



**AGENDA**  
**Committee on Development and Planning**  
**Thursday, October 27, 2016 @ 10:00 a.m.**  
**10<sup>th</sup> Floor Conference Room, City Hall**  
UPDATED 10/24/2016 p.m.

Councilmember Jody Washington, Chair  
Councilmember Jessica Yorke, Vice Chair  
Councilmember Judi Brown Clarke, Member

**1. Call to Order**

**2. Public Comment on Agenda Items**

**3. Minutes:**

- October 13, 2016

**4. Discussion/Action:**

- A.) RESOLUTION – Set a Public Hearing; Z-7-2016; Rezoning from “F” & “DM-2” to “E-1” ; Dunkel & Collins Road
- B.) RESOLUTION – Set a Public Hearing; OPRA District; 204 E. Grand River Avenue; Looney Moon LLC
- C.) RESOLUTION – Set a Public Hearing; OPRA Certificate; 204 E. Grand River Avenue; Looney Moon LLC

**5) Other/Place on File**

**6) Adjourn**

# DRAFT



## MINUTES

**Committee on Development and Planning  
Thursday, October 13, 2016 @ 10:00 a.m.  
10<sup>th</sup> Floor Conference Room, City Hall**

### **CALL TO ORDER**

The meeting was called to order at 10:09 a.m.

### **ROLL CALL**

Council Member Jody Washington, Chair  
Council Member Jessica Yorko, Vice Chair  
Councilmember Judi Brown Clarke, Member

### **OTHERS PRESENT**

Sherrie Boak, Council Staff  
Mark Dotson, City Attorney  
Karl Dorshimer, LEAP  
Eric Lacy, LSJ  
Tiffany Dowling  
Patrick Dowling  
Elaine Womboldt  
Leo Trumble  
Nichole Pope

### **PUBLIC COMMENT**

Public comment would be taken during each agenda item.

### **MINUTES**

MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE MINUTES FROM SEPTEMBER 22, 2016 AS PRESENTED. MOTION CARRIED 3-0.

### **RESOLUTION – Set a Public Hearing; Lease Agreement; City of Lansing & Zip the Grand, Inc.**

Mr. Dotson stated that the City Attorney office is still working on the waiver release agreement and waiting on information from the applicant's attorney response.

MOTION BY COUNCIL MEMBER YORKO TO SET THE PUBLIC HEARING FOR NOVEMBER 14, 2016 FOR THE ZIP THE GRAND INC. LEASE. MOTION CARRIED 3-0.

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Ms. Womboldt stated her concerns with the business and her opposition to a private company using public parks for their revenue. Ms. Womboldt pointed out her additional concerns that the City would only receive 2.5% on gross gate admission and special events are excluded from that revenue. Council Member Washington asked Ms. Womboldt to submit her questions in writing to the Council staff.

**RESOLUTION – Set a Public Hearing; OPRA District; 1141 South Washington Avenue & 1149 South Washington Avenue; L & P Properties, Inc.**

**RESOLUTION – Set a Public Hearing; OPRA Certificate; 1141 South Washington Avenue; L & P Properties, Inc.**

**RESOLUTION – Set a Public Hearing; OPRA Certificate; 1149 South Washington Avenue; L & P Properties, Inc.**

Council Member Washington acknowledged Mr. Pope for his proposal, but asked that in the future that he reach out to the Council members before he launches his plan in the media. This allows them information to answer any questions they might have and support.

Mr. Dorshimer clarified that the request was for one district and two certificates because of the taxing agencies they have to apply for two certificates even though they are adjoining properties.

Mr. Pope distributed materials including marketing flyers, photos, floor plans and information from the City Assessor on their statement of obsolescence. The property was purchased initially to move his existing business into, however after the purchase and designing for that they determined it was not sufficient, so they determined to keep it and renovate it for tenant space and 2<sup>nd</sup> floor residential. The building at 1149 Washington will have a coffee shop on the first floor and they are marketing the top floor. 1141 Washington is being pursued for upstairs residential, potentially 3-4 apartments. The lower level will continue food concept. This building has been vacant for years so will need to be completely renovated to comply with code. Negotiations continue on this property in the search of an anchor tenant for the first floor. Mr. Pope admitted that his company, Washington Avenue Advisors, has worked with developers before, but this would be their first commercial project. Mr. Trumble was introduced as the commercial contractor.

Council Member Brown Clarke asked if the apartments would be market rate, studio, or apartments. Mr. Pope confirmed their architectural drawings are not done, but they hope for 3 apartments at 700 square feet with a common entry, similar to other residential apartments in Reo Town. They do plan on market rate rent, and there is parking behind 1141 Washington and 1147 Washington with an alley and a vacant lot that abuts to the south street lot. Mr. Pope did agree that in the long term there is a lack of parking in the Reo Town area. Renderings of their plans for the 1149 Washington were distributed, but there has been no renderings done for 1141 at this time.

The Committee and applicant briefly discussed the consideration for economic developer liquor licenses. Mr. Dorshimer stated that currently those are not available in Reo Town, but if the PSD District is extended they could be considered.

Mr. Pope presented the timeline on the project, acknowledging that they were holding off on anything with 1149 Washington until Council approval, and they hoped to finalize 1141 Washington by the end of the month with an anchor tenant. Once construction begins they hope to conclude in 2017. Mr. Pope also supported the request for a 10 year OPRA for his project.

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Council Member Washington referenced the Holmes Street School and how those improvements never occurred. Mr. Dorshimer confirmed that those improvements did not increase the value, so that OPRA they got was no benefit to the City or them. The OPRA is based on rewarding them for increasing the taxable value. School taxes are not abated at all.

Mr. Dorshimer outlined the details of the OPRA with 1149 S Washington Total taxes paid by the developer at \$57,476; total taxes abated \$24,611; total Lansing taxes collected \$12,300 and total Lansing taxes abated \$10,137; regional taxes collected without the project would be \$30,917 but with the project are \$57,476 which results in an increase of \$26,559. The City taxes collected without the project would be \$8,451 but with the project would be at \$12,300 showing an increase of \$3,849. In year 7 will just up to the full amount. Council Member Washington asked if they were going to seek any other incentives. Mr. Pope stated the project is self-sufficient, so 1149 will have private funding. Mr. Trumble added that they have had discussions with MSHDA for funding on 1141 Washington. With a startup business they are looking for any incentives to help and pass those along. They are also pursuing MEDC assistance for this site also.

Mr. Pope confirmed they are asking for 10 years on the OPRA for 1141 Washington based on recommendations from LEAP. Total taxes paid at \$97,390; total taxes abated \$72,438; total Lansing taxes collected \$16,582 and total Lansing taxes abated \$29,837; regional taxes collected without the project would be \$60,667 but with the project are \$97,390 which results in an increase of \$36,723. The City taxes collected without the project would be \$16,582 but with the project would be at \$16,582 showing no increase. The real property taxes abated would be \$72,438 and the City's portion of the real property taxes abated would be 29,837.

MOTION BY COUNCIL MEMBER YORKO TO SET THE PUBLIC HEARING FOR THE OPRA DISTRICT FOR 1141 SOUTH WASHINGTON AND 1149 SOUTH WASHINGTON FOR NOVEMBER 14, 2016.

Mr. Dorshimer inquired on the option for approval the same night as the hearing. Council Member Yorko had no opposition to the request. Council Member Brown Clarke stated that the Committee needs to be consistent with all requests. Council Member Washington stated she would move forward with that request if there was a consensus of this Committee, however she also wanted her other colleagues to have the same opportunity to review the request, and they would be seeing it for the first time the night of the hearing. She also noted that the late requests and requests for immediate action by-passing the process have become habits and need to cease. Council Member Yorko agreed. Mr. Trumble stated that if there was not passage the night of the hearing there could be an impact on their potential tenants for 1141, however he would respect whatever decision the Committee made.

MOTION CARRIED 3-0.

MOTION BY COUNCIL MEMBER YORKO TO SET THE PUBLIC HEARING FOR THE OPRA CERTIFICATE FOR 1141 SOUTH WASHINGTON FOR NOVEMBER 14, 2016. MOTION CARRIED 3-0.

MOTION BY COUNCIL MEMBER YORKO TO SET THE PUBLIC HEARING FOR THE OPRA CERTIFICATE FOR 1149 SOUTH WASHINGTON FOR NOVEMBER 14, 2016. MOTION CARRIED 3-0.

# DRAFT

## **RESOLUTION – Set a Public Hearing; OPRA District; 221 West Saginaw Street; Motion Properties**

## **RESOLUTION – Set a Public Hearing; OPRA Certificate; 221 West Saginaw Street; Motion Properties**

Ms. Dowling outlined her proposed renovation project for the former church location at Seymour and Saginaw. The building was previously used for a law firm, and her company purchased it in the summer of 2016. Ms. Dowling distributed renderings outlining their proposed renovations, which will be in done in phases with the internal work over the winter, and the façade in sprint 2017. This renovation will increase their staffing to 50 employees. Currently Ms. Dowling owns the neighboring properties and has no plans to sell the current buildings, but will plan to lease them out and further invest in her property at 618.

Council Member Brown Clarke asked if the OPRA was being requested to address code compliance issues or if it was for something else. Ms. Dowling affirmed the entire interior needs to be addressed and brought into compliance with new mechanicals. Due to the extent of the work, Ms. Dowling is asking for a 12 year OPRA. Council Member Washington acknowledged the applicants commitment and investment to the City and would support a 12 year OPRA.

