 Q3	602	28,722	861	\$884	\$1.03	\$872	\$1.02	6.6%	55	5	437
2018 Q2	602	28,722	861	\$883	\$1.03	\$869	\$1.02	6.7%	380	3	223
2018 Q1	599	27,910	856	\$875	\$1.02	\$857	\$1.00	5.4%	-19	5	944
2017 Q4	598	27,871	856	\$863	\$1.01	\$846.0	\$0.99	5.2%	-109	6	983

Source: CoStar Group, Inc.

Inventory of Existing Space

The number of units in the subject's market has been slowly rising for the past five years.

New or Proposed Construction

There have been roughly 3-9 buildings under construction at any given time over the last five years.

Vacancy

Vacancy has remained constant over the past five years.

Absorption Trends

While the absorption has varied from period to period, the overall occupied units have remained fairly constant.

Asking and Effective Rental Rates

Asking and effective rental rates have steadily risen over the last 5 years.

Highest and Best Use Analysis

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Highest and Best Use As Though Vacant

The primary determinants of the highest and best use as though vacant are (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

Legally Permissible

The subject site is zoned G-1, Business district, which controls the general nature of permissible uses and is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general neighborhood. The location of the subject property is appropriate for the uses allowed, as noted previously, and a change in zoning is unlikely. There are no known easements, encroachments, covenants or other use restrictions that would unduly limit or impede development.

The subject site is not zoned and there are no known easements, encroachments, covenants, or other use restrictions that would materially limit or impede development of a probable use.

Physically Possible

The physical characteristics of the subject site are presented in the Site Description and allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences were considered. No physical attributes materially limit legally permissible and appropriate development. The most probable use of the site is for mixed use including multi-family and office development, which conforms to the pattern of land use in the immediate area.

Financially Feasible

A review of published yield, rental and occupancy rates suggests that there is a balanced supply of mixed use and demand is sufficient to support construction costs and timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is not financially feasible and should wait for improving market conditions.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as though vacant is for hold for future mixed-use development.

Highest and Best Use As Though Vacant Conclusion

The conclusion of the highest and best use as though vacant is for hold for future mixed-use development.

Highest and Best Use As Improved

The determination of the highest and best use of the subject property as improved is focused on three possible conditions that may represent the maximally productive use of the property: (1) continuation of the existing use, (2) modification of the existing use, or (3) demolition and redevelopment of the land. In addition, the presence of surplus or excess land is identified.

As noted, the analyzed use of the subject property is as an office / governmental property. The subject improvements were completed in 1958 and, as of the date of value, were in average condition. The existing use will generally continue until land value less demolition costs exceeds the value of the existing use.

Continuation of Existing Use

Retaining the improvements as they exist meets the tests for legal permissibility and physical possibility. Further, market demand and existing supply levels does not provide economic support for continuation of the existing use.

Modification of the Existing Use

The existing use does not fully meet market expectations. The Martin Greater Lansing Area H2 2022 office market insight report indicated the office vacancy in the Lansing CBD is up to 26.7%, and has exceeded the suburban vacancy rate for the fourth consecutive quarter. The report also states that working from home trends companies downsizing, the State of Michigan downsizing its footprint in the CBD, are large factors with the CBDs high office vacancy trend. Both office use and mixed (office/multi-family) uses are feasible, however considering recent trends market forces, the more productive use for the subject appears to be modification into a mixed-use building. Modification of the use for mixed (office & multi-family) use meets the tests for legal permissibility and physical possibility. Further, market demand and existing supply levels provide economic support for modification of the existing use.

Demolition and Redevelopment

The value of the subject property exceeds the value of the site as though vacant less demolition costs. Therefore, demolition and redevelopment of the site is not maximally productive. However, renovation to the subject is considered critical to the site being maximally productive.

Interim Use

In instances where the highest and best use will likely change in the reasonable near future, the use during that period is an interim use. Examples include surface uses (farms, parking lots, exterior/stabilized storage, or recreational uses) or older structures no longer appropriate for the site due to low density or functional issues. The current use could be considered as an interim use.

Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is an Investor.

Sales Comparison Approach

Methodology

The sales comparison approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

Unit of Comparison

The unit of comparison selected depends on the appraisal problem and nature of the property and is intended to explain or mirror market behavior. The primary unit of comparison in the market and applied in this analysis is price per square foot of gross building area.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location, (7) physical characteristics, (8) economic characteristics, (9) legal characteristics, and (10) non-real components of value.

Comparable Sales Data

The market was studied to identify sales and listings of comparable properties with a focus on those that appeal to the most probable buyer of the subject property. These properties typically attract similar occupants based on location and appeal and have similar risk profiles. Of these transactions, sufficient sales data was available for the following sale comparables, which were analyzed to estimate a unit value for the subject property. The following table presents relevant details for the sale comparables utilized and is followed by a map illustrating the location of each in relation to the subject property.

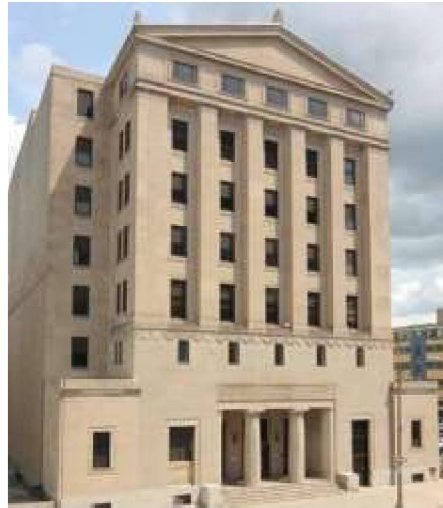
Improved Sales Summary

Comp. No.	Date of Sale	Property		Year Built	Unadjusted			
		Name	Location		NRA	Sale Price	PSF	
1	July-21	Temple Building	217 South Capital Avenue	Lansing, Michigan	1924	92,608	\$1,750,000	\$15.93
2	July-20	501 South Capitol Avenue	501 South Capitol Avenue	Lansing, Michigan	1970	57,987	\$2,475,000	\$34.76
3	May-19	Tower 14 Office Center	21700 Northwestern Highway	Southfield, Michigan	1972	251,588	\$4,000,000	\$15.90
4	May-19	The Milton	25 W Michigan Avenue	Battle Creek, Michigan	1933	90,000	\$3,000,000	\$24.40

COMPARABLE SALES MAP



COMPARABLE 1



Property Identification

Property Name	Temple Building
Address	217 South Capital Avenue
City County State Zip	Lansing, Ingham County, Michigan 48933
MSA	Lansing-East Lansing
Tax ID	33-01-01-16-328-021
VPA Property/Sale ID	10940282/1636374

Transaction Data

Sale Status	Closed
Sale Date	07-29-2021
Grantor/Seller	Thomas M Cooley Law School
Grantee/Buyer	217 Capital LLC
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Arms Length
Sales Price	\$1,750,000
Adjusted Sales Price	\$1,750,000

Adjusted Units of Comparison

Adj. Price PSF of GBA \$15.93

Adj. Price PSF of NRA \$18.90

Property Description

Property Type	Office Building
MVS Const. Class	B - Fire Resistant, Reinforced Concrete Frame
Construction Quality	Good
Gross Building SF	109,826
Net Rentable SF	92,608
Year Built	1924
Building Condition	Average
Number of Stories	7
Usable Land/LtB Ratio	0.38 Acres / 0.15:1
Flr. Area Ratio (FAR)	6.71
Flood Hazard Zone	Zone X (unshaded)
Zoning Code	G-1

Verification

Confirmed By	Cameron Clark
Confirmation Source	Assessing records/press release

COMPARABLE 2



Property Identification		Property Description	
Property Name	501 South Capitol Avenue	Property Type	Office Building
Address	501 South Capitol Avenue	Tenancy	Single-Tenant
City County State Zip	Lansing, Ingham County, Michigan 48933	Occupancy Type	Owner Occupied
MSA	Lansing-East Lansing	Investment Class	B
Tax ID	33-01-01-16-381-001,33-01-01-16-381-011,33-01-01-16-381-021,33-01-01-16-381-031	Construction Quality	Good
VPA Property/Sale ID	10207491/1505630	Gross Building SF	71,208
Transaction Data		Net Rentable SF	57,987
Sale Status	Closed	No. of Lots	4
Sale Date	07-24-2020	Year Built	1970
Grantor/Seller	501 Block LLC	Building Condition	Average
Grantee/Buyer	WesPac, Patrick Smith	Number of Stories	6
Property Rights	Fee Simple	Percent Office Space	0.0%
Financing	Conventional	Sprinklers	Wet and dry system
Conditions of Sale	Arms Length	Pkg/1,000 SF NRA	1.07
Sales Price	\$2,475,000	Usable Land/LtB Ratio	1.50 Acres / 0.92:1
Adjusted Sales Price	\$2,475,000	Flr. Area Ratio (FAR)	1.09
Adjusted Units of Comparison		Excess Land Acres	0.26600
Adj. Price PSF of GBA	\$34.76	Flood Hazard Zone	Zone X (unshaded)
Adj. Price PSF of NRA	\$42.68	Zoning Code	G-1
Occupancy at Sale	0.0%	Verification	
Remarks		Confirmed By	Cameron Clark
		Confirmation Source	Deed, assessing records, listing

Occupancy estimated at 40%, however the tenants will be leaving next quarter.

COMPARABLE 3



Property Identification

Property Name	Tower 14 Office Center
Address	21700 Northwestern Highway
City County State Zip	Southfield, Oakland County, Michigan 48075
MSA	Detroit
Tax ID	76-24-36-476-018
VPA Property/Sale ID	5207451/1509827

Transaction Data

Sale Status	Closed
Sale Date	05-24-2019
Grantor/Seller	Sharnosa, LLC.
Grantee/Buyer	Tower 14 Southfield, LLC.
Deed Book/Page	52868/802
Property Rights	Leased Fee
Financing	Land Contract
Conditions of Sale	Arms Length
Sales Price	\$4,000,000
Adjusted Sales Price	\$4,000,000

Adjusted Units of Comparison

Adj. Price PSF of GBA	\$15.90
Adj. Price PSF of NRA	\$15.90

Remarks

According to the broker, the property was recently renovated and while half of the building was in poor condition, approximately half was in good condition.

Occupancy at Sale 11.0%

Property Description

Property Type	Office Other
Tenancy	Multi-Tenant
Occupancy Type	Tenant-occupied
MVS Const. Class	A - Structural Steel
Construction Quality	Average
Gross Building SF	251,588
Net Rentable SF	251,588
Year Built	1972
Building Condition	Below Average
Number of Stories	14
Sprinklers	Wet system
Pkg/1,000 SF NRA	3.58
Usable Land/LtB Ratio	3.83 Acres / 0.66:1
Flr. Area Ratio (FAR)	1.51
Zoning Code	B1

Verification

Confirmed By	Nicholas G. Groves
Confirmation Source	Anne Galbraith Kohn, CBRE and public records
Confirmation Contact	248-351-2023

COMPARABLE 4



Property Identification

Property Name	The Milton
Address	25 W Michigan Avenue
City County State Zip	Battle Creek, Calhoun County, Michigan 49017
MSA	Kalamazoo-Battle Creek
Tax ID	52-0252-00-059-0
VPA Property/Sale ID	11099133/1505647

Transaction Data

Sale Status	Closed
Sale Date	05-23-2019
Grantor/Seller	616 Lofts, Derek Coppess
Grantee/Buyer	Cascade Retail, Mark Harmsen
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Arms Length
Sales Price	\$3,000,000
Adjusted Sales Price	\$3,000,000
Contrib. Value of Imp.	\$3,000,000

Adjusted Units of Comparison

Adj. Price PSF of GBA	\$24.40
Adj. Price PSF of NRA	\$33.33

Remarks

Buyer plans the renovate to add 85 residential units and leave 32,000 sf of commercial space.

Adj. Price per Contrib.

Value of Imp. \$24.40

Occupancy at Sale 0.0%

Property Description

Property Type	Office Building
Tenancy	Multi-Tenant
Occupancy Type	Multi-tenant
MVS Const. Class	B - Fire Resistant, Reinforced Concrete Frame
Construction Quality	Average
Gross Building SF	122,937
Net Rentable SF	90,000
Year Built	1933
Building Condition	Below Average
Number of Stories	19
Usable Land/LtB Ratio	0.76 Acres / 0.27:1
Flr. Area Ratio (FAR)	3.71

Verification

Confirmed By	Cameron Clark
Confirmation Source	Assessing records, press release

Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, a negative adjustment was applied. Conversely, a positive adjustment was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sales prices and must be considered when analyzing a sale comparable. The property rights appraised reflect the fee simple interest. Some of the sale comparables conveyed a different interest; therefore, some adjustments were required. Comparable 3 conveyed a lease fee interest and a downward adjustment of 5.0% was warranted.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. All of the comparable sales involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

Conditions of Sale

Atypical conditions of sale may result in a price that is higher or lower than a normal transaction. Such atypical conditions of sale often occur in conjunction with sales between related parties or those in which one of the parties is atypically motivated to complete the transaction. Additionally, a downward adjustment may be applied to a listing price, which usually reflects the upper limit of value. The sale comparables do not indicate any condition of sale adjustments were warranted for atypical conditions or for-sale listings.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to cure deferred maintenance, costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, costs to remediate environmental contamination and/or costs to occupy or stabilize the property. The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller. The parties to the sale comparables did not anticipate expenditures immediately after purchase; no adjustments were required.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions. Discussions with market participants and a review of market data indicated overall market conditions for office properties have been declining, with recent transactions confirming this trend. When appropriate, we have applied adjustments for market conditions.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after the application of transaction and market conditions adjustments. The reasoning for the adjustments applied to each comparable follow.

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, freeway accessibility, street exposure, corner- versus interior-lot location, neighboring properties, view amenities, and other factors.

