AGENDA
Committee of the Whole
Monday, February 4, 2019, 2019 @ 5:30 p.m.
City Council Chambers, City Hall 10th Floor

Council Member Wood, Chairperson
Council Member Spadafore, Vice Chairperson

1. Call to Order
2. Roll Call
3. Minutes
   - January 14, 2019
4. Public Comment on Agenda Items (Up to 3 Minutes)

5. Presentation
   - Proposed Adoption of Chapter 39 of the 2018 International Fire Code (Fire Marshall)
   - External Auditor Annual Presentation

6. Discussion/Action:
   A.) RESOLUTION – Reappointment of Anita Turner; 3rd Ward; Medical Marihuana Commission; Term to expire November 27, 2021
   B.) RESOLUTION - Appointment; Jeff McAlvey; Member of Elected Officers Compensation Commission; Term to Expire June 30, 2022
   C.) RESOLUTION – Adoption of the 2018 Lansing Hazard Mitigation Plan
   D.) RESOLUTION - Re-Setting of the Public Hearing for Act 4-2019; Sale of City Property, Townsend Parking Ramp located at 221 Townsend Street to the Michigan Senate
   E.) RESOLUTION - Re-Setting of the Public Hearing for the Fire Code Amendments of the 2018 International Fire Code; Chapter 39
   F.) RESOLUTION - TIFA Amendment 6; Sale of Townsend Parking Ramp
   G.) RESOLUTION – Defeasing Bonds on the Townsend Parking Ramp
   H.) RESOLUTION – Issuance and Sale of Wet Weather Control Program State Revolving Fund Project Obligation Bonds

7. Other
   {Closed Session}
   - City Attorney Review of a Document Subject to Attorney Client Privilege
   {Reconvene}

8. Adjourn

The City of Lansing’s Mission is to ensure quality of life by:
I. Promoting a vibrant, safe, healthy and inclusive community that provides opportunity for personal and economic growth for residents, businesses and visitors
II. Securing short and long term financial stability through prudent management of city resources.
III. Providing reliable, efficient and quality services that are responsive to the needs of residents and businesses.
IV. Adopting sustainable practices that protect and enhance our cultural, natural and historical resources.
V. Facilitating regional collaboration and connecting communities
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<tbody>
<tr>
<td>Michael Toon</td>
<td>Lansing Fire</td>
<td>Haz Mat. Plan</td>
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<td>Marsheaa Blake</td>
<td>Lansing Fire</td>
<td>2018 Fire Code</td>
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CALL TO ORDER
Council Member Wood called the meeting called to order at 5:00 p.m.

PRESENT
Councilmember Kathie Dunbar – arrived at 5:15 p.m.
Councilmember Jeremy A. Garza
Councilmember Adam Hussain
Council Member Brian T. Jackson
Councilmember Peter Spadafore
Councilmember Patricia Spitzley
Councilmember Jody Washington
Councilmember Carol Wood

OTHERS PRESENT
Sherrie Boak, Council Staff
Samantha Harkins, Mayor Executive Assistant
Jim Smiertka, City Attorney
Lisa Hagen, Assistant City Attorney
Greg Venker, Assistant City Attorney
Loretta Stanaway
Harold Leeman, Jr.
Mary Reynolds
Kathy Miles
Stephen Young
Kris Klein, LEAP
Angie Bennett, Finance Director – arrived at 5:20 p.m.

Approval of Minutes
MOTION BY COUNCILMEMBER SPADAFORE TO APPROVE THE MINUTES OF JANUARY 7, 2019 AS PRESENTED. MOTION CARRIED 7-0.
Public Comment on Agenda Items
Ms. Miles spoke in support of the sale of 6025 Curry Lane to CASL.

DISCUSSION/ACTION
RESOLUTION - Reappointments:
Cassie Alley; Elected Officers Compensation Commission; Term to Expire Oct. 1, 2024
Christine M. Zarkovich; Downtown Lansing Inc. Board; Term to Expire June 30, 2022

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE REAPPOINTMENTS OF CASSIE ALLEY AND CHRISTINE ZARKOVICH. MOTION CARRIED 7-0.

PLACE ON FILE- Amendments to the Rules of Procedures for the Lansing Park Board
Council President Wood stated that the only change was the time of the meetings to 6:30 p.m. There were no additional questions.

MOTION BY COUNCIL MEMBER SPADAFORE TO PLACE THE PARK BOARD RULE AMENDMENTS ON FILE. MOTION CARRIED 7-0.

RESOLUTION - Appointment; Stephen Young; Member of Elected Officers Compensation Commission; Term to Expire June 30, 2023
Mr. Young acknowledged the Council, provided a brief history of his residency in Lansing and his current job as the principal at government consulting services. Mr. Young lastly stated to the Committee that his desire to serve on a board was to give back to his community. There were no questions from Committee and it was confirmed Mr. Young was vetted by the Mayor’s office.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF STEPHEN YOUNG TO THE ELECTED OFFICERS COMPENSATION COMMISSION. MOTION CARRIED 7-0.

RESOLUTION - Amend List of Outside Counsel to Include Harvey Kruse, PC
Mr. Smiertka informed the Committee was a request from the City third party for issues the carrier wants permission for this attorney to address.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION TO AMEND THE OUTSIDE COUNSEL LIST TO INCLUDE HAREY KRUSE, PC. MOTION CARRIED 7-0.

RESOLUTION – Consideration of Sale of Property; Miller Road Center (6025 Curry Lane) to Capital Area Soccer League (CASL)
Ms. Hagen confirmed that all steps had been taken for the sale of the property from the City to CASL at the Miller Road Center. The closing will be scheduled once Council approves the sale. The sale price itself, she clarified, is that there is a land contract for $25,000 down, $10,000 per year for ten (10) years.

Council Member Jackson asked if there were any updates on the new location of the Peppermint Creek Theatre. Ms. Harkins acknowledged they had met with the theatre representatives before the New Year, and those representatives have been in conversations with SWOC and the City TV space for possible use. Council Member Jackson asked if the City had any considerations for a new theater in Lansing to accommodate them. Ms. Harkins admitted there were a lot of ideas for a Performing Arts Center, but they were not close to any decision. Council Member Spitzley mentioned for the record that the net proceeds will to the improvements within the Parks and Recreation Department. Council Member Hussain added
that the sale price was the closest to the appraised value. Council President Wood recapped to Council Member Jackson that CASL has worked with Peppermint Creek so they can stay in the location through their current performance season.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE CONSIDERATION OF THE SALE OF PROPERTY AT 6025 CURRY LANE, MILLER ROAD CENTER TO CAPITAL AREA SOCCER LEAGUE (CASL). MOTION CARRIED 8-0.

RESOLUTION – Brownfield Assessment Grant Application
Mr. Klein first pointed out that the application was sent to COW due to the timing, and even though LEAP has a Coalition of communities (Lansing, East Lansing, Clinton County, Ingham County and Eaton County), they are approaching the City of Lansing at this time on this application as the point to show different funding entities so there would be a higher chance of consideration on the application. There is a higher consideration for those that have not been awarded in the past, and therefore the coalition wants to have a different entity apply. Council Member Spadafore asked for details on what the grant would be used for. Mr. Klein noted it would first help with any assessment on existing Brownfields, which could be any property they hope to redevelop, and look to see if there are any clean-up activities. This would include any environmental assessments, due care plans and could allow for a plan. Council Member Spadafore then asked where the assessment would be paid out of, and Mr. Klein clarified it would be refunded if it is deemed a Brownfield site. Council Member Spitzley spoke in support of the opportunity to attract companies into urban areas. Council President Wood asked if there were any match funds, at which Mr. Klein verified there was no match; the applicants are required to put forth a match.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION FOR THE BROWNFIELD ASSESSMENT GRANT APPLICATION. MOTION CARRIED 8-0.

RESOLUTION – Deficit Elimination Plan; Special Assessment Capital Project Fund
Ms. Bennett first began by stating the Committee will receive the annual report from the auditors on February 4, 2019, but this is one of various funds that they have to annually pass a plan for. They have chosen to use this plan because they are more cost effective, but because of that the City has to file this annually. When it is filed with the State they will get the resolution and the attached schedules. Council President Wood asked for verification that these are plans that are worked out with the property owners, and Ms. Bennett confirmed.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE DEFICIT ELIMINATION PLAN; SPECIAL ASSESSMENT CAPITAL PROJECT FUND. MOTION CARRIED 8-0.

RESOLUTION – Acceptance of the Deed to the Townsend Parking Ramp from the Lansing Building Authority
Mr. Smiertka outlined the process and timing needed for the sale of the Townsend Parking Ramp. He then explained that in 1996 with the stadium build, there was a there was a tax increment plan and the State was going to stop the opportunity to collect State Education Taxes for projects. At that time the City started the process of the Lansing Building Authority and they in turn owned the ramps. Any bonds for the ramps were issued with the Lansing Building Authority. This Authority consists of the Public Service Director, the City Attorney and the City Treasurer. In 2000 there were changes to the structure and refunding of bonds and so the lease now is between the City and TIFA. There was a TIFA plan and funds through the system for the leases to run the parking system to the extent of no tax increment dollars coming in for the bonds. The lease states that if any properties are removed from the tax plan, they have to be replaced by properties equal or of greater value. In conclusion, he stated there
are two ramps being substituted and after that and the property can be sold. The lease will be amended to reflect that the funds will be used to defease the bonds and payments until the call date. The Bond Counsel’s opinion to the effect is that the property can be deeded to the City, therefore the Building Authority at this time is quit claim deeding it to the City. Mr. Smiertka then clarified that the other items that need to be done include the ACT 33 which goes before the Planning Board 1/15/2019 and should be to Council 1/28/2019 the same night as the hearing. The City hopes to close on February 15, 2019, therefore Council will need to take action on all items no later than the February 11, 2019 meeting. It was clarified that in addition to the sale, the State Senate has a condition in the agreement that they will pay $1 million even if there is no closing, and they will pay the outstanding funds for parking fees. There is a second agreement in addition to the buy/sell agreement and this is the parking agreement. This will allow for 228 parking spaces to be continued to be used by City employees. Ms. Harkins informed the Committee at this point that originally the City had the agreement with the State and the Senate leased spaces from the State. They wanted to have full control of the parking so approached the City.

Council Member Spadafore asked if there were details in the agreement to secure the employee parking spaces, and Council Member Spitzley asked what the benefit would be for leasing spaces in a ramp the City no longer owns. Mr. McGrain confirmed there was details were in the agreement, and that with the recent ramp reconstructions and remodeling, there is flux in the parking ramps, but there is an option in the future to move all City employees back to the North Capital ramp. The parking fund is being reimbursed no matter where they park. Mr. Smiertka added that the parking agreement is flexible to allow the spaces to be reduced. Ms. Harkins added to the conversation that the parking agreement has been placed on file, the Senate is offering $18 million for the sale which is close to the appraised value, and a deposit of $1 million, and outstanding parking fees paid regardless of the sale, and planned closing date of February 15, 2019.

Council President Wood asked for confirmation that the only bonds on the ramp are the $13 million being paid off with the sale. Ms. Bennett clarified that those are the only bonds on Townsend; there are other bonds on the other ramps but they are not conditional on this. Any outstanding proceeds with this will go into escrow and will pay down the bonds as they are due or callable. The legal defeasance, once in escrow is no longer on debt service. The remainder will be determined by the Mayor on where to allocate those funds. Council Member Spadafore asked what the GF savings on the parking funds would be with those bond payments. Ms. Bennett clarified that there is no GF contribution just the parking fund. Council Member Spadafore then asked if there were any savings. Ms. Bennett acknowledged there would be no savings, but with the funds in escrow they will have interest earnings on those proceeds until the bonds are paid off. Council President Wood asked how many staff would be effected by the sale of the ramp. Mr. McGrain pointed out there are two staffers dedicated to all 4 ramps. He has reached out to the Senate already to have discussions on the potential of contracting with the City to continue to maintain it, but nothing has been agreed upon. He also confirmed that once they entered into discussions on the sale of the ramp they freed up any future plans they had intended for the ramp. Regarding recent changes, he was not able to provide a list at this time.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION TO ACCEPT THE DEED TO THE TOWNSEND PARKING RAMP FROM THE LANSING BUILDNG AUTHORITY. MOTION CARRIED 8-0.
RESOLUTION – Set Public Hearing; ACT-33; Real Estate Sale/Purchase Agreement; Townsend Parking Ramp
Notification of Real Estate Purchase Agreement on File, City of Lansing and Michigan Senate, Townsend Parking Ramp located at 221 Townsend Street
MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR ACT -33 FOR JANUARY 28, 2019. MOTION CARRIED 8-0.

ADJOURN
The meeting was adjourned at 5:53 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by the Committee on
SECTION 3901
GENERAL

3901.1 Scope. Plant processing or extraction facilities shall comply with this chapter and the International Building Code. The extraction process includes the act of extraction of the oils and fats by use of a solvent, desolventizing of the raw material, production of the miscella, distillation of the solvent from the miscella and solvent recovery. The use, storage, transfilling and handling of hazardous materials in these facilities shall comply with this chapter, other applicable provisions of this code and the International Building Code.

3901.2 Existing buildings or facilities. Existing buildings or facilities used for the processing of plants or where the medium of extraction or solvent is changed shall comply with this chapter.

3901.3 Permits. Permits shall be required as set forth in Sections 105.6 and 105.7.

SECTION 3902
DEFINITIONS

3902.1 Definitions. The following terms are defined in Chapter 2:

DESOVLVENTIZING.

MISCELLA.

SECTION 3903
PROCESSING AND EXTRACTION

3903.1 Construction. Processing shall be located in a building complying with the International Building Code.

3903.2 Prohibited occupancies. Extraction processes utilizing flammable gases or flammable cryogenic fluids shall not be located in any building containing a Group A, E, I or R occupancy.

3903.3 Location. The extraction equipment and extraction processes utilizing hydrocarbon solvents shall be located in a room or area dedicated to extraction.

3903.4 Post-process purification and winterization. Post-processing and winterization involving the heating or pressurizing of the miscella to other than normal pressure or temperature shall be approved and performed in an appliance listed for such use. Domestic or commercial cooking appliances shall not be used.

3903.4.1 Industrial ovens. The use of industrial ovens shall comply with Chapter 30.

3903.5 Use of flammable and combustible liquids. The use of flammable and combustible liquids for liquid extraction processes where the liquid is boiled, distilled or evaporated shall be located within a hazardous exhaust fume hood, rated for exhausting flammable vapors. Electrical equipment within the hazardous exhaust fume hood shall be rated for use in flammable atmospheres. Heating of flammable or combustible liquids over an open flame is prohibited.

Exception: The use of a heating element not rated for flammable atmospheres, where documentation from the manufacturer, or approved testing laboratory indicates the element is rated for heating of flammable liquids.

3903.6 Liquefied petroleum gas. Liquefied petroleum gases shall not be released to the atmosphere except where released in accordance with Section 7.3 of NFPA 58.

SECTION 3904
SYSTEMS AND EQUIPMENT

3904.1 General requirements. Systems and equipment used with the processing and extraction of oils and products from plants shall comply with Sections 3904.2 through 3904.4 and 3903.2, and other applicable provisions of this code, the International Building Code and the International Mechanical Code.

3904.2 Systems and equipment. Systems or equipment used for the extraction of oils from plant material shall be listed or approved for the specific use. If the system used for extraction of oils and products from plant material is not listed, the system shall be reviewed by a registered design professional. The registered design professional shall review and consider any information provided by the system's designer or manufacturer. For systems and equipment not listed for the specific use, a technical report in accordance with Section 3904.3 shall be prepared and submitted to the
3904.3 Technical report. A technical report, reviewed and approved by the fire code official as required by Section 3904.2, is required prior to the equipment being located or installed at the facility. The report shall be prepared by a registered design professional or other professional approved by the fire code official.