Mr. Dorshimer updated the Committee with the numbers on the OPRA for Motion Properties; Total taxes paid by the developer at \$270,143; total taxes abated \$100,083; total Lansing taxes collected \$59,970 and total Lansing taxes abated \$41,224; regional taxes collected without the project would be \$157,892 but with the project are \$270,143 which results in an increase of \$112,251. The City taxes collected without the project would be \$43,157 but with the project would be at \$59,970 showing an increase of \$16,814. It was noted that those numbers do not take into account the addition funds that will be collected in income tax.

Mr. Dowling stated they would be fine with the time line presented earlier in the meeting with the other application, that being the hearing on November 14<sup>th</sup>, and then back to Committee on November 23<sup>rd</sup> and then Council approval on November 28<sup>th</sup>.

MOTION BY COUNCIL MEMBER BROWN CLARKE TO SET THE PUBLIC HEARING FOR THE OPRA DISTRICT FOR 221 WEST SAGINAW STREET FOR NOVEMBER 14, 2016.  
MOTION CARRIED 3-0.

MOTION BY COUNCIL MEMBER BROWN CLARKE TO SET THE PUBLIC HEARING FOR THE OPRA CERTIFICATE FOR 221 WEST SAGINAW STREET FOR NOVEMBER 14, 2016.  
MOTION CARRIED 3-0.

Adjourn at 11:12 a.m.

Submitted by,

Sherrie Boak, Recording Secretary,  
Lansing City Council

Approved by the Committee on \_\_\_\_\_



**OFFICE OF THE MAYOR**

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

Virg Bernero, Mayor

TO: City Council President Judi Brown Clarke and Councilmembers  
FROM: Mayor Virg Bernero  
DATE: October 7<sup>th</sup>  
RE: Z-7-2016, Rezoning from "F" & "DM-2" to "E-1", Dunckel & Collins Road

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

VB/rh  
Attachment



Virg Bernero, Mayor

**City of Lansing**  
**Inter-Departmental**  
**Memorandum**



To: Virg Bernero, Mayor

From: Susan Stachowiak, Zoning Administrator

Subject: CITY COUNCIL AGENDA ITEM  
Z-7-2016, Rezoning from "F" & "DM-2" to "E-1", Dunkel & Collins Road

Date: October 5, 2016

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The Lansing Planning Board, at its regular meeting held on October 4, 2016, voted (6-0) to recommend approval of a request by Gateway, LLC to rezone the properties at 3600/3626 Dunkel Road & the vacant parcel north of 4600 Collins Road from "DM-2" Residential and "F" Commercial Districts to "E-1" Apartment Shop District. The purpose of the rezoning is to permit a mixed use development on the subject properties consisting of residential apartments, a hotel and various retail and office uses.

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

At the Planning Board public hearing held on October 4, 2016, the applicant's representative spoke in favor of the request and no other comments were received.

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

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

**Attachments**

"Equal Opportunity Employer"

BY THE COMMITTEE ON DEVELOPMENT & PLANNING

RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolved by the City Council of the City of Lansing that a public hearing be set for Monday, \_\_\_\_\_, 2016, at 7 p.m. in City Council Chambers, Tenth Floor, Lansing City Hall, 124 West Michigan Avenue, Lansing, Michigan, for the purpose of approving and/or opposing the Ordinance for rezoning:

Z-7-2016. This is a request by Gateway, LLC to rezone the properties at 3600/3626 Dunckel Road & vacant parcel north of 4600 Collins Road from “DM-2” Residential and “F” Commercial Districts to “E-1” Apartment Shop District.

CITY OF LANSING  
NOTICE OF PUBLIC HEARING

**Z-7-2016, 3600/3626 Dunckel Road & Vacant Parcel North of 4600 Collins Road**  
Rezoning - "DM-2" Residential & "F" Commercial Districts to "E-1" Apartment Shop District

The Lansing City Council will hold a public hearing on Monday, \_\_\_\_\_, 2016, at 7:00 p.m. in Council Chambers, 10<sup>th</sup> Floor, Lansing City Hall, 124 W. Michigan Avenue, Lansing, Michigan to consider **Z-7-2016**. This is a request by Gateway, LLC to rezone the property at 3600/3626 Dunckel Road & vacant parcel north of 4600 Collins Road from "DM-2" Residential & "F" Commercial Districts to "E-1" Apartment Shop District. The purpose of the rezoning is to permit a mixed use development on the subject property consisting of residential apartments, a hotel and various retail and office uses.

For more information, please call Lansing City Council at 517-483-4177. If you are interested in this matter, please attend the public hearing or send a representative. Written comments will be accepted between 8 a.m. and 5 p.m. on City business days if received before 5 p.m., Monday, \_\_\_\_\_, 2016 at the City Clerk's Office, Ninth Floor, City Hall, 124 West Michigan Ave., Lansing, MI 48933 or email [city.clerk@lansingmi.gov](mailto:city.clerk@lansingmi.gov).

Chris Swope, City Clerk

ORDINANCE # \_\_\_\_\_

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

The City of Lansing ordains:

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

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

Case Number: Z-7-2016

Legal Descriptions: **33-01-01-36-252-001:** Lot 1, Hospitality Motor Inns, A Subdivision on part of the Southwest  $\frac{1}{4}$  of Section 36, T4N, R2W, City of Lansing, Ingham County, MI, as recorded in Liber 29 of Plats, Pages 9-11, Ingham County Records, Except Commencing at the Northwest Corner of said Lot 1; thence South  $86^{\circ}09'45''$  East along the North line of said Lot 1 a distance of 676.19 feet to the point of beginning; thence South  $86^{\circ}09'45''$  East continuing along said North line 118 feet to the Northeasterly line of said Lot 1; thence South  $44^{\circ}58'35''$  East along said Northeasterly line 109.12 feet; thence South  $03^{\circ}50'15''$  West perpendicular to said North line 78.14 feet; thence North  $86^{\circ}09'45''$  West parallel with said North line 200.12 feet; thence North  $03^{\circ}50'15''$  East perpendicular to said North line 150 feet to the point of beginning; said parcel containing 12.09 acres more or less, from "DM-2" Residential District to "E-1" Apartment Shop District.

**33-01-01-36-352-022:** Part of Lot 1, Commencing 677.19 Feet East of the Northwest Corner of Lot 1, Thence South  $86^{\circ}09'45''$ , East 298.09 Feet, South  $01^{\circ}31'45''$ , East 173.08 Feet, North  $44^{\circ}52'49''$ , West 150 Feet, South  $03^{\circ}50'15''$ , West 78.01 Feet, North  $86^{\circ}09'45''$ , West 200 Feet, North  $03^{\circ}50'15''$ , East 150 feet to the point of beginning; Hospitality Motor Inns, City of Lansing, Ingham County, MI, from "F" Commercial District to "E-1" Apartment Shop District.

**33-01-01-36-352-032:** Commencing at the Northeast Corner of Lot 2, Thence North  $86^{\circ}09'45''$ , West 314.78 Feet, South  $01^{\circ}31'45''$ , East 240 Feet, South  $86^{\circ}09'45''$ , East 314.78 Feet, North  $01^{\circ}31'45''$ , West 240 Feet to the point of beginning; Hospitality Motor Inns, City of Lansing, Ingham County, MI, from "F" Commercial District to "E-1" Apartment Shop District.

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

Section 3. This ordinance was duly adopted by the Lansing City Council on \_\_\_\_\_, 2016, and a copy is available in the office of the Lansing City Clerk, 9th Floor, City Hall, 124 W. Michigan Avenue, Lansing, MI 48933.

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

**GENERAL INFORMATION**

**APPLICANT:** Gateway, LLC  
2422 Jolly Road, Suite 100  
Okemos, MI 48864

**OWNER:** HLSUB Illinois, Inc. Lothamer Investment Co. LLC  
874 Green Bay Road, Suite 120 3626 Dunckel Road  
Winnetka, IL 60093 Lansing, MI 48910

**REQUESTED ACTION:** Rezone 3600 Dunckel Road from “DM-2” Residential to “E-1” Apartment Shop and rezone 3626 Dunckel Road and the vacant parcel north of 4600 Collins Road from “F” Commercial to “E-1” Apartment Shop District

**EXISTING LAND USE:** Vacant Hotel

**EXISTING ZONING:** “F” Commercial & “DM-2” Residential Districts

**PROPOSED ZONING:** “E-1” Apartment Shop District

**PROPERTY SIZE:** 3600 Dunckel: 12.16 acres  
3626 Dunckel: .96 acres  
Vacant: 1.73 acres

**SURROUNDING LAND USE:** N: Motel/Office/Educational  
S: Post Office/Credit Union  
E: Agricultural  
W: Multiple Family Residential

**SURROUNDING ZONING:** N: “A” Residential & “F” Commercial Districts  
S: “D-1” Professional Office & “F” Commercial Districts  
E: Township Zoning  
W: “CUP” Community Unit Plan Districts

**MASTER PLAN:** The Design Lansing Master Plan designates the subject property for “Research & Development” use. Dunckel Road is designated as a minor arterial and Collins Road is designated as a collector road.

**DESCRIPTION:**

**Z-7-2016.** This is a request by Gateway, LLC to rezone the properties at 3600/3626 Dunckel Road & vacant parcel north of 4600 Collins Road from “DM-2” Residential and “F” Commercial Districts to “E-1” Apartment Shop District. The purpose of the rezoning is to permit a mixed use development on the subject properties consisting of residential apartments, a hotel and various retail and office uses.

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### AGENCY RESPONSES

Assessing: Assessing does not have any comments or objections.