The subject property is located along W Michigan Avenue in Lansing that has a great view of the capital building, with average access and average visibility. Comparable 1 is inferior and an upward adjustment of 10.0% was warranted. Comparable 2 is inferior and an upward adjustment of 10.0% was warranted. Comparable 4 is inferior as well and an upward adjustment of 10.0% was warranted.

Size

The size adjustment addresses variance in the gross building area of the comparables and that of the subject, as a larger building typically commands a lower sale price per unit than a smaller building. This inverse relationship is due, in part, to the principle of "economies of scale." The subject property consists of 116,557 square feet of net rentable area, while the sales range in size from 71,208 to 251,588. Comparable 2 is superior a downward adjustment of 5.0% was warranted. Comparable 3 is superior and an upward adjustment of 10.0% was warranted.

Age/Condition

All else being equal, older properties typically command a lower price per unit than newer properties. However, although a property may be older than another property, the effective age may be similar to a newer property with no adjustment warranted. This may be due to the older property being well maintained or a recent renovation. The adjustments to the comparables were based on effective age rather than actual age, which takes the remaining economic life estimate into consideration. Comparable 1 was built in 1924 and is in average condition. Therefore, an upward adjustment of 10.0% was warranted. Comparable 2 was built in 1970 and is in average condition. Therefore, a downward adjustment of 5.0% was warranted. Comparable 4 was built in 1933 and is in below average condition with an effective age of years. Therefore, an upward adjustment of 10.0% was warranted.

Construction Quality

This adjustment category reflects market stature and appeal to market participants. The subject property and comparables were classified and adjustment factors of 5.0% for construction class and 10.0% for quality rating differences were applied. The comparables has similar construction quality and thus no adjustments were warranted.

Design/Functional Utility

The comparables has similar design/functional utility to the subject, thus no adjustments were deemed necessary.

Parking

The subject property has a below grade parking garage that houses 60 spots. Comparable 1 has inferior parking and was adjusted upwards 5%. Comparable 3 has superior parking and was adjusted downwards 5%.

Economic Characteristics

Economic characteristics include all the attributes of a property that directly affect its income. This element of comparison is typically considered with income-producing properties. These characteristics include operating expenses, quality of management, tenant mix, rent concessions, lease terms, lease expiration dates, renewal options, and lease provisions such as expense recovery clauses.

Non-Realty Components of Value

Non-realty components of value include tangible items, equipment, and business concerns that do not constitute real property but are included in either the sale price of the comparable property or the ownership interest in the subject property. These components should be analyzed separately from the real property. In most cases, the economic lives, associated investment risks, rate of return criteria, and collateral security for such non-realty components differ from those of the real property.

Furniture, fixtures, and equipment are typical examples of items that may be included in a comparable sale. In appraisals of properties in which the business operation is essential to the use of the real property, the contributory value of the non-realty component must be analyzed. If the contributory value of the non-realty component cannot be separated from the value of the real property as a whole, we should make clear that the value indication using the Sales Comparison Approach reflects both the contributory value of the real estate and the value of the business operation.

Summary of Adjustments

A summary of the adjustments made to the sale comparables is presented in the following adjustment grid:

COMPARABLE SALES ADJUSTMENT GRID

Improved Sales Comparison Approach Adjustment Grid

Subject		Sale # 1	Sale # 2	Sale # 3	Sale # 4
Sale ID		1636374	1505630	1509827	1505647
Date of Value & Sale	February-23	July-21	July-20	May-19	May-19
Property Name	Lansing City Hall	Temple Building	501 South Capitol Avenue	Tower 14 Office Center	The Milton
Gross Building Area	126,575 sf	109,826	71,208	251,588	122,937
Land Area (acres)	0.6950	0.3760	1.5000	3.8300	0.7600
Unadjusted Sales Price		\$1,750,000	\$2,475,000	\$4,000,000	\$3,000,000
Unadjusted Sales Price PSF of GBA		\$15.93	\$34.76	\$15.90	\$24.40
Transactional Adjustments					
Property Rights Conveyed	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Leased Fee</i>	<i>Fee Simple</i>
Adjustment		-	-	-5.0%	-
Adjusted Sales Price		\$15.93	\$34.76	\$15.10	\$24.40
Financing Terms	<i>Cash to Seller</i>	<i>Conventional</i>	<i>Conventional</i>	<i>Land Contract</i>	<i>Conventional</i>
Adjusted Sales Price		\$15.93	\$34.76	\$15.10	\$24.40
Conditions of Sale	<i>Typical</i>	<i>Arms Length</i>	<i>Arms Length</i>	<i>Arms Length</i>	<i>Arms Length</i>
Adjusted Sales Price		\$15.93	\$34.76	\$15.10	\$24.40
Expenditures after Sale					
Adjustment		-	-	-	-
Adjusted Sales Price		\$15.93	\$34.76	\$15.10	\$24.40
Market Conditions Adjustments					
Elapsed Time from Date of Value		<i>1.58 years</i>	<i>2.60 years</i>	<i>3.77 years</i>	<i>3.77 years</i>
Market Trend Through	February-23	-	-	-	-
Analyzed Sales Price		\$15.93	\$34.76	\$15.10	\$24.40
Property Adjustments					
Location	<i>124 W Michigan Avenue</i>	<i>217 South Capital Avenue</i>	<i>501 South Capitol Avenue</i>	<i>21700 Northwestern Highway</i>	<i>25 W Michigan Avenue</i>
	<i>Lansing, Michigan</i>	<i>Lansing, Michigan</i>	<i>Lansing, Michigan</i>	<i>Southfield, Michigan</i>	<i>Battle Creek, Michigan</i>
Adjustment		10.0%	10.0%	-	10.0%
Size	126,575 sf	109,826 sf	71,208 sf	251,588 sf	122,937 sf
Adjustment		-	-5.0%	10.0%	-
Age/Condition	Year Built	1958	1924	1970	1972
	Condition	Average	Average	Average	Below Average
Adjustment		10.0%	-5.0%	-	10.0%
Construction Quality	<i>Average Class B - Fire Resistant, Reinforced Concrete Frame</i>	<i>Good Class B - Fire Resistant, Reinforced Concrete Frame</i>	<i>Good Class</i>	<i>Average Class A - Structural Steel</i>	<i>Average Class B - Fire Resistant, Reinforced Concrete Frame</i>
Adjustment		-	-	-	-
Design/Functional Utility					
Adjustment		-	-	-	-
Parking					
Adjustment		5.0%	-	-5.0%	-
Net Physical Adjustment		25.0%	-	5.0%	20.0%
Adjusted Sales Price PSF of GBA		\$19.92	\$34.76	\$15.86	\$29.28

Sales Comparison Approach Value Indication

The comparable sales were presented and adjusted based on pertinent elements of comparison. The following table summarizes the results of the analysis.

Improved Sales Statistics

Metric	Unadjusted	Analyzed	Adjusted
Minimum Sale Price per Sq. Ft.	\$15.90	\$15.10	\$15.86
Maximum Sale Price per Sq. Ft.	\$34.76	\$34.76	\$34.76
Median Sale Price per Sq. Ft.	\$20.17	\$20.17	\$24.60
Mean Sale Price per Sq. Ft.	\$22.75	\$22.55	\$24.95

Comparable 1 was considered the most comparable due to its location and was given the most weight. Based on the adjusted prices and the most comparable sale, a unit value near the lower middle of the adjusted range was estimated for the subject property. The sales comparison approach conclusion is presented in the following table:

Improved Sales Comparison Approach Value Indication

As Is Fee Simple Market Value Indication

126,575 sf	x	\$22.00	=	\$2,780,000
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Reconciliation

Summary of Value Indications

The indicated values from the approaches used and our concluded market values for the subject property are summarized in the following table.

Value Indications	
Approach to Value	As Is
Cost	Not Developed
Sales Comparison	\$2,780,000
Income Capitalization	Not Developed
Value Conclusion	
Component	As Is
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	February 27, 2023
Value Conclusion	\$2,780,000
	\$21.96 PSF

To reach a final opinion of value, the reliability and relevance of each value indication was considered based upon the quality of the data and applicability of the assumptions underlying each approach. Given the availability and reliability of data within the Sales Comparison Approach, this approach was given primary weight in reconciling to the final value conclusions.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- We have been asked by the client to assume the subject is unoccupied. The gross building area and net rentable area for the subject was not provided and there are no assessing records, as the subject is not taxed. We were provided with a copy of older building plans, which were difficult to read. Due to the unusual shape of the subject it was not possible for the appraisers to accurately measure the building. We have used the provided plans and have, in many instances, scaled the measurements to arrive at a gross building area and a net rental area for the above grade space. We have assumed these measurements to be accurate; it is highly recommended an architect be hired to determine the gross building and net rentable area of the building.

Hypothetical Conditions:

- None

Exposure Time and Marketing Period

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of 12-24 months and 12 months, respectively, are considered reasonable and appropriate for the subject property.

National Quality Control

Valbridge's top priority is delivering a quality report. Valbridge requires all reports to be reviewed by an experienced director with the MAI designation. This quality control assessment consists of reading the report, checking calculations, and providing feedback on its quality and consistency prior to report delivery. All Valbridge reports are signed by an experienced appraiser with the MAI designation.

Valbridge values all clients' opinions, and any/all feedback is critical to the ongoing efforts to improve client servicing. Please feel free to contact the National Quality Control Director below with any feedback, questions, or comments.

Tye Neilson, MAI, SRA, MRICS, Esq.
Senior Managing Director
832.916.4608
tneilson@valbridge.com

General Assumptions and Limiting Conditions

This appraisal is subject to the following general assumptions and limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | .
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, upon request of the client, the appraiser will submit a revised report for an additional fee.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.

28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and Valbridge Property Advisors | Southern Michigan both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors |. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by The Oetzel – Hartman Group. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.
41. The global outbreak of a "novel coronavirus" (known as COVID-19) was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.

Certification

In Michigan, appraisers are required to be licensed/certified and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, Michigan 48909. James T. Hartman, MAI, SGA, AI-GRS is currently licensed as a Certified General Real Estate Appraiser with the State of Michigan, Number 1205005950. Mr. Hartman is also licensed in the State of Indiana, the State of Ohio, and the State of Illinois.

James T. Hartman, MAI, SGA, AI-GRS is a member of the Society of Golf Appraisers (SGA). The Society of Golf Appraisers is an organization of real estate appraisers and consultants specializing in the valuation, market analysis, and feasibility analysis of golf courses and golf related properties.

The undersigned does hereby certify that to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- As of the date of this report, James T. Hartman, MAI, SGA, AI-GRS has completed the continuing education program for Designated Members of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- A thorough research project whose objective has been the discovery, confirmation, inspection, and analysis of data pertinent to this valuation situation has been completed.

- No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
- The reported analyses, opinion, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.
- The appraiser signing this report is competent to complete the assignment. The appraiser has the knowledge and experience to complete the assignment competently or has disclosed the lack of knowledge and/or experience to the client, taken all steps necessary or appropriate to complete the assignment competently and has described in the report the lack of knowledge and/or experience and the steps taken to complete the assignment competently.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with Title XI of the Federal Financial Institutions Reform Recovery, and Enforcement Act of 1989 (FIRREA) and its regulations, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Appraisal Institute. This report is intended to comply with the above requirements. The definition of market value is intended to follow the market value definition as per F.D.I.C.'s final rule of FIRREA - 12 C.F.R., § 323.2.

This appraisal is not to be used by the addressee or any recipient as a part of a presentation of a real estate syndicate.

A real estate syndicate means a general or limited partnership, joint venture, unincorporated association or similar organization formed for the purpose of, and engaged in, investment for gain from an interest in real property, including but not limited to, a sale, exchange, trade or development of real property, on behalf of others, or, which is required to be registered with the United States Securities and Exchange Commission or any state regulatory agency, which regulates investments made as a public offering.



James T. Hartman, MAI, SGA, AI-GRS
Certified General Real Estate Appraiser
State of Michigan, License # 1205005950
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JTH:CMC/mns
File #MI01-23-0041

Certification

In Michigan, appraisers are required to be licensed/certified and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, Michigan 48909. Cameron M. Clark is currently licensed as a Certified General Real Estate Appraiser with the State of Michigan, Number 1205075247.

The undersigned does hereby certify that to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- A thorough research project whose objective has been the discovery, confirmation, inspection, and analysis of data pertinent to this valuation situation has been completed.
- No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
- The reported analyses, opinion, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

- The appraiser signing this report is competent to complete the assignment. The appraiser has the knowledge and experience to complete the assignment competently or has disclosed the lack of knowledge and/or experience to the client, taken all steps necessary or appropriate to complete the assignment competently and has described in the report the lack of knowledge and/or experience and the steps taken to complete the assignment competently.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with Title XI of the Federal Financial Institutions Reform Recovery, and Enforcement Act of 1989 (FIRREA) and its regulations, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Appraisal Institute. This report is intended to comply with the above requirements. The definition of market value is intended to follow the market value definition as per F.D.I.C.'s final rule of FIRREA - 12 C.F.R., § 323.2.

This appraisal is not to be used by the addressee or any recipient as a part of a presentation of a real estate syndicate.

A real estate syndicate means a general or limited partnership, joint venture, unincorporated association or similar organization formed for the purpose of, and engaged in, investment for gain from an interest in real property, including but not limited to, a sale, exchange, trade or development of real property, on behalf of others, or, which is required to be registered with the United States Securities and Exchange Commission or any state regulatory agency, which regulates investments made as a public offering.



Cameron M. Clark
Certified General Real Estate Appraiser
State of Michigan, License # 1205075247
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JTH:CMC/mns
File #MI01-23-0041

Addenda

Glossary

Subject Photographs

Assessment Records

Excerpts from Zoning Ordinance

Letter of Engagement

Qualifications of Appraisers

Information on Valbridge Property Advisors

Office Locations

Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 7th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the "as is" phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an "as is" value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but that are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction. (Dictionary)

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security, [amenities,] and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

An attached, detached, or stacked unit within or attached to a structure with common areas that are held as tenants in common (an undivided interest) with other owners in the project. The units can be residential, commercial, industrial, or parking spaces or boat docks. These units are commonly defined by state laws in their locations. Because units can be stacked on top of other units, these units can be defined both vertically and horizontally. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI \div I_m$), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date.