3904.3.1 Report content. The technical report shall contain all of the following:

1. Manufacturer information.
2. Preparer of record of the technical report.
3. Date of review and report revision history.
4. Signature page, including all of the following:
   4.1. Author of the report.
   4.2. Date of report.
   4.3. Date and signature of registered design professional of record performing the design or peer review.
5. Model number of the item evaluated. If the equipment is provided with a serial number, the serial number shall be included for verification at the time of site inspection.
6. Methodology of the design or peer review process used to determine minimum safety requirements. Methodology shall consider the basis of design, and shall include a code analysis and code path to demonstrate whether specific codes or standards are applicable.
7. Equipment description. A list of every component and subassembly, such as fittings, hose, quick disconnects, gauges, test site glass, gaskets, valves, pumps, vessels, containers and switches, of the system or equipment, indicating the manufacturer, model number, material and solvent compatibility. Manufacturer’s data sheets shall be provided.
8. A general flow schematic or general process flow diagram of the process. Post-processing or winterization shall be included in this diagram. Primary components of the process equipment shall be identified and match the equipment list required in Item 7. Operating temperatures, pressures and solvent state of matter shall be identified in each primary step or component. A piping and instrumentation diagram (P&ID) shall be provided.
9. Analysis of the vessel(s) if pressurized beyond standard atmospheric pressure. Analysis shall include purchased and fabricated components.
10. Structural analysis for the frame system supporting the equipment.
11. Process safety analysis of the extraction system, from the introduction of raw product to the end of the extraction process.
12. Comprehensive process hazard analysis considering failure modes and points of failure throughout the process. The process hazard analysis shall include a review of emergency procedure information provided by the manufacturer of the equipment or process and not that of the facility, building or room.
13. Review of the assembly instructions, operational and maintenance manuals provided by the manufacturer.
14. List of references used in the analysis.

3904.4 Site inspection. Prior to operation of the extraction equipment, where required by fire code official, the engineer of record or approved professional, as approved in Section 3904.2, shall inspect the site of the extraction process to ensure that the equipment has been installed for compliance with the technical report and the building analysis. The engineer of record or approved professional shall provide a report of findings and observations of the site inspection to the fire code official prior to the approval of the extraction process. The field inspection report authored by the engineer of record shall include the serial number of the equipment used in the process and shall confirm that the equipment installed is the same model and type of equipment identified in the technical report.

SECTION 3905
SAFETY SYSTEMS

3905.1 Gas detection. For extraction processes utilizing flammable gases as solvents, a continuous gas detection system shall be provided. The gas detection threshold shall be not greater than 25 percent of the lower explosive limit/upper flammability limit (LFL/LFL) of the materials.

3905.1.1 System design. The flammable gas detection system shall be listed or approved and shall be calibrated to the types of fuels or gases used for the extraction process. The gas detection system shall be designed to activate when the level of flammable gas exceeds 25 percent of the LFL.

3905.1.2 Gas detection system components. Gas detection system control units shall be listed and labeled in accordance with UL 864 or UL 2017. Gas detectors shall be listed and labeled in accordance with UL 2075 for use with the gases and vapors being detected.

3905.1.3 Operation. Activation of the gas detection system shall result in all the following:
1. Initiation of distinct audible and visual alarm signals in the extraction room.
2. Deactivation of all heating systems located in the extraction room.
3. Activation of the mechanical ventilation system, where the system is interlocked with gas detection.
3905.1.4 Failure of the gas detection system. Failure of the gas detection system shall result in the deactivation of the heating system; activation of the mechanical ventilation system where the system is interlocked with the gas detection system; and initiation of a trouble signal to sound in an approved location.

3905.1.5 Interlocks. Electrical components within the extraction room shall be interlocked with the gas detection system. Activation of the gas detection system shall disable all light switches and electrical outlets.

3905.2 Emergency shutoff. Extraction processes utilizing gaseous hydrocarbon-based solvents shall be provided with emergency shutoff systems in accordance with Section 5803.1.3.
BY THE COMMITTEE ______
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Mayor made the reappointment of Anita L. Turner to the Medical Marihuana Commission for a term to expire November 27, 2019; and

WHEREAS, the Mayor’s office has verified that the nominee has been vetted and meets the qualifications as required by the City Charter; and

WHEREAS, the Committee _____________ took affirmative action;

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms the reappointment of Anita L. Turner to the Medical Marihuana Commission for a term to expire November 27, 2019.
Application for Appointment to Board or Commission

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

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

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

Date 12/10/2018

First Name Jeff

Middle Field not completed.

Last Name McAlvey

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

Date of Birth

Address 3432 Glasgow Dr

City Lansing

State MI

Zip Code 48911

Email jmcalvey@mcalvey.com
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<td>In what year did you move to Lansing?</td>
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<td>Partner, McAlvey Merchant &amp; Associates and Ottawa Street Biggby Coffee Shop</td>
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<td>Educational Background</td>
<td>BS MSU</td>
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<td>Please attach a resume if available</td>
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<td>First choice for board to serve on</td>
<td>Elected Officers Compensation Commission</td>
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<td>Please comment briefly on why you wish to serve on a particular board or commission. Please be specific as to your goals and ideas about how you wish to contribute to the work of the board or commission</td>
<td>As a long time Lansing resident, I want to see that Lansing taxpayer's money is spent wisely, but at the same time we compensate our elected officials at a level that ensures we can attract capable people to serve in those roles.</td>
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if you do not meet one or more of the qualifications or eligibility requirements listed at the top, please state here the requirement to be met and explain how you will be qualified or eligible before you would be sworn in to an appointed office

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

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Email not displaying correctly? [View it in your browser](#).
WHEREAS, the Mayor made the appointment of Jeff McAlvey of 3432 Glasgow Drive, Lansing, MI 48911 as an At-Large Member of the Elected Officers Compensation Commission for a term to expire October 1, 2025; and

WHEREAS, the nominee has been vetted by the Mayor's Office and meets the qualifications as required by the City Charter; and

WHEREAS, the Committee of the Whole met on February 4, 2019, and took affirmative action;

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms the appointment Jeff McAlvey of 3432 Glasgow Drive, Lansing, MI 48911 as an At-Large Member of the Elected Officers Compensation Commission for a term to expire October 1, 2025.
TO: COUNCIL PRESIDENT, COUNCIL VICE PRESIDENT, AND MEMBERS OF THE LANSING CITY COUNCIL; ALL OFFICERS, EMPLOYEES, AGENCIES, BOARDS, AUTHORITIES, AND DEPARTMENTS OF THE CITY OF LANSING

RE: EXECUTIVE ORDER ADOPTING THE 2018 CITY OF LANSING HAZARD MITIGATION PLAN

The City of Lansing recognizes the threat that natural and technological hazards pose to the people and community. Undertaking hazard mitigation actions will reduce the potential harm to people and property from future hazard occurrences. An adopted hazard mitigation plan is a required condition of future funding for multiple FEMA pre- and post-disaster mitigation grant programs. Michigan State Police Emergency Management and Homeland Security Division and Federal Emergency Management Agency officials have reviewed the 2018 City of Lansing Hazard Mitigation Plan and the Lansing Flood Mitigation Plan and have approved them contingent upon official adoption.

The following executive order shall be effective immediately.

EXECUTIVE ORDER – 2019-02

I hereby adopt the 2018 City of Lansing Hazard Mitigation Plan and Lansing Flood Mitigation Plan as conditionally accepted by the Michigan State Police and the Federal Emergency Management Agency.

Issued and ordered this Thirty-first day of January, 2019

[Signature]

Andy Schor, Mayor of the City of Lansing, Michigan
Hazard mitigation is the process of reducing the impact of hazards. No community will ever be completely safe from all hazards, but steps can be taken to make a community more resilient to the effects of disaster. The goal of this plan is to make Lansing’s residents, businesses, and infrastructure better able to withstand and recover from the effects of disaster.

Good mitigation is sustainable and fiscally responsible. Research shows that every dollar spent in mitigation saves at least four dollars in damage and response costs when a disaster occurs. Mitigation reduces future risk and future costs.

**Goals**

The goals of this mitigation plan are to:

- Identify mitigation priorities
- Identify pre-disaster mitigation opportunities
- Prepare Lansing to take effective advantage of post-disaster mitigation opportunities

> “Communities that actively engage in hazard and resiliency planning are less prone to disaster, recover faster from disasters which do occur, and endure less economic hardship than those communities which do not.” (Hazard and Resiliency Planning: Perceived Benefits and Barriers Among Land Use Planners. NOAA, 2010)

**Planning Process**

The city’s original hazard mitigation plan was developed in 2005 by the Tri-County Regional Planning Commission. Addendums to the plan were developed for flood and wildfire by local planning teams. The plan was fully revised by the Lansing Office of Emergency Management, and the addendums incorporated, in 2013. Revision of the plan began again in 2015. The following process was followed:

1. Update Hazard Vulnerability Analysis with input from groups of subject matter experts and members of the public
2. Collaborate with the Planning Department to ensure that the Hazard Mitigation Plan aligns with the city’s Master Plan
3. Hold public meetings seeking feedback
4. Assess progress in existing mitigation projects
5. Identify additional potential mitigation projects
6. Finalize hazard mitigation plan
7. Review by stakeholders, including public input  
8. Submit to City Council for final adoption  
9. Submit to FEMA for approval  

Projects  
The following types of projects will be considered for hazard mitigation:  

- Preventative – maintaining or improving systems to prevent an event from occurring, including zoning or development restrictions  
- Structural – altering the effect of a hazard by creating a barrier or physically changing the environment in which the hazard acts  
- Property Protection – strengthen or modify structures to minimize the effect of the hazard  
- Natural Resource Protection – reducing the impact of hazards by restoring or maintaining natural systems  
- Risk Communication – improving the ability to effectively communicate risk to those affected before and during a disaster  
- Emergency Response – improving emergency response capabilities for more effective crisis and consequence management  

Planning Requirement  
Under the Disaster Mitigation Act of 2000, local emergency management jurisdictions are required to submit a hazard mitigation plan for FEMA approval every five years. The Michigan Municipal Planning Act requires communities to review their Comprehensive Plan every five years. The planning cycle for the City’s Hazard Mitigation Plan and Comprehensive Plan overlap, which enables the two documents to be updated simultaneously. This ensures that priorities from one plan are represented in the other.
### CONFIRMATION

Lansing State Journal  
300 S Washington Square, Ste 300  
Lansing MI, 48933

LANSING OFFICE OF EMERGENCY MANAGEMENT  
815 MARSHALL ST  
LANSING MI 48912-

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*ALL TRANSACTIONS CONSIDERED PAID IN FULL UPON CLEARANCE OF FINANCIAL INSTITUTION*

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**Text of Ad:** 01/08/2019  

**City of Lansing, Michigan**  
**Notice of Public Plan Review**

Notice is hereby given that the Lansing Office of Emergency Management recently coordinated revision of the City of Lansing Hazard Mitigation Plan. The plan is available for review in person by making arrangements with the Office of Emergency Management, at the phone, number or email below, or it may be viewed on the City of Lansing website by visiting:

https://www.lansingmi.gov/DocumentCenter/View/6944

In compliance with the Federal Emergency Management Agency’s (FEMA) Local Mitigation Plan requirements, the City of Lansing is giving the public the opportunity to review and comment on the final draft plan before it is adopted.

The public is invited to submit any questions or comments regarding the plan no later than February 1, 2019.

Comments may be submitted by emailing EmergencyManagement@lansingmi.gov or by calling 517-483-4110.

Lansing Office of Emergency Management  
LSJ329479  
01/08/2019
1. OPENING SESSION

Mr. Ruge called the meeting to order at 6:30 p.m.

a. Present:  John Ruge, Josh Hovey, Tony Cox, Katie Alexander, Lynne Martinez & Marta Cerna
b. Absent:  Farhan Bhatti
c. Staff:  Bill Rieske, Susan Stachowiak, Doris Witherspoon & Ronda Oberlin

Mr. Hovey made a motion, seconded by Ms. Alexander to grant an excused absence for Dr. Bhatti. On a voice vote, the motion carried unanimously (6-0).

2. APPROVAL OF AGENDA

Mr. Rieske asked to have “Act-8-2018, 3418 Pleasant Grove (NE Corner), Easement for SWAG Public Art” added to the agenda under “New Business”.

Mr. Hovey made a motion, seconded by Ms. Alexander to approve the agenda with the addition of “Act-8-2018, 3418 Pleasant Grove (NE Corner), Easement for SWAG Public Art” under “New Business”. On a voice vote, the motion carried unanimously (6-0).

3. COMMUNICATIONS

Ms. Stachowiak stated that she received the following communication in opposition to Z-8-2018:

* Letter from Elaine Womboldt on behalf of Rejuvenating South Lansing, 4815 Tressa
* Email from Nancy Mahlow, 430 N. Fairview Avenue
* Email from Marilyn Irvine, 5211 Tulip Avenue

4. HEARINGS

A. Community Needs Public Hearing

Ms. Witherspoon stated that this is the time for a public hearing which will provide an opportunity for citizens to identify housing and community development needs and express preferences for the use of federal funds to address those needs in the City of Lansing in preparation of the City’s action plan for fiscal year 2019 covering the time period July 1, 2019 – June 30, 2020. The action plan is the annual application that the City of Lansing submits to the Department of Housing and Urban Development (HUD) to request federal funds, specifically, Community Development Block (CDBG), HOME and Emergency Solutions Grant (ESG) funds. CDBG funds provide funding for community revitalization purposes and can only be used to fund activities that fulfill at least one of the three national objectives:
(1) Benefit persons of low and moderate income,

(2) Elimination of slum and blight, or

(3) Urgent community need.

Ms. Witherspoon said that CDBG funds can be used to fund activities such as: housing rehabilitation, public service programs, and economic development. She said that the HOME program provides funding for activities such as down payment assistance and new construction. ESG eligible activities include: rapid re-housing, homelessness prevention, street outreach, emergency shelter (shelter operations), HMIS (Homeless Management Information System) and administration.

Ms. Witherspoon stated that last year, the City received increases in both CDBG and HOME dollars and less than a 1% decrease in ESG funds. She said that it is important that we address our community’s priority needs and that we use funds strategically so as to maximize the impact of federal resources available to the City of Lansing. Ms. Witherspoon said that any person in the audience that wishes to address the Planning Board on these matters should come forward, state their name and address and provide their comments. She said that written proposals and requests will also be accepted for consideration. She also said that it is required that all verbal proposals made at this time be submitted in writing to the City’s Development Office prior to January 15, 2019.

**Hope Lavell, no address given, BlueStar Development/Wada Group**, stated that her company is interested in renovating the former school at 2130 W. Holmes Road into a mixed use building consisting of offices, affordable housing, entrepreneurial space, a music program, etc. She stated that CDBG funds would be very helpful in seeing this project through to fruition.

**Angela Pruitt, Closing the Digital Gap, 809 Center Street, Suites 7B and 8B**, stated that this group, which focuses on digital literacy, has been in operation for 16 years. Ms. Pruitt said that they provide computer training and access to the internet for seniors, youth, veterans, disabled individuals, and others. She said that her organization is requesting funding to assist with their program.

**Ms. Moreno, no address given**, stated that she has 10 years of experience in providing multi-media training to students/young people to teach skills in film making, editing and writing. They give back and are engaged in the community. Ms. Moreno said that the purpose of the program is to allow young people to “tell their story”, expand their minds and obtain specialized skills.