BWL:

Building Safety: The BSO has no objections. Project will be subject to site and building plan reviews.

Development Office:

Fire Marshal:

Parks & Recreation: No comments.

Public Service:

Traffic Engineer: The Transportation and Non-Motorized Group has no objection to the rezoning. The initial layout shows an access point at the US-127/I-496 ramp & Dunckel Road intersection. This access point would require approval by both the City of Lansing and the Michigan Department of Transportation. The applicant is encouraged to discuss this issue with MDOT and the City early in the design process as changes to the intersection and internal site circulation would probably be needed to make this access viable. Due to the size of the development, it is also likely that a traffic impact study will be required.

### REZONING ANALYSIS

#### COMPATIBILITY WITH SURROUNDING LAND USE

The proposed use of the site for a mixed use development consisting of apartments, a hotel and retail space will be compatible with the existing land uses in the surrounding area. There is already a large multiple family residential apartment complex to the west and a motel to the north. The site has historically been used as a hotel with an associated restaurant and recreational facilities. The building was most recently converted to condominiums for transient residential occupancy which is still considered a "hotel" by the standards of the Zoning Ordinance. Thus, converting the site to apartments, a hotel and various retail uses is not a significant change from how the site has historically been utilized. In its current state, the property detracts rather than contributes to the surrounding area. The building at this location has been vacant for a very long time and is in a significant state of deterioration. The proposed development will provide a renewed sense of vitality to the site and to the area in general.

### COMPLIANCE WITH MASTER PLAN

The Design Lansing Master Plan designates the subject property for "research and development" land use. While the proposed rezoning to "E-1" Apartment Shop District will not comply with the specific Master Plan designation for the subject property, the rezoning is consistent with one of its goals which is to concentrate this type of "suburban" commercial development on the outskirts of the City with easy access to the expressways, where the streets are designed to carry a very high volume of traffic and there are no nearby single family residential neighborhoods that would be negatively impacted. In fact, despite the Master Plan designation, commercial/multiple family residential development seems to be a far more appropriate use of the property than a "research and development" operation, given its convenient access to and visibility from the expressway. Research and development uses are destination type uses that do not depend on high visibility and convenient access. Development of the subject property for a research and development facility would be an underutilization of the site and would result in the loss of a parcel of land that is ideal for the type of development that depends on convenient access to an expressway.

### IMPACT ON VEHICULAR AND PEDESTRIAN TRAFFIC

The proposed development will have no negative impacts on the transportation systems in the area. Dunckel Road is designated as a minor arterial and Collins Road is designated as a collector road, both of which are designed to accommodate a relatively high volume of traffic. Furthermore, the site is located in very close proximity to the US-127 expressway entrance on Dunckel Road which makes it a good location for a hotel and a large multiple family residential apartment complex from a traffic standpoint.

### IMPACT ON PUBLIC FACILITIES:

New construction will require site plan review at which time the adequacy of utilities to accommodate the proposed development will be evaluated. According to the City Transportation Engineer, it is likely that a traffic impact study will be required due to the size of the development in order to determine what, if any changes to the transportation system in the area are necessary to accommodate the traffic that will be generated by the development.

### ENVIRONMENTAL IMPACT

Given the amount of human intervention already occurring on this site, the zoning proposal will have little impact on the physical environment. The proposed development will be required to go through an administrative site plan approval process, during which the drainage system as well as all other physical aspects of the development will be reviewed for compliance with city codes.

While the proposed development will generate additional traffic, noise, lighting, etc., the uses in the area should not be negatively impacted, particularly since the nearest residential use is separated from the subject property by the freeway.

### IMPACT ON FUTURE PATTERNS OF DEVELOPMENT

The proposed rezoning is not anticipated to have any negative impacts on future patterns of development in the area. The site adjoins a freeway to the west, farmland to the east, the Red Roof Inn and office buildings to the north and a post office to the south. The proposed mixed use development is therefore, consistent with the surrounding land uses. Furthermore, approval of the rezoning is not anticipated to set a negative precedent for future rezoning requests in the area since the characteristics of the subject property are very unique in comparison to other properties in the area. First, the subject property is already developed for a housing type of use and secondly, it is significantly larger than other parcels in the area in within the City limits. In fact, there are no other properties in the vicinity of the subject property that would be as appropriate for the type of development proposed by the current applicant.

### SUMMARY

This is a request by Gateway, LLC to rezone the properties at 3600/3626 Dunkel Road & vacant parcel north of 4600 Collins Road from "DM-2" Residential and "F" Commercial Districts to "E-1" Apartment Shop District. The purpose of the rezoning is to permit a mixed use development on the subject properties consisting of residential apartments, a hotel and various retail and office uses.

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

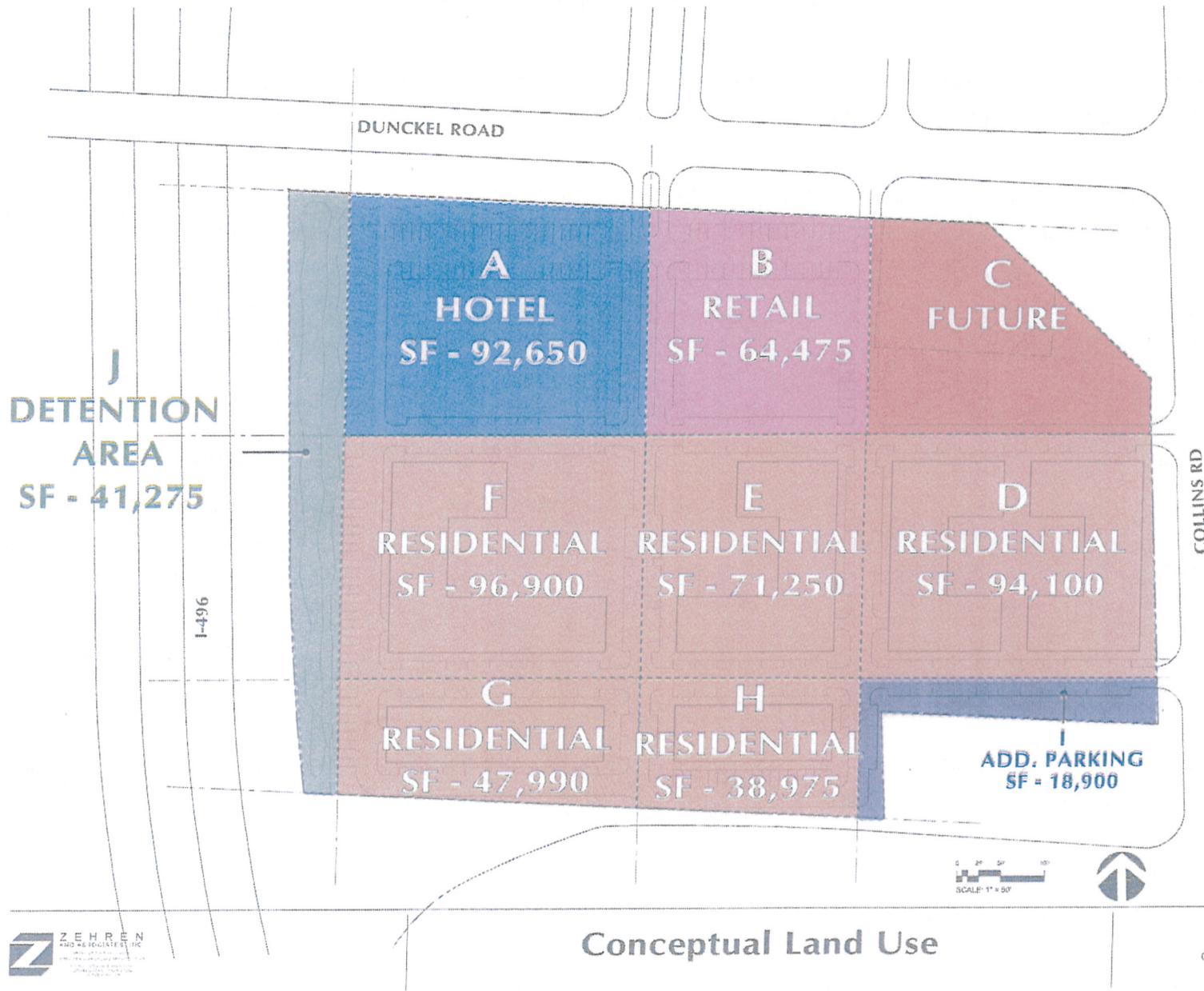
### RECOMMENDATION

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

Staff recommends approval of Z-7-2013 to rezone the properties at 3600/3626 Dunkel Road & the vacant parcel north of 4600 Collins Road from "DM-2" Residential and "F" Commercial Districts to "E-1" Apartment Shop District, based on the findings of fact as outlined in this staff report.