In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation;
3. Both the buyer and seller are acting prudently and knowledgeably;
4. The seller is under compulsion to sell;

5. The buyer is typically motivated;
6. Both parties are acting in what they consider to be their best interests;
7. An adequate marketing effort will be made during the exposure time;
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. (Dictionary)

Double Net (Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net lease is defined as a lease in which the tenant is responsible to pay both property taxes and premiums for insuring the building(s). (Valbridge)

(The market definition of a double net lease varies depending on the market)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as date of value. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings.

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. In essence, floor common area represents all of the area on the floor that is common to that respective floor with the exception of those areas that penetrate through the floor, such as the elevator shaft and stairwell. The significant point to be made is that floor common area is not part of the tenant's usable area. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Sellout Value (Sum of the Retail Values)

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values*, *aggregate retail selling price* or *sum of the retail values*. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal

permissibility, physical possibility, financial feasibility, and maximum productivity.

2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP)

Insurable Value (Replacement Cost for Insurance Purposes)

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted). (Dictionary)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her

property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary)

Leasehold Interest (Leasehold Estate)

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

See also Positive Leasehold and Negative Leasehold.

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market under all the conditions requisite to a fair lease transaction, the lessee and the lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

1. Lessee and lessor are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
4. The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs). (Appraisal Institute)

Market Value

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and

5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary; 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation)

Master Lease

1. A lease in which a part or the entire property is leased to a single entity (the master lessee) in return for a stipulated rent. The master lessee then subleases the property to multiple tenants.
2. The first lease in a sandwich lease. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

Negative Leasehold

A lease situation in which the market rent is less than the contract rent. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (*TOE/EGI*); the complement of the net income ratio, i.e., $OER = 1 - NIR$ (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common or easement. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Percentage Lease

A lease in which the rent or some portion of the rent represents a specified percentage of the volume of business, productivity, or use achieved by the tenant. (Dictionary)

Positive Leasehold

A lease situation in which the market rent is greater than the contract rent. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy. (Dictionary)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of

the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make that claim junior, or subordinate, to the claims of another party. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

TPO

Thermoplastic polyolefin, a resilient synthetic roof covering.

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in

which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease, net net net lease, or fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary)
2. Formerly used in valuation practice as a synonym for *contributory value* or *use value*. (Dictionary)

VTAB (Value of the Total Assets of a Business)

The total amount that the real property, tangible personal property, and intangible property assets of a business would sell for in an asset-based transaction. (Dictionary)

amount of floor usable area can vary over the life of a building as corridors expand and contract and as floors are remodeled. (BOMA)

Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Triple Net (Net Net Net) Lease

A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN, triple net lease, or fully net lease*. (Dictionary)

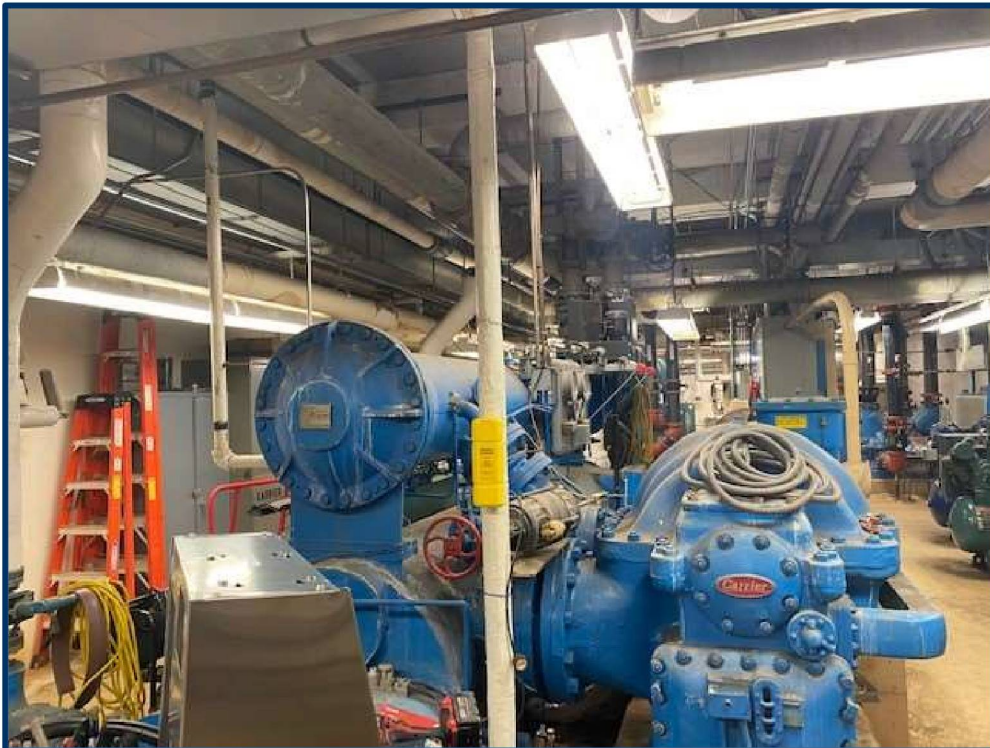
(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

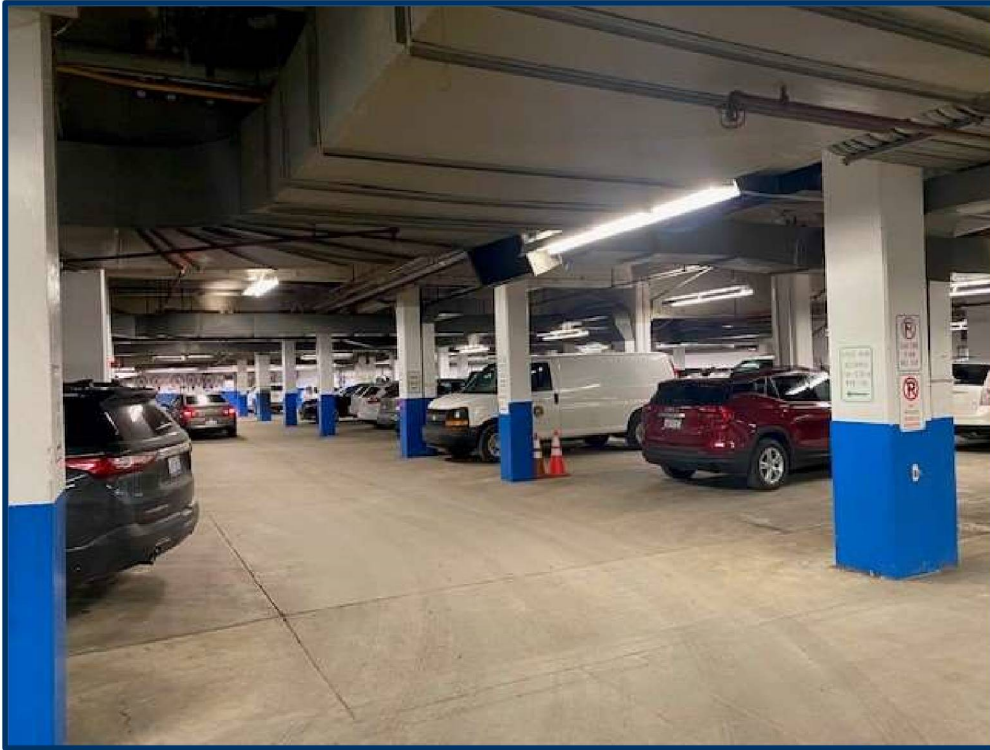
The measured area of an office area, store area or building common area on a floor. The total of all the usable areas or a floor shall equal floor usable area of that same floor. The

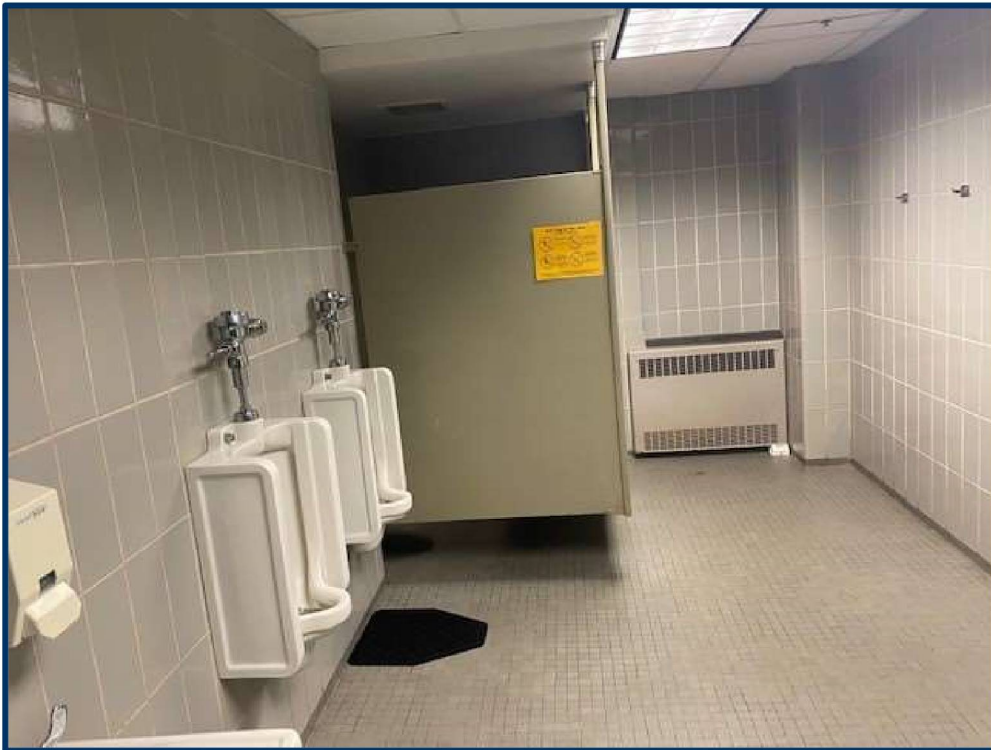
Photographs of Subject Property



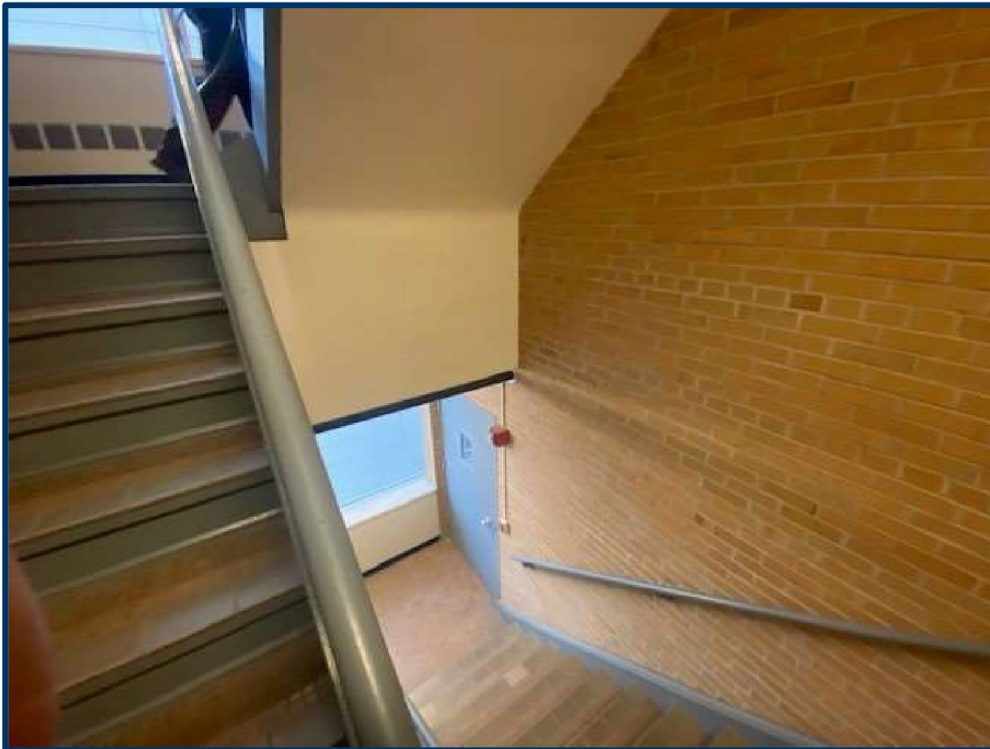
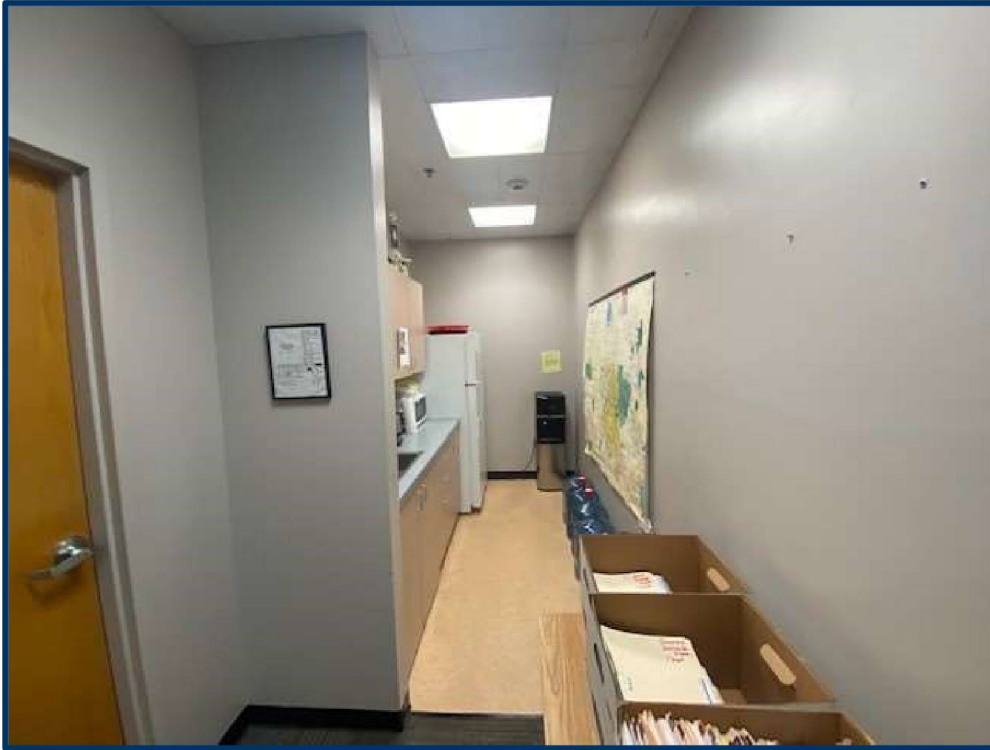