**Joy Gleason, 1133 E. Malcolm X Street**, stated that she is part of the Truth, Racial Healing and Transformation of Metro Lansing economy team. She said that she does not have a formal proposal but stated that her group focuses on making positive changes in housing with regard to disparity for people of color. Ms. Gleason said that Lansing is one of the most difficult cities in the country with regard to home ownership for people of color in comparison to other races. She said that they will be working on a formal proposal within the next 4 years which will involve studying what other communities are doing to close this divide. Ms. Gleason extended an invitation to the Planning Board to attend one of their meetings.

Seeing no one else wishing to speak, Mr. Ruge closed the public hearing.
Ms. Witherspoon reminded those who spoke to submit their proposals in writing to the City of Lansing Development Office.

B. Z-8-2018, 5400 S. Cedar Street, Rezoning from “F” Commercial & “J” Parking districts to “G-2” Wholesale district

Ms. Stachowiak stated that this is a request by AMERICO Real Estate Company to rezone the property at 5400 S. Cedar Street from “F” Commercial & “J” Parking Districts to “G-2” Wholesale District. The purpose of the rezoning is to permit the property to be used for self-storage, U-Haul truck and trailer sharing and a moving and storage retail store. She said that the staff recommendation is to deny the request based upon its inconsistency with the surrounding zoning and land use patterns, the goals of the master plan and proper planning principles in general. Ms. Stachowiak said that the intent of both the Zoning Ordinance and the Master Plan is to concentrate the most intensive commercial land uses along major arterials, such as S. Cedar Street, where they receive maximum exposure to the highest volumes of traffic. Storage facilities, by contrast, are more appropriately located in areas where they are accessible from but not located directly on a major arterial.

Ms. Stachowiak stated that while the subject property adjoins a “G-2” zoned parcel of land to its west that is accessed via Perry Robinson, the vast majority of the properties along S. Cedar Street, including those that surround the subject property on 3 sides, are zoned “F” Commercial. Therefore, the proposed zoning would still be considered a “spot zone” of “G-2” Wholesale zoning along S. Cedar Street. She said that spot zoning is typically considered to be an inappropriate zoning practice because it affords development options to a single land owner that are not available to the adjoining properties and creates inconsistent land use patterns.

Ms. Stachowiak stated that S. Cedar Street is zoned, master planned and designed for customer-oriented, commercial uses that generate a high volume of traffic on a daily basis. She said that S. Cedar Street is intended for the types of uses that benefit from and in fact, depend on exposure to high volumes of traffic in order to provide a strong customer base for their businesses. The primary concern with self-storage uses is that they are not customer oriented businesses and as such, they generate very little traffic on a regular basis. Self-storage facilities are destination type uses that do not depend on pass-by traffic to create and sustain a customer base. Ms. Stachowiak said that the majority of the time, the parking lots are mostly vacant, with the exception of trucks and equipment that are available for lease, which detracts rather than contributes to a healthy commercial environment. She said that the other concern is that approval of the rezoning will set a negative precedent for future requests to rezoning commercial properties to the “G-2” Wholesale district to accommodate more self-storage facilities as there seems to be a lot of interest in doing so at this time.

Mr. Ruge opened the public hearing.

Jonathan Gilmore, President, U-Haul Western MI, spoke in support of the request. He said that U-Haul is a national retailer that has converted other vacant K-Mart stores in the state into self-storage facilities. He provided photographs of those projects. Mr. Gilmore said that it will not just be a self-storage facility but a retail facility as well providing packaging supplies and renting equipment and vehicles. He said that the plan shows an outlot near the northeast area of the site for another business that would generate even more activity. Mr. Gilmore stated that his team met with Councilman Garza who is supported of the request. He said that they will bring investment, employment, stability and security to an area that really needs it at this time. It will be well-lit and well-maintained with 24/7 security and they
will improve the appearance of the site and add greenspace to the sea of asphalt that currently exists. Mr. Gilmore stated that U-Haul is already investing a lot of money in south Lansing. He also said that they have been a member of the community for decades, have earned awards from the Southside Commercial Association and would like the opportunity to turn the property at 5400 S. Cedar Street from its current state into what would be a real asset to south Lansing.

Ms. Alexander asked if U-Haul has looked at other sites in the City.

Mr. Gilmore said that the subject property is an ideal location for the business as it located in an area where it gets a high volume of exposure to traffic which is necessary because U-Haul does not advertise. He said that the size of the property also fits in with U-Haul’s business model.

Mr. Ruge said that people want to see retail uses near the street. He asked Mr. Gilmore if they would be willing to create more outlots or reserve additional space near Cedar Street for that purpose. Mr. Ruge said that what he would like the applicant to consider is a plan where there is a row of commercial businesses close to Cedar Street with a drive leading back to the U-Haul facility. He suggested that the applicant work with City staff on a revised proposal that would address some of the concerns and bring it back to the Planning Board at its next meeting.

Mr. Gilmore said that the outlot shown on the plan is more than what they would normally desire as they do not want to be hidden back behind other businesses.

Ms. Stachowiak stated that providing for more retail space along S. Cedar Street would not change the staff recommendation as it would not satisfy some of the concerns described in the staff report.

Bruce Gershenson, 31500 Northwestern Hwy., Suite 100, Farmington Hills, MI 48334, spoke in favor of the request. He said that he is the owner of the property and he has reached out to many retailers over the past 2½ years, none of whom are interested in the property. Mr. Gershenson stated that reality changes things and the nature of S. Cedar Street has changed as well. He referenced the conversion of the former Builders Square building to a church a few years ago. Mr. Gershenson said that there has been a lot of interest in converting the building into a medical marijuana grow operation but they want something that there that the community can be proud of and this proposal would fulfill that objective. He said that it will bring investment, jobs and revitalization to the property and to the area in general.

Kathy Miles, 1128 Woodbine, spoke in opposition to the request. She said that the City is reaching a saturation point with self-storage facilities, particularly in south Lansing. Ms. Miles stated that self-storage facilities provide very few jobs and the nature of the business is contrary to the goals of revitalizing the area.

Don Horton, 5747 Ridgewood, spoke in opposition to the request. He said that he is involved with Rejuvenating South Lansing which is a group dedicated to the revitalization of the area and feels that another self-storage facility would be contrary to its efforts. Mr. Horton expressed concerns about other businesses that have closed in the area and the potential for them to be converted to self-storage rather than retail or other customer-oriented commercial businesses.
Rick O’Connor, no address given, spoke in support of the request. He said that he has been working with Mr. Gershenson over the past 2½ years to find a new tenant for the property and despite a huge effort, they have not been able to find anyone that wants to be located on S. Cedar Street in Lansing. Mr. O’Connor said that U-Haul is a great operator and the alternative is to leave the site vacant, thus allowing it to deteriorate and become subject to vandalism.

Joy Gleason, 1133 E. Malcolm X Street, stated that it was a mistake to allow the former EDS building to become a self-storage facility. She said that she would rather see that type of business located on the subject property and being run by U-Haul. Ms. Gleason said that with the new facilities coming in to the area, at some point the area will become oversaturated and the buildings will return to being vacant.

Mr. Gilmore said that self-storage is one of the only growth industries right now. He said that a lot of people are downsizing and millennials prefer smaller houses but still need a place to store their belongings until they eventually obtain much larger living quarters. He said that they live small now but dream big for the future.

Seeing no one else wishing to speak, Mr. Hovey closed the public hearing.

5. COMMENTS FROM THE AUDIENCE - None

6. RECESS – Not taken

7. BUSINESS

Mr. Rieske stated that Act-9-2018 is a request by the Board of Water and Light to grant an easement along the east side of Canal Road to Consumers Energy for gas service to its proposed natural gas power plant. The gas line is located along the west side of the LBWL property at that location. Mr. Rieske said that the Board of Water and Light plans to phase out its Erickson Power Plant in 2025, and eventually replace it with a natural gas-fired power plant at the site of the Erickson Plant in Delta Township. He said that the easement with Consumers is necessary for the transition from the coal-fired Erickson plant to the new plant.

Mr. Rieske said that Act-10-2018 is for sanitary and storm sewer easements to permit the development of the new McLaren Hospital on Collins Road.

A. Consent Items

(1) Minutes for approval: November 7, 2018

(2) Act-9-2018, Consumer’s Energy Easement on LBWL land

(3) Act-10-2018, McLaren Hospital Development, Sewer Easements

Without objection, the consent agenda was approved.

B. New Business

(1) Z-8-2018, 5400 S. Cedar Street, Rezoning from “F” Commercial & “J” Parking districts to “G-2” Wholesale district
Mr. Ruge said that he would be in favor of tabling the request to give the applicant an opportunity to work with City staff on a revised proposal that would be received more favorably.

Mr. Hovey made a motion, seconded by Ms. Martinez to table Z-8-2018 to give the applicant an opportunity to amend their request. On a voice vote, the motion carried (5-1). Ms. Cerna cast the dissenting vote.

(2) Hazard Mitigation Plan

Ronda Oberlin, City of Lansing, Hazard Mitigation Coordinator, stated that hazard mitigation is the process of reducing the impact of hazards and while no community will ever be completely safe from all hazards, steps can be taken to make a community more resilient to the effect of a disaster. She said that the goal of this plan is to make Lansing’s residents, businesses, and infrastructure better able to withstand and recover from the effects of a disaster. Ms. Oberlin said that good mitigation is sustainable and fiscally responsible. She said that research shows that every dollar spent in mitigation save at least 4 dollars in damage and response costs when a disaster occurs.

Ms. Oberlin said that the goals of this plan are to:

* Identify mitigation priorities
* Identify pre-disaster mitigation opportunities
* Prepare Lansing to take effective advantage of post-disaster mitigation opportunities

Ms. Oberlin said that the City’s original hazard mitigation plan was developed in 2005 by the Tri-County Regional Planning Commission and addendums to the plan were developed for flood and wildfire by local planning teams. The plan was then fully revised by the City’s Emergency Management division in 2015. This was done in collaboration with other City departments, community stakeholders, experts, elected officials and member of the public.

Ms. Oberlin said that there are several types of projects that will be considered for hazard mitigation including preventive measures, structural improvements, property and natural resource protection, risk communication and improving emergency response capabilities. She stated that under the Disaster Mitigation Act of 2000, local emergency management jurisdictions are required to submit a hazard mitigation plan for FEMA approval every five years. Ms. Oberlin said that the MI Municipal Planning Act requires a community to review its master plan every five years. She said that the planning cycle for the two plans overlay which enable the two documents to be updated simultaneously. Ms. Oberlin said that this ensure that priorities from one plan are represented in the other.

Ms. Martinez made a motion, seconded by Mr. Hovey to approve the Hazard Mitigation Plan, as presented. On a voice vote, the motion carried unanimously (6-0).

(3) Act-8-2018, NE Corner of 3418 Pleasant Grove, Easement for SWAG Public Art
Mr. Rieske stated that the Southwest Action Group (SWAG), the City, LEAP, and the Arts Council of Greater Lansing have been working together on the placement of public art in the business district at Holmes and Pleasant Grove. He said that SWAG and the City are proposing a public open space, with landscaping and a sculpture, on a SWAG-owned parcel split from the NE corner of 3418 Pleasant Grove. Mr. Rieske said that the Southwest Action Group (SWAG) wishes to convey an easement to the City over the entire property for the placement of public art. He said that the City would own and maintain the sculpture, and SWAG would own, maintain, and insure the property.

Ms. Martinez asked if there are any concerns with regard to utilities on the area of the site that would be covered by the easement.

Mr. Rieske said that the proposal was reviewed by the City’s Public Service Department and no concerns were expressed.

Mr. Hovey said that he is a big fan of public art and this project will be a great compliment to the other good things that have been happening in this area, including Beacon Field.

Ms. Miles stated that the art piece shown on the rendering in the packet is being built right now.

Mr. Hovey made a motion, seconded by Mr. Cox to recommend approval of Act-8-2018, an easement to the City for the purposes of installing public art at 3418 Pleasant Grove Road. On a voice vote, the motion carried unanimously (6-0).

9. REPORT FROM PLANNING MANAGER - None

10. COMMENTS FROM THE CHAIRPERSON - None

11. COMMENTS FROM BOARD MEMBERS

Mr. Hovey said that the art work on Pleasant Grove will be a great compliment to the area. He stated that there will be funding campaign kick-off in the near future for a playground, walking path, native plant garden and other amenities to improve the area.

Lynne Martinez stated that the Arcadia on E. Michigan has virtually no parking on the site. It is drawing a large amount of traffic that is not only taking up the commercial parking in the area but people are now parking on the side streets which is causing a lot problems for the residents. She said that there are other businesses in the area that need to be able to share the on-street parking on E. Michigan and the parking lots in the area in order to sustain their businesses. Ms. Martinez said that people are blocking driveways and parking in a manner that limits visibility at intersections. She also said that the new Gillespie development will make matters worse as they will not have much on-site parking either.

Ms. Stachowiak said that the property is in an overlay district which means that very little on-site parking is required.

Ms. Cerna said that other communities do not require much parking. She said that the businesses are doing well and people get used to vehicles parking on the side streets as that is part of living in an urban environment.
Kathy Miles stated that her main objection to the Form-Based Code is that it will not require enough parking. She said that it is very difficult to find parking in Reo Town and Old Town because they are overlay districts.

Ms. Stachowiak stated that the City is aware of the issues with parking for the Arcadia and is trying to find a way to mitigate the problem.

12. **ADJOURNMENT** – The meeting was adjourned at 8:13 p.m.
BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City of Lansing recognizes the threat that natural and technological hazards pose to people and the community; and

WHEREAS, undertaking hazard mitigation actions will reduce the potential harm to people and property from future hazard occurrences; and

WHEREAS, an adopted hazard mitigation plan is required as a condition of future funding for multiple FEMA pre- and post-disaster mitigation grant programs; and

WHEREAS, the Michigan State Police Emergency Management Division and the Federal Emergency Management Agency officials have reviewed the Lansing Hazard Mitigation Plan and the Lansing Flood Mitigation Plan and approved them contingent upon official adoption; and

WHEREAS, the Mayor signed Executive Order 2019-2 on January 31, 2019, adopting the 2018 Lansing Hazard Mitigation Plan and the Lansing Flood Mitigation Plan;

NOW THEREFORE, BE IT RESOLVED, the City Council hereby approves adoption of the 2018 Lansing Hazard Mitigation Plan as an official plan; and

BE IT FURTHER RESOLVED, the City Council approves submission of the adoption to the Michigan State Police Emergency Management Division and the Federal Emergency Management Agency, Region V, officials to enable the Lansing Hazard Mitigation Plan's final approval.
WHEREAS, a certain real estate purchase agreement relating to the Townsend Parking Ramp between the City of Lansing and the Michigan Senate has been submitted for the approval of this Council, having been on file with the City Clerk since December 20, 2018; and

WHEREAS, the City of Lansing Building Authority will convey title to the Townsend Parking Ramp to the City of Lansing for receipt by this Council; and

WHEREAS, a certain resolution authorizing the defeasance of bonds has been submitted for this Council’s approval, including an Amendment #6 to a contract of lease; and

WHEREAS, an Act 33 review of the preceding purchase agreement has been conducted by the City of Lansing Planning Board, pursuant to its procedures; and

WHEREAS, a resolution authorizing the substitution of property under contract with the tax increment finance authority has been submitted for this Council’s approval; and

WHEREAS, a public hearing is required on the above; and

WHEREAS, notice of the public hearing was provided on February 1, 2019.

NOW, THEREFORE, BE IT RESOLVED that a public hearing be set for Monday, February 11, 2019, 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 above items.