Respectfully Submitted,

Susan Stachowiak  
Zoning Administrator



**Land Use Summary:**

- A - Hotel - 92,650
  - B- Retail - 65,475
  - C - Future Development - 62,175
  - D-H - Residential - 349,215
    - D - 94,100
    - E - 71,250
    - F - 96,900
    - G - 47,990
    - H - 38,975
  - I - Additional Parking - 18,900
  - J - Detention Area - 41,275
- TOTAL - 629,690 SF**  
(14.4 ACRES)

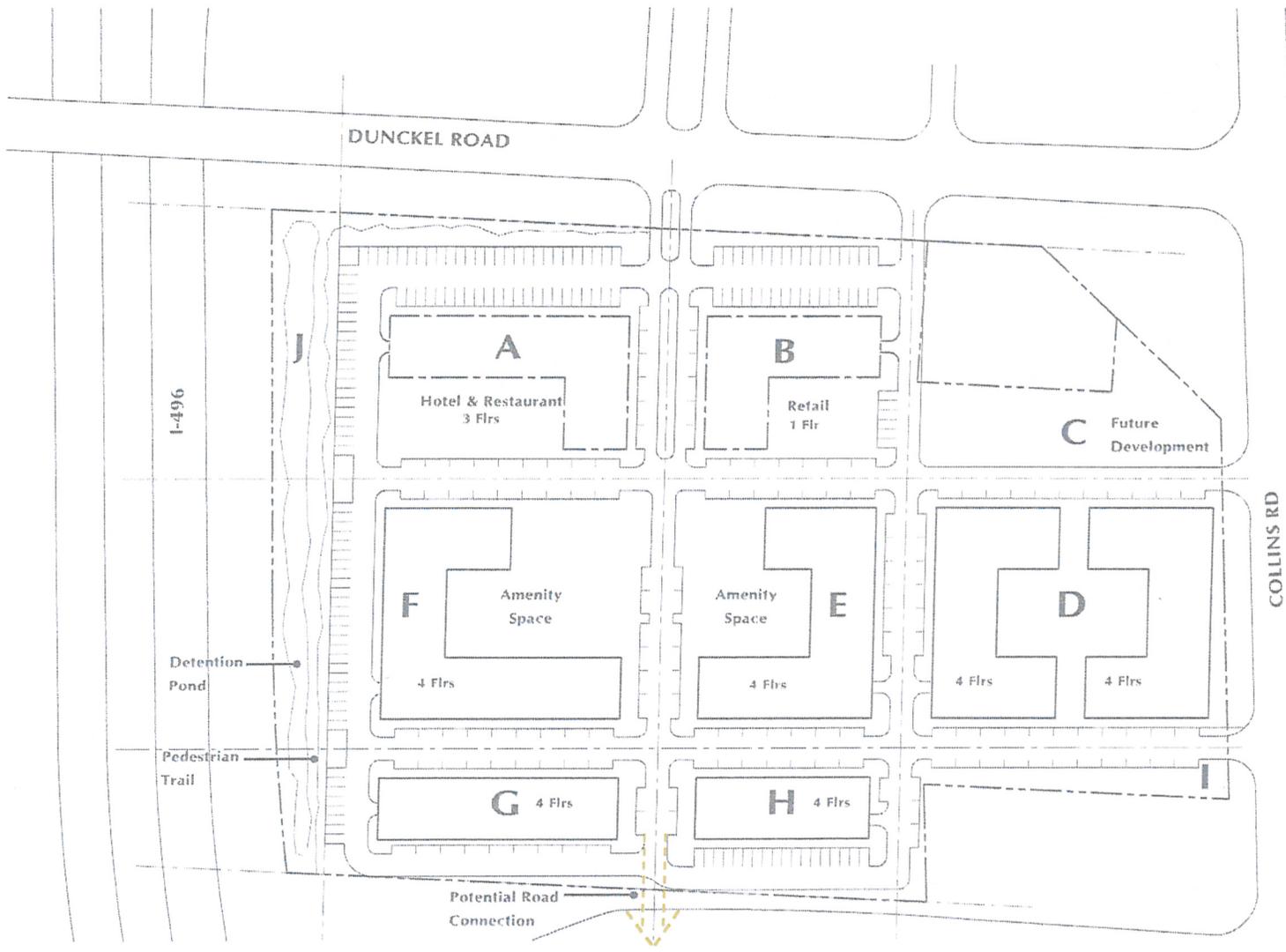
**3600 Duncel**

**BRANOFFRANDLE**  
REAL ESTATE PARTNERS



**Conceptual Land Use**

**3600 DUNCKEL**  
CONCEPTUAL DEVELOPMENT PLAN  
August 25th, 2016



**Development Summary:**

**Hotel & Restaurant**

Gross F.A. Hotel: 57,750  
 Net F.A. Hotel: 49,087  
 90 Rooms Proposed  
 (500sf +/- each room)

Gross F.A. Restaurant: 4,875  
 Net F.A. Restaurant: 4,144

Parking Required: 130 Spaces  
(13 per room + 20 employees + 20 Restaurant)  
 Parking Proposed: 145 Spaces  
(65 surface, 80 underground)

**Retail**

Gross F.A.: 16,500  
 Net F.A.: 14,025

Parking Required: 56  
(40.8 spaces per 1050)  
 Parking Proposed: 56

**Residential**

Dwelling Units: 453  
 Parking Required: 453  
 Parking Proposed: 538  
(154 surface, 384 underground, 14 additional)

**Total Sub Surface Parking: 441**

Hotel & Restaurant: 60  
 Retail: 0  
 Residential: 381

**Total Surface Parking: 313**

Hotel & Restaurant: 85  
 Retail: 56  
 Residential: 158  
 Additional: 14

**Total Parking: 754**



**Conceptual Site Plan**

**3600 DUNCKEL**  
 CONCEPTUAL DEVELOPMENT PLAN  
 August 25th, 2016

**3600 Dunckel**

PARCEL / BLDG AREA (SF)	USE	FLOOR PLATE	FLOORS	TOTAL BLDG. GROSS F.A.	NET F.A. (85% OF GROSS)	DWELLING UNITS	AREA SF PER SPACE	PARKING REQUIRED	PARKING PROVIDE
<b>A</b>									
9,2650	Hotel	20,875	3	57,250	49,088	90.0		110.0	
	Restaurant	4,875	1	4,875	4,144			70.0	
	Surface Parking						220-225		85
	Sub Surface Parking	20,875					350		60
						90.0		130	145
<b>B</b>									
64,475	Retail	16,500	1	16,500	14,025	0.0		56	
	Surface Parking						220-225		56
						0		56	56
<b>C</b>									
62,175	Residential	0	0	0		0.0		0.0	0
	Parking							0	0
<b>D</b>									
94,100	Residential	45,250	4	181,000	153,850	154		154	
	Surface Parking						220-225		28
	Sub Surface Parking	45,250					350		129
						154		154	157
<b>E</b>									
71,250	Residential	29,900	4	119,600	101,660	102		102	
	Surface Parking						220-225		26
	Sub Surface Parking	29,900		One level below			350		85
						102		102	111
<b>F</b>									
96,900	Residential	30,500	4	122,000	103,700	104		104	
	Surface Parking						220-225		48
	Sub Surface Parking	30,500					350		87
						104		104	135
<b>G</b>									
47,990	Residential	16,000	4	64,000	54,400	54		54	
	Surface Parking						220-225		28
	Sub Surface Parking	16,000					350		46
						54		54	74
<b>H</b>									
38,975	Residential	11,625	4	46,500	39,525	40		40	
	Surface Parking						220-225		28
	Sub Surface Parking	11,625		One level below			350		33
						40		40	61
<b>On Street parking:</b>						543			
<b>On Street parking:</b>								639	753

Parking Summary									
Surface Parking									
	Hotel								85
	Retail								56
	Residential								172
							Surface Parking		313
Sub Surface Parking									
	Hotel								60
	Residential								361
							Sub Surface Parking		441
<b>Parking Totals</b>									<b>754</b>

Development Summary									
	Hotel	57,250	49,088			90			
	Restaurant	4,875	4,144						
	Residential	538,100	453,135			453			
	Retail	16,500	14,025						
<b>Development Totals</b>		<b>612,725</b>	<b>520,391</b>			<b>543</b>			

Residential Density (entire site = 14.44 acres) : 31.4  
 Residential Density (residential blocks = 8.45 acres) : 54.0

**NOTES:**  
 1 Maximum building height is 4 stories above grade.  
 2 All Parking is 1 level underground for each block (unless noted otherwise) with on street parallel and perpendicular parking.  
 3 Dwelling unit size is based on 1,000 SF per unit for residential and 500 SF per unit for hotel, calculated from Net Floor Area.  
 4 Parking is based on 1.0 spaces per dwelling unit and 4 spaces / 1000 SF retail.  
 5 All parking numbers and square footages are approximate based on conceptual level of detail.