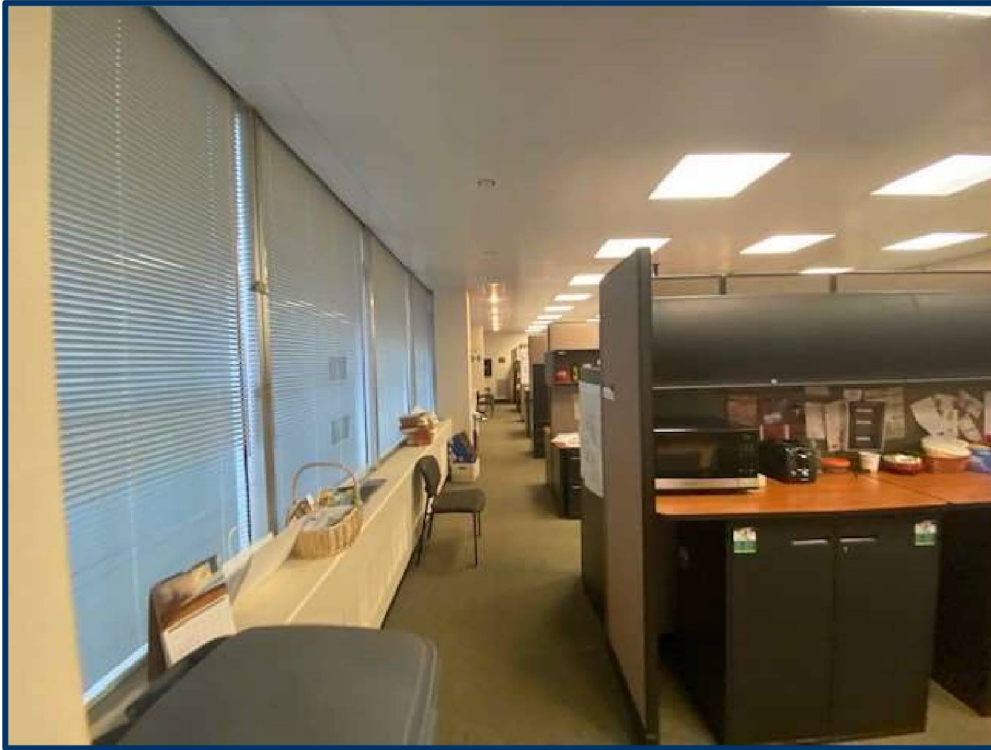


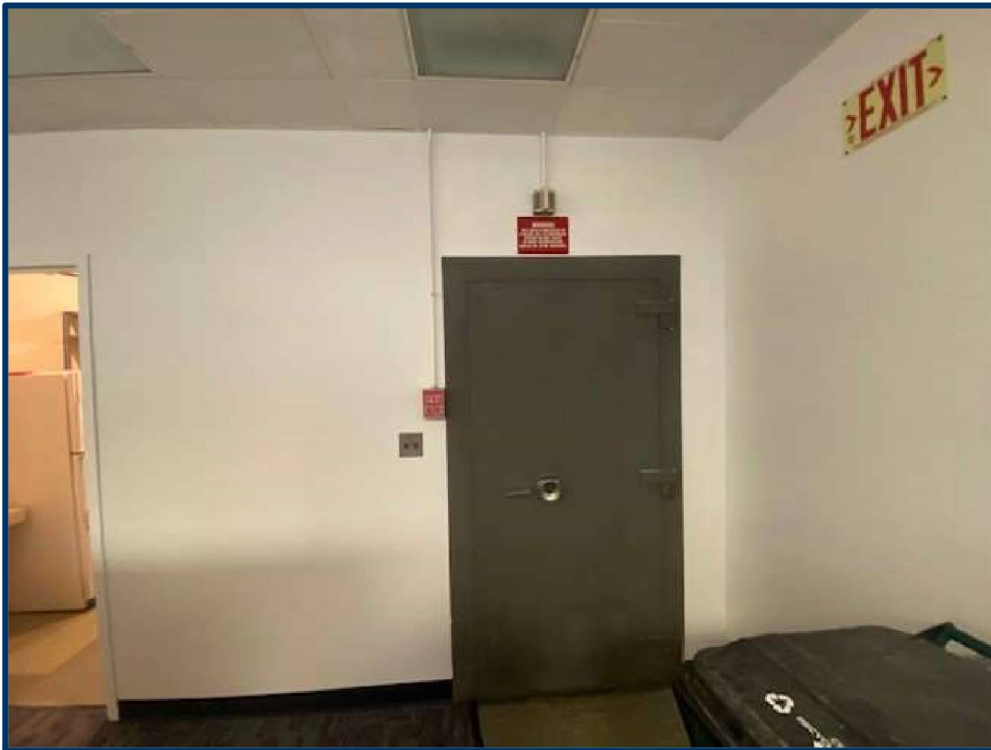






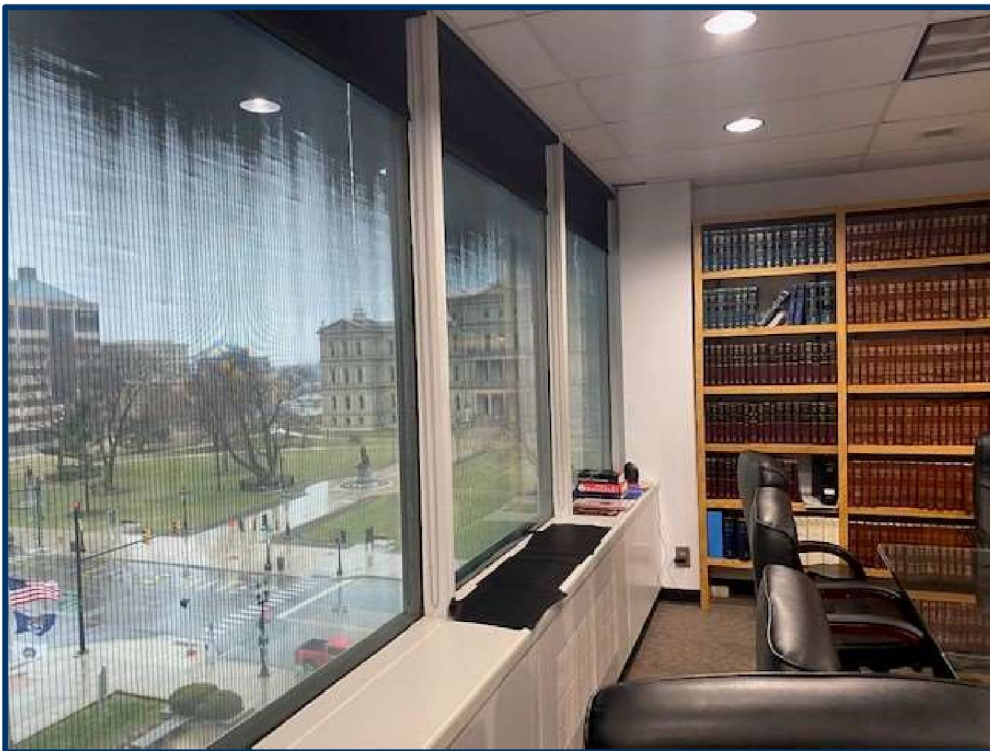


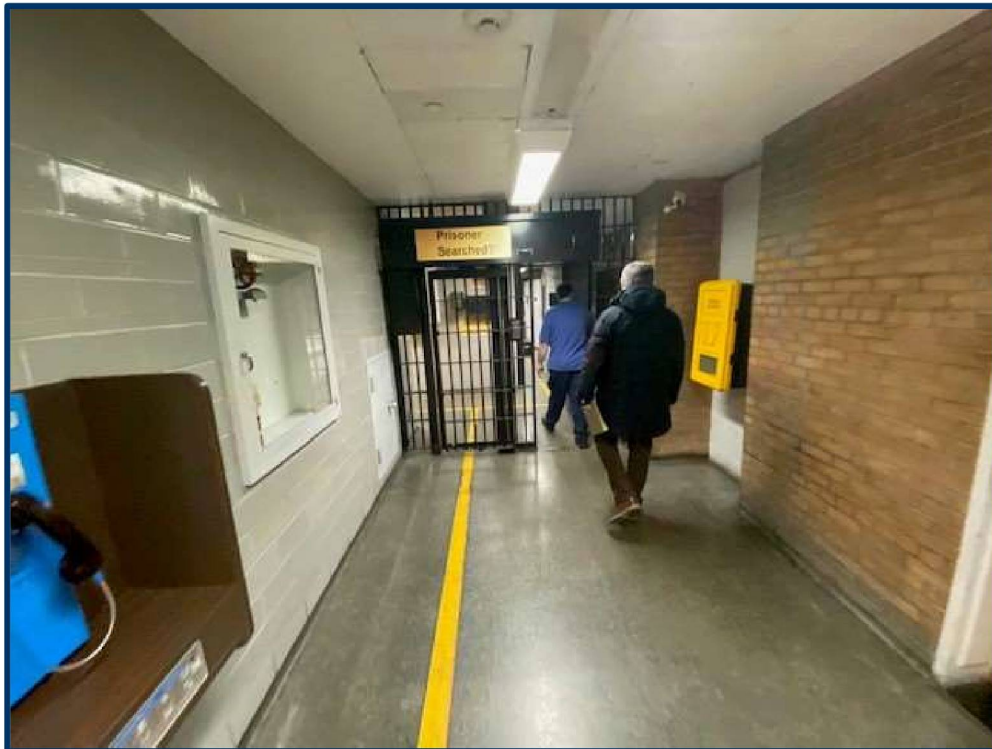
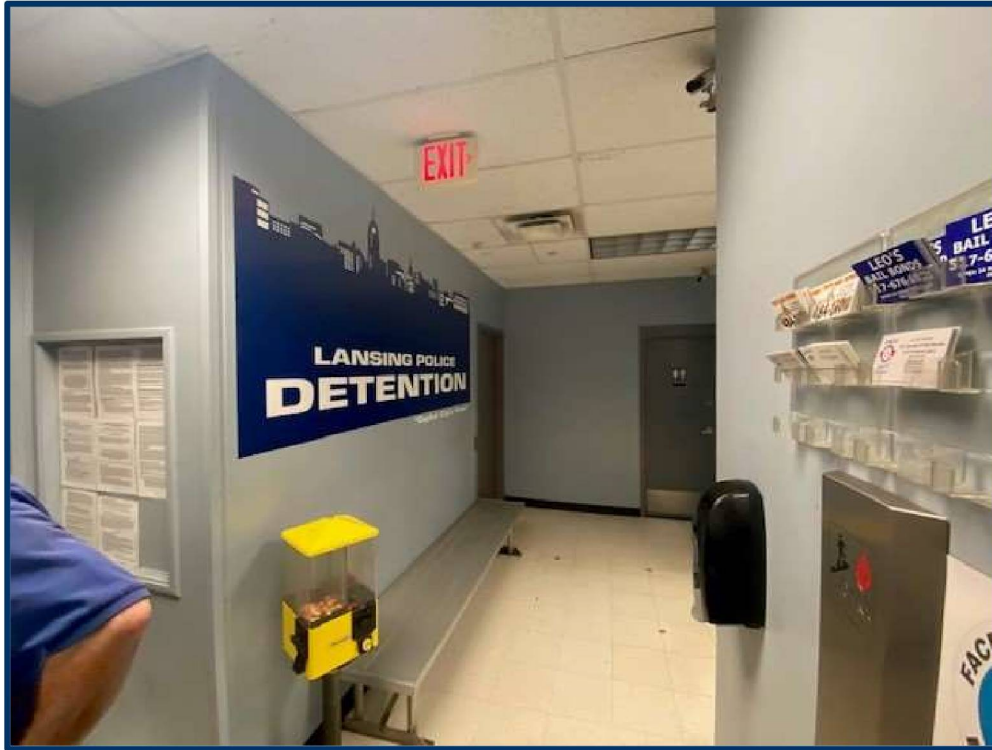


