# Board of Directors Meeting

Friday, December 06, 2024 – 8:30 AM

Lansing EDC Office - 401 S. Washington Sq. Suite 101, Lansing, MI 48933

## AGENDA

1. Call to Order
2. Approval of LBRA Board Meeting Minutes – Friday, November 01, 2024
3. Brownfield Plan #77 501 S. Capitol TIF Assignment (ACTION)
4. Update on NVL TBP Approvals and Agreements
5. Open Forum for LBRA Board Members
6. Other Business
7. Public Comment
8. Adjournment

Board of Directors Meeting

**Friday, November 01, 2024 – 8:30 AM**

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# MINUTES

**Members Present:** Chair - Shelley Davis Boyd, Vice-Chair - Calvin Jones, Treasurer - Catherine Rathbun, Chaz Carrillo, Sandra Lupien, Johnathan Smith, Jordan Sutton, Rawley Van Fossen

**Members Absent:** Secretary - Dr. Alane Laws-Barker

**Staff Present:** Karl Dorshimer, Kris Klein, Brandy Standler, Alex Watkins, Chelsea Dowler, Kahleea Washington, and Shay Manawar

**Guests:**

**Call to Order**

Chair Davis Boyd called the meeting to order at 8:50 a.m.

**Approval of LBRA Board Meeting Minutes – Friday, October 25, 2024 (ACTION)**

MOTION: Member Jones moved to approve the LBRA meeting minutes from the Friday, October 25, 2024 Board of Directors meeting, as presented. Motion seconded by Member Carrillo.

YEAS: Unanimous, motion carried.

**FY2025 U.S. EPA Brownfields Assessment Grant Application (ACTION)**

Dowler discussed the application for $500,000 for the EPA Community-Wide Brownfield Assessment Grant.

Member Jones moved to approve the FY2025 U.S. EPA Brownfields Assessment Grant Application, as presented. Motion supported by Member Rathbun.

**Open Forum for LBRA Board Members**

Jones asked about the New Vision Lansing project. Dorshimer updated the board that the project has been referred to the Committee of the Whole for the November 18th meeting.

Discussion took place regarding the process and projected timeline.

**Other Business**

Dorshimer provided a Brownfield Program Presentation.

**Public Comment**

None.

**Adjournment**

Chair Davis Boyd called the Lansing Brownfield Redevelopment Authority meeting to adjourn at 9:50 a.m.

______________________________________________________

Karl Dorshimer, President and CEO
Lansing Economic Development Corporation (LEDC)

# ASSIGNMENT OF AMENDED AND RESTATED REIMBURSEMENT AGREEMENT AND CONSENT TO ASSIGNMENT

For value received, **501 S. CAPITOL, LLC**, a Delaware limited liability company, whose address is 186 North Main Street, Plymouth, Michigan 48170 (hereinafter referred to as the "Borrower"), grants, bargains, sells, delivers, assigns, transfers and sets over to **THE STATE BANK**, a Michigan banking corporation, and its successors and assigns ("Lender"), to the extent assignable, all of Borrower's right, title and interest in, to and under the Amended and Restated Brownfield Reimbursement Agreement (the "**Reimbursement Agreement**"), dated October 26, 2021, by and among Borrower and the Lansing Brownfield Redevelopment Authority (the "**LBRA**").

This Assignment and Consent is made, in part, to induce Lender to loan funds to reimburse Borrower for Eligible Costs for the Project (as such terms are defined in the Reimbursement Agreement) under the Brownfield Plan at the property described in Exhibit A attached hereto (the "**Property**") and is granted to secure the performance of the Borrower's obligations under the Business Loan Agreement, dated ___________ ___, 2024, by and between Borrower and Lender, as the same may be amended from time to time, and all of the documents related thereto (collectively the "**Loan Documents**") by which the lender has agreed to lend to Borrower the principal amount of One Million Nine Hundred Three Thousand and 00/100 Dollars ($1,903,000) (the "**Loan**").

Borrower represents and warrants to Lender that a true, correct and complete copy of the Reimbursement Agreement is attached hereto as Exhibit B. Borrower represents and warrants to Lender that no previous assignment of its interest in the Reimbursement Agreement has been made. Borrower agrees that, without prior written consent of the LBRA and Lender, no further assignment, sale, pledge, transfer or other encumbrances of the Reimbursement Agreement will be made by Borrower.