BE IT FINALLY RESOLVED that Council approves the Lansing City Clerk having provided notice on February 1, 2019 of this public hearing, as is required by City Charter.
CONFIRMATION

CITY OF LANSING CLERKS OFFICE
124 W MICHIGAN AVE FL 9
LANSING MI 48933-

Lansing State Journal
300 S Washington Square, Ste 300
Lansing, MI 48933

Sales Rep: kkrychiw
Order Taker: kkrychiw
Order Created: 01/29/2019

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*All transactions considered paid in full upon clearance of financial institution.

Text of Ad: 01/29/2019

CITY OF LANSING
NOTICE OF PUBLIC HEARING

The Lansing City Council will hold a public hearing on February 11, 2019, at
7:00 p.m. in the City Council Chambers, 10th Floor City Hall, 124 W. Michigan
Ave., Lansing, Michigan, to consider a resolution setting the parcel commonly
known as Townsend Parking Ramp, specifically described as:

Lots 7, 8, 9, and 10, ALSO that part of Lot 11 described as beginning at a point
on the East line of Lot 11 a distance of 134.64 feet Southernly from the
Northeast corner of Lot 11; thence Southernly along the East line of Lot 11 to
the Southeast corner of Lot 11; thence Westerly along the South line of Lot 11
to the Southwest corner of Lot 11; thence Northerly along the West line of Lot
11 to a point on the West line of Lot 11 a distance of 134.33 feet Southerly from
the Northwest corner of Lot 12; thence Easterly to the point of beginning of
Block 116, of the Original Plat of the City of Lansing, according to the record-
ed Plat as hereof recorded in Liber 2 of Plats, Page 36, Ingham County Re-

Details of the sale are on file with the City Clerk’s Office and are available at
Sixth Floor, City Hall, 124 West Michigan Ave., or www.lansingmi.gov/clerk.

For more information, call (517) 483-4177. If you are interested in this
matter, please attend the public hearing or send a representative. Written com-
ments will be accepted between 8 a.m. and 5 p.m. on City business days, Monday through Friday, between 8 a.m. and 5 p.m. of 483-4177.

For more information, please call 317-483-4177. If you are interested in this
matter, please attend the public hearing or send a representative. Written com-
ments will be accepted between 8 a.m. and 5 p.m. on City business days.

Chris Swope, Lansing City Clerk, MMC/CMMC
www.lansingmi.gov/Clrk
www.facebook.com/LansingClerkSwope
LSJ336332
LansingMI 01/29/2019
RESOLUTION #2019-

BY THE COMMITTEE OF THE WHOLE
RESOLUTION SETTING PUBLIC HEARING

RESOLVED BY THE CITY COUNCIL, CITY OF LANSING, that a public hearing be set for February 11, 2019 at 7:00 p.m. in the City Council Chambers, 10th Floor Lansing City Hall, 124 W. Michigan Ave., Lansing, MI for the purpose of considering amending Chapter 1610- Uniform Fire Code and Uniform Fire Code Standards by adopting by reference Chapter 39 Processing and Extraction Facilities of the 2018 International Fire Code.

Interested Persons are invited to attend this Public Hearing
From: Notices <notices@lansingcitypulse.com>
Sent: Tuesday, January 29, 2019 1:45 PM
To: Jackson, Brian <Brian.Jackson@lansingmi.gov>
Cc: Swope, Chris <Chris.Swope@lansingmi.gov>; Zuchowski, Monica <Monica.Zuchowski@lansingmi.gov>
Subject: Re: Public Notice for Feb 6

Brian,

Here is the proof of your public notice to run in the February 6 edition of City Pulse. Let me know if you’d like any changes.

Thank you,

Paul Shore
City of Lansing
Counties of Ingham and Eaton, State of Michigan

RESOLUTION AUTHORIZING SUBSTITUTION OF PROPERTY
UNDER CONTRACT WITH TAX INCREMENT FINANCE AUTHORITY

WHEREAS, the City of Lansing Michigan (the “City”) has previously created the Tax Increment Finance Authority of the City of Lansing (the “Authority”) under and in pursuance of the provisions of Act 450, Public Acts of Michigan, 1980, as amended (the “TIFA Act”); and

WHEREAS, pursuant to the TIFA Act, the Authority has prepared its amended Development Plan and Tax Increment Financing Plan for the Phase III – Lansing Convention/Exhibition Center and Associated Facilities and Parking System Project (such Plan, as it may be amended or supplemented in the future, is referred to herein as the “Plan”); and

WHEREAS, in order to implement the Plan, the City leases various automobile parking structures and lots (the “Project”) to the Authority pursuant to a Contract of Lease dated December 20, 1994 (the “Contract”); and

WHEREAS, under Section 10 of the Contract, the Authority may agree to release a portion of the Project and substitute other property of value equal to or greater than the value of the property being released; and

WHEREAS, the City wishes to release the portion of the Project described on Exhibit A of this resolution (the “Released Property”) from the Contract; and

WHEREAS, the City wishes to substitute the property described on Exhibit B of this resolution (the “Substituted Property”) for the Released Property;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City hereby requests that the Authority accept the Substituted Property as a portion of the Project subject to the Contract, and in exchange therefor that the Authority release the Released Property from the terms of the Contract. The actions authorized in this section are subject to the condition that the City Attorney is able to provide the Authority with an opinion that the conveyances are in compliance with the City Charter and applicable state law and City ordinances.

2. The City hereby determines that the value of the Project, after the consummation of such substitution of property, is equal to or greater than the value of the Project prior to the substitution.

3. Either the City Attorney or Finance Director is hereby directed to provide the Authority with an adequate legal description of that portion of the Project being released and of property to be substituted therefor, together with a survey thereof.

4. The City Council hereby approves Amendment No. 6 to Contract of Lease in substantially the form on file with the City Clerk, with such changes or revisions as may be
necessary or advisable as approved by the Mayor or the City Attorney. The Mayor and the City Clerk are hereby authorized to execute Amendment No. 6 and deliver it to the Authority.

5. The Mayor, City Clerk, City Finance Director, City Attorney, and other officers, administrators, agents and attorneys of the City are authorized and directed to execute such documentation and take all other actions necessary and convenient to facilitate the transactions authorized by this resolution.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

I certify that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Lansing, Counties of Ingham and Eaton, State of Michigan, at a Regular meeting held on ______________, 201__, at 7:30 p.m., Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

I further certify that the following Members were present at said meeting: __________

__________________________________________ and that the following Members were absent: ____________________________

I further certify that Member __________________ moved for adoption of said resolution and that Member __________________ supported said motion.

I further certify that the following Members voted for adoption of said resolution: __________

__________________________________________ and that the following Members voted against adoption of said resolution: ____________________________

__________________________________________

City Clerk
AMENDMENT NO. 6 TO CONTRACT OF LEASE

THIS AMENDMENT No. 6 TO CONTRACT OF LEASE (the “Contract”) IS MADE AND EXECUTED as of ______________, 201_ by and between the CITY OF LANSING (the “City”), 124 W. Michigan Ave., Lansing, Michigan 48933, a Michigan corporation organized and existing under the Constitution and laws of the State of Michigan, and the TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF LANSING (the “Authority” or “TIFA”) 124 W. Michigan Ave., Lansing, Michigan 48933, a public body corporate organized and existing under the authority of Act 450, Public Acts of Michigan, 1980, as amended.

WITNESSETH:

WHEREAS, pursuant to the TIFA Act, the Authority has prepared its amended Development Plan and Tax Increment Financing Plan for the Phase III – Lansing Convention/Exhibition Center and Associated Facilities and Parking System Project (such Plan, as it has or may be amended or supplemented in the future, is referred to herein as the “Plan”); and

WHEREAS, in order to implement the Plan, the City leases various automobile parking structures and lots (the “Project”) to the Authority pursuant to the Contract; and

WHEREAS, under Section 10 of the Contract, the Authority may release a portion of the Project from the Contract if the City substitutes other property therefor of value equal to or greater than the value of the property being released; and

WHEREAS, pursuant to Lansing City Council Resolution No. ______________ adopted ______________, 20_, the City has expressed its intent to release the portion of the Project described in Exhibit A attached hereto (the Released Property), from the Contract and to substitute the property described in Exhibit B attached hereto (the Substituted Property), in place of the Released Property; and

WHEREAS, [the City Finance Director certified to the City Council] \ [City Council has determined] that the value of the Project, after the consummation of such substitution of property, is equal to or greater than the value of the Project prior to the substitution.

IT IS, THEREFORE, AGREED BY AND BETWEEN THE PARTIES HERETO, for and in consideration of the agreement and covenants of each other and monies to be paid out to the other, as follows:

1. The Contract is hereby amended to release the Released Property described in Exhibit A from the terms and restrictions of the Contract and to substitute therefor the Substituted Property legally described in Exhibit B, subject to easement, restrictions, and agreements of record, and to make the Substituted Property subject to the terms and restrictions of the Contract.

2. The Authority acknowledges that the release from the Contract of the Released Property for the Substituted Property will not abate or diminish the Cash Rentals (as defined in
the Contract) or other obligations payable under the Contract. The Authority has determined that the purpose of the substitution is permitted under the Plan and will not adversely affect the obligations of the Authority under the Contract.

3. The Authority and the City hereby determine that the Contract, as amended by this Amendment No. 6, continues to constitute an "other protected obligation" as defined in the TIFA Act.

4. The City and the Authority agree that all conditions precedent to the release of the Released Property and substitution of the Substituted Property under the Contract have been met.

5. The Authority hereby determines that the purpose of the substitution is permitted under the Plan. The Authority and the City hereby determine that this Amendment will not adversely affect the obligations of the Authority heretunder.

IN WITNESS WHEREOF, the CITY OF LANSING, as authorized by its City Council, and the TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF LANSING, as authorized by its Board, have each caused its name to be signed to this instrument by its duly authorized officers and its seal to be affixed hereto the day and year first above written.

CITY OF LANSING

By _____________________________
  Mayor

By _____________________________
  Clerk

TAX INCREMENT FINANCE AUTHORITY
OF THE CITY OF LANSING

By _____________________________
  Chairperson

By _____________________________
  Secretary

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EXHIBIT A.

Description of the Portion of the Project
to be Released

TOWNSEND RAMP

Lots 7 through 10 inclusive, also South approximately 28 feet of Lot 11, Block 118 of the original plat, City of Michigan (now Lansing), Ingham County, Michigan, described as:
Commencing at a point on the East line of Lot 11 a distance of 104.04 feet Southerly from the Northeast corner of Lot 12; thence Southerly 291.81' to the Southeast corner of Lot 7; thence Westerly 165' along the South line of Lot 7 to the Southwest Corner of Lot 7; thence Northerly 291.98' along the East line of Townsend Street to the point of beginning. Contains approximately 1.10 acres, including the parking structure on the described parcel but excluding the air rights above the horizontal plane of 950'3" elevation of the described parcel.
EXHIBIT B
Description of the Portion of the Project
to be Substituted
City of Lansing
Counties of Ingham and Eaton, State of Michigan

RESOLUTION AUTHORIZING DEFEASANCE OF BONDS

WHEREAS, the City of Lansing, Counties of Ingham and Eaton, State of Michigan (the "City") has previously issued its $7,200,000 General Obligation Limited Tax Refunding Bonds, Series 2012 (Taxable) dated December 27, 2012 (the "2012 Bonds") and its General Obligation Refunding Bonds (Limited Tax), Series 2018, dated September 27, 2018 (the "2018 Bonds" and together with the 2012 Bonds, the "Bonds"); and

WHEREAS, proceeds of the Bonds were used to refinance prior issues of bonds previously issued to finance the Townsend Parking Ramp; and

WHEREAS, the City has accepted an offer to sell the Townsend Parking Ramp, and it wishes to use a portion of the proceeds of the sale to purchase securities to defease the Bonds, and to enter into an escrow agreement to provide for defeasance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Proceeds of the sale of the Townsend Parking Ramp shall be applied first to purchase of securities to defease the Bonds.

2. U.S. Bank National Association, Lansing, Michigan is selected to serve as Escrow Trustee (the "Escrow Trustee"). The Finance Director is authorized to enter into an Escrow Agreement (the "Escrow Agreement") on behalf of the City to provide for the creation and disposition of an Escrow Fund (the "Escrow Fund") for deposit of monies for the payment of the Bonds which are defeased. The Escrow Agreement shall irrevocably direct the Escrow Trustee to hold the Escrow Fund in trust for the payment of the principal of and interest on the Bonds being defeased, and to take all necessary steps to call for redemption any Bonds which can be called for redemption prior to maturity. The Finance Director is authorized to execute and deliver the Escrow Agreement and to purchase escrow securities to deposit to the Escrow Fund. The Finance Director is authorized to transfer monies from the debt retirement funds for the Bonds to the Escrow Fund. Costs of the defeasance and related matters shall be paid from a fund established for that purpose in the Escrow Agreement, including but not limited to including but not limited to costs of notices of call and defeasance of the Bonds, escrow trustee fees, verification agent fees, bond counsel fees, municipal advisor fees and bidding agent fees.

3. The Finance Director is directed to select an independent certified public accountant to serve as verification Trustee to verify that the securities and cash to be deposited to the Escrow Fund will be sufficient to provide, at the times and in the amounts required, sufficient moneys to pay the principal of and interest on the Bonds being defeased as the principal and interest becomes due upon maturity or call for redemption.

4. The City requests PFM Financial Advisors LLC (the "Municipal Advisor") to act as municipal advisor to the City with respect to defeasance of the Bonds.
5. The City requests Miller, Canfield, Paddock and Stone, P.L.C. to act as counsel to the City with respect to defeasance of the Bonds.

6. The Finance Director is authorized, in her discretion, to select a bidding agent, which may be the Municipal Advisor, to assist the City with purchase of the securities to be deposited to the Escrow Fund.

7. In the event that the Finance Director is not available to undertake responsibilities delegated to her under this resolution, then a person designated by the Finance Director is authorized to take such actions. The officers, administrators, agents and attorneys of the City are authorized and directed to take all other actions necessary and convenient to facilitate defeasance of the Bonds, and to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or convenient to complete the defeasance of the Bonds in accordance with this resolution, and to pay costs of the defeasance including but not limited to costs of notices of call and defeasance of the Bonds, escrow trustee fees, verification agent fees, bond counsel fees, municipal advisor fees and bidding agent fees.

8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

I certify that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Lansing, Counties of Ingham and Eaton, State of Michigan, at a Regular meeting held on ______________, 201__, at 7:30 p.m., Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

I further certify that the following Members were present at said meeting: ______________

____________________________________ and that the following Members were absent: ______________.

I further certify that Member ______________ moved for adoption of said resolution and that Member ______________ supported said motion.

I further certify that the following Members voted for adoption of said resolution: ______________ and that the following Members voted against adoption of said resolution: ______________.