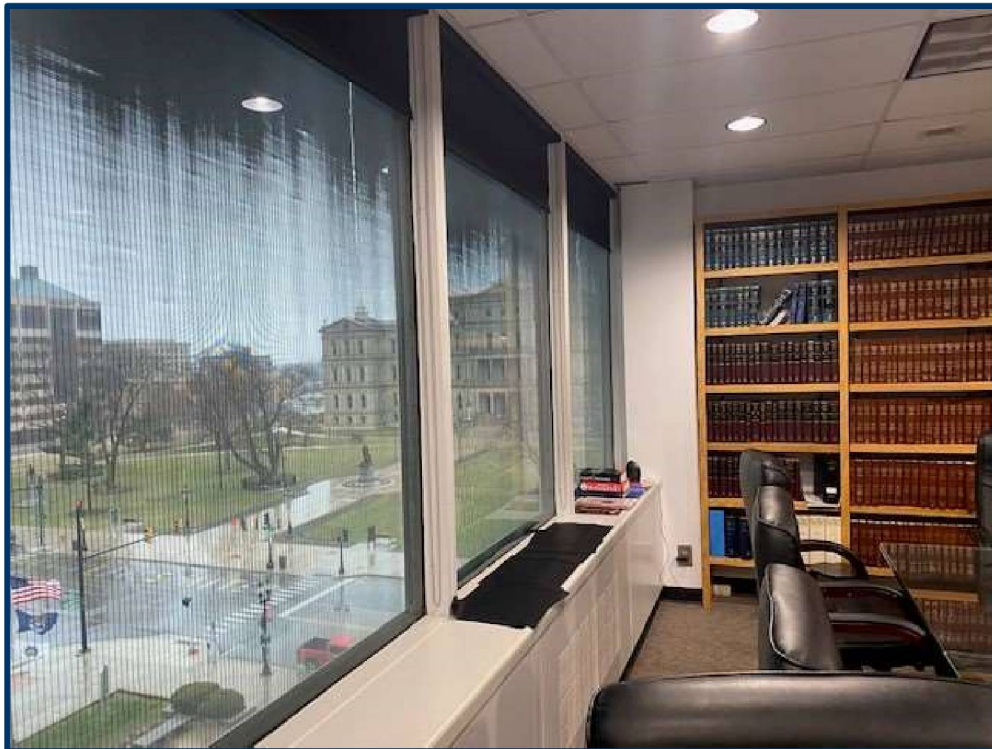
















Assessment Records

3/6/23, 3:11 PM

Parcel Number - 33-01-01-16-183-009 | City of Lansing | BS&A Online

124 W MICHIGAN AVE LANSING, MI 48933 (Property Address)
 Parcel Number: 33-01-01-16-183-009



Item 1 of 3 1 Image / 2 Sketches

Property Owner: CITY OF LANSING
Summary Information
 > Commercial/Industrial Building Summary
 - Yr Built: 1957 - # of Buildings: 1
 - Total Sq Ft: 129,853
 > Assessed Value: \$0 | Taxable Value: \$0
 > 21 Building Department records found
 > Property Tax information found
 > 13 Invoices Found, Amount Due: 0.00

Important Message

2023 values are subject to change by the March Board of Review.

Owner and Taxpayer Information

Owner	CITY OF LANSING %DEPARTMENT OF MGMT SERVICES 124 W MICHIGAN AVE FL 5 LANSING, MI 48933-1670	Taxpayer	CITY OF LANSING FINANCE DEPT 124 W MICHIGAN AVE LANSING, MI 48933
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General Information for Tax Year 2023

Property Class	201 COMMERCIAL-IMPROVED	Unit	33 CITY OF LANSING - INGHAM
School District	LANSING PUBLIC SCHOOL DIST	Assessed Value	\$0
MAP #	B -0101 -0013	Taxable Value	\$0
TOP TEN	Not Available	State Equalized Value	\$0
NEW PERMITS	Not Available	Date of Last Name Change	10/21/2019
USER ALPHA 3	Not Available	Notes	Not Available
Historical District	Not Available	Census Block Group	Not Available
TYPE CODE	Not Available	Exemption	No Data to Display

Principal Residence Exemption Information

Homestead Date No Data to Display

Principal Residence Exemption	June 1st	Final
2022	0.0000 %	0.0000 %

Previous Year Information

Year	MBOR Assessed	Final SEV	Final Taxable
2022	\$0	\$0	\$0
2021	\$0	\$0	\$0
2020	\$0	\$0	\$0

Land Information

Zoning Code		Total Acres	0.695
Land Value	\$302,940	Land Improvements	\$0
Renaissance Zone	No	Renaissance Zone Expiration Date	No Data to Display
ECF Neighborhood	D225-DOWNTOWN-OFFICES	Mortgage Code	No Data to Display
Lot Dimensions/Comments	182X167.24 - 24X6	Neighborhood Enterprise Zone	No

Lot(s)	Frontage	Depth
No lots found.		
Total Frontage: 0.00 ft		Average Depth: 0.00 ft

<https://bsaonline.com/SiteSearch/SiteSearchDetails?SearchFocus=All+Records&SearchCategory=Parcel+Number&SearchText=33-01-01-16-183-009...> 1/2

3/6/23, 3:11 PM

Parcel Number - 33-01-01-16-183-009 | City of Lansing | BS&A Online

Legal Description

LOTS 6 & 7: W 50 FT LOT 8, LOTS 4 & 5 EXC N 105 FT, ALSO COM 16 FT W OF SE COR LOT 3, TH N 25 FT, W 24 FT, N 6 FT, W 26 FT, S 31 12 FT TO SW COR LOT 3, E 50 FT TO BEG. BLOCK 101 ORIG PLAT

Sale History

Sale Date	Sale Price	Instrument	Grantor	Grantee	Terms of Sale	Libers/Page
No sales history found.						

Building Information - 129853 sq ft Office Buildings (Commercial)

Floor Area	129,853 sq ft	Estimated TCV	Not Available
Occupancy	Office Buildings	Class	C
Stories Above Ground	10	Average Story Height	12 ft
Basement Wall Height	Not Available	Identical Units	Not Available
Year Built	1957	Year Remodeled	No Data to Display
Percent Complete	100%	Heat	Steam Radiator with Boiler
Physical Percent Good	48%	Functional Percent Good	100%
Economic Percent Good	100%	Effective Age	42 yrs

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Excerpts from Zoning Ordinance

9/30/2015

Lansing, MI Code of Ordinances

CHAPTER 1270. - G-1 BUSINESS DISTRICT

FOOTNOTE(S):

--- (28) ---

Cross reference— Zoning and planning in home rule cities - see M.C.L.A. Sec. 117.4i; Regulation of location of trades, buildings and uses by local authorities - see M.C.L.A. Sec. 125.581; Regulation of buildings; authority to zone - see M.C.L.A. Sec. 125.582; Regulation of congested areas - see M.C.L.A. Sec. 125.583; Uses of land or structures not conforming to ordinances; powers of legislative bodies; acquisition of property - see M.C.L.A. Sec. 125.583a; Effect of zoning ordinance or zoning decision in presence of demonstrated need for certain land use - see M.C.L.A. Sec. 125.592.

1270.01. - Intent.

The intent of the G-1 Business District is to allow for a general retail commercial district for the downtown area.

(Ord. No. 848, 2-17-92)

1270.02. - Principal uses permitted.

In a G-1 Business District, the following principal uses are permitted:

- (a) A comparison retail store;
- (b) A private club, fraternal organization or lodge hall;
- (c) A restaurant, bar or tavern;
- (d) A enclosed theater, assembly hall or concert hall;
- (e) A hotel or motel;
- (f) A public park and playground, except those regulated by special conditions pursuant to Section 1256.03(g), (h) and (i);
- (g) Any principal use permitted in a D-1 Professional Office District;
- (h) Any principal use permitted in an E-2 Local Shopping District except an off-street parking facility;
- (i) Any other use which, by the decision of the Planning Board, is similar to the principally permitted uses set forth in this section; and
- (j) An accessory structure which is customarily incidental to any of the uses permitted by this section.

(Ord. No. 848, 2-17-92)

1270.03. - Uses permitted subject to special conditions.

- (a) The uses described in this section shall be permitted in a G-1 Business District if the dimensional requirements described in Section 1248.05, the landscape, screening and buffering requirements described in Chapter 1290, the conditions imposed by this section and all local, State and Federal laws are met.
- (b) Any conditional use which is conditionally permitted in the E-2 Local Shopping District as described in Section 1266.03 shall be permitted in a G-1 Business District, if all criteria of Section 1266.03 are met.

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1/2

9/30/2015

Lansing, MI Code of Ordinances

- (c) A residential use shall be permitted in a G-1 Business District, if the residential use meets the lot area requirement of the DM-4 Residential District.
- (d) An educational facility shall be permitted in a G-1 Business District, if it meets the following conditions:
 - (1) The lot on which the facility is located has not less than one lot line abutting a principal arterial, as defined in the Comprehensive Plan.
 - (2) The primary ingress and egress of the educational facility shall be the ingress and egress connected to the principal arterial described in paragraph (d)(1) hereof, except if approval is obtained from the Planning Board after a public hearing held pursuant to the procedures described in Section 1282.02.
- (e) A child care facility which meets the following conditions shall be permitted in a G-1 Business District:
 - (1) The facility shall provide and maintain on the lot not less than 5,000 square feet of open space;
 - (2) For each child in the facility in excess of 33 children, the facility shall provide and maintain 150 additional square feet of open space.
- (f) A functional family which meets all the following conditions shall be permitted in the G-1 Business District:
 - (1) Not more than five persons per unit shall be allowed.
 - (2) The square footage of each room area shall meet the minimum requirements of the Building Code.
 - (3) There is one off-street parking space for each vehicle associated with the members of the functional family, but not less than two off-street parking spaces altogether.

(Ord. No. 848, 2-17-92)

1270.04. - Special land uses.

- (a) The uses described in this section shall be permitted by Council in accordance with the procedures and conditions described in Chapter 1282 if the conditions described in this section for each use are met, and if all Federal, State and local laws are met.
- (b) A church located on a lot which abuts a collector, principal arterial or minor arterial, as defined in the Comprehensive Plan, may be permitted in the G-1 Business District.
- (c) A structure which is used by a governmental entity in a manner similar to any of the principal permitted uses described in Section 1270.02 may be permitted, subject to review by the Planning Board, pursuant to Public Act 285 of 1931, as amended, being M.C.L.A. 125.31 to 125.45.
- (d) A structure which is owned or operated by a public utility in a manner similar to any of the principal permitted uses described in Section 1270.02 may be permitted, subject to review by the Planning Board, pursuant to Public Act 285 of 1931, as amended, being M.C.L.A. 125.31 to 125.45.
- (e) An experimental, research or development laboratory may be permitted in the G-1 Business District.
- (f) An off-street parking facility may be permitted in the G-1 Business District.

(Ord. No. 735, 11-24-86; Ord. No. 848, 2-17-92)

1270.05. - Height and area requirements.

In a G-1 Business District there shall be no height limitations on structures and no minimum yard dimensions.

(Ord. No. 848, 2-17-92)

about:blank

2/2

Letter of Engagement

From: Frayer, Shelbi
Sent: Thursday, February 9, 2023 5:21 PM
To: James T. Hartman
Subject: Re: Appraisal Estimates

Thanks for the quick reply! Please get started, let me know if you need anything.

Get [Outlook for iOS](#)

From: James T. Hartman <jhartman@valbridge.com>
Sent: Thursday, February 9, 2023 4:47:03 PM
To: Frayer, Shelbi <Shelbi.Frayer@lansingmi.gov>
Subject: RE: [EXTERNAL] Appraisal Estimates

The fee and timing to appraise each of these three properties is:

- 23-0040 • Parking Lot 49/49a \$3,000 and 25 days (old file # 18-01216)
23-0041 • City Hall \$4,000 and 25 days (old file # 21-0321)
23-0042 • Lot 1 (behind baryames) Grand Ave/Lenawee \$3,000 and 25 days. (old file # 17-0084)

Thanks
Jim



James T. Hartman, MAI, SGA, AI-GRS
Senior Managing Director,
Valbridge Property Advisors | Southern Michigan

2127 University Park Dr., Ste. 390
Okemos, MI 48864
Office: 517-336-0001 ext 308

Detroit office:
1420 Washington Blvd.
Detroit, Michigan 48226
Office 313-986-3313

Grand Rapids office:
109 E. Main Street
Zeeland, Michigan 49464
Office: 616-550-9882



National Coverage. Local Knowledge. Valuation Independence
Sent from [Mail](#) for Windows 10

From: Frayer, Shelbi
Sent: Thursday, February 9, 2023 2:32 PM
To: James T. Hartman
Subject: Appraisal Estimates

Hi James,

I have several appraisals that need "refreshing." I have attached copies of the old ones for your reference.

Could you give me a cost estimate for you to reappraise the following properties?

- Parking Lot 49/49a
- 520 S Washington - 22-0172
- City Hall
- Lot 1 (behind baryames) Grand Ave/Lenawee

Also, do you have a time estimate to complete these? Thanks for your help!

Shelbi Frayer
Deputy Mayor/Chief Strategy Officer
City of Lansing – Office of Mayor Andy Schor
124 W. Michigan Ave. | Lansing, MI 48933
C: 517-881-3410 | E: Shelbi.Frayer@lansingmi.gov
For scheduling assistance: Dana.Smith@lansingmi.gov
[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#)



Qualifications of Appraisers

James T. Hartman, MAI, SGA, AI-GRS

Senior Managing Director

Valbridge Property Advisors | Southern Michigan

Education:

Bachelor of Arts Degree
College of Business
Financial Administration
Michigan State University, East Lansing, MI

License:

In Michigan, appraisers are required to be licensed/certified and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, Michigan 48909. James T. Hartman is currently licensed as a Certified General Real Estate Appraiser with the State of Michigan, License #1205005950, with the State of Indiana, License #CG40600034, with the State of Ohio, License #2007005970, and with the State of Illinois, License #553.002225.