# Development Summary

3600 DUNCHEL  
 CONCEPTUAL DEVELOPMENT PLAN  
 August 25th, 2016





Dunckel Rd

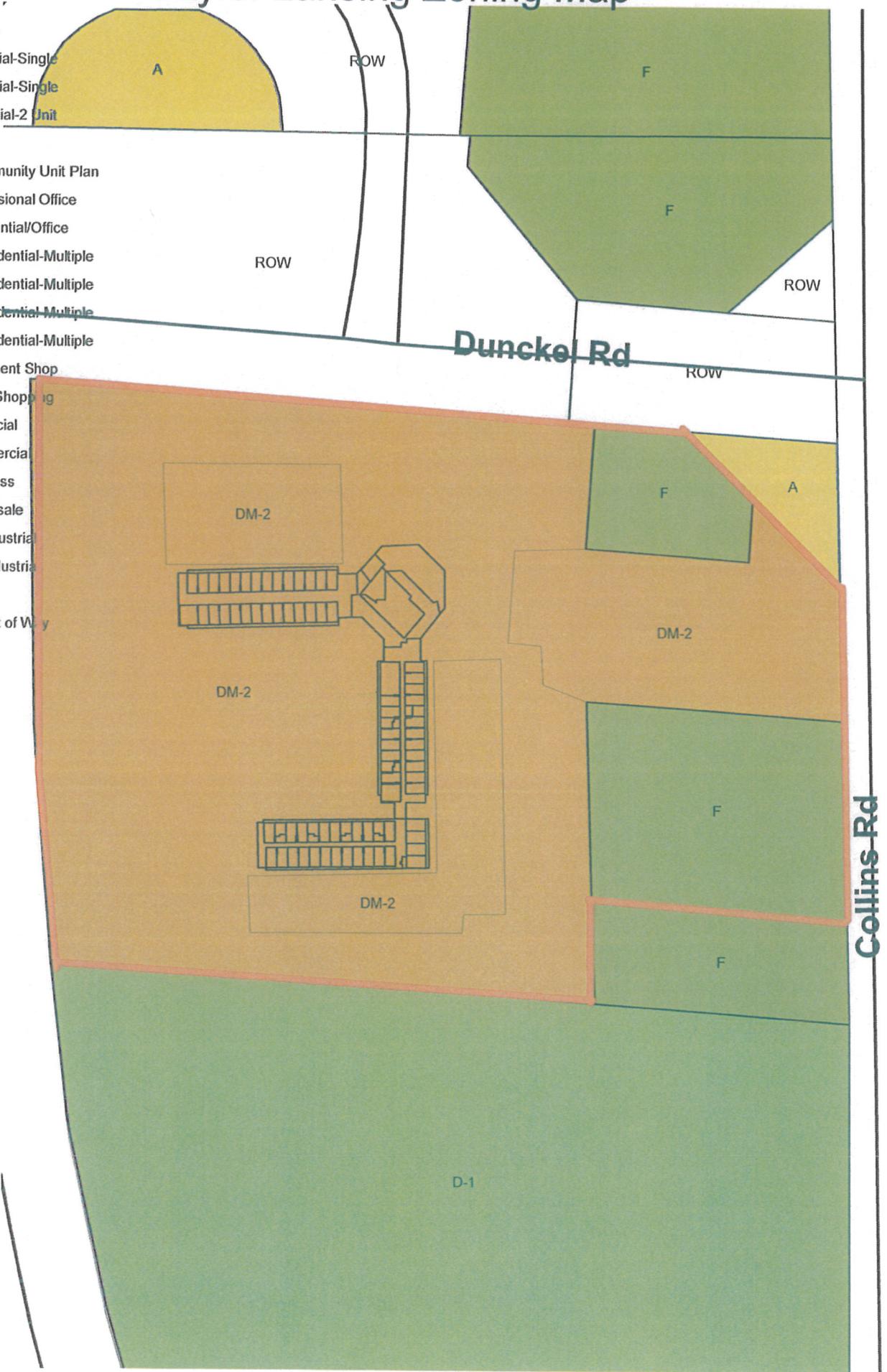
Collins Rd



**Legend**

- roads\_final
- Tax Parcels
- A Residential-Single
- B Residential-Single
- C Residential-2 Unit
- NONE
- ▨ CUP Community Unit Plan
- D-1 Professional Office
- ▨ D-2 Residential/Office
- DM-1 Residential-Multiple
- DM-2 Residential-Multiple
- DM-3 Residential-Multiple
- DM-4 Residential-Multiple
- E-1 Apartment Shop
- E-2 Local Shopping
- F Commercial
- F-1 Commercial
- G-1 Business
- G-2 Wholesale
- H Light Industrial
- I Heavy Industrial
- J Parking
- ROW Right of Way

# City of Lansing Zoning Map





**OFFICE OF THE MAYOR**

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

Virg Bernero, Mayor

TO: City Council President Judi Brown Clarke and Councilmembers  
FROM: Mayor Virg Bernero  
DATE: 10-20-16  
RE: Looney Moon LLC OPRA Application

---

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

VB/rh  
Attachment



**City of Lansing**  
**Inter-Departmental**  
**Memorandum**



To: Virg Bernero, Mayor  
From: Karl Dorshimer - LEAP  
Subject: CITY COUNCIL AGENDA ITEM - Looney Moon LLC OPRA Application  
Date: October 20, 2016

---

Please forward this resolution to City Council for placement on the Agenda to be received and referred to the Committee on Development and Planning.

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

**Attachments**

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

Resolution to Establish an Obsolete Property Rehabilitation Act District  
204 East Grand River Avenue

WHEREAS, the owner of property located at 204 East Grand River Avenue in the City of Lansing, Michigan (the "Properties") has requested in writing that the City of Lansing establish an Obsolete Property Rehabilitation District (the "District") as enabled by Public Act 146 of 2000, the Obsolete Property Rehabilitation Act (the "Act"), and

WHEREAS, the owner is Looney Moon, LLC, hereinafter called the "Developer", and

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

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

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

COM 44.44 FT W OF NE COR LOT 2, TH W 20 FT, S 80 FT, E 20 FT, N 80 FT TO BEG;  
SUB OF BLOCK 12, 33-01-01-09-402-081, and

WHEREAS, the Act requires that before establishing the District the Lansing City Council shall give written notice by certified mail to the owners of all real property within the proposed District and shall hold a public hearing in order to provide an opportunity for owners, residents or other taxpayers of the City of Lansing to appear and be heard regarding the establishment of the District and that such notice was given and said public hearing was held on **(Insert Date)**;

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

COM 44.44 FT W OF NE COR LOT 2, TH W 20 FT, S 80 FT, E 20 FT, N 80 FT TO BEG;  
SUB OF BLOCK 12, 33-01-01-09-402-081.

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

[29771:2:20161019:163207]

Certificate for the Developer or any other applicant.

[29771:2:20161019:163207]

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

Resolution to Set a Public Hearing Regarding the Establishment of an Obsolete  
Property Rehabilitation Act District  
204 East Grand River Avenue

WHEREAS, Looney Moon, LLC, the owner of the property located at 204 East Grand River Ave in the City of Lansing, Michigan (the "Property") has requested in writing that the City of Lansing establish an Obsolete Property Rehabilitation District (the "District") as enabled by Public Act 146 of 2000, the "Obsolete Property Rehabilitation Act" (the "Act"), and

WHEREAS, the owner of the Properties, Looney Moon, LLC is the legal owner of greater than fifty percent (50%) of all taxable value of the properties located within the proposed District, and

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

COM 44.44 FT W OF NE COR LOT 2, TH W 20 FT, S 80 FT, E 20 FT, N 80 FT TO BEG;  
SUB OF BLOCK 12, 33-01-01-09-402-081 and

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

NOW THEREFORE BE IT RESOLVED that a public hearing be held in the City Council Chambers of the City of Lansing, 10th Floor, Lansing City Hall, Lansing, Michigan, on Monday, (**Insert Date**) at 7:00 p.m. for the purpose of receiving public comment on the establishment of an Obsolete Property Rehabilitation District under the provisions of Public Act 146 of 2000 and that the Clerk shall publish once in a publication of general circulation within the community a notice of the scheduled public hearing and that the notice appear not less than 10 or more than 30 days prior to the date of the hearing and that the Clerk also cause the owner of property within the proposed district to receive written notice of the public hearing to be delivered by certified mail.

City of Lansing  
Notice of Public Hearing

The Lansing City Council will hold a public hearing on **(Insert Date)** at 7:00 p.m. in the City Council Chambers, 10th Floor, Lansing City Hall, Lansing, MI, for the purpose stated below:

To afford an opportunity for all residents, taxpayers of the City of Lansing, other interested persons and ad valorem taxing units to appear and be heard on the establishment of an Obsolete Property Rehabilitation District (the "District"), pursuant to and in accordance with the provisions of the Obsolete Property Rehabilitation Act, Public Act 146 of 2000, for property located at 204 East Grand River Ave, Lansing, Michigan, legally described as follows:

COM 44.44 FT W OF NE COR LOT 2, TH W 20 FT, S 80 FT, E 20 FT, N 80 FT TO BEG;  
SUB OF BLOCK 12, 33-01-01-09-402-081.

Creation of this District will enable the owner or potentially the developer of property within the District to apply for an Obsolete Property Rehabilitation Exemption Certificate which would result in the abatement of certain property taxes. Further information regarding this issue may be obtained from Karl Dorshimer, Lansing Economic Area Partnership (LEAP), 1000 S. Washington Ave., Suite 201, Lansing, MI 48910, 517-702-3387.

October 18, 2016

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

Re: Obsolete Property Rehabilitation Act District Application  
204 East Grand River, Lansing MI

### **General Project Description**

The project is a property owned by Looney Moon, LLC located at 204 East Grand River Avenue is a Darius Moon building built in 1890. This three story Romanesque revival style building is the last to be renovated in the 200 block in Old Town. The building requires a total rehabilitation. The renovation will, to name a few, include: All new plumbing and sewer connections, new basement floor and flooring throughout, new drywall and insulation, new (top to bottom) back wall, new storefront, new windows, new electrical and HVAC, new interior staircases and a new roof. The finished 6000 sq. ft. project will have office space in the basement, commercial/retail space on the first floor, 2 micro apartments with Murphy beds on the second floor and 2 two story, one-bedroom loft apartments on the third floor and roof.

### **District Establishment Purpose**

In an effort to maximize the utility value of the functionally obsolete building, the applicant is committed to doing complete rehabilitation of the building. In that context, and as more fully detailed below, the developer will incur considerable renovation costs. The establishment of the OPRA District, with its multi-year property tax deferral benefit is vital to making the economics of this project work.