____________________________________
City Clerk

32594516.1050796-00054
RESOLUTION #2019-__
NOTICE OF INTENT TO ISSUE BONDS
FOR PUBLIC SERVICE DEPARTMENT
WET WEATHER CONTROL PROGRAM PROJECT

CITY OF LANSING
(Ingham and Eaton Counties, Michigan)

WHEREAS, the State of Michigan Department of Environmental Quality has required, consistent with Administrative Consent Order #ACO-SW02-030, the City of Lansing (the “City”) to abate sanitary sewer overflows from its combined sewer collection system; and

WHEREAS, Act 320, Public Acts of Michigan, 1927, as amended, repealed and recodified by Part 43 of Act 451, Public Acts of Michigan, 1994, as amended (“Act 451”) enables a City to issue and sell bonds to finance construction of improvements required by a permit or order issued by the State of Michigan Department of Environmental Quality; and

WHEREAS, the City Council of the City intends to authorize the issuance of Limited Tax General Obligation Bonds pursuant to Act 451 in one or more series at an estimated interest rate of 2.00% and in an aggregate amount not to exceed $16,000,000 for the purpose of financing a sanitary sewer rehabilitation project, the Central Interceptor/Sycamore-Lindbergh Interceptor Rehabilitation Project Phase II; as further described in plans on file with the City related to the Wet Weather Control Program State Revolving Fund Project Plan, which Bonds will be payable from funds lawfully available to the City for this purpose such as revenues derived from the operation of the City’s Sewage Disposal System, special assessments, general fund monies and ad valorem taxes pursuant to a pledge of the City’s limited tax full faith and credit; and

WHEREAS, Notice of Intent to Issue Bonds must be published at least forty-five (45) days before the issuance of the same in order to comply with the requirements of Section 5(g) of Act 279, Public Acts of Michigan, 1909, as amended; and

WHEREAS, the City must appoint bond counsel for the issuance of the Bonds; and

WHEREAS, prior to issuance of each series of Bonds the City must (i) receive prior approval of the Bonds from the Michigan Department of Treasury (ii) be granted qualified status as provided in Act 34, Public Acts of Michigan, 2001, as amended;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to cause a Notice of Intent to Issue Bonds to be published, on or before February 6, 2019, in the LANSING CITY PULSE, or other newspaper of general circulation in the City, as a display advertisement at least ¼ page in size.

2. Said Notice of Intent so published shall be substantially in the following form:
OFFICIAL NOTICE TO ELECTORS AND TAXPAYERS
OF THE CITY OF LANSING
OF INTENT TO ISSUE BONDS SECURED BY THE TAXING
POWER OF THE CITY AND RIGHT OF REFERENDUM THEREON

PLEASE TAKE NOTICE that the City Council of the City of Lansing, Counties of Ingham and Eaton, Michigan, intends to authorize the issuance of Limited Tax General Obligations Bonds of the City in one or more series in an aggregate principal amount not to exceed $16,000,000 for the purpose of financing the Central Interceptor/ Sycamore-Lindbergh Interceptor Rehabilitation Project Phase II as further described in plans on file with the City (the “Improvements”), related to Wet Weather Control Program State Revolving Fund Project Plan and required by the Administrative Consent Order. Said Bonds shall mature in not to exceed thirty (30) annual installments with interest payable on the unpaid balance at an estimated interest rate of 2.00%, to be conclusively determined at the time of the sale of the Bonds.

SOURCE OF PAYMENT OF BONDS

The principal and interest of the Bonds shall be payable primarily from funds lawfully available to the City for this purpose such as revenues derived from the operation of the City’s Sewage Disposal System, special assessments, general fund monies and ad valorem taxes pursuant to a pledge of the City’s limited tax full faith and credit. Ad valorem taxes may not be levied in excess of the City’s charter tax rate limitation for this purpose.

RIGHT OF REFERENDUM

The Bonds will be issued without vote of the electors unless a PETITION requesting an election of the question of issuing the Bonds signed by not less than TEN PERCENT (10%) OF THE REGISTERED ELECTORS in the City is filed with the City Council by deposit with the City Clerk WITHIN FORTY-FIVE (45) DAYS after publication of this Notice. If such a petition is filed, the Bonds cannot be issued without an approving vote by a majority of electors voting on the question.

This Notice is given pursuant to the requirements of Section 5(g) of Act 279, Public Acts of Michigan, 1909, as amended. Further information concerning the matters set out in this Notice may be secured from the City Clerk’s Office.

Chris Swope,
City Clerk

3. The City Council hereby determines that the foregoing form of Notice of Intent to Issue Bonds and the manner of publication directed is adequate notice to the electors and taxpayers of the City and is well calculated to inform them of the intention of the City to issue the Bonds, the purpose of the Bonds, the security for the Bonds, and the right of referendum of the electors with respect thereto, and that the provision of forty-five (45) days within which to file a referendum petition is adequate to insure that the City’s electors may exercise their right of referendum with respect to the Bonds.
4. In order to comply with Federal Treasury Regulation § 1.150-2, the City Council states that the City intends to reimburse expenditures for Wet Weather Control Program Improvements with proceeds of the Bonds, including the Bonds described in this Resolution, by making the following declaration:

(A) The City reasonably expects to reimburse itself for the expenditures made to acquire the Improvements with proceeds of debt to be incurred by the City.

(B) The maximum principal amount of debt expected to be issued for reimbursement purposes including bond issuance costs is $16,000,000, which may be issued in one or more series.

(C) A reimbursement allocation of the expenditures for the Improvements with the proceeds of the borrowing described here will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date of Improvements are placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City’s use of the proceeds of the debt to be issued for the Improvements to reimburse the City for a capital expenditure made pursuant to this Resolution.

(D) This Resolution is adopted to indicate the intent of the City only, and does not bind the City to acquire and construct any Improvements or to issue any obligations of the City.

5. Either the Finance Director or the Public Service Director are authorized to request qualified status from the Michigan Department of Treasury and to pay the related fee, or to request the Michigan Department of Treasury to issue and order granting prior approval to issue Bonds, and to request any related waivers.

6. Miller, Canfield, Paddock and Stone, P.L.C., of Lansing, Michigan, is appointed as Bond Counsel with respect to the Bonds described in this Resolution.

7. All Resolutions and parts of Resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

ADOPTED BY THE FOLLOWING VOTE:

YEAS: ____________________________________________________________

NAYS: ____________________________________________________________
RESOLUTION #2019-__
RESOLUTION TO AUTHORIZE ISSUANCE OF
WET WEATHER CONTROL PROGRAM
LIMITED TAX GENERAL OBLIGATION BOND, SERIES 2019

CITY OF LANSING
(Ingham and Eaton Counties, Michigan)

WHEREAS, the State of Michigan Department of Environmental Quality (the “DEQ”) has required, consistent with Administrative Consent Order #ACO-SW02-030, the City of Lansing (the “City”) to abate combined sewer overflows from its combined sewer collection system; and

WHEREAS, Act 320, Public Acts of Michigan, 1927, as amended, repealed and recodified by Part 43 of Act 451, Public Acts of Michigan, 1994, as amended (“Act 451”) enables a City to issue and sell bonds to finance construction of improvements required by a permit or order issued by the DEQ; and

WHEREAS, the DEQ and the City have agreed to implement the Wet Weather Control Program State Revolving Fund Project Plan, as amended (the “Wet Weather Control Program Project Plan”), in compliance with the Administrative Consent Order; and

WHEREAS, the City desires to finance the Central Interceptor/Sycamore-Lindbergh Interceptor Rehabilitation Project Phase II as further described in plans on file with the City (the “Improvements”), which Improvements are related to the Wet Weather Control Program Project Plan and which are required by the Administrative Consent Order; and

WHEREAS, the City has been offered funding for the Improvements from the State Revolving Fund program (the “SRF Program”), which is a low-interest loan financing program administered by the Michigan Department of Treasury and the Michigan Finance Authority (the “Authority”); and

WHEREAS, in order to obtain loans from the SRF Program, the City must issue bonds and, on ____________, 2019, pursuant to Section 5(g) of Act 279, Public Acts of Michigan, 1909, as amended, the City published in the Lansing City Pulse the “Official Notice to Electors and Taxpayers of the City of Lansing of Intent to Issue Bonds Secured by the Taxing Power of the City and Right of Referendum Thereon” (the “Notice of Intent”), which described bonds to be issued in one or more series in an aggregate principal amount not-to-exceed $16,000,000 for the purpose of paying the costs of the Improvements; and

WHEREAS, to finance the cost of making the Improvements the City Council deems it necessary to borrow the sum of not to exceed $16,000,000 and to issue its Wet Weather Control Program Limited Tax General Obligation Bond, Series 2019 therefore pursuant to the provisions of Act 451 (the “Bond”); and
WHEREAS, the City Council determines that it is necessary to authorize the Director of Finance (an “Authorized Officer”) to complete sale and delivery of the Bond as described in the Notice of Intent and within the limitations contained in this Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED as follows:

1. **NECESSITY.** It is necessary for the public health, safety and welfare of the City to make the Improvements pursuant to the City’s Wet Weather Control Program Project Plan and issue the Bond pursuant to Act 451 to finance construction of the Improvements.

2. **ESTIMATED COST - PERIOD OF USEFULNESS.** The total cost of the Improvements, including the payment of engineer’s fees, legal and financial expenses and other expenses incident to the financing of the Improvements, which is estimated to be approximately $16,000,000 is hereby approved and confirmed, and the estimated period of usefulness of the Improvements is determined to be in excess of thirty (30) years.

3. **APPROVAL OF CONTRACT DOCUMENTS.** The City hereby approves the Purchase Contract between the City and the Michigan Finance Authority (the “Authority”), the Supplemental Agreement by and among the City, the Authority and the State of Michigan acting through the Department of Environmental Quality, and the Issuer’s Certificate (the “Contract Documents”) in such form as is approved by the Authorized Officer. The Authorized Officer and the Clerk, or any one or more of them, are authorized to sign the Contract Documents.

4. **ISSUANCE OF BOND.** To defray the cost of the Improvements, including legal, engineering, financial and other expenses, the City shall issue its bond known as the “Wet Weather Control Program Limited Tax General Obligation Bond, Series 2019” (the “Bond”) in the aggregate principal sum of not to exceed $16,000,000, as finally determined by the Authorized Officer at the time of sale, or such lesser amount thereof as shall have been advanced to the City pursuant to the Contract Documents, pursuant to the SRF Program. The balance of the cost of the Improvements, if any, shall be paid by grants or funds appropriated by the City.

During the time funds are being drawn down by the City under the Bond, the Authority will periodically provide the City a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the City of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of the Bond.
5. **BOND TERMS.** The Bond shall be issued as one fully registered manuscript bond, shall be sold and delivered to the Authority in any denomination. The Bond shall be dated the date of delivery to the Authority, or such other date approved by the Authorized Officer, and shall be payable on the dates determined by the Authorized Officer at the time of sale, provided the final maturity shall be no later than thirty years after the date of issuance. The Bond shall bear interest at a rate not to exceed two percent (2.00%) per annum as determined by the Authorized Officer, payable semiannually on the dates determined by the Authorized Officer at the time of sale. Notwithstanding the above, the final amount of any maturity and the terms of the Bond shall be as provided in the Contract Documents and will be finally determined by the Authorized Officer.

6. **PAYMENT OF PRINCIPAL AND INTEREST.** Both principal of and interest on the Bond shall be payable in lawful money of the United States of America to the person appearing on the Bond registration books as the registered owner thereof. Payment of principal on the Bond shall be made at the principal office of the Paying Agent (as defined below), upon surrender of the Bond. Payment of interest on the Bond shall be paid to the registered owner at the address as it appears on the registration books as of the determination date. Initially, the determination date shall be the date as of the fifteenth (15th) day of the month prior to the payment date for each interest payment; however, the determination date may be changed by the City to conform to market practice.

7. **SECURITY.** The City anticipates paying the principal of and interest on the Bond from funds lawfully available to the City for this purpose such as revenues derived from the operation of the City’s sewage disposal system and ad valorem taxes pursuant to a pledge of the City’s limited tax full faith and credit. The Bond shall be a limited tax general obligation of the City, and the City hereby pledges its full faith and credit for the prompt payment of the principal of and interest on the Bond as and when due. Each year, the City shall include in its budget as a first budget obligation an amount sufficient to pay such principal and interest as the same shall become due. In the event there are insufficient moneys for the payment of principal of and interest on the Bond, the City shall levy a tax on all taxable property in the City for the prompt payment of principal and interest on the Bond; provided, however, that at the time of making any such annual tax levy, the City shall take into account in determining such annual tax levy other moneys available to pay principal of and interest on the Bond, including Net Revenues of the System, special assessments, or any other moneys available to the City. Taxes, if any, levied pursuant hereto shall be limited as to rate and amount by applicable, constitutional, statutory and charter limitations on the taxing power of the City.

8. **PRIOR REDEMPTION.** The Bond issued and sold to the Authority shall be subject to redemption prior to maturity by the City only with the prior written consent of the Authority and on such terms as may be required by the Authority.
9. **PAYING AGENT AND REGISTRATION.**  
(a) **Appointment of Paying Agent.** From time to time the City shall designate and appoint a Paying Agent, which may also act as transfer agent and bond registrar (the “Paying Agent”). The initial Paying Agent shall be designated by the Authorized Officer. In the event of a change in the Paying Agent, notice shall be given in writing, by certified mail, to each Registered Owner not less than sixty (60) days prior to the next interest payment date. The Paying Agent shall keep the official books for the recordation of the Registered Owners of the Bond.

(b) **Registration of Bond.** Registration of the Bond shall be recorded in the registration books of the City to be kept by the Paying Agent. The Bond may be transferred only by submitting the same, together with a satisfactory instrument of transfer signed by the Registered Owner or the Registered Owner’s legal representative duly authorized in writing, to the Paying Agent, after which a new Bond or Bonds shall be issued by the Paying Agent to the transferee (new registered owner) in any denomination, in the same aggregate principal amount as the Bond submitted for transfer. No transfer of Bonds shall be valid unless and until recorded on the bond registration books in accordance with the foregoing. The person in whose name any bond is registered may for all purposes, notwithstanding any notice to the contrary, be deemed and treated by the City and the Paying Agent as the absolute owner thereof, and any payment of principal and interest on any Bond to the Registered Owner thereof shall constitute a valid discharge of the City’s liability upon such Bond to the extent of such payment. No Bond shall be transferred less than fifteen (15) days prior to an interest payment date nor after the Bond has been called for redemption.

(c) **Authority’s Depository.** Notwithstanding any other provision of this Resolution or the Bond, so long as the Authority is the owner of the Bond, (i) the Bond is payable as to principal and interest at The Bank of New York Mellon Trust Company, N. A., or at such other place as shall be designated in writing to the City by the Authority (the “Authority’s Depository”); (ii) the City agrees that it will deposit with the Authority’s Depository payments of the principal of and interest on the Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority’s Depository has not received the City’s deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority’s administrative costs and lost investment earnings attributable to that late payment; and (iii) written notice of any redemption of the Bond shall be given by the City and received by the Authority’s Depository at least 40 days prior to the date on which such redemption is to be made.

10. **SALE OF BOND.** The Bond shall be sold to the Authority. The City determines that a negotiated sale to the Authority is in the best interest of the City because the terms offered by the Authority are more favorable than those available from other sources of funding.

11. **BOND FORM.** The Bond shall be substantially in the form attached hereto as Exhibit A, and incorporated herein, with such changes as may be required by
the Authority or as recommended by the City’s Bond Counsel and approved by the officers of the City signing the Bond.

12. **EXECUTION OF BOND.** The Mayor and the Clerk of the City are hereby authorized and directed to sign the Bond, either manually or by facsimile signature, on behalf of the City. Upon execution, the Bond shall be delivered to the Authority in accordance with the Contract Documents.

13. **BOND MUTILATED, LOST OR DESTROYED.** If any Bond shall become mutilated, the City, at the expense of the holder of the Bond, shall execute, and the Paying Agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the Paying Agent of the mutilated Bond. If any Bond issued under this Resolution shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the Paying Agent and, if this evidence is satisfactory to both the City and the Paying Agent and indemnity satisfactory to the Paying Agent shall be given, the City, at the expense of the owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like tenor, which shall bear the statement required by Act No. 354, Public Acts of Michigan, 1972, as amended, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Paying Agent may pay the same without surrender thereof.