Real Estate Appraisal Curriculum, Appraisal Institute:

Classes:

- Basic Valuation
- Real Estate Appraisal Principles
- Residential Valuation
- Standards of Professional Practice, Part A
- Standards of Professional Practice, Part B
- Standards of Professional Practice, Part C
- Income Capitalization, Part A
- Income Capitalization, Part B
- Case Studies in Real Estate Valuation
- Report Writing and Valuation Analysis
- Highest & Best Use and market Analysis
- Business Practices and Ethics
- 7-Hour National USPAP Update Course
- Valuation of Conservation Easements
- Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets
- Review Theory – General
- Supervisory Appraiser/Trainee Course
- Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications

Scope of Work: Expanding your Range of Services

Seminars: Demonstration Appraisal Report Writing
Regulation of Financial Information Sharing & Information Brokering
REITS and the Role of the Real Estate Professional
Partial Interest Valuation – Divided
Appraisal Symposium – Real Estate Underwriting
Still Standing – The US Real Estate Market
Michigan Appraising Licensing Law and Rules
Appraisal Consulting: A Solutions Approach for Professionals
Supervising Appraisal Trainees
Land Valuation Adjustments Workshop
Analyzing Distressed Real Estate
Market Analysis and the Site to Do Business
Valuation & Litigations Services SIG Kick-Off – SIG2006
Fair Housing
Introduction to International Valuation Standards
Environmental Solutions for Commercial RE Transactions
Spotlight on USPAP: Common Errors and Issues
Michigan Economy 2009
Appraising Convenience Stores
Michigan Economy 2010
Spotlight on USPAP – Appraisal Review
Analyzing Distressed Real Estate
Spotlight on USPAP: Agreement for Services-Instructions
Loss Prevention program for Real Estate Appraisers
Liability Issues for Appraisers Performing Litigation & Other Non-Lender Work
Small Hotel/Motel Valuation
Government and the Housing Market
Introduction to Green Buildings: Principles & Concepts
Appraising Automobile Dealerships

Other Seminars/Courses:

Historic Preservation Conference: Incentives for Historic Preservation in Detroit - IPED
Michigan Tax Tribunal Contemporary Issues – Oakland University
LEED for New Construction and Major Renovations Technical Review Workshop - USGBC
Understanding the Impact of the Interagency Appraisal and Evaluation Guidelines for Appraisers and Lenders
Advanced Computer Applications for Appraisers – Valbridge Property Advisors
Fractional Interest Valuation – Valbridge Property Advisors

Appraisal Assignments:

Performed a variety of appraisal assignments including appraisals of vacant land, subdivisions, industrial buildings, hotels, golf courses, resorts, shopping centers, bowling/family entertainment centers, manufactured home communities, elderly care facilities, condominium construction and conversion, restaurants, and office buildings.

Counseling Services:

Economic feasibility and market studies for golf courses, hotels, apartments, multi-tenant office buildings, multi-tenant shopping centers and elderly care facilities.

Professional Recognition:

2000-1	Advisory Board, West Michigan Branch, Great Lakes Chapter, Appraisal Institute
2001	Awarded MAI designation by the Appraisal Institute
2002	Vice-Chair, West Michigan Branch, Great Lakes Chapter, Appraisal Institute
2002	Public Relations Committee, Great Lakes Chapter, Appraisal Institute
2002	General Comprehensive Exam Subcommittee, Standard Setting Panel, Appraisal Institute
2003	Chair, West Michigan Branch, Great Lakes Chapter, Appraisal Institute
2003	Region III Representative Alternate, Great Lakes Chapter, Appraisal Institute
2004	Director, Great Lakes Chapter, Appraisal Institute
2004-22	General Comprehensive Exam Subcommittee, Appraisal Institute
2004	Real Estate Appraiser Exam Content Expert, Bureau of Commercial Services Department of Labor & Economic Growth, State of Michigan
2006	Secretary, Great Lakes Chapter, Appraisal Institute
2007	Treasurer, Great Lakes Chapter, Appraisal Institute
2008	Awarded SGA designation from The Society of Golf Appraisers
2008	Vice President, Great Lakes Chapter, Appraisal Institute
2008-9	Region III Representative, Great Lakes Chapter, Appraisal Institute
2009	President, Great Lakes Chapter, Appraisal Institute
2009-10	Vice Chair, General Comprehensive Exam Panel, Appraisal Institute
2009	Awarded MRICS designation from the Royal Institution of Chartered Surveyors
2010	Past President (Board of Directors) Great Lakes Chapter, Appraisal Institute
2010	Region III Representative, Great Lakes Chapter, Appraisal Institute
2011-14	Chair, General Comprehensive Exam Panel, Appraisal Institute
2014-15	Secretary, The Society of Golf Appraisers
2014	Awarded AI-GRS designation from Appraisal Institute
2014-22	Member, State of Michigan Board of Real Estate Appraisers
2016-17	President, Society of Golf Appraisers
2015-19	Vice Chair, General Comprehensive Exam Panel, Appraisal Institute
2016-21	Vice Chair, State of Michigan Board of Real Estate Appraisers
2021-22	Chair, State of Michigan Board of Real Estate Appraisers



Cameron M. Clark

Appraiser

Valbridge Property Advisors | Southern Michigan

Education:

Central Michigan University
Bachelors of Business Administration

License:

In Michigan, appraisers are required to be licensed/certified and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, Michigan 48909. Cameron M. Clark is currently licensed as a Certified General Real Estate Appraiser with the State of Michigan, License #1205075247.

Appraisal Assignments:

A variety of appraisal assignments including appraisals of residential, commercial, industrial, and mixed use properties for federally related mortgage transactions, private estates, and tax purposes.

Types of Assignments:

Single Family Residences	Apartments
2-4 Family Residences	Assisted Living Facilities
Convenience Stores/Gas Stations	Golf Courses
Industrial/Warehouse	Hotels/Motels
Office Buildings	Retail Buildings
Residential Subdivisions	Shopping Centers
Vacant Land	Going Concern

DAVIDSON WILSON
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF PROFESSIONAL LICENSING
CERTIFIED GENERAL REAL ESTATE APPRAISER LICENSE

CAMERON MCKAY CLARK

LICENSE NO:
1205075247

EXPIRATION DATE
07/31/2024

22206170758

THIS DOCUMENT IS NULL
UNLESS SIGNED BY THE CLERK OF
THE STATE OF MICHIGAN



FAST FACTS

COMPANY INFORMATION

- Valbridge is the largest independent commercial property valuation and advisory service firm in North America.
 - Total number of MAI-designated appraisers (200+ on staff)
 - Total number of office locations (80+ across the U.S.)
 - Total number of staff (675+ strong)
- Valbridge covers the entire U.S. from coast to coast.
- Valbridge specializes in appraising all types of real property.
- Valbridge provides independent valuation services. We are NOT owned by a brokerage firm or investment company.
- Every Valbridge office is overseen by a senior managing director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by local offices.
- Valbridge welcomes single-property assignments as well as portfolio, multi-market, and other bulk-property engagements.

Valbridge Property Advisors, Inc.

2240 Venetian Court
Naples, FL 34109
Phone: 888.981.2029



valbridge.com



Valbridge

PROPERTY ADVISORS

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FOR A VARIABLE WORLD

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6061 E. Grant Rd.
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San Luis Obispo, CA 93401
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(209) 569-0450

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(626) 486-9327

1370 N. Brea Blvd., Ste. 255
Fullerton, CA 92835
(714) 449-0852

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Pasadena, CA 91101
(626) 744-0428

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San Jose, CA 95113
(408) 279-1520

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San Ramon, CA 94583
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(970) 340-1016

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5345 Arapahoe Ave., Ste. 7
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(303) 867-1935

7445 E. Peakview Ave.
Centennial, CO 80111
(303) 867-1933

1099 Main Avenue, Ste. 311
Durango, CO 81301
(970) 340-1016

CONNECTICUT

17 Covewood Dr.
Norwalk, CT 06853
(860) 246-4606

15 Concord St.
Glastonbury, CT 06033
(860) 246-4606

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10950 San Jose Blvd.
Jacksonville, FL 32223
(904) 608-2948

301 Almeria Ave., Ste. 350
Coral Gables, FL 33134
(305) 639-8029

734 Rugby St.
Orlando, FL 32804
(407) 493-6426

2711 Poinsettia Ave.
West Palm Beach, FL 33407
(561) 833-5331

2240 Venetian Ct.
Naples, FL 34109
(239) 514-4646

2601 West Horatio St. Unit 6
Tampa, FL 33609
(321) 228-6488

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(404) 354-2331

IDAHO

1875 N. Lakewood Dr., Ste. 100
Coeur d'Alene, ID 83814
(208) 292-2965

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Boise, ID 83706
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820 Fort Wayne Ave.
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Overland Park, KS 66210
(913) 451-1451

KENTUCKY

9000 Wessex Pl., Ste. 306
Louisville, KY 40222
(502) 585-3651

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(651) 370-1475

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2240 Venetian Court, Naples, FL 34109
Phone: (239) 325-8234 | Fax: (239) 325-8356

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valbridge.com

Summer 2021

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Brandon, MS 39047
(601) 853-0736

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Starkville, MS 39759
(662) 617-2350

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Reno, NV 89509
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Morris Plains, NJ 07950
(973) 970-9333

3500 Route 9 South, Ste. 202
Howell, NJ 07731
(732) 807-3113

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412 E. Chatham St.
Cary, NC 27511
(919) 859-2666

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Cincinnati, OH 45255
(513) 785-0820

1422 Euclid Ave., Ste. 616
Cleveland, OH 44115
(216) 367-9690

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Tulsa, OK 74133
(918) 712-9992

5909 NW Expy., Ste. 104
Oklahoma City, OK 73132
(405) 603-1553

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King of Prussia, PA 19406
(215) 545-1900

4701 Baptist Rd., Ste. 304
Pittsburgh, PA 15227
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1250 Fairmont Ave.
Mt. Pleasant, SC 29464
(843) 884-1266

11 Cleveland Ct.
Greenville, SC 29607
(864) 233-6277

920 Bay St., Ste. 26
Beaufort, SC 29902
(843) 884-1266

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3500 Ringgold Rd., Ste. 3
Chattanooga, TN 37412
(423) 206-2677

213 Fox Rd.
Knoxville, TN 37922
(865) 522-2424

756 Ridge Lake Blvd., Ste. 225
Memphis, TN 38120
(901) 753-6977

5205 Maryland Way, Ste. 300
Brentwood, TN 37027
(615) 369-0670

TEXAS

2731 81st St.
Lubbock, TX 79423
(806) 744-1188

901 Mopac Expy. S., Bldg. 1, Ste. 300
Austin, TX 78746
(737) 242-8585

10210 North Central Expy., Ste. 115
Dallas, TX 75231
(214) 446-1611

974 Campbell Rd., Ste. 204
Houston, TX 77024
(713) 467-5858

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9901 IH-10 West, Ste. 1035
San Antonio, TX 78230
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UTAH

527 E. Pioneer Rd., Ste. 240
Draper, Utah 84020
(801) 262-3388

20 North Main
St. George, UT 84770
(435) 773-6300

321 N. County Blvd., Ste. D
American Fork, UT 84003
(801) 492-0000

VIRGINIA

656 Independence Pkwy., Ste. 220
Chesapeake, VA 23320
(757) 410-1222

4914 Fitzhugh Ave.
Richmond, VA 23230
(757) 345-0010

5107 Center St., Ste. 2B
Williamsburg, VA 23188
(757) 345-0010

WASHINGTON

8378 W. Grandridge Blvd., Ste. 110-D
Kennewick, WA 99336
(509) 221-1540

25923 Washington Blvd., NE., Ste. 300
Kingston, WA 98346
(360) 649-7300

324 N. Mullan Rd.
Spokane Valley, WA 99206
(509) 747-0999

WISCONSIN

12660 W. North Ave.
Brookfield, WI 53005
(262) 782-7990



CITY HALL HOTEL REDEVELOPMENT

LANSING



Lansing City Hall

124 West Michigan Avenue

The Building

- Location: Lansing, MI
- Year Built: 1958
- RBA: 126,575 Gross
- Stories: 10
- Typical Floor: 9,815; 15,276 SF



Redevelopment

The Essentials

- 1) Higher & Better Use
- 2) Location
- 3) Parking
- 4) Zoning
- 5) Feasibility
- 6) Timing



To view a short video "fly-around",
[click here](#)

You can also view it by searching on YouTube
for: Lansing City Center proposal video



1) High & Better Use

The opportunity will reposition Lansing's City Hall into a modern-day hotel offering a premier location and unobstructed views of Michigan's State Capital and add to the growth and vibrancy of downtown Lansing.

With a population of 481,900; Forbes describes Lansing as:

"An important center for education, culture, politics and business. It is home to three medical schools, two law schools including the nation's largest law school, Thomas M. Cooley Law School, Michigan State University, the state capital, state Supreme Court and Court of Appeals and headquarters of four national insurance companies. Cultural elements in the city are highlighted by the African American Parade and Heritage Festival, Silver Bells in the City Parade, the Lansing JazzFest, the Old Town BluesFest and the Common Ground Festival among several others. Other points of interest in the city include the Michigan Museum of Surveying, the Michigan Women's Hall of Fame, R.E. Olds Transportation Museum and the historic Potter Park Zoo."

https://www.youtube.com/watch?v=J_7lxbjCKz4



2) Location

Positioned on the corner of Michigan Avenue and Capital Avenue, the new hotel is located in the heart of downtown Lansing and in between the Michigan State Capitol and the Lansing Center.