Borrower further represents and warrants that Eligible Costs for the Project (as such term is defined in the Reimbursement Agreement) in the amount of [Two Million Seven Hundred One Thousand Four Hundred Eighty-Four and 71/100 Dollars ($2,701,484.71)], have been reviewed and approved for reimbursement under the Reimbursement Agreement.

Except as set forth in this Assignment and Consent, all of the obligations of Borrower to the LBRA under the Reimbursement Agreement, now existing or hereafter created (the "**Obligations**"), shall remain the obligation and responsibility of Borrower without modification. Borrower and the LBRA agree that, except as set forth in this Assignment and Consent, at no time shall the Lender have any responsibility, liability or obligation with respect to any of the Obligations, before or after Lender exercises its rights under this Assignment and Consent; provided however that Lender's rights under this Assignment and Consent are subject to the limitations on the Borrower's rights that Lender is exercising including the performance of applicable Obligations, and provided further that to the extent that Lender exercises any right of Borrower under the Reimbursement Agreement or performs any Obligation of Borrower, Lender assumes the Obligation to the LBRA to do so in compliance with the Reimbursement Agreement and the other Obligations of Borrower, and is responsible to the LBRA for a breach of the Reimbursement Agreement or other Obligation of Borrower to the extent caused by Lender to the same extent as the Borrower would be liable if the breach were caused by the Borrower.

The LBRA hereby consents to the assignment to Lender of the rights of Borrower under the Reimbursement Agreement as described in this Assignment and Consent; provided, however, notwithstanding any other term or condition of this Assignment and Consent, that neither such assignment nor Lender's exercise of any rights or acceptance of any obligations with respect thereto, will in any way modify or release Borrower from any of its obligations under the Reimbursement Agreement.

This Assignment and Consent is made for collateral purposes only and the duties and obligations of the Borrower under this Assignment and Consent shall terminate and be released when the Loan is fully paid and satisfied and all amounts and sums due Lender under the Loan Documents are paid in full; provided that any provision of this Assignment and Consent that is for the benefit of the LBRA will survive the termination of this Assignment and Consent to the extent of any obligation or liability that accrued before the termination. The Borrower and Lender will provide the LBRA prompt written notice of the termination and release of this Assignment and Consent pursuant to the foregoing, and the LBRA will have no liability for acts or omissions it takes in reliance on this Assignment and Consent before its receipt of such notice. The LBRA may rely upon Lender's direction and any other notice from Lender under this Assignment and consent without liability to the Borrower or obligation of confirmation.

The parties acknowledge that in agreeing to make the loan to Borrower, Lender is relying upon the availability of the payments due and to become due to Borrower from the LBRA pursuant to the Reimbursement Agreement. Then, notwithstanding anything contained in the Reimbursement Agreement to the contrary, the parties agree as follows:

A. the LBRA shall copy Lender on any written notice of any default by Borrower under the Reimbursement Agreement and shall give Lender sixty (60) days after such notice to cure any monetary default by Borrower and shall give Lender a reasonable time after such notice to cure any non-monetary default which is susceptible of cure by Lender. Lender may, but under no circumstances shall it be obligated to, cure any such default.

B. the LBRA agrees that a default by Borrower under the Reimbursement Agreement shall not be the basis for a termination of the Reimbursement Agreement, if such default is cured in accordance with the foregoing.

C. the LBRA agrees that as long as the Borrower is entitled to reimbursement under the Reimbursement Agreement, the LBRA shall not terminate the Reimbursement Agreement other than due to uncured default or as permitted by its terms, withhold or delay any payment that satisfies the requirements of the Reimbursement Agreement unless the withholding or delay is permitted by the Reimbursement Agreement, the Brownfield Plan, or the Act (as defined in the Reimbursement Agreement), and/or do anything else that would cause the LBRA to be in default under the Reimbursement Agreement.