14. **BOND PAYMENT FUND.** For payment of principal of and interest on the Bond, there shall be established and maintained a debt service fund for the Bond (the “Bond Payment Fund”). The accrued interest, if any, and capitalized interest, if any, received at the time of delivery of the Bond shall be placed into the Bond Payment Fund. The City shall budget annually a sufficient amount to pay the annual principal of and interest on the Bond and deposit such amount in the Bond Payment Fund as needed to make payments of principal and interest as they become due. The obligation of the City to pay the principal of and interest on the Bond will be a first budget obligation. Moneys in the Bond Payment Fund shall be expended solely for payment of principal and interest on the Bond which first come due. Any moneys remaining in the Bond Payment Fund after the annual payments of principal of and interest on the Bond shall be transferred to the Sewer Fund or the General Fund and shall no longer be pledged hereunder.

15. **CONSTRUCTION FUND.** Prior to delivery and sale of the Bond, there shall be established a construction fund for the Project (the “Construction Fund”). After deducting the sums which are required to be deposited in the Bond Payment Fund, the balance of the proceeds of the Bond shall be deposited into the Construction Fund. The moneys on deposit in the Construction Fund from time to time shall be used solely for the purpose for which the Bond was issued. Any unexpended balance shall be used for such purposes as allowed by law. Any moneys remaining in the Construction Fund after payment of all such costs shall be transferred to the Bond Payment Fund or may be returned to the Authority. After completion of the Improvements and disposition of
any remaining bond proceeds, pursuant to the provisions of this Section, the Construction Fund shall be closed.

The appropriation of moneys for “eligible” (not to exceed the maximum Principal Amount of the Bond) and “ineligible” costs of the improvements (as those terms are defined by the Authority and DEQ) is hereby approved. Said moneys shall be used solely for the purposes of making improvements included in the Wet Weather Control Program Project Plan approved by the DEQ, and ancillary related expenses.

16. INVESTMENT OF FUNDS. Moneys in the funds and accounts established herein may be invested by the City as allowed by law, subject to the provisions of Act 20, Public Acts of Michigan, 1943, as amended, or any statute subsequently adopted regulating investments by the City, and subject to the limitations imposed by arbitrage regulations and Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder (collectively the “Code”).

17. DEPOSITORY AND FUNDS ON HAND. Moneys in the several funds and accounts maintained pursuant to this Resolution may be kept in one or more accounts at financial institutions designated by resolution of the City, and if kept in one account, the moneys shall be allocated on the books and records of the City in the manner and at the times provided in this Resolution.

18. COVENANTS. The City covenants and agrees with the successive holders of the Bond that so long as any of the Bond remains outstanding and unpaid as to either principal or interest:

(a) It will cause the principal of and interest on the Bond to be paid promptly when due, but solely from the funds pledged by this Resolution.

(b) It will make no use of the proceeds of the Bond, or any other funds which may be deemed to be proceeds of the Bond pursuant to Section 103(c) of the Code which, if the use had been reasonably expected on the date of issuance of the Bond, would have caused the Bond to be “arbitrage bonds” within the meaning of that Section, and will comply with all requirements of the Code throughout the term of the Bond.

(c) It will not permit at any time or times any of the proceeds of the Bond or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of the Bond from the treatment afforded by Section 103(a) of the Code, as from time to time amended.

(d) It will, if required to do so, rebate the amount required by Section 148(f)(2) of the Code in accordance with the provisions of Section 148(f)(3) of the Code.

19. ADDITIONAL BONDS. In accordance with the provisions of Act 451, the City reserves the right to issue additional bonds, which shall be of equal standing and priority with the Bond.

20. CONTRACT WITH BONDHOLDERS. The provisions of this Resolution shall constitute a contract between the City and the holder or holders of the Bond from
time to time, and after the issuance of any of such Bond, no change, variation or alteration of the provisions of this Resolution may be made which would lessen the security for the Bond. The provisions of this Resolution shall be enforceable by appropriate proceedings taken by such holder or holders, either at law or in equity.

21. **AUTHORIZED OFFICER:** The Director of Finance (the “Authorized Officer”) is hereby designated, for and on behalf of the City, to do all acts and to take all necessary steps required to effectuate the sale, issuance and delivery of the Bond to the Authority. The Authorized Officer is hereby authorized to execute and deliver the Contract Documents in such form as the Authorized Officer shall approve. Notwithstanding any other provision of this Resolution, the Authorized Officer is authorized within the limitations of the resolution to determine the specific interest rate or rates to be borne by the Bond, not exceeding 3% per annum, the principal amount, interest payment dates, dates of maturities, and amount of maturities, redemption rights, the title of the Bond, date of issuance, and other terms and conditions relating to the Bond and the sale thereof provided, however, the last annual principal installment shall not be more than thirty years from the date of the Bond. The Authorized Officer's approval of the terms shall be evidenced by his or her signature on the document or agreement stating such terms. The Authorized Officer is hereby authorized for and on behalf of the City, without further City Council approval, to do all acts and take all necessary steps required to effectuate the sale, issuance, and delivery of the Bond. The Authorized Officer, together with the Mayor, the Clerk, and other proper officers and employees of the City, or any one or more of them, are authorized to take any actions necessary to comply with requirements of the Authority and DEQ in connection with the sale of the Bond to the Authority, and to execute any orders, receipts, agreements, pledge agreements, documents or certificates necessary or convenient to complete the transaction, including, but not limited to, any issuer’s certificate, any certificates relating to federal or state securities laws, rules or regulations, any applications to the Michigan Department of Treasury, and any revenue sharing pledge agreement. The City hereby approves the Issuer’s Certificate in such form as is approved by the Authorized Officer.

22. **DEFEASANCE.** In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional or mandatory redemption, the principal of and interest on the Bond, shall be deposited in trust, this Resolution shall be defeased and the owners of the Bond shall have no further rights under this Resolution except to receive payment of the principal of and interest on the Bond from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange bonds as provided herein.

23. **INTERNAL REVENUE CODE.** The City has consulted with its bond counsel and understands that the Code contains certain requirements on (i) the expenditure of proceeds from the sale of the Bond, (ii) the investment of the proceeds from the issuance of the Bond and (iii) the rebate of interest earned on the investment of
the proceeds of the Bond under certain circumstances. The City hereby covenants to comply with such requirements.

24. **BOND COUNSEL.** The engagement of the firm of Miller, Canfield, Paddock and Stone, P.L.C. of Lansing, Michigan, as bond counsel to the City in connection with the issuance of Bond is hereby ratified, confirmed and approved.

25. **RESOLUTION SUBJECT TO MICHIGAN LAW.** The provisions of this Resolution are subject to the laws of the State of Michigan.

26. **SECTION HEADINGS.** The section headings in this Resolution are furnished for convenience of reference only and shall not be considered to be a part of this Resolution.

27. **SEVERABILITY.** If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

28. **CONFLICT.** Except as provided above, all resolutions or parts thereof, insofar as the same may be in conflict herewith, are hereby repealed; provided, that the foregoing shall not operate to repeal any provision thereof, the repeal of which would impair the obligation on the Bond.

29. **EFFECTIVE DATE OF RESOLUTION.** This Resolution is determined by the City Council to be immediately necessary for the preservation of the peace, health and safety of the City and shall be in full force and effect from and after its passage.
EXHIBIT A

NO. ___

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTIES OF INGHAM AND EATON
CITY OF LANSING
WET WEATHER CONTROL PROGRAM
LIMITED TAX GENERAL OBLIGATION BOND, SERIES 2019

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Date of Original Issue</th>
</tr>
</thead>
</table>

Registered Owner: MICHIGAN FINANCE AUTHORITY
Principal Amount:

The City of Lansing, Ingham and Eaton Counties, Michigan (the “City”), acknowledges itself indebted and, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the amounts and on the Dates of Maturity set forth on Schedule I attached hereto, together with interest thereon from the dates of receipt of such funds, or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on _____________ and semiannually thereafter on the first day of April and October of each year, except as the provisions hereinafter set forth with respect to redemption of this Bond prior to maturity may become applicable hereto.

The City promises to pay to the Michigan Finance Authority (the “Authority”) the principal amount of this Bond or so much thereof as shall have been advanced to the City pursuant to a Purchase Contract between the City and the Authority and a Supplemental Agreement by and among the City, the Authority and the State of Michigan acting through the Department of Environmental Quality.
During the time funds are being drawn down by the City under this Bond, the Authority will periodically provide the City a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the City of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.

Notwithstanding any other provision of this Bond, so long as the Authority is the owner of this Bond, (a) this Bond is payable as to principal and interest at The Bank of New York Mellon Trust Company, N. A., or at such other place as shall be designated in writing to the City by the Authority (the “Authority’s Depository”); (b) the City agrees that it will deposit with the Authority’s Depository payments of the principal of and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority’s Depository has not received the City’s deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority’s administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this Bond shall be given by the City and received by the Authority’s Depository at least 40 days prior to the date on which such redemption is to be made.

This Bond being one fully registered manuscript bond is issued in accordance with the provisions of Part 43 of Act 451, Public Acts of Michigan, 1994, as amended (“Act 451”), and a resolution adopted by the City Council of the City on __________, 2019, for the purpose of paying a portion of the cost of purchasing, acquiring and constructing sanitary sewer improvements (the “Improvements”) as part of the Wet Weather Control Program State Revolving Fund Project Plan, as amended, in compliance with Administrative Consent Order #ACO-SW02-030.

The City has pledged the limited tax, full faith, credit and resources of the City for the prompt payment of the principal of and interest on the Bond, in which event the City may levy a tax on all taxable property in the City for the payment of principal and interest on the Bond, which tax shall be limited as to rate and amount by applicable constitutional, statutory and charter limitations on the taxing power of the City. The City reserves the right to issue additional bonds in accordance with the provisions of Act 451 or other applicable law which shall be of equal standing and priority with the Bond.

This Bond is subject to redemption prior to maturity by the City only with the prior written consent of the Authority and on such terms as may be required by the Authority.
In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the “additional interest”) at a rate equal to the rate of interest which is two percent above the Authority’s cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this Bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the City’s default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this Bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the City shall and hereby agrees to pay on demand only the City’s pro rata share (as determined by the Authority) of such deficiency as additional interest on this Bond.

It is hereby certified and recited that all acts, conditions and things required by law, precedent to and in the issuance of this Bond, exist and have been done and performed in regular and due time and form as required by law and that the total indebtedness of the City including this Bond, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Lansing, Ingham and Eaton Counties, Michigan, by its City Council, has caused this Bond to be signed, by the manual or facsimile signatures of its Mayor and Clerk, all as of the _____ day of _____________, 2019.

______________________________
Andy Schor, Mayor

______________________________
Chris Swope, Clerk
ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto ___

(please print or type social security number or taxpayer identification number and name
and address of transferee)

the within bond and all rights thereunder, and does hereby irrevocably constitute and
appoint ______________________________ attorney to transfer the within bond on the
books kept for registration thereof, with full power of substitution in the premises.

Dated: ___________________   Signed: ______________________________

In the presence of: __________________________

Notice: The signature to this assignment must correspond with the name as it
appears upon the face of the within bond in every particular, without alteration
or enlargement or any change whatever. When assignment is made by a
guardian, trustee, executor or administrator, an officer of a corporation, or
anyone in a representative capacity, proof of his authority to act must
accompany the bond.

Signature(s) must be guaranteed by an eligible guarantor institution participating in a
Securities Transfer Association recognized signature guaranty program.

Signature Guaranteed: ______________________________
SCHEDULE I

Name of Issuer    CITY OF LANSING
DEQ Project No:  5005-23
DEQ Approved Amount:

SCHEDULE I

Based on the schedule provided below, unless revised as provided in this paragraph, repayment of principal of the Bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order") approves a principal amount of assistance less than the amount of the Bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority, the Authority shall prepare a new payment schedule that shall be effective upon receipt by the Issuer.

<table>
<thead>
<tr>
<th>Due Date</th>
<th>Amount of Principal Installment Due</th>
</tr>
</thead>
</table>

Interest on the Bond shall accrue on that portion of principal disbursed by the Authority to the Issuer from the date principal is disbursed, until paid, at the rate of 2.00% per annum, payable _________ 1, 20__, and semiannually thereafter.
The Issuer agrees that it will deposit with The Bank of New York Mellon Trust Company, N. A., or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository") payments of the principal of and interest on this Bond in immediately available funds by 12:00 p.m. (noon) at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the Issuer's deposit by 12:00 p.m. (noon) on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.
RESOLUTION DECLARED ADOPTED.

Chris Swope, City Clerk
City of Lansing

STATE OF MICHIGAN   )
COUNTY OF INGHAM  ) SS

I, Chris Swope, the duly qualified and acting Clerk of the City of Lansing, Ingham and Eaton Counties, Michigan (the “City”) do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council at a meeting held on ____________, 2019, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended.

IN WITNESS WHEREOF, I have hereunto affixed my signature this ___ day of __________, 2019.

Chris Swope, City Clerk
City of Lansing
City of Lansing
Fiscal Year 2017/2018 Fund Financial Results
February 4, 2019 City Council Presentation
## FY 2018 Year-End Results - General Fund/Budget Stabilization Fund
(Includes Stadium Fund as displayed in CAFR)

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Stadium Fund</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$ 129,961,897</td>
<td>629,613</td>
<td>$ 130,591,510</td>
</tr>
<tr>
<td>General Fund/Stadium Transfer</td>
<td>(525,414)</td>
<td>525,414</td>
<td>-</td>
</tr>
<tr>
<td>Expenditures</td>
<td>127,807,237</td>
<td>1,155,027</td>
<td>128,962,264</td>
</tr>
</tbody>
</table>

**Surplus/(Deficit) of Revenues over Expenditures**

\[
\frac{1,629,246}{1,629,246} - \frac{0}{-} = 1,629,246
\]

### Changes in Fund Balance Assignments

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Stadium Fund</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in <strong>Unassigned</strong> Fund Balance</td>
<td>$ 1,719,403</td>
<td>$ -</td>
<td>$ 1,719,403</td>
</tr>
</tbody>
</table>

(1) Because the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances on page 38 of the CAFR does not document changes in fund balance restrictions, the Net Change in Fund Balance shows as $1,629,246. However, due to the changes in fund balance assignments noted above, unassigned fund balance increased by $1,719,403. That increase is demonstrated when the unassigned fund balance of $17,003,260 (page 36 of FY 2018 CAFR) is compared to the FY 2017 unassigned fund balance of $15,283,857 (page 36 of FY 2017 CAFR), and as indicated below.