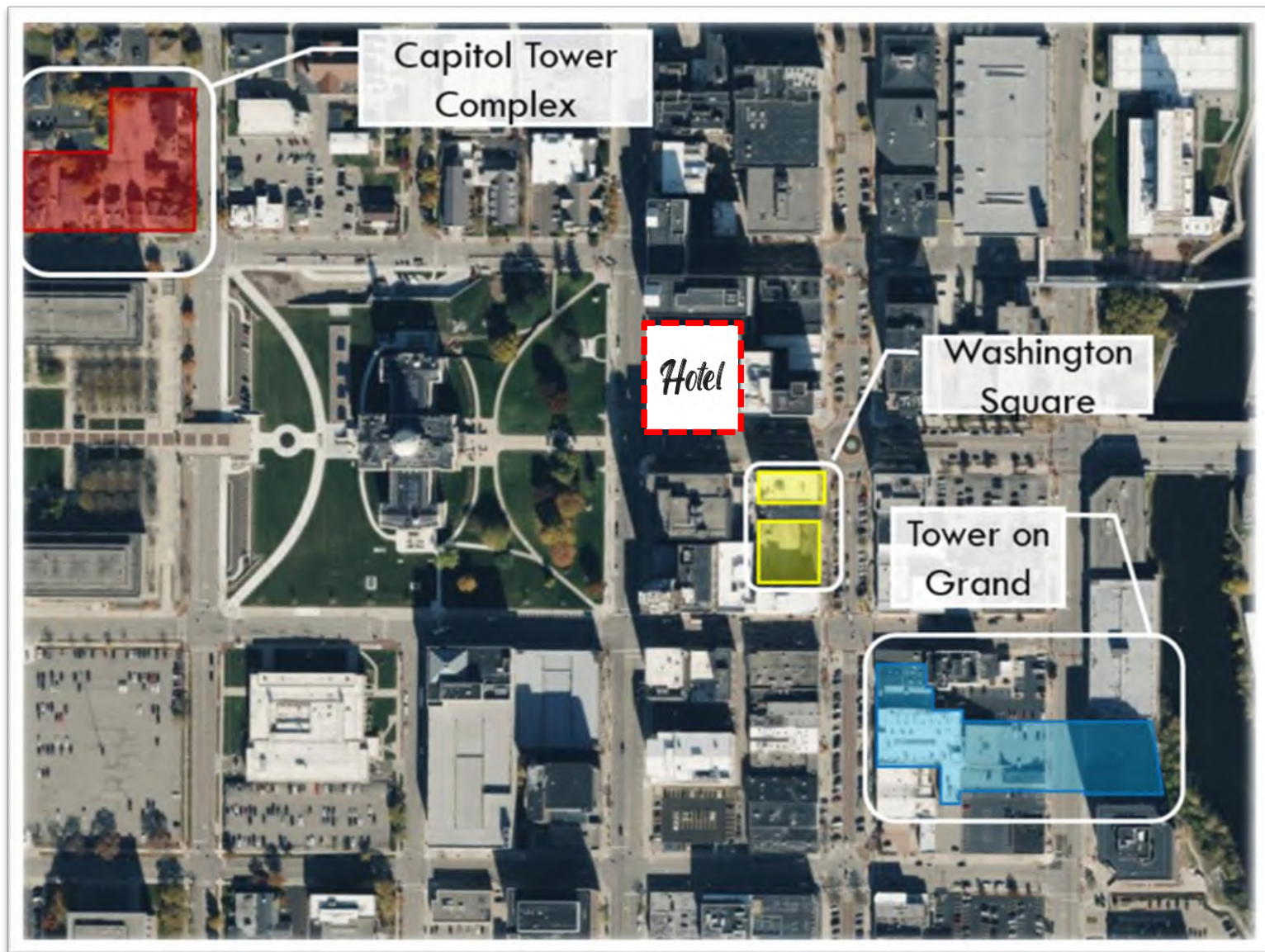
2) Location

Michigan State Capital Building

Located across the street from the Michigan State Capital, which opened on January 1, 1879, it is one of the first state capitals to be topped by a lofty cast iron dome and was designated a National Historic Landmark in 1992.

Lansing Convention Center

A short 5 minute walk to the Lansing Center – a 270,000sf convention center that houses a main exhibition hall, meeting rooms, conference centers, banquet facilities, restaurants, full kitchen and a 500-space underground parking garage.

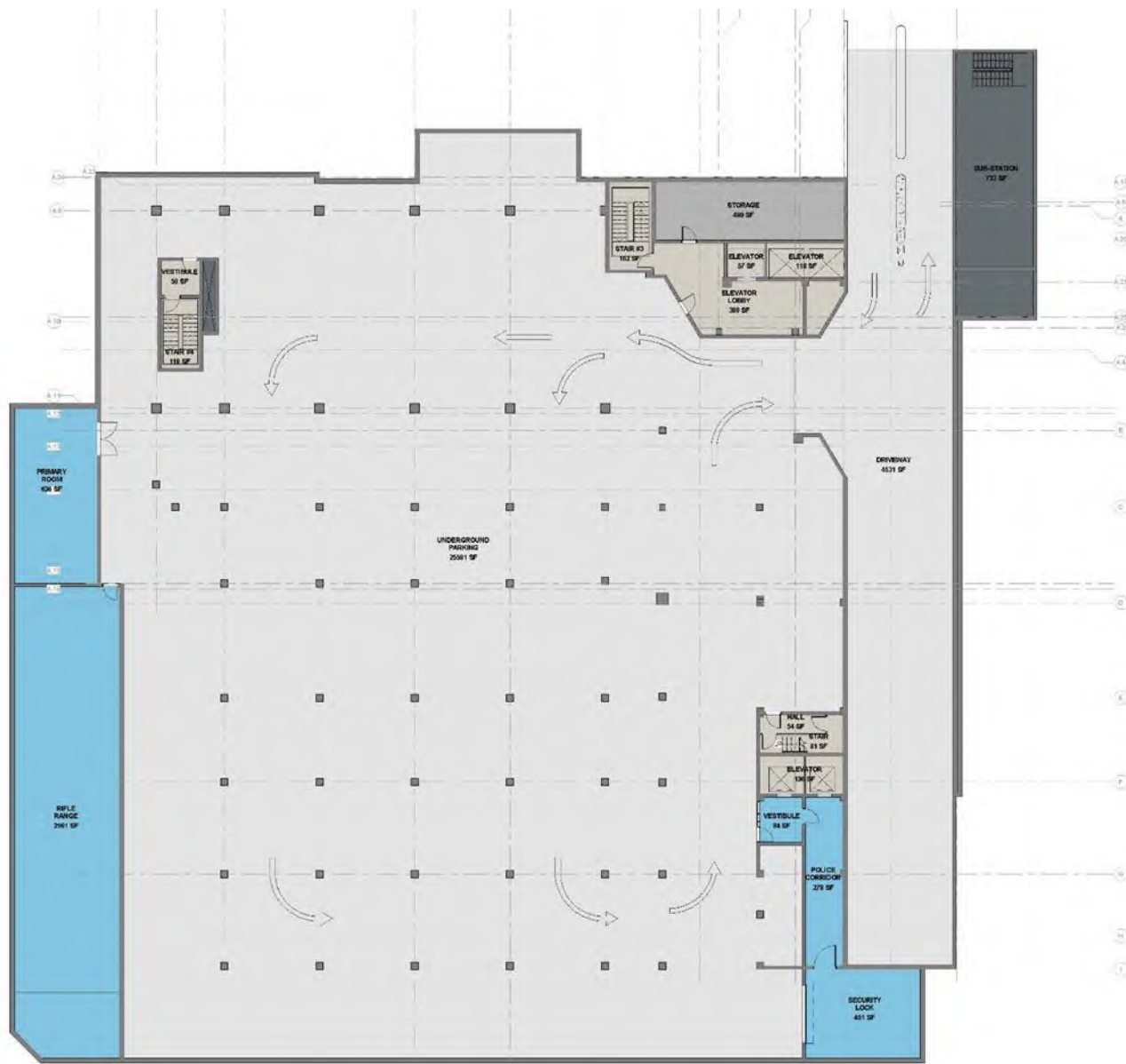


2) Location – Downtown Growth

New Vision Lansing, with the support of a \$40M appropriation from the State of Michigan, is a \$215M project involving three projects. The hotel will complement the New Vision Lansing plans.

- Washington Square Building:
70 workforce housing units, a parking structure and retail space.
- Capitol Tower:
Pre-leased office space, 70 market rate and workforce apartments and 110 parking spaces.
- Tower on Grand:
300 apartments and parking.

<https://www.wkar.org/wkar-news/2023-08-08/215-million-development-plan-promises-affordable-housing-revitalization-in-downtown-lansing>



KEY

Common Core	1,320 SF
Mechanical Space	950 SF
Storage	480 SF
Police Department	3,650 SF
Parking	30,335 SF

GROSS TOTAL AREA: 37,344 SF

3) On-Site Parking

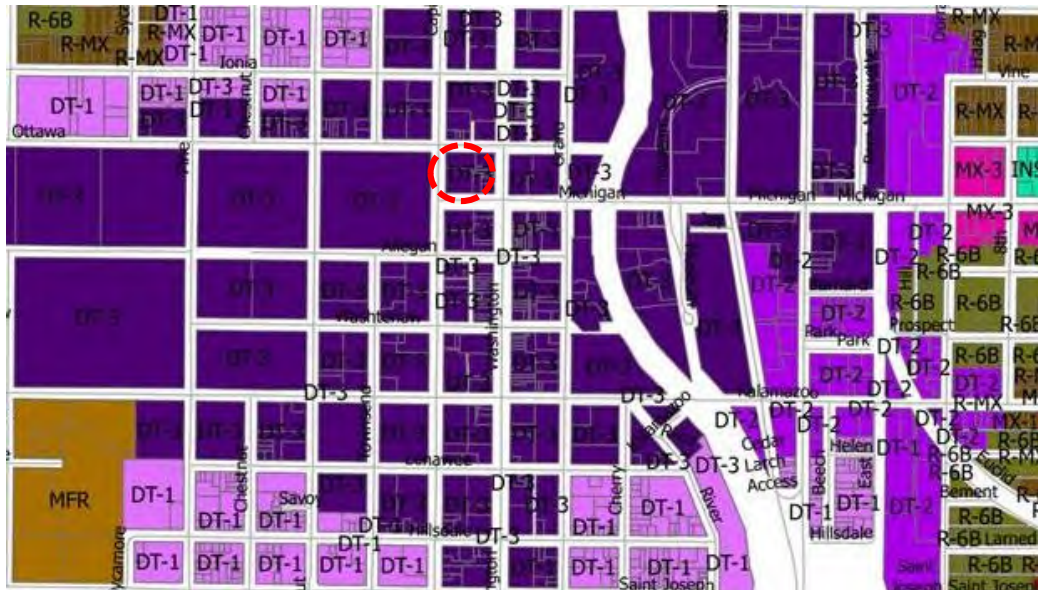
The hotel will have on-site below ground heated parking for approximately 60 vehicles. Up to 100 additional off-site parking spaces will be available at market rates.

City of Lansing Form-Based Code Allowable Use Table

Adopted 1/1/22

P = PRINCIPAL PERMITTED C = CONDITIONAL USE S = SPECIAL LAND USE	R-1	R-2	R-3	R-4	R-5	R-6a	R-6b	R-MX	MFR	R-AR	SC	MX-C	MX-1	MX-2	MX-3	DT-1	DT-2	DT-3	IND-1	IND-2	IND-3	INST-1	INST-2	Reference
Commercial/Office																								Chapter 1243
Retail sales and Personal Services										C	C	C	C	C	C	C	C	C	P	P	P			
Professional/business offices										P	P	P	P	P	P	P	P	P	P	P	P	P	P	
Active / Recreational Commercial										C	P	P	P	P	P	C	P	P	P	P	P	P	P	
Animal Hospital										C	C	C	C	C	C	C	C	C	P	P	P	P	P	
Bank											P	P	P	P	P	P	P	P	P	P	P	P	P	
Brewpub											C	C	C	C	C		C	C	P	P	P			
Cemetery		S								S														
Clinic										C	C	C	C	C	C	C	C	C	P	P	P	C	C	
Funeral Home											C	C		C			C		P	P	P	P	P	
Golf courses	S	S								S									C	C				
Kennel											C	C	C	C	C		C		C	C				
Laundromat, dry cleaner											P	P	P	P	P		P	P	P	P	P			
Lodging Facility											P	P	P	P	P		P	P	P	P	P	C	C	

DT-3 - Downtown Core



4) Zoning

The existing zoning allows for a lodging facility which will save several months in the development timeline.