All payments due and to become due under the Reimbursement Agreement shall be made directly to Lender and/or such other person or entity Lender may from time to time designate. Borrower hereby expressly agrees that any such payments to Lender and/or such other person or entity shall discharge any obligation of the LBRA under the Reimbursement Agreement to the extent of such payments and be deemed to have been made to the Developer under the Reimbursement Agreement. The LBRA's monetary obligations and liability under this Assignment and Consent are limited to making payments due under the Reimbursement Agreement to Lender and/or such other person or entity Lender may from time to time designate when and to the extent the payments would be paid to the Borrower but for this Assignment and Consent, such that the LBRA has no obligation to make any payment that is not otherwise required by the Reimbursement Agreement.

Any notices which may be given hereunder shall be deemed given if personally delivered, on the next Business Day if sent by nationally recognized overnight courier or two (2) Business Days after being deposited in the United States mail, certified or registered mail, return receipt requested, properly addressed as follows:

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|---|---|
| To Borrower: | 501 S. Capitol, LLC,<br>505 Bath Street<br>Santa Barbara, California 98101<br>Attn: Patrick N. Smith<br>Email: psmith@westpacinv.com |
| With a copy to the LBRA and to: | Dickinson Wright PLLC<br>123 W. Allegan Street, Suite 900<br>Lansing, Michigan 49833<br>Attn: Peter J. Kulick<br>Email: pkulick@dickinsonwright.com |
| To LBRA: | Lansing Brownfield Redevelopment Authority<br>401 S. Washington Sq., Suite 101<br>Lansing, Michigan 48933<br>Attn: Karl Dorshimer<br>Email: Karl@lansingedc.com<br><br>The LBRA's notice address in the Reimbursement Agreement is deemed to be updated to the foregoing. |
| To Lender: | The State Bank<br>175 N Leroy Street<br>Fenton, Michigan 48430<br>Attn: Julian J. Darden<br>Email: julian.darden@thestatebank.com |
| With a copy to the LBRA and to: | Dawda, Mann, Mulcahy & Sadler, PLC<br>39533 Woodward Avenue, Suite 200<br>Bloomfield Hills, Michigan 48304<br>Attn: Neil S. Silver, Esq.<br>Email: nsilver@dmms.com |

Any party may at any time and from time to time (by providing notice to the other party in the manner set forth above) designate a different address to which such notices may be sent.

The LBRA agrees that Lender may transfer its rights under this Assignment and Consent to any person or entity, including without limitation, any new lender or any purchaser at a foreclosure sale, which shall require notice and the prior consent of the LBRA, as well as such transferee agreeing in writing to be bound by the terms hereof.

This Assignment and Consent shall inure to the benefit of the successors and permitted assigns of the Lender and shall be binding upon the Lender, Borrower and the LBRA.

Any amendment of this Assignment and Consent requires the written consent of the Lender, Borrower, and the LBRA.

Notwithstanding anything to the contrary in this Assignment and consent, the parties agree that this Assignment and Consent does not modify the LBRA's rights or obligations under the Reimbursement Agreement or otherwise, except only that the LBRA may be required to remit payments under the

Reimbursement Agreement to Lender when and to the extent expressly required by this Assignment and Consent instead of to the Borrower.

This Assignment and Consent shall be governed by and construed under the laws of the State of Michigan.

All capitalized terms used in this Assignment and Consent and not defined herein shall have the meaning ascribed to them in the Reimbursement Agreement unless the context otherwise requires.

[Signature page follows.]

IN WITNESS WHEREOF, parties hereto have executed this Assignment and Consent as of this ___________ day of ___________, 2024.

**501 S. CAPITOL, LLC**,
a Delaware limited liability company,

By: Blue Sky Development Group, LLC,
a Delaware limited liability company
Its: Manager

By: SFM WCC, LLC, a Delaware
a Delaware limited liability company
Its: Manager

By: ______________________________
Patrick N. Smith
Its: Manager

**LANSING BROWNFIELD REDEVELOPMENT AUTHORITY**

By: ________________________________

Its:

**EXHIBIT A**
**Legal Description**

**EXHIBIT B**

**Copy of Reimbursement Agreement**

THE LANSING BROWNFIELD REDEVELOPMENT AUTHORITY (LBRA)

Resolution Approving Assignment of Reimbursement
Plan #77 – City View/500 Block (501 S. Capitol) Brownfield Redevelopment Project

At a meeting of the Board of Directors of the Lansing Brownfield Redevelopment Authority (LBRA) City of Lansing, Michigan, held on the 6th day of December 2024, at 8:30 a.m., pursuant to notice duly given:

PRESENT: Members:

ABSENT: Members:

The following preamble and resolution was offered by;

MEMBER: , and seconded by,

MEMBER:

WHEREAS, the Lansing Brownfield Redevelopment Authority (the "LBRA") and City of Lansing (the "City") adopted the Brownfield Plan #77 on August 27, 2019, and December 2, 2019, respectively ("Plan #77"), for 501 S. Capitol, LLC and 503 S. Capitol, LLC, each a Delaware limited liability company (the "Private Developers"), to help finance the Brownfield Redevelopment Project known as City View (the "Private Project") located on the 500 block of S. Washington Avenue, Lansing, Michigan; and

WHEREAS, the Lansing Brownfield Redevelopment Authority (the "LBRA") and City of Lansing (the "City") adopted the first amendment Brownfield Plan #77 on January 12, 2024, and March 18, 2024, respectively ("Plan #77"), to include the City of Lansing (the "Public Developer"), to help finance additional Eligible Brownfield Activities for the Ovation Music and Arts Center (the "Public Project") located on the 500 block of S. Washinton Avenue, Lansing, Michigan; and

WHEREAS, the LBRA and Private Developers each previously entered into Amended and Restated Reimbursement Agreements, both dated October 26, 2021 ("Reimbursement Agreements"), to reimburse the Private Developers per Plan #77 for Eligible Activities utilizing Tax Increment Revenues; and

WHEREAS, 501 S. Capitol, LLC's portion of the Private Project, which included the redevelopment of the former Lake Trust headquarters building into multi-family residential, has been determined by the Lansing Economic Development Corporation (LEDC) to be completed by the Private Developer in accordance with the Universal Development Agreement; and

WHEREAS, the Reimbursement Agreement for 501 S. Capitol, LLC allows the Private Developer to assign all or part of its rights and obligations, including LBRA reimbursement payments under the Reimbursement Agreement, with the prior written approval of the LBRA; and

WHEREAS, 501 S. Capitol, LLC has requested a loan from The State Bank, a Michigan banking corporation, (the "Lender") for financing activities of the Project; and

WHEREAS, the Lender requires as a condition of financing that 501 S. Capitol, LLC assign its rights under the Reimbursement Agreement, including future reimbursement payments under Plan #77, as additional collateral security on the loan; and

WHEREAS, in accordance with the Reimbursement Agreement, the Private Developer has provided written notice to the LBRA requesting the LBRA provide its consent for the collateral assignment and transfer of 501 S. Capitol, LLC's rights, title and interest under its Reimbursement Agreement, including future Tax Increment Revenue, to the Lender.

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

The Lansing Brownfield Redevelopment Authority (the "LBRA") approves the request by 501 S. Capitol, LLC, a Delaware limited liability company (the "Private Developer"), to collaterally assign its rights, title and interest under its Reimbursement Agreement, including future LBRA approved brownfield reimbursement payments on the City View Brownfield Redevelopment Project, Brownfield Plan #77, in accordance with the Reimbursement Agreement, to The State Bank, a Michigan banking corporation (the "Lender"), so long as the assignment does not modify the LBRA's or the City of Lansing's rights or obligations under the Brownfield Plan or the Reimbursement Agreement, and all other documents evidencing the LBRA's rights or obligations with respect to the Project, Private Developer, or Lender, except as allowed in the Collateral Assignment.

The LBRA Board also directs LBRA staff and attorney to negotiate and finalize the necessary documents to approve the requested Collateral Assignment of the Reimbursement Agreement and have requisite documents executed by the LBRA Board Chair and appropriate parties.

YEAS:

NAYS:

ABSTENTIONS:

ABSENT:

RESOLUTION DECLARED ADOPTED

STATE OF MICHIGAN )<br>
) SS.<br>
COUNTY OF INGHAM )

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a meeting of the Brownfield Redevelopment Authority held on the 6th day of December 2024, and said resolution is on file in the office of the Lansing Brownfield Redevelopment Authority and is available to the public. Public notice of the said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan 1976, including in the case of a special or re-scheduled meeting, notice by publication or posting of at least eighteen (18) hours prior to the time set for the meeting. In addition, said meeting was held in full compliance with the Board's By-Laws.

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

________________________________

Shelley Davis Boyd, Chair<br>
LBRA Board of Directors