Lansing Brownfield Redevelopment Authority (LBRA)
Friday, February 7, 2020 – 3:00 PM
Sleepwalker Spirits and Ale
1101 S Washington Ave, Lansing, MI 48910

Please Note Different Time and Location

AGENDA

1) Call to Order / Rollcall

2) Welcome by Jeremy C. Sprague, President, Sleepwalker Spirits and Ale, Inc.

3) Approval of LBRA Board of Directors Meeting Minutes – Friday, January 10, 2020

4) Brownfield Plan #79, 700 N. Washington Ave. (Action)

5) LBRA Audited Financial Statements – YE June 30, 2019 (Action)

6) Brownfield Plan Discussion
   Electric Charging Stations as Eligible Activities
   Coordination of Local and State Plan Approvals

7) Open Forum for LBRA Board Members

8) Other Business

9) Public Comment

10) Adjournment
Call to Order

Chair Jones welcomed everyone and called the LBRA Board of Directors meeting to order at 8:34 a.m. Rollcall was called by Klein and recorded for public record.

Approval of LBRA Board Meeting Minutes – Friday, December 6, 2019

MOTION: Johnson moved to approve the LBRA meeting minutes from the Friday, December 6, 2019 LEDC Board of Director’s meeting. Motion seconded by Donaldson.

YEAS: Unanimous. Motion carried.

Update on Brownfield Plan #72, Red Cedar Development Bond Financing (Discussion)

Helzer provided an update on the project and current activities occurring on-site. Dorshimer introduced the Lefler as LBRA Financial Advisor and Danhof as LBRA Bond Council, and representatives of the development team, including Helzer and Stralkowski. The Board previously approved by resolution the conditional issuance of bonds to be utilized to financing Eligible Activities for the Red Cedar project. With the project now started the LBRA staff was working with the LBRA Financial Advisor and Bond Council to ensure the proper process if followed and all conditions are met prior to the issues of any LBRA Bonds.

Dorshimer discussed the flow of funds to finance brownfield activities for the project including the issuance of bonds and use of bond proceeds. Lefler noted that the City is not pledging full faith and credit on these bonds, they are revenue bonds to be repaid through tax increment revenues generated on the project. Dorshimer outlined the steps of the bond issuance process. Discussion ensued.
Update on Proposed Brownfield Plan #79, 700 N. Washington Ave. (Discussion)

Bryant introduced Brownfield Plan #79 in anticipation of consideration by the LBRA at a future meeting. This proposed Plan includes the demolishing of existing buildings and development of new facilities. A large component of the Plan includes large investments in public infrastructure. The proposed Plan meets the purposes of the recently adopted Brownfield Plan Policy.

Brownfield 101 Presentation
Chair Jones asked that this be presented at a future meeting.

Open Forum for LBRA Board Members

Chair Jones expressed his interest in the Board adopting a resolution in support of electronic vehicle charging stations as part of Brownfield Projects, much like the Ingham County Brownfield Authority recently adopted. Chair Jones discussed the possibly creating a subcommittee to explore this topic.

Other Business

None

Public Comment

None was provided.

Adjournment

There being no further business, Chair Jones declared the LBRA meeting adjourned at 9:25 a.m.

Karl Dorshimer, Director of Economic Development
Lansing Economic Area Partnership (LEAP)
THE LANSING BROWNFIELD REDEVELOPMENT AUTHORITY (LBRA)

Resolution Recommending Approval of Plan #79
Michigan Realtors Redevelopment Project

At a meeting of the Board of Directors of the Lansing Brownfield Redevelopment Authority (LBRA) City of Lansing, Michigan, held on the 7th day of February at 3:00 p.m., pursuant to notice duly given:

PRESENT: Members:

ABSENT: Members:

The following preamble and resolution was offered by;

Member: , and seconded by:

Member:

WHEREAS, The LBRA (Authority) staff has worked closely with representatives of the Michigan Realtors® (Developer) to draft Brownfield Plan #79 – Michigan Realtors Redevelopment (Plan); and

WHEREAS, The LBRA staff has duly reviewed such Plan and has found it to be in compliance with the provisions of Act 381 of Michigan Public Acts of 1996, as amended (Act), and meets the following determinations and findings:

1. The Plan constitutes a public purpose under the Act;
2. The Plan meets all of the requirements for a brownfield plan set forth in Section 13 of the Act;
3. The proposed method of financing the cost of the eligible activities, as described in the Plan, is feasible and the Authority has the ability to arrange the financing;
4. The costs of the eligible activities proposed in the Plan are reasonable and necessary to carry out the purposes of the Act; and
5. The amount of the captured taxable value estimated to result from the adoption of the Plan is reasonable; and