### **Community Benefits**

Redevelopment of the property would provide numerous benefits to the City. While the specific facility would undergo considerable renovation, the entire area would benefit from the transformation of a vacant building into a thriving and fully utilized property. The revitalized building will become a desirable structure and reverse the decline in aesthetic appeal, loss of retail and other amenities that had previously been fostered by the blight and abandonment in the neighborhood. 204 E. Grand River Avenue will add to the trend of growth and redevelopment in the area and encourage the addition of future development projects. With the creation of residential space, there will be an increase in population and foot traffic throughout the neighborhood and will thus increase the demand for entertainment, restaurants, retail, as well as other commercial services.

### **Basis of Eligibility**

As to the eligibility of this project under OPRA, an investigation of the Subject Property by Sharon Frischman, City of Lansing Assessor, on 10/6/2016 resulted in a finding that the Building meets the definition of functionally obsolete. Functionally obsolete property is

property that is “unable to be used to adequately perform the function of which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super inadequacies in design, or other similar factors that affect the property itself or the property’s relationship with other surrounding property.” MCL § 125.2652(s). The building at this location is a three-story, downtown building constructed around 1890. The first floor of the building had been used as commercial retail space, while the second and third floors had been used as residential rental units. According to assessing records, this building appears to have been vacant since 2000. The building is currently a "shell" with no interior walls, no electrical, no plumbing and only a nonfunctioning space heater on the second floor. The windows and doors on the front are very old and inefficient by current standards. The rear wall has been removed due to crumbling bricks.

**Project Costs and Phasing**

The OPRA tax abatement is a significant component of the funding of this project. The applicant has estimated the total costs for this rehabilitation project to be \$1,441,340. Renovations are scheduled to commence promptly following the approval of the ORPA tax abatement. The renovation cost estimates are as follows:

Site Construction	117,600
Concrete	27,720
Masonry	30,000
Metals	46,200
General Trades	55,000
Thermal & Moisture Protection	33,360
Door & Windows	91,300
Finishes	186,190
Specialties	16,300
Equipment	37,000
Furnishings	2,500
Special Construction	10,000
Mechanical	326,190
Electrical	171,600
Total Hard Costs	1,150,960
Soft Costs	290,380
Total Project Cost	1,441,340

**Property Taxable Value and Legal Description**

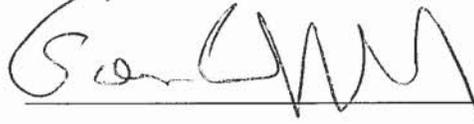
This property covers one parcel of real property containing a total of 0.037 acres and listed in the City of Lansing’s Assessment records as having an address of 204 East Grand River Avenue, Lansing, MI 48906. Specifics on the Subject Property are as follows:

Address:	204 E. Grand River Ave
Owner’s Name:	Looney Moon, LLC

Acreage of Land:	.037
Sq. Feet of Building:	Approximately 4,260
Tax Parcel Identification No.:	33-01-01-09-402-081
Taxable Value Land:	\$ 3,300
SEV Land:	\$ 3,300
Taxable Value Building:	\$ 15,100
SEV Building:	\$ 15,100
Legal Description:	COM 44.44 FT W OF NE COR LOT 2, TH W 20 FT, S 80 FT, E 20 FT, N 80 FT TO BEG; SUB OF BLOCK 12

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

Sincerely,  
Looney Moon, LLC

A handwritten signature in black ink, appearing to be "G. Moon", written over a horizontal line.

## Application for Obsolete Property Rehabilitation Exemption Certificate

This form is issued as provided by Public Act 146 of 2000, as amended. This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

**INSTRUCTIONS:** File the original and two copies of this form and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) Please see State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. A statement from the assessor of the local unit of government, describing the required obsolescence has been met for this building, is required with each application. Rehabilitation may commence after establishment of district.

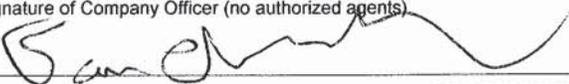
Applicant (Company) Name (applicant must be the OWNER of the facility) <b>Looney Moon, LLC</b>		
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code) <b>P.O. Box 15162 Lansing, MI 48901</b>		
Location of obsolete facility (No. and street, City, State, ZIP Code) <b>204 East Grand River Avenue Lansing, MI 48906</b>		
City, Township, Village (indicate which) <b>City of Lansing</b>		County <b>Ingham</b>
Date of Commencement of Rehabilitation (mm/dd/yyyy) <b>December 31, 2016</b>	Planned date of Completion of Rehabilitation (mm/dd/yyyy) <b>December 31, 2018</b>	School District where facility is located (include school code) <b>33020</b>
Estimated Cost of Rehabilitation <b>1,441,340.00</b>	Number of years exemption requested <b>7</b>	Attach Legal description of Obsolete Property on separate sheet
Expected project likelihood (check all that apply):		
<input type="checkbox"/> Increase Commercial activity	<input type="checkbox"/> Retain employment	<input type="checkbox"/> Revitalize urban areas
<input type="checkbox"/> Create employment	<input type="checkbox"/> Prevent a loss of employment	<input type="checkbox"/> Increase number of residents in the community in which the facility is situated
Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment <u>35</u>		
Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the following box if you wish to be considered for this exclusion. <input type="checkbox"/>		

### APPLICANT'S CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

**The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by Public Act 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.**

It is further certified that the undersigned is familiar with the provisions of Public Act 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.

Name of Company Officer (no authorized agents) <b>Thomas Arnold</b>	Telephone Number <b>517-204-1641</b>	Fax Number
Mailing Address <b>P.O. Box 15162 Lansing, MI 48901</b>		Email Address <b>mkfarr@hotmail.com</b>
Signature of Company Officer (no authorized agents) 		Title <b>Member</b>

### LOCAL GOVERNMENT UNIT CLERK CERTIFICATION

The Clerk must also complete Parts 1, 2 and 4 on Page 2. Part 3 is to be completed by the Assessor.

Signature	Date application received
-----------	---------------------------

### FOR STATE TAX COMMISSION USE

Application Number	Date Received	LUCI Code
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### LOCAL GOVERNMENT ACTION

This section is to be completed by the clerk of the local governing unit before submitting the application to the State Tax Commission. Include a copy of the resolution which approves the application and instruction items (a) through (f) on page 1, and a separate statement of obsolescence from the assessor of record with the State Assessor's Board. All sections must be completed in order to process.

#### PART 1: ACTION TAKEN

Action Date: _____		
<input type="checkbox"/> Exemption Approved for _____ Years, ending December 30, _____ (not to exceed 12 years)		
<input type="checkbox"/> Denied		
Date District Established	LUCI Code	School Code

#### PART 2: RESOLUTIONS (the following statements must be included in resolutions approving)

<p>A statement that the local unit is a Qualified Local Governmental Unit.</p> <p>A statement that the Obsolete Property Rehabilitation District was legally established including the date established and the date of hearing as provided by section 3 of Public Act 146 of 2000.</p> <p>A statement indicating whether the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) exceeds 5% of the total taxable value of the unit.</p> <p>A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years.</p> <p>A statement that a public hearing was held on the application as provided by section 4(2) of Public Act 146 of 2000 including the date of the hearing.</p> <p>A statement that the applicant is not delinquent in any taxes related to the facility.</p> <p>If it exceeds 5% (see above), a statement that exceeding 5% will not have the effect of substantially impeding the operation of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected taxing unit.</p> <p>A statement that all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate have been provided to the Qualified Local Governmental Unit by the applicant.</p>	<p>A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000.</p> <p>A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District.</p> <p>A statement that the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit eligible under Public Act 146 of 2000 to establish such a district.</p> <p>A statement that completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the facility is situated. The statement should indicate which of these the rehabilitation is likely to result in.</p> <p>A statement that the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000.</p> <p>A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.</p>
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#### PART 3: ASSESSOR RECOMMENDATIONS

Provide the Taxable Value and State Equalized Value of the Obsolete Property, as provided in Public Act 146 of 2000, as amended, for the tax year immediately preceding the effective date of the certificate (December 31st of the year approved by the STC).

Taxable Value	State Equalized Value (SEV)	
Building(s)		
Name of Governmental Unit	Date of Action on application	Date of Statement of Obsolescence

#### PART 4: CLERK CERTIFICATION

The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

Name of Clerk	Clerk Signature	Date	
Clerk's Mailing Address	City	State	ZIP Code
	Telephone Number	Fax Number	Email Address

Mail completed application and attachments to: Michigan Department of Treasury  
 State Tax Commission  
 P.O. Box 30471  
 Lansing, Michigan 48909-7971

If you have any questions, call (517) 373-2408.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.



**OFFICE OF MAYOR VIRG BERNERO**  
124 W. MICHIGAN AVENUE – NINTH FLOOR  
LANSING, MI 48933

## AGREEMENT IN CONSIDERATION OF DEVELOPMENT INCENTIVES

THIS AGREEMENT in Consideration of Development Incentives (“Agreement”) is made and entered this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the City of Lansing, Michigan, a Michigan municipal corporation (“City”), and Looney Moon, LLC, a Michigan Corporation (“Applicant”), (collectively the “Parties”);

### **I. STATEMENT OF PURPOSE:**

The City of Lansing welcomes new investment and the creation of new jobs. To achieve these goals, the City offers a variety of economic incentives that are designed to facilitate the expansion of existing businesses and the location of new businesses within the City, as well as the rehabilitation of obsolete structures and the reuse of environmentally contaminated sites.

Economic incentives typically do not provide City funds to developers or businesses, but rather encourage new investment and job creation in the City that would not have occurred without the incentive. The purpose of this Agreement is to establish performance expectations, reporting requirements and preferences for Lansing-based firms, resident employees and union employees in hiring, contracting, subcontracting and procurement related to the acceptance of economic incentives by the Applicant.