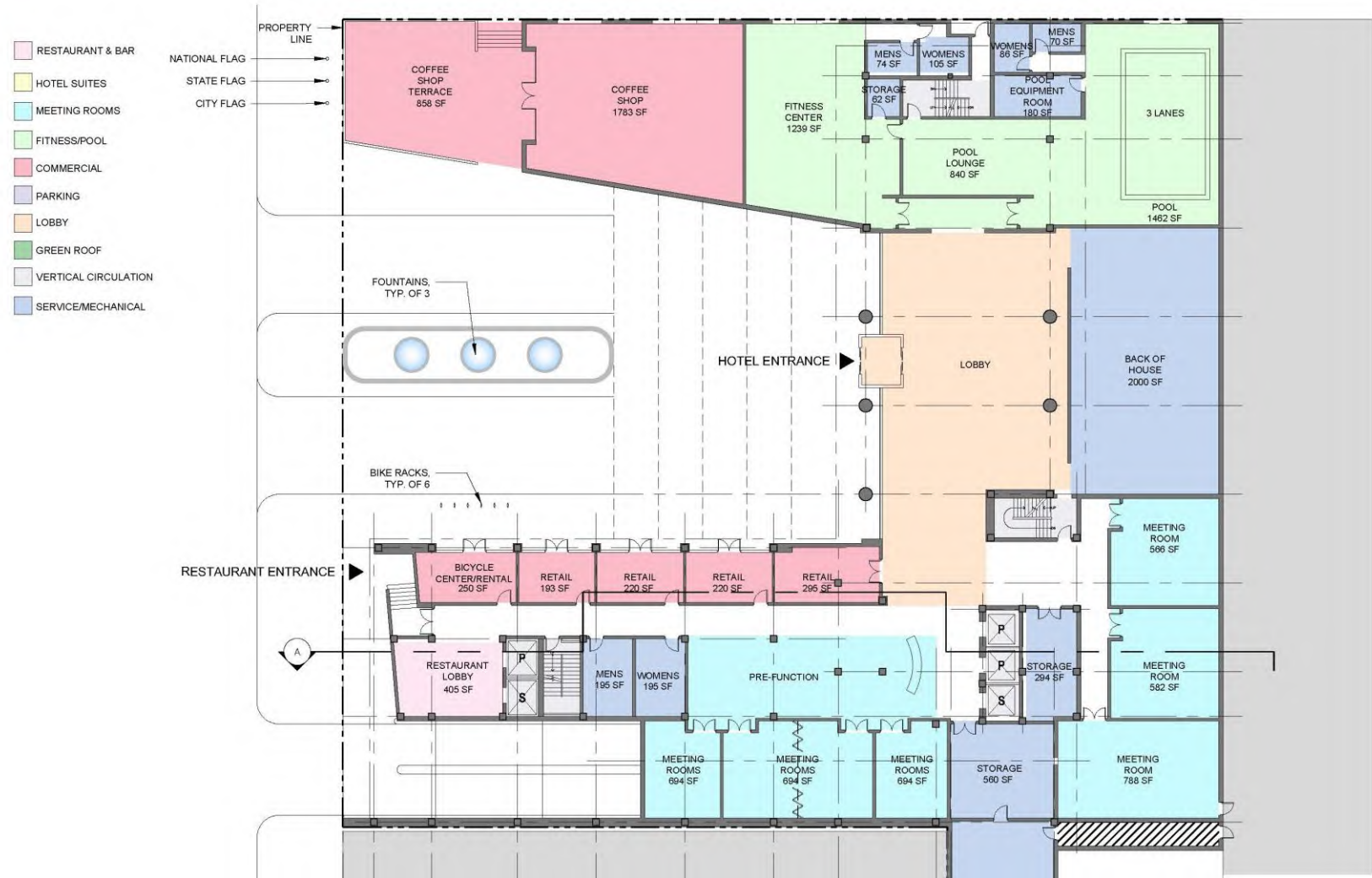
The intent and purpose of the DT-3 Downtown Core district is to provide primarily a vertical mix of uses with higher density residential housing and office buildings. Ground floor uses should be those that generate pedestrian activity along the street front through the location of doors, windows, and displays. Development in this district is characterized by tall buildings lining urban streets with most or all parking provided on street or in municipal lots or structures. This district accommodates the City's highest intensity and density development.



5) Feasibility

Typical room mix assumptions produces approximately 183 rooms along with ample space for amenities, parking and a roof top restaurant.

PRELIMINARY DRAWINGS | GROUND FLOOR PLAN



5) Feasibility

The ground floor will serve as the hotel entrance with the courtyard providing onsite access for pick-up and drop-off to the main lobby. The ground floor will also offer guests hotel amenities such as meeting rooms and a fitness center.

The ground floor will provide an opportunity to activate the corner with retail space servicing the hotel and the community in general. A separate lobby and elevators will be able to provide access to a restaurant on the seventh floor.

PRELIMINARY DRAWINGS | 3RD-6TH FLOOR PLAN – TYPICAL LOW-RISE HOTEL

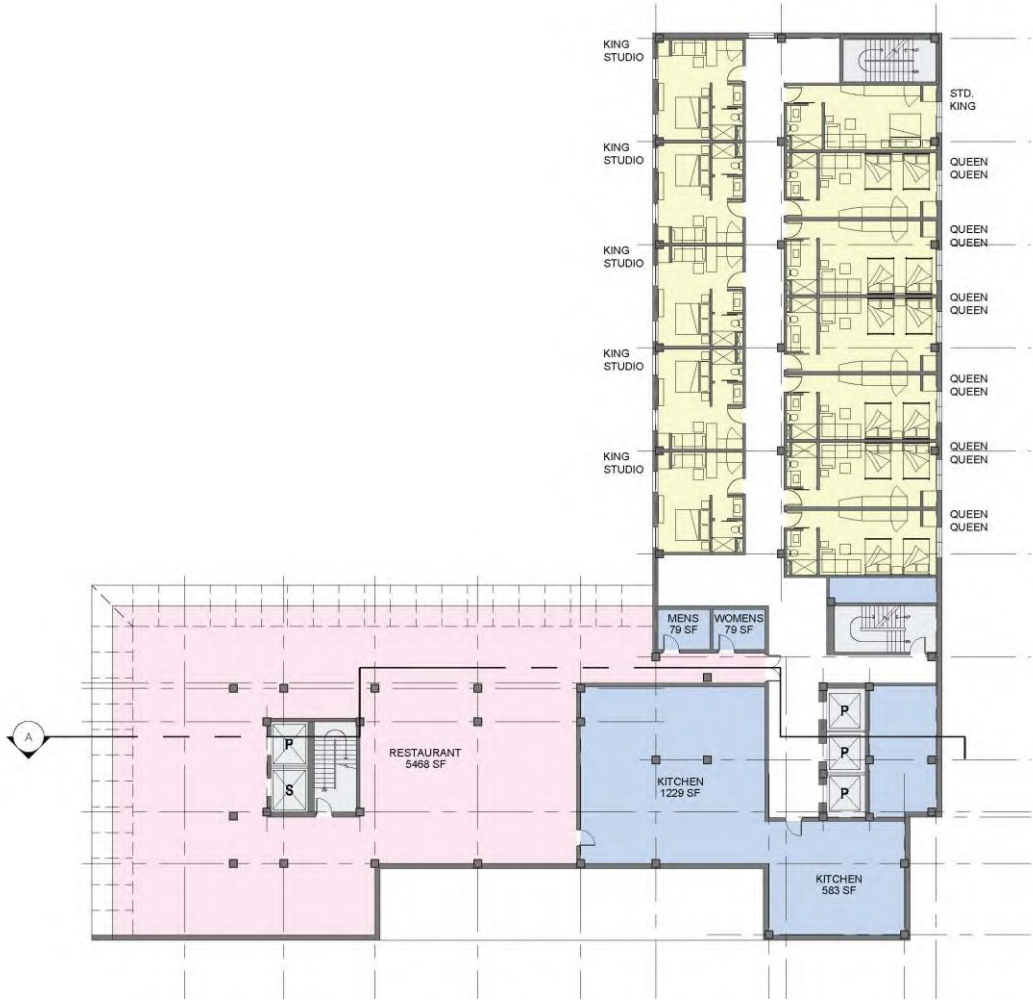


5) Feasibility

The small and narrow floor plates allow for an efficient hospitably configuration with a double loaded corridor where rooms are on either side of a single hallway.

PRELIMINARY DRAWINGS | 7TH FLOOR PLAN - RESTURANT

- RESTAURANT & BAR
- HOTEL SUITES
- MEETING ROOMS
- FITNESS/POOL
- COMMERCIAL
- PARKING
- LOBBY
- GREEN ROOF
- VERTICAL CIRCULATION
- SERVICE/MECHANICAL

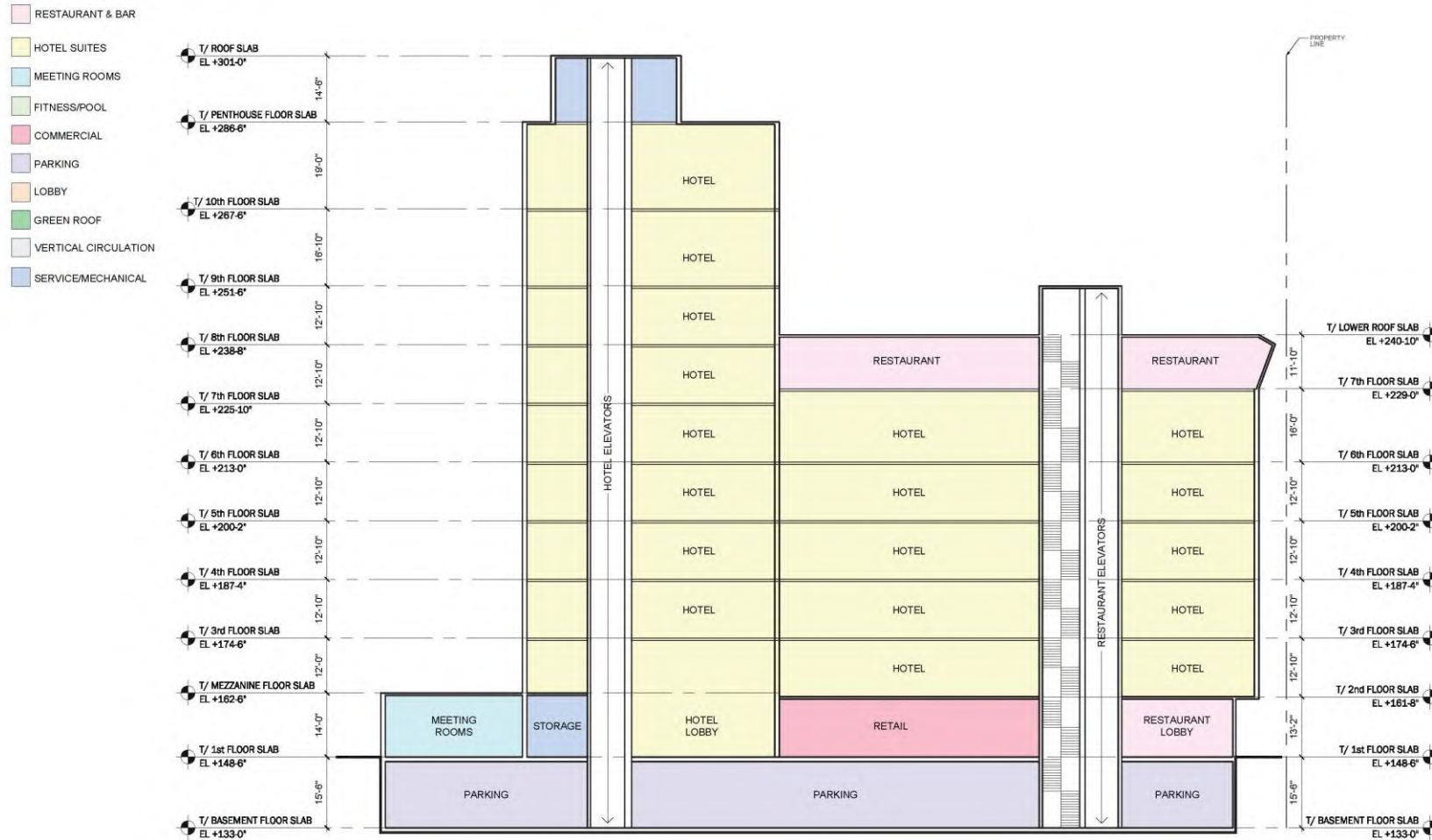


QUEEN QUEEN 6 @ 415 SF = 2,490
STD. KING 1 @ 340 SF = 340
KING STUDIO 5 @ 330 SF = 1,650
TOTAL KEYS: 12

5) Feasibility

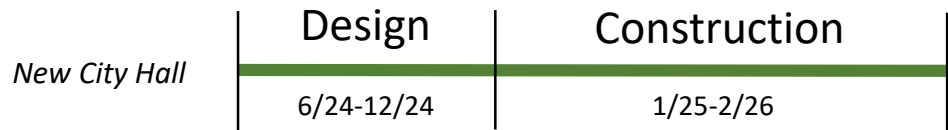
The seventh floor will be configured to accommodate a restaurant with views of the capital and will service both local and hotel patrons.

PRELIMINARY DRAWINGS | BUILDING SECTION



5) Feasibility

Overall the building is well suited to be redeveloped into a hotel and house all of its supporting functions (amenities, retail and parking).



6) Timing

The City will relocate City Hall to a new building located at 425 South Grand Avenue using a \$40M grant from the State of Michigan. Design is expected to be 6 months followed by 14 months for construction.



Redevelopment Agreement Summary

- Project:
Approx. 183 room hotel.
- Purchase Price:
\$2,780,000 “as is”.
- Closing:
Within 60 days from the last certificate of occupancy for the New City Facilities.
- Tax Incentives:
None. No incentives are being requested and the City will retain 100% of the tax benefits.
- Parking:
Onsite parking of approximately 60 spaces plus offsite parking of no less than 100 spaces at market rates.
- Preservation:
Leonard Jungwirth’s Lansing City Hall sculpture will be preserved.



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

WHEREAS, the City of Lansing proposes to sell and the Beitler Real Estate Services, LLC, (Beitler) has offered to purchase a parcel of land located 124 W. Michigan Ave., Lansing, MI 48933, commonly known as the David C. Hollister Lansing City Hall, more specifically described herein (the Property); and

WHEREAS, the Property was appraised by Valbridge Property Advisors on March 7, 2023 at \$2,780,000.00; and

WHEREAS, Beitler has offered to purchase the Property at the appraised price, as is, and will not seek public financial incentives for its redevelopment; and

WHEREAS, the Redevelopment Agreement detailing the sale and redevelopment of the property into a hotel was placed on file with the City Clerk on June 3, 2024; and

WHEREAS, the City Council held a public hearing on July 8, 2024 in consideration of the sale and redevelopment; and

NOW, THEREFORE BE IT RESOLVED, the Lansing City Council hereby approves the Redevelopment Agreement placed on file with the City Clerk on June 3, 2024, and sale of the Property, legally described as:

LOTS 6 & 7, W 50 FT LOT 8, LOTS 4 & 5 EXC N 105 FT, ALSO COM 16 FT W
OF SE COR LOT 3, TH N 25 FT, W 24 FT, N 6 FT, W 26 FT, S 31.12 FT TO SW
COR LOT 3, E 50 FT TO BEG; BLOCK 101 ORIG PLAT

Parcel No.: 33-01-01-16-183-009

For the sum of \$2,780,000.00.

BE IT FURTHER RESOLVED, that the City Council finds the Property no longer necessary for public purposes, after all operations currently at the Property have relocated, as described in the Redevelopment Agreement.

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