### Change in General Fund/Budget Stabilization Fund Balances

#### FY 2017 Available/"Unassigned" Fund Balance

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$ 7,898,559</td>
</tr>
<tr>
<td>Budget Stabilization Fund</td>
<td>7,385,298</td>
</tr>
<tr>
<td><strong>Total Combined Beginning Fund Balance</strong></td>
<td><strong>$ 15,283,857</strong></td>
</tr>
</tbody>
</table>

Surplus/(Deficit) (from above) $ 1,719,403

#### FY 2018 Available/"Unassigned" Fund Balance

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$ 9,210,650</td>
</tr>
<tr>
<td>Budget Stabilization Fund</td>
<td>7,792,610</td>
</tr>
<tr>
<td><strong>Total Combined Ending Fund Balance</strong></td>
<td><strong>$ 17,003,260</strong></td>
</tr>
</tbody>
</table>

### Total General Fund Reserves as a Percent of Expenditures - 6/30/2018

13.3%

### Total General Fund Reserves as a Percent of Expenditures - Target

12.0% - 15.0%

### Total General Fund Reserves as a Percent of Expenditures - 6/30/2017

12.4%
### Other Operating Funds - Unrestricted Fund Balances as of June 30, 2018

#### Unrestricted ("Unassigned") Fund Balances as of June 30, 2018

<table>
<thead>
<tr>
<th>Fund</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Streets Fund</td>
<td>$6,949,670</td>
</tr>
<tr>
<td>Local Streets Fund</td>
<td>$359,813</td>
</tr>
<tr>
<td>Federal Drug Enforcement Fund</td>
<td>$297,514</td>
</tr>
<tr>
<td>State/Local Drug Enforcement Fund</td>
<td>$739,289</td>
</tr>
<tr>
<td>Tri-County Metro Drug Enforcement Fund</td>
<td>$460,165</td>
</tr>
<tr>
<td>State &amp; Local Grant Fund</td>
<td>$0</td>
</tr>
<tr>
<td>Community Development Block Grant/Home Grant/ESG Grant Funds</td>
<td>$0</td>
</tr>
<tr>
<td>Downtown Lansing, Inc.</td>
<td>$44,278</td>
</tr>
<tr>
<td>Building Safety Fund</td>
<td>$0</td>
</tr>
</tbody>
</table>

#### Garbage & Unrestricted Fund Balances as of June 30, 2018

- Cemeteries
- Golf
- Rubbish
- Recycling
- Sewer
- Parking

#### Enterprise Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>FY 2018 CAFR page</th>
<th>Cemeteries</th>
<th>Golf</th>
<th>Rubbish</th>
<th>Recycling</th>
<th>Sewer</th>
<th>Parking</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018 Ending Unrestricted Net Position With Pension &amp; OPEB Liabilities</td>
<td>170</td>
<td>$74,567</td>
<td>$(5,864,791)</td>
<td>$(9,059,282)</td>
<td>$5,721,253</td>
<td>$(2,032,396)</td>
<td></td>
</tr>
<tr>
<td>Less: Pension Assets/Liabilities</td>
<td>1,535,184</td>
<td>-</td>
<td>3,373,766</td>
<td>4,182,779</td>
<td>14,032,340</td>
<td>5,456,647</td>
<td></td>
</tr>
<tr>
<td>Less: OPEB (Retiree Healthcare) Assets/Liabilities</td>
<td>1,199,183</td>
<td>2,524,033</td>
<td>5,918,509</td>
<td>23,092,772</td>
<td>7,044,374</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2018 Ending Unrestricted Net Position Without Pension Liability</td>
<td>$40,183</td>
<td>$74,567</td>
<td>$33,008</td>
<td>$1,042,006</td>
<td>$42,846,365</td>
<td>$10,468,625</td>
<td></td>
</tr>
</tbody>
</table>
Honorable Mayor and
Members of the City Council
City of Lansing, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan (the "City") as of and for the year ended June 30, 2018, and have issued our report thereon dated December 21, 2018. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated August 13, 2018, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated December 21, 2018. In addition, we noted certain other matters which are included in Attachment A to this letter.
Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on October 26, 2018.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the City’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements.

As described in Note 20 to the financial statements, the City changed accounting policies related to accounting for other postemployment benefit (“OPEB”) plans by adopting Statement of Governmental Accounting Standards (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities and the Statement of Revenues, Expenses, and Changes in Fund Net Position.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management’s estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.

- Management’s estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.

- Management’s estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
· Management’s estimate of the insurance claims incurred but not reported is based on information provided by the entity’s third party administrators and subsequent claims activity.

· The assumptions used in the actuarial valuations of the pension and other postemployment benefits plans are based on historical trends and industry standards.

· Management’s estimate of the leases receivable balances is based on past experience and future estimates of lease collections.

· Management’s estimate of the income tax receivable balance is based on past experience utilizing the first 45 days collections of income tax withholdings.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

**Significant Difficulties Encountered During the Audit**

The timing of our audit procedures was delayed from the schedule agreed to during the planning stages of our engagement due to delays in the availability of supporting documentation and the ability of City staff to provide needed follow-up documentation in expected timeframes. This condition appears to largely be the result of limited staffing levels in the Finance Department.

**Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements detected as a result of audit procedures and corrected by management are described in the Schedule of Findings and Responses issued in connection with our report on internal control over financial reporting.

The schedule of adjustments passed is included with management’s written representations in Attachment C to this letter, and summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City’s financial statements or the auditors’ report. No such disagreements arose during the course of the audit.
Representations Requested from Management

We have requested certain written representations from management, which are included in Attachment C to this letter.

Management’s Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Upcoming Changes in Accounting Standards

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of the City of Lansing, Michigan and is not intended to be and should not be used by anyone other than these specified parties.
During our audit, we became aware of certain other matters that are opportunities for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding those matters. Our consideration of the City's internal control over financial reporting is described in our report, dated December 21, 2018 issued in accordance with Government Auditing Standards. This memorandum does not affect that report or our report dated December 21, 2018, on the financial statements of the City of Lansing, Michigan.

**Stale Reconciling Items (Repeat Comment)**

During our review of the City’s bank reconciliations, we noted a number of reconciling items dating back as far as 1997. We continue to recommend the City review stale items and either void and reissue or escheat them to the State, as necessary.

**End Control over Payroll Processing (Repeat Comment)**

The City currently has procedures in place to ensure that employees are being paid at the correct rate and for the actual number of hours worked. Since the process of inputting timesheet data into the payroll system requires manual entry, we recommend that the City implement an “end control” over payroll disbursements. This could be done by having an employee independent of payroll processing review a preliminary payroll register by employee, or by having the payroll system generate exception reports for data outside certain parameters. In all instances, any independent review and approval should be documented and retained as evidence of the control.

**Internal Controls over Manually Prepared Spreadsheets (Repeat Comment)**

The City utilizes manual spreadsheets for documenting the composition of certain account balances for audit workpaper preparation which are not subjected to a documented review/approval process. We recommend that all documentation prepared by management, in whatever format is preferred, that supports financial statement balances, be reviewed and approved by a responsible member of management and that such review be documented by the signature/initials of the assigned reviewer and the date of the review.

**Pension and OPEB Plan Funding (Repeat Comment)**

The City maintains pension plans for its qualified employees. With the implementation of GASB 67 and 68, the focus of pension plan reporting changed from a funding perspective to a net liability approach. Further, with the implementation of these standards, the comprehensive annual financial report now provides certain trend information regarding the City’s funding progress for its employees’ retirement system and police and fire retirement system. Based on the five years of trend data now available, we have observed that the scheduled contributions are not keeping pace with the interest on the outstanding total pension liability. In addition, the fiduciary net position as a percentage of the total pension liability has decreased in four of the previous 5 years presented, reflecting 55.2% and 65.6% for the employees’ retirement system and police and fire retirement system, respectively. We recommend the City actively search for ways to reverse the negative trends and increase the funded status of the plans.
CITY OF LANSING, MICHIGAN

Attachment A - Comments and Recommendations
For the June 30, 2018 Audit

The City also maintains other postemployment benefit (OPEB) plans for its qualified employees. With the implementation of GASB 74 and 75, the focus of OPEB plan reporting changed from a funding perspective to a net liability approach. Further, with the implementation of these standards, the comprehensive annual financial report now provides certain trend information regarding the City's funding progress for its employees' retirement system and police and fire retirement system. We have observed that the scheduled contributions are not keeping pace with the interest on the outstanding total OPEB liability. The fiduciary net position as a percentage of the total OPEB liability is reflecting 26.7% and 13.8% for the employees' retirement system and police and fire retirement system, respectively. We recommend the City actively search for ways to increase the funded status of the plans.

A2
The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the City in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the City. For the complete text of these and other GASB standards, visit www.gasb.org and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

**GASB 83 ■ Certain Asset Retirement Obligations**  
*Effective 06/15/2019 (your FY 2019)*

This standard addresses accounting and financial reporting for certain asset retirement obligations--legally enforceable liabilities associated with the retirement of a tangible capital asset. We do not expect this standard to have any significant effect on the City.

**GASB 84 ■ Fiduciary Activities**  
*Effective 12/15/2019 (your FY 2020)*

This standard establishes new criteria for determining how to report fiduciary activities in governmental financial statements. The focus is on whether the government is controlling the assets, and who the beneficiaries are. Under this revised standard, certain activities previously reported in agency funds may be reclassified in future periods. Due to the number of specific factors to consider, we will continue to assess the degree to which this standard may impact the City.

**GASB 87 ■ Leases**  
*Effective 12/15/2020 (your FY 2021)*

This standard establishes a single model for reporting all leases (including those previously classified as operating and capital). Lessees will now report offsetting intangible lease assets and lease liabilities equal to the present value of future lease payments. Lessors will report offsetting lease receivables and deferred inflows of resources.

**GASB 88 ■ Certain Disclosures Related to Debt**  
*Effective 06/15/2019 (your FY 2019)*

This standard provides guidance on note disclosures related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. We do not expect this standard to have any significant effect on the City.

**GASB 89 ■ Accounting for Interest Cost Incurred before the End of a Construction Period**  
*Effective 12/15/2020 (your FY 2021)*

This standard eliminates the requirement for governments to capitalize interest during the construction period for business-type activities. As this simplifies the accounting for interest, early implementation is encouraged. We do not expect this standard to have any significant effect on the City.
CITY OF LANSING, MICHIGAN

Attachment B - Upcoming Changes in Accounting Standards / Regulations
For the June 30, 2018 Audit

GASB 90 • Majority Equity Interests
Effective 12/15/2019 (your FY 2020)

This standard addresses situations in which a government acquires a majority of the equity interest in a legally separate organization, and whether such holdings should be reported as an investment or a component unit. We do not expect this standard to have any significant effect on the City.
The following pages contain the written representations that we requested from management.
Finance Department  
124 W Michigan Ave., 8th Floor  
Lansing, MI 48933  
(517) 483-4500  

December 21, 2018  

Rehmann Robson  
2330 East Paris Avenue, SE  
Grand Rapids, Michigan 49546  

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan (the “City”), as of and for the year ended June 30, 2018, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the budgetary comparison for the General Fund of the City in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).  

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.  

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 21, 2018:  

Financial Statements  

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 13, 2018, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. We have reviewed, approved, and taken responsibility for the financial statements and related notes.  

2. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.  

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.  

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.  

5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.  

6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families
of administrative officials, board members, and members of the governing body; and any companies affliated with or owned by such individuals.

7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

8. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.

9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

10. With regard to items reported at fair value:
   a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
   b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
   c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
   d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

11. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.

12. All funds and activities are properly classified.

13. All funds that meet the quantitative criteria in GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, and GASB Statement No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.

14. All components of net position and fund balance classifications have been properly reported.

15. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

16. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.

17. All interfund and intra-entity transactions and balances have been properly classified and reported.

18. Special items and extraordinary items have been properly classified and reported.

19. Deposit and investment risks have been properly and fully disclosed.

20. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.

21. All required supplementary information is measured and presented within the prescribed guidelines.

22. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

23. We agree with the findings of the specialists in evaluating the workers’ compensation liability and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to values or amounts derived in an attempt to bias their work, and we have not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.
Information Provided

24. We have provided you with:
   a. Access to all information, of which we are aware that is relevant to the preparation and fair
      presentation of the financial statements of the various opinion units referred to above, such as
      records, documentation, meeting minutes, and other matters;
   b. Additional information that you have requested from us for the purpose of the audit; and
   c. Unrestricted access to persons within the entity from whom you determined it necessary to
      obtain audit evidence.

25. All transactions have been recorded in the accounting records and are reflected in the financial
    statements.

26. We have disclosed to you the results of our assessment of the risk that the financial statements may
    be materially misstated as a result of fraud.

27. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
    d. Management;
    e. Employees who have significant roles in internal control; or
    f. Others where the fraud could have a material effect on the financial statements.

28. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity’s financial
    statements communicated by employees, former employees, vendors, regulators, or others.

29. We are not aware of any pending or threatened litigation and claims whose effects should be
    considered when preparing the financial statements.

30. We have disclosed to you the identity of the entity’s related parties and all the related party
    relationships and transactions of which we are aware.

31. There have been no communications from regulatory agencies concerning noncompliance with or
    deficiencies in accounting, internal control, or financial reporting practices.

32. The government has no plans or intentions that may materially affect the carrying value or
    classification of assets and liabilities.

33. We have disclosed to you all guarantees, whether written or oral, under which the government is
    contingently liable.

34. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant
    agreements that could have a direct and material effect on financial statement amounts, including
    legal and contractual provisions for reporting specific activities in separate funds.

35. There are no:
    g. Violations or possible violations of laws or regulations, or provisions of contracts or grant
       agreements whose effects should be considered for disclosure in the financial statements or as
       a basis for recording a loss contingency, including applicable budget laws and regulations.
    h. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must
       be disclosed in accordance with GASB-62, Codification of Accounting and Financial Reporting
       Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.
    i. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by
       GASB-62.

36. The government has satisfactory title to all owned assets, and there are no liens or encumbrances
    on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to
    you.
    We have complied with all aspects of grant agreements and other contractual agreements that would
    have a material effect on the financial statements in the event of noncompliance.
37. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Supplementary Information in Relation to the Financial Statements as a Whole

38. With respect to the supplementary information accompanying the financial statements:
   a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
   b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
   c. The methods of measurement or presentation have not changed from those used in the prior period.
   d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Required Supplementary Information

39. With respect to the required supplementary information accompanying the financial statements:
   a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
   b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
   c. The methods of measurement or presentation have not changed from those used in the prior period.
   d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Angela Bennett, Finance Director

Randy Endsley, Accounting Manager
In accordance with generally accepted auditing standards, we have prepared the following schedule of proposed audit adjustments, which we believe are immaterial both individually and in the aggregate. We are providing this schedule to both management and those charged with governance to receive their assurance that they agree that the amounts listed below are not material to the financial statements, either individually or in the aggregate, and do not need to be recorded.