Economic incentives are beneficial to both the City and the Applicant. The approval of incentives must be a transparent and public process that produces a clear agreement between the Parties regarding the responsibilities of both the City and the Applicant. This public process does not end with the approval of the incentive, but continues until the commitments made by the Applicant under this Agreement are met.

**II. DEFINITIONS**

As used in this Agreement, the definitions herein shall be the mutually understood meaning of the following terms:

*“Incentive”* means a reduction in City taxes levied on real or personal property, or other financial benefit to Applicant, for a limited number of years as specified in this Agreement, and which may include, but is not limited to, those tax reductions or other financial benefits authorized by the Obsolete Property Rehabilitation Act (Public Act 146 of 2000, as amended), Neighborhood Enterprise Zone Act (Public Act 147 of 1992, as amended), Brownfield Redevelopment Financing Act (Public Act 381 of 1996, as amended), Plant Rehabilitation and Industrial Development Districts (Public Act 198 of 1974, as amended) and the New Personal Property Tax Exemption authorized by Public Act 328 of 1998.

*“Lansing-based firm”* means an incorporated business entity that owns or leases an office, warehouse, distribution center, or wholesale or retail store located within the corporate limits of the City of Lansing.

*“Full-time Equivalent Employees (FTE)”* means a combination of full-time and part-time employees that represents all employees as a comparable number of full-time employees.

**III. RECITALS:**

**A. APPLICANT/PROJECT INFORMATION**

Name of Project:       Redevelopment of 204 East Grand River

Location of Project (provide attached map):

Business Name of Applicant (*if applicable*): *Looney Moon, LLC*

Name of Parent Company (*if applicable*): \_\_\_\_\_

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

Thomas Arnold	100 %
_____	_____ %
_____	_____ %

Project description:

The project is a property owned by Looney Moon, LLC located at 204 East Grand River Avenue is a Darius Moon building built in 1890. This three story Romanesque revival style building is the last to be renovated in the 200 block in Old Town. The building requires a total rehabilitation. The renovation will, to name a few, include: All new plumbing and sewer connections, new basement floor and flooring throughout, new drywall and insulation, new (top to bottom) back wall, new storefront, new windows, new electrical and HVAC, new interior staircases and a new roof. The finished 6000 sq ft project will have office space in the basement, commercial/retail space on the first floor, 2 micro apartments with murphy beds on the second floor and 2 two story, one-bedroom loft apartments on the third floor and roof.

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

- 101 East Grand River Avenue**
- 200/202 East Grand River Avenue**
- 1118 South Washington Avenue**

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

OPRA Certificate	7	Years
No Incentive Requested		Years
OPRA	12	Years
OPRA	12	Years

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

None

Name of Financial Institution(s) funding the Project *(if unavailable upon execution of this Agreement, Applicant agrees to furnish commitment letter(s) from lending institution(s) to the LEDC when available):*

N/A

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

15 FTE

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

\$ 1,150,960 (hard costs)

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

\$ 40.00

**B. APPLICANT ACCEPTANCE OF NOTICE AND REPORTING REQUIREMENTS AND LOCAL PREFERENCES IN HIRING, PROCUREMENT OF GOODS AND SERVICES, CONTRACTING AND SUBCONTRACTING**

*(initial spaces below to indicate acceptance)*

TA Applicant agrees to notify the LEDC and City Assessor of any and all partnership changes during the term of any incentives approved for the Project.

TA Applicant agrees, and may be required to provide written documentation at the request of the LEDC, to consider and hire as many Lansing residents and Lansing-based firms, including but not limited to consultants, suppliers, contractors and sub-contractors, as reasonably possible.

TA Applicant agrees, and may be required to provide written documentation at the request of the LEDC, to make good faith efforts to hire contractors and sub-contractors that employ union labor when economically feasible.

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

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

TA Applicant agrees that all contractors and sub-contractors will report annually to the City Treasurer all gross individual income taxes paid and current residential addresses of all employees.

**C. LEDC STAFF/ADMINISTRATION RECOMMENDATION**

Name of Lead Staff Person: Karl Dorshimer

Revenue currently paid to the City (Region) by the site or project: \$ 2,504 (\$ 9,161)

Estimated total revenue to the City (Region) Project Completion: \$ 4,193 (\$ 83,153)

Estimated total value of City (Region) Incentive(s): \$ 55,097 (\$ 133,763)

Estimated total new net revenue to the City (Region): \$ 1,689 (\$ 73,992)

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

The Developer is taking a completely vacant historic building and spending over \$1,000,000 to renovate it into a classic great building that will come alive again.

Project Timeline: The project will commence with the approval of the OPRA Certificate by the City Council and be completed by December 31, 2018

Have all appropriate City Incentive fees been received? **YES** NO

Staff Recommendation: **APPROVE** DENY MODIFY

*(if DENY or MODIFY please explain in space provided below)*

---

Administration Recommendation: **APPROVE** DENY MODIFY

*(if DENY or MODIFY please explain in space provided below)*

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#### **D. ADDITIONS:**

1. Applicant, in seeking local legislative approval, has made certain representations to the City as more fully set forth herein.
2. The Applicant has applied for Incentive for the purpose of the redevelopment of 204 East Grand River Avenue. The Project is expected to hire at least **20** or retain at least 0 new full-time equivalent employees (FTE) and requiring a total investment in real property of at least \$1,150,960 and personal property of at least \$39,500 when completed.
3. The Applicant has supplied to the LEDC all application and supporting documentation, including a list of all partners of the Applicant with an ownership interest in the Project, which in turn has been forwarded to the City prior to the approval of the Incentive.
4. The Applicant has provided to the LEDC detailed information including wage and benefit information for the Project and new, permanent full-time equivalent employees (FTE) expected to be hired or retained as a result of the Project, which in turn has been forwarded to the City prior to approval of the Incentive.
5. The Applicant and the City desire to enter into an agreement whereby the Applicant and City specify and agree on the Project performance measures under which the Incentive is granted, and some of the conditions under which such Incentive can be modified or revoked by the City and/or State of Michigan. Nothing in this Agreement supersedes or diminishes any rights of the City or the State established by Federal, State, or Local law or regulations.
6. The Lansing City Treasurer has verified in writing the Applicant is not delinquent and/or late on any property taxes owed to the City for all properties in which the applicant owns a twenty-five percent (25%) or more interest.
7. The Lansing City Treasurer has verified in writing the Applicant, if an employer in the City, is in compliance with all required City wage withholding and income reporting requirements for all of their employees.
8. The Lansing City Treasurer has verified in writing the Applicant is not delinquent and/or late on any corporate or other business income taxes owed the City, if any.

9. The LEDC has verified that all application fees due have been paid in full by the Applicant.

#### IV. AGREEMENT:

NOW, THEREFORE, in consideration of the recitals and mutual covenants and agreements herein contained and pursuant to MCL Public Act 146 of 2000 (the "Act"), as amended, the Parties agree as follows:

A. Reliance on Recitals

The Parties acknowledge Applicant has made representations contained within its application, and the recitals and additions above, with the purpose and intent of City's reliance thereon, as well as for compliance with the Act, as amended, and the City relies upon these representations in its determination that the Incentive should be approved.

B. Project Area

The location of the Project is commonly known as 204 East Grand River Avenue ("Project Area") and legally described as follows:

COM 44.44 FT W OF NE COR LOT 2, TH W 20 FT, S 80 FT, E 20 FT, N 80 FT TO BEG; SUB OF BLOCK 12

C. Project Timeframe.

The Applicant and City agree the City's approval of the Incentive is based upon completion of the Project within a specific time period ("Project Timeframe"). The Project Timeframe starts December 31, 2016 and ends December 31, 2018.

D. Project Completion

The Applicant and the City agree that for the Project to be considered complete, the Applicant must perform all of the following in the Project Area within the Project Timeframe ("Project Completion"):

1. Hire at least **15** new, permanent full-time equivalent employees (FTE) and/or retain at least 0 full-time equivalent employees (FTE).
2. Purchase and/or locate within the Project Area, personal property with a fair market value of at least \$39,500. This personal property may not be moved to the Project Area from another location within the City of Lansing.

3. Make at least \$1,150,960 of improvements to the real property. Improvements include only hard costs, and exclude architectural and engineering costs.
4. Obtain all necessary building permits and site plan approvals, including payment of all required fees, plus final inspections including a Certificate of Occupancy from the City of Lansing and all other appropriate authorities and agencies.
5. Upon Project Completion, the applicant will provide to the LEDC, upon request, any and all appropriate financial records that are referenced as part of this Agreement.
6. Project Completion must be performed by December 31, 2018.

E. Project Completion Progress Reports

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

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

F. Verification of Project Completion

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

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

Within 60 days of receiving the Final Report, or 90 days after the end of the Project Timeframe, the LEDC shall make a preliminary determination if the Applicant has achieved Project Completion. In the event the preliminary determination concludes the Project was

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

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

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

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

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

J. City's Rights under Act

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

K. Ambiguity

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

L. Rights and Remedies Cumulative

The Parties shall have all the rights and remedies available at law, in equity or in this Agreement to enforce the rights and obligations under this Agreement. All remedies shall be cumulative and none will be exclusive of any other. The exercise by either party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any

other such remedies for the same default or breach or of any of its remedies for any other default or breach by the other party. No waiver made by either such party with respect to the performance, or manner or time thereof, or any obligation under the Agreement shall be considered a waiver of any rights of the party making the waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived in writing and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

M. Right In Third Parties

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

N. Severability

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

O. Subsequent Waivers

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

P. Termination

This Agreement terminates upon the end of the life of the incentive.

Q. Authority.

The Applicant's execution, delivery and performance of this Agreement have been duly authorized. The Applicant's representative executing this Agreement does so with requisite authority to fully and completely bind the Applicant.

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

**WITNESSES:**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
James Smiertka

City Attorney

**LOONEY MOON, LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**CITY OF LANSING:**

By: \_\_\_\_\_  
Virg Bernero

Its: Mayor

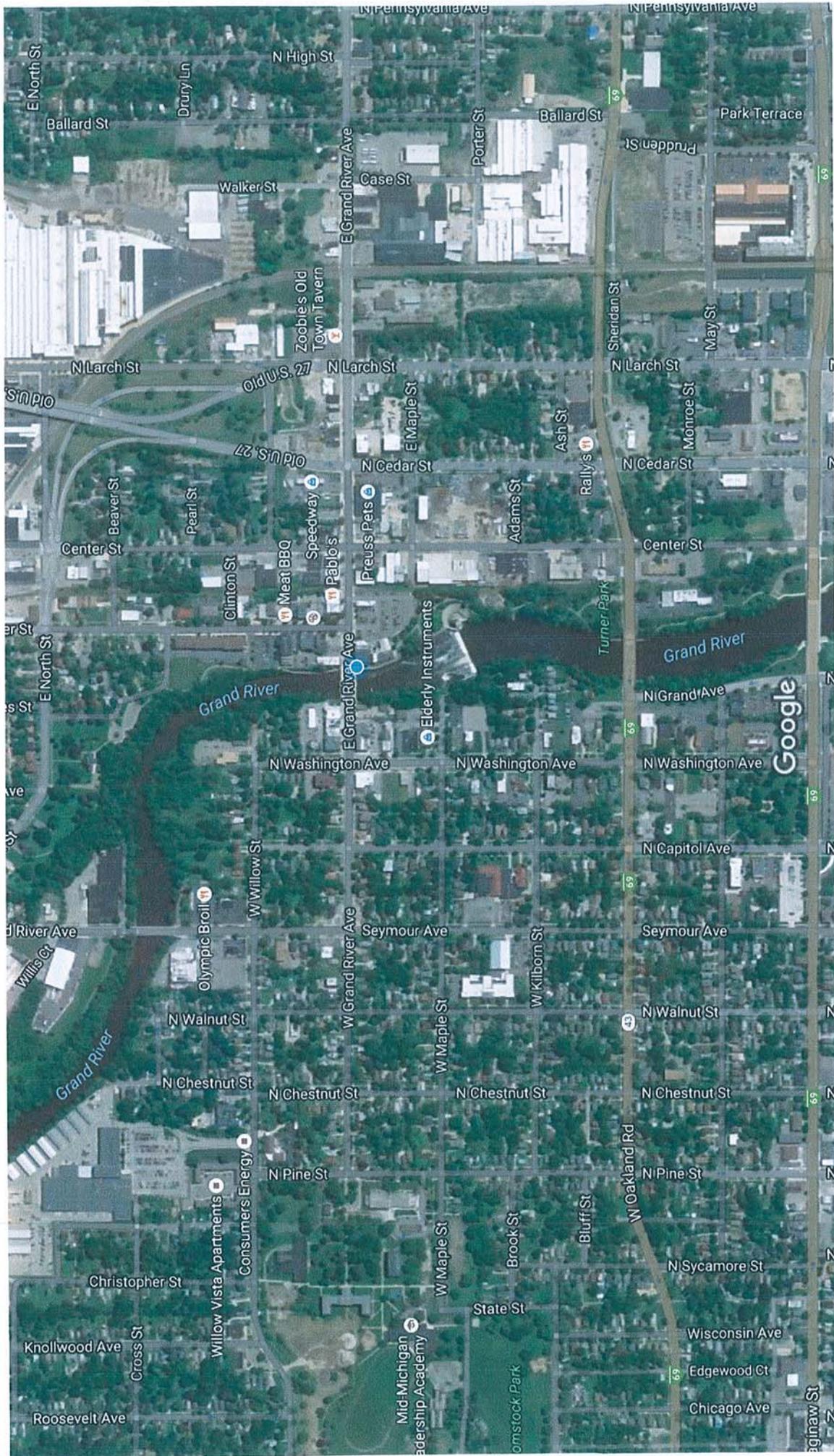
**LANSING ECONOMIC  
DEVELOPMENT CORPORATION:**

By: \_\_\_\_\_  
Karl R. Dorshimer

Its: Authorized Representative

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

\_\_\_\_\_  
City  
Controller





**OFFICE OF THE MAYOR**

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

Virg Bernero, Mayor

TO: City Council President Judi Brown Clarke and Councilmembers  
FROM: Mayor Virg Bernero  
DATE: 10-20-16  
RE: Looney Moon LLC OPRA Application

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

VB/rh  
Attachment



**City of Lansing**  
**Inter-Departmental**  
**Memorandum**



To: Virg Bernero, Mayor  
From: Karl Dorshimer - LEAP  
Subject: CITY COUNCIL AGENDA ITEM - Looney Moon LLC OPRA Application  
Date: October 20, 2016

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Please forward this resolution to City Council for placement on the Agenda to be received and referred to the Committee on Development and Planning.

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

**Attachments**

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

Resolution to Approve an Obsolete Property Rehabilitation Act Certificate  
204 East Grand River Avenue

WHEREAS, pursuant to the Michigan Obsolete Property Rehabilitation Act, being Public Act 146 of 2000 (PA 146 of 2000), Looney Moon, LLC has filed an application for an Obsolete Property Rehabilitation Exemption Certificate (OPRA Certificate) with the Lansing City Clerk, for a proposed obsolete facility at 204 East Grand River Avenue, Lansing, Michigan (Obsolete Property); and

WHEREAS, Looney Moon, LLC (the Developer) owns the proposed Obsolete Property; and

WHEREAS, the proposed Obsolete Property is located within an Obsolete Property Rehabilitation District legally established by resolution adopted (**Insert Date**), after a public hearing was held on (**Insert Date**), as provided by section 3 of PA 146 of 2000; and

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

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

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

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

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

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

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council hereby grants an Obsolete Property Rehabilitation Exemption for the real property, excluding land, located in an Obsolete Property Rehabilitation District at 204 East Grand River Avenue legally described as LOT 8 & N 1 R LOT 7 BLOCK 63 ORIG PLAT, 33-01-01-16-127-001; for a period of 7 years, beginning December 31, 2016, and ending December 30, 2023, pursuant to the provisions of PA 146 of 2000, as amended.

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

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

Resolution to Set a Public Hearing Regarding the Granting of an  
Obsolete Property Rehabilitation Act Certificate  
204 East Grand River Avenue

WHEREAS, Looney Moon, LLC, owner of the property located at 204 East Grand River Avenue in the City of Lansing, Michigan (the "Property") has applied to the City of Lansing for the City to approve the issuance of an Obsolete Property Rehabilitation Exemption Certificate (the "OPRA Certificate"), pursuant to the Michigan Obsolete Property Rehabilitation Act, being Public Act 146 of 2000 (the "Act"); and

WHEREAS, the property in question of the Certificate is legally described as:

COM 44.44 FT W OF NE COR LOT 2, TH W 20 FT, S 80 FT, E 20 FT, N 80 FT TO BEG;  
SUB OF BLOCK 12, 33-01-01-09-402-081, and

WHEREAS, the Act requires that before granting a Certificate the Lansing City Council hold a public hearing in order to provide an opportunity for the applicant, the City Assessor, a representative of the affected taxing units, the residents, and other taxpayers of the City of Lansing general public appear and be heard regarding the approval of the OPRA Certificate.

NOW THEREFORE BE IT RESOLVED that a public hearing be held in the City Council Chambers of the City of Lansing, 10th Floor, Lansing City Hall, Lansing, Michigan, on Monday, (**Insert Date**) at 7:00 p.m. for the purpose of receiving public comment on the approval of an OPRA Certificate under the provisions of Public Act 146 of 2000 and that the Clerk shall publish once in a publication of general circulation within the community a notice of the scheduled public hearing and that the notice appear not less than 10 or more than 30 days prior to the date of the hearing.

City of Lansing  
Notice of Public Hearing

The Lansing City Council will hold a public hearing on Monday, **(Insert Date)** at 7:00 p.m. in the City Council Chambers, 10th Floor, Lansing City Hall, Lansing, MI, for the purpose stated below:

To afford an opportunity for all residents, taxpayers of the City of Lansing, City Assessor, other interested persons and ad valorem taxing units to appear and be heard on the approval of an Obsolete Property Rehabilitation Certificate (the "Certificate"), pursuant to and in accordance with the provisions of the Obsolete Property Rehabilitation Act, Public Act 146 of 2000, for property located at 204 East Grand River Avenue, Lansing, Michigan, but more particularly described as follows:

COM 44.44 FT W OF NE COR LOT 2, TH W 20 FT, S 80 FT, E 20 FT, N 80 FT TO BEG;  
SUB OF BLOCK 12, 33-01-01-09-402-081, and

Approval of this Certificate will provide the owner or potentially the developer of property an abatement of certain property taxes for the improvements to the property noted above. Further information regarding this issue may be obtained from Karl Dorshimer, Lansing Economic Area Partnership (LEAP), 1000 S. Washington Ave., Suite 201, Lansing, MI 48910, 517-702-3387.