<table>
<thead>
<tr>
<th>Effect of Passed Adjustment - Over(Under)Statement</th>
<th>Assets</th>
<th>Liabilities</th>
<th>Beginning Equity</th>
<th>Revenues</th>
<th>Expenses/Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nuisance fee revenue recorded for collections subsequent to the period of availability (corrected in current year)</td>
<td>$</td>
<td>-</td>
<td>$ -</td>
<td>$ 69,537</td>
<td>$ (69,537)</td>
</tr>
<tr>
<td>Effect of unallocated bank charges (corrected in current year)</td>
<td>-</td>
<td>-</td>
<td>76,726</td>
<td>-</td>
<td>76,726</td>
</tr>
<tr>
<td>Overstatement of allowance related to PILOT receivable</td>
<td>(92,906)</td>
<td>-</td>
<td>-</td>
<td>(92,906)</td>
<td>-</td>
</tr>
<tr>
<td>Prior year overpayment of PILOT taxes to participating units</td>
<td>-</td>
<td>-</td>
<td>(125,962)</td>
<td>125,962</td>
<td>-</td>
</tr>
<tr>
<td>Unsupported receivable balance</td>
<td>333,115</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(333,115)</td>
</tr>
<tr>
<td>Understated deferred inflow for unavailable nuisance fees</td>
<td>-</td>
<td>(110,086)</td>
<td>-</td>
<td>110,086</td>
<td>-</td>
</tr>
<tr>
<td>Total general fund</td>
<td>$ 240,209</td>
<td>$ (110,086)</td>
<td>$ 20,301</td>
<td>$ 73,605</td>
<td>$ (256,389)</td>
</tr>
<tr>
<td>Misstatement as a percentage of total revenues - general fund</td>
<td>0.18%</td>
<td>-0.08%</td>
<td>0.02%</td>
<td>0.06%</td>
<td>-0.20%</td>
</tr>
<tr>
<td>Governmental activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative effect of items reported above impacting governmental activities</td>
<td>$ 240,209</td>
<td>$ (110,086)</td>
<td>$ 20,301</td>
<td>$ 73,605</td>
<td>$ (256,389)</td>
</tr>
<tr>
<td>Variance in accrued interest on long-term debt (corrected in current year)</td>
<td>-</td>
<td>-</td>
<td>68,915</td>
<td>-</td>
<td>68,915</td>
</tr>
<tr>
<td>Total governmental activities</td>
<td>$ 240,209</td>
<td>$ (110,086)</td>
<td>$ 89,216</td>
<td>$ 73,605</td>
<td>$ (187,474)</td>
</tr>
<tr>
<td>Misstatement as a percentage of total liabilities and deferred inflows - governmental activities</td>
<td>0.03%</td>
<td>-0.02%</td>
<td>0.01%</td>
<td>0.01%</td>
<td>-0.03%</td>
</tr>
<tr>
<td>Municipal parking system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overstated retainage liability</td>
<td>$</td>
<td>-</td>
<td>$ 80,387</td>
<td>$ (80,387)</td>
<td>-</td>
</tr>
<tr>
<td>Misstatement as a percentage of total assets and deferred outflows - municipal parking fund</td>
<td>0.00%</td>
<td>0.13%</td>
<td>-0.13%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 21, 2018

Honorable Mayor and
   Members of City Council
City of Lansing, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan (the ‘City’), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 21, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2018-001 and -002, that we consider to be material weaknesses.
Compliance and Other Matters

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

City of Lansing, Michigan’s Response to Findings

The City’s responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.
2018-001 - Material Audit Adjustments (Repeat Comment)

Finding Type. Material Weakness in Internal Control over Financial Reporting.

Criteria. Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).

Condition. During our audit, we identified and proposed material adjustments (which were approved and posted by management) to adjust the City’s accounting records. In addition, we received several revisions to the City's trial balance (the final version was received on December 6, 2018), each of which contained material corrections to previous versions. Also, management identified and posted many smaller adjustments to a wide variety of funds and accounts throughout the audit process that collectively had a material effect on the City's financial reporting process.

Cause. Over the past several years, the City's finance department has reduced in size due to staffing reductions and staffing turnover. These changes have placed a significant burden on the year-end close process, and have resulted in reconciliation of account balances and adjustment of related accounts, and preparation of the schedule of expenditures of federal awards (SEFA), not being completed timely.

Effect. As a result of this condition, the City's financial information was initially misstated by amounts that were deemed to be quantitatively material to nearly every opinion unit, and numerous account balances were not adjusted timely throughout the year. Correcting entries were subsequently posted by management to the City's records and the appropriate balances are presented in the audited financial statements.

Recommendation. Management has already taken appropriate corrective action by posting correcting journal entries. However, we strongly recommend that the City critically assess the staffing levels in its Finance Department to ensure that there are an appropriate number of qualified/trained individuals available throughout the year to maintain the City's books and records in accordance with GAAP, and that balance sheet accounts for all funds be subject to periodic review and adjusted or reconciled to their underlying detail as soon as practical after fiscal year-end.

View of Responsible Officials. This past fiscal year, two key positions were filled in the accounting/budget division of the Finance Department. However, our ability to have all year-end adjusting entries posted in advance of auditor field work was impaired by vacancies in three key positions of two other departments, necessitating significant additional assistance by Finance, as well as a major upgrade of the City’s financial system. Of the key positions in the other departments, one has been filled, and the other is in the process of being filled. In order to timely complete the audit process, it was necessary to have Rehmann begin field work before all entries were posted and to provide updated downloads of the City’s trial balance (i.e. balance sheet account amounts).
2018-002 - Timely and Accurate Preparation and Submission of Pension and OPEB Data (Repeat Comment)

Finding Type. Material Weakness in Internal Control over Financial Reporting.

Criteria. The City obtains actuarial valuations and other reports for its various pension and other postemployment benefit (OPEB) plans each year. Ideally, these valuations should be obtained far enough in advance to be used to calculate amounts to be included in the audited financial statements. Management is responsible for accurate and timely compilation of data necessary for actuarial professionals to process and complete reporting necessary for the proper reporting of pension and OPEB information in the annual financial statements.

Condition. Actuarial valuations for the pension and other postemployment benefit plans, the GASB 67/68 rollforward related to the defined benefit pension plans, and the GASB 74/75 rollforward related to the other postemployment benefit plans were not completed until December 2018, and the related account balances were not adjusted until late in audit fieldwork. In addition, the City has not verified that pension census reconciliations provided to the actuary were properly recorded by the actuary, and that retiree healthcare plans are currently contained in a manual spreadsheet that does not appear to be timely updated, and in which several errors were identified. We noted several inconsistencies in current year census data, including one deceased individual who continued to be included on the census, two instances where a retiree was indicated as deferred but should have been indicated as retired on the census, and other instances of individuals being incorrectly included or excluded from the census. While these did not materially impact the valuations, accurate reporting is important.

Cause. For OPEB, the City does not appear to have a system in place to enable timely reporting of comprehensive healthcare benefit information. While the City has a system in place for timely and comprehensive information for pension reporting, the City did not appear to verify that the census utilized by the actuary for the valuation is correct.

Effect. As a result of this condition, the City experienced an increased risk that misstatements in the accounting records, whether caused by error or fraud, would not be detected and corrected on a timely basis.

Recommendation. We strongly recommend that the City critically assess the activities of the finance staff to assure that required tasks are completed accurately and in a timely fashion. We further recommend that the City maintain the complete census, and implement a review process to determine that census data submitted to the actuary is accurate and complete. We also recommend that an independent review be done of retirement calculations and accumulated contributions.

View of Responsible Officials. In light of timing of previous valuations, information was transmitted earlier than past years; however, the valuations took longer, in part because of demands on actuaries from PA 202 (pension and retiree healthcare corrective action plans) and implementation of Governmental Accounting Standards Board Statement 75 for retiree healthcare financial statement reporting. Pension data provided to the actuary includes changes from the prior year, as well as a listing of all eligible active employees, retirees, and deferred retirements for reconciliation purposes so that the result of the changes can be compared to all those that should be included in the pension census. The City has assumed that the actuary used those listings for comparison and has not verified that the final list used by the actuary matched the census sent. The Finance department will amend procedures, starting with the upcoming valuation to perform that final cross-check. The City is evaluating potential solutions for improved retiree healthcare reporting capabilities.
CITY OF LANSING FISCAL YEAR 2018 AUDIT MANAGEMENT COMMENT RESPONSES TO INDEPENDENT AUDITORS’ COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE LETTER

Stale Reconciling Items (Repeat Comment)

During our review of the City’s bank reconciliations, we noted a number of reconciling items dating back as far as 1997. We continue to recommend the City review stale items and either void and reissue or escheat to the State, as necessary.

Response: While it was anticipated that these items would be escheated to the State during the fiscal year, not all were able to be resolved due to information needed to escheat some of the outstanding items; however, only about 10% of the outstanding items remain for resolution in FY 2019.

End Control over Payroll Processing (Repeat Comment)

The City currently has procedures in place to ensure that employees are being paid at the correct rate and for the actual number of hours worked. Since the process of inputting timesheet data into the payroll system requires manual entry, we recommend that the City implement an “end control” over payroll disbursements. This could be done by having an employee independent of payroll processing review a preliminary payroll register by employee, or by having the payroll system generate exception reports for data outside certain parameters. In all instances, any independent review and approval should be documented and retained as evidence of the control.

Response: The City is anticipating to address this in a comprehensive process and programming review during the current payroll system upgrade.

Internal Controls over Manually Prepared Spreadsheets (Repeat Comment)

The City utilizes manual spreadsheets for documenting the composition of certain account balances for audit work paper preparation which are not subjected to a documented review/approval process. We recommend that all documentation prepared by management, in whatever format is preferred, that supports financial statement balances, be reviewed and approved by a responsible member of management and that such review by documented by the signature initials of the assigned reviewer and the date of the review.

Response: Time constraints due to timing of other priorities, including a financial system conversion, the FY 2018 audit process precluded the ability to have 100% account review prior to auditor to review without causing delays in the audit process. The process is anticipated to have complete review coverage in advance of auditor review for the fiscal year 2019 audit.
Pension Plan Funding (Repeat Comment)

The City maintains pension plans for its qualified employees. With the implementation of GASB 67 and 68, the focus of pension plan reporting changed from a funding perspective to a net liability approach. Further, with the implementation of these standards, the comprehensive annual financial report now provides certain trend information regarding the City’s funding progress for its employees’ retirement system and police and fire retirement system. Based on the four years of trend data now available, we have observed that the scheduled contributions are not keeping pace with the interest on the outstanding total pension liability. In addition, the fiduciary net position as a percentage of the total pension liability has decreased in three of the previous four years presented (2017 did result in an increase), reflecting 55.2% and 65.6% for the employees’ retirement system and police and fire retirement system, respectively. The pension plans showed improvement during the current fiscal year due to an increase in investment return. However, the contributions still are not exceeding the interest on the total pension liability for each plan. We recommend the City actively search for ways to reverse the negative trends and increase the funded status of the plans.

The City also maintains other postemployment benefit (OPEB) plans for its qualified employees. With the implementation of GASB 74 and 75, the focus of OPEB plan reporting changed from a funding perspective to a net liability approach. Further, with the implementation of these standards, the comprehensive annual financial report now provides certain trend information regarding the City’s funding progress for its employees’ retirement system and police and fire retirement system. We have observed that the scheduled contributions are not keeping pace with the interest on the outstanding total OPEB liability. The fiduciary net position as a percentage of the total OPEB liability is reflecting 26.7% and 13.8% for the employees’ retirement system and police and fire retirement system, respectively. We recommend the City actively search for ways to increase the funded status of the plans.

Response: Addressing long-term financial challenges for pension, as well as retiree healthcare, liabilities continues to be a priority for the City. The City, employee unions, and pension boards have made great strides over the past several years to achieve significant reductions in future growth in liabilities. Where investment returns and life expectancy have accounted for the majority of the pension funding trend, some measures taken to reduce pension liabilities in the long-term, such as reductions in actuarially-assumed rates of returns for the plans, have resulted in some minor, short-term negative impact on funding level trends. In light the challenges presented by current and future liabilities, as well as long-term funding challenges presented by State constraints on municipal funding and infrastructure needs, the City, in conjunction with the mayoral-appointed Financial Health Team and funding from the State of Michigan, bid and awarded a contract to Segal Consulting for studies and recommendations for addressing long-term legacy cost challenges. Those studies were finalized in September, 2017, and the City continues to work with our employees, unions, and the Financial Health Team to address pension and retiree healthcare costs. Additionally, due to lesser-than-projected and budgeted annual required
contributions (ARC) for the City’s two pension plans and higher-than-anticipated revenues received, additional amounts were contributed in FY 2018 beyond the ARC payments.

We appreciate the service Rehmann Robson has provided in this audit and with these recommendations. If you have any questions, please feel free to contact me.

Sincerely,

Randy Endsley

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

RESOLUTION AUTHORIZING SUBSTITUTION OF PROPERTY UNDER CONTRACT
WITH TAX INCREMENT FINANCE AUTHORITY

WHEREAS, the City of Lansing, Michigan (the "City") has previously created the Tax Increment Finance Authority of the City of Lansing (the "Authority") under and in pursuance of the provisions of Act 450, Public Acts of Michigan, 1980, as amended (the "TIFA Act"); and

WHEREAS, pursuant to the TIFA Act, the Authority has prepared its amended Development Plan and Tax Increment Financing Plan for the Phase III – Lansing Convention/Exhibition Center and Associated Facilities and Parking System Project (such Plan, as it may be amended or supplemented in the future, is referred to herein as the "Plan"); and

WHEREAS, in order to implement the Plan, the City leases various automobile parking structures and lots (the "Project") to the Authority pursuant to a Contract of Lease dated December 20, 1994 (the "Contract"); and

WHEREAS, under Section 10 of the Contract, the Authority may agree to release a portion of the Project and substitute other property of value equal to or greater than the value of the property being released; and

WHEREAS, the City wishes to release the portion of the Project commonly known as the Townsend Ramp, and described more fully on Exhibit A of this resolution (the "Released Property") from the Contract; and

WHEREAS, the City wishes to substitute the property commonly known as the North Capitol Ramp and South Capitol Ramp, described more fully on Exhibit B of this resolution (the "Substituted Property") for the Released Property; and

WHEREAS, pursuant to Section 10 of the Contract, the Office of the City Attorney has provided the Authority with an adequate legal description of that portion of the Project being released and of property to be substituted therefor, together with a survey thereof; and

WHEREAS, pursuant to Section 10 of the Contract, the Office of the City Attorney has provided the Authority with an opinion that the conveyances are in compliance with the City Charter and applicable state law and City ordinances; and

WHEREAS, pursuant to Section 10 of the Contract, the City Council has received a certificate signed by the Finance Director finding that as of the date of the substitution of the property, the value of the Project after consummation of the substitution of the property is equal to or greater than the value of the Project prior to the substitution;
NOW, THEREFORE, BE IT RESOLVED THAT the City hereby requests that the Authority accept the Substituted Property as a portion of the Project subject to the Contract, and in exchange therefor that the Authority release the Released Property from the terms of the Contact.

BE IT FURTHER RESOLVED that in reliance on the certificate signed by the Finance Director, the City hereby determines that the value of the Project, after the consummation of such substitution of property, is equal to or greater than the value of the Project prior to the substitution.

BE IT FURTHER RESOLVED that the City Council hereby approves Amendment No. 6 to Contract of Lease in substantially the form on file with the City Clerk, with such changes or revisions as may be necessary or advisable as approved by the Mayor or the City Attorney. The Mayor and the City Clerk are hereby authorized to execute Amendment No. 6 and deliver it to the Authority.

BE IT FURTHER RESOLVED that the Mayor, City Clerk, City Finance Director, City Attorney, and other officers, administrators, agents and attorneys of the City are authorized and directed to execute such documentation and take all other actions necessary and convenient to facilitate the transactions authorized by this resolution.

BE IT FINALLY RESOLVED that all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.
EXHIBIT A

Description of the Portion of the Project to be Released

Townsend Ramp

Lots 7, 8, 9, and 10, ALSO that part of Lot 11 described as beginning at a point on the East line of Lot 11 a distance of 104.04 feet Southerly from the Northeast corner of Lot 12; thence Southerly along the East line of Lot 11 to the Southeast corner of Lot 11; thence Westerly along the South line of Lot 11 to the Southwest corner of Lot 11; thence Northerly along the West line of Lot 11 to a point on the West line of Lot 11 a distance of 104.33 feet Southerly from the Northwest corner of Lot 12; thence Easterly to the point of beginning of Block 116, of the Original Plat of the City of Lansing, according to the recorded Plat as thereof recorded in Liber 2 of Plats, Page 36, Ingham County Records.

Subject to easements, encumbrances, and restrictions of record.
EXHIBIT B

Description of the Portion of the Project to be Substituted

North Capitol Ramp – N. Capitol & Shiawassee

  W 125 FT OF LOTS 7 THRU 12 INCL BLOCK 83 ORIG PLAT

and

South Capitol Ramp – S. Capitol & Kalamazoo

  LOTS 3 THRU 6 INCL, LOTS 9 & 10, E 49.5 FT LOT 7, LOT 8
  EXC S 25.75 FT OF W 115.5 FT, ALSO LOT 11 EXC E 55 FT
  BLOCK 127 ORIG PLAT