WHEREAS, The LBRA staff recommends approval of Brownfield Plan #79; and

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

1. The Brownfield Plan described as Brownfield Plan #79 – Michigan Realtors Redevelopment Project in the form filed herewith is hereby approved by the Lansing Brownfield Redevelopment Authority and recommended for consideration by the City

2. The LBRA Board hereby requests that the Lansing City Council, after required notification as specified by the Act, hold a public hearing in consideration of this matter, and subsequently approve the Plan.

YEAS: ( )

NAYS: ( )

ABSTENTIONS: ( )

ABSENT: ( )

STATE OF MICHIGAN )

COUNTY OF INGHAM ) SS.

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a meeting of the Brownfield Redevelopment Authority held on the 7th day of February 2020, and said resolution is on file in the office of the Lansing Brownfield Redevelopment Authority and is available to the public. Public notice of the said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan 1976, including in the case of a special or re-scheduled meeting, notice by publication or posting of at least eighteen (18) hours prior to the time set for the meeting. In addition, said meeting was held in full compliance with the Board’s By-Laws.

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

______________________________
Calvin Jones, Chair
LEDC Board of Directors
Lansing Brownfield Redevelopment Authority
Michigan Realtors Redevelopment Project

Brownfield Plan #79

700 N. Washington Avenue
Lansing, Michigan 48906

PREPARED BY:
Triterra
1305 S. Washington Avenue, Suite 102
Lansing, Michigan 48910
Contact Person: JP Buckingham
jp.buckingham@triterra.us
Phone: 517-853-2151

REVIEWED BY:
Lansing Brownfield Redevelopment Authority
1000 S. Washington Avenue, Suite 201
Lansing, Michigan 48910
Contact Person: Karl Dorshimer
karl@purelansing.com
Phone: 517-999-9039

January 28, 2020

Approved by the LBRA on _____
Adopted by the Lansing City Council on _____
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ATTACHMENTS
Attachment A: Legal Description of the Property
Attachment B: Letter of Functional Obsolescence
Attachment C: Renderings
### 1. Project Summary Sheet

The purpose of this Brownfield Plan (the “Plan”) is to identify eligible activities and cost estimates for redevelopment of the property located at 700 N. Washington Avenue in the City of Lansing, Michigan. Brownfield tax increment financing is necessary to support redevelopment of the property.

**Project Name:** Michigan Realtors Redevelopment Project (the “Project”)

**Developer:** Michigan Realtors® (the “Developer”)
700 N. Washington Avenue
Lansing, MI 48906

**Property Location:** 700 N. Washington Avenue, Lansing, Michigan 48906 (the “Property”)

**Type of Eligible Property:** “Functionally Obsolete”, and adjacent and contiguous

**Project Description:** The Project includes the demolition of the existing, functionally obsolete building at 700 N. Washington Avenue and demolition of the building (known as 720 N. Washington Avenue) at 724 N. Washington Avenue. The entire 1.46-acre Property will be redeveloped to include a three-story, 19,443-square foot commercial office building with a roof deck and 72 paved parking spaces. When the new building is complete the existing building (720 N. Washington) will be demolished and the remainder of the Project will be completed. The development will be constructed to provide space designed for the Michigan Realtors®, a Lansing based association.

Brownfield Eligible activities include asbestos and lead surveys and abatement, demolition, site preparation, infrastructure improvements, and preparation of the Brownfield Plan.

**Total Capital Investment:** Property and Building Improvements: Estimated at $9,200,000 million (not including acquisition) of which there is $536,276 in eligible activities associated with the proposed Project.
Estimated Job Creation/Retention: The redevelopment will create approximately 25-30 temporary construction related jobs. The completed project will retain 30 existing Michigan Realtors® staff with room for projected creation of new jobs.

Duration of Plan: 9 years (starting in 2021)

<table>
<thead>
<tr>
<th>Uses</th>
<th>% of New Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portion Passed Through to Saginaw Street Corridor Improvement Authority</td>
<td>$55,115 5%</td>
</tr>
<tr>
<td>Passed Through to: (CADL, School, Debt)</td>
<td>$442,007 40%</td>
</tr>
<tr>
<td>Portion Captured by LBRA to Reimburse Developer</td>
<td>$536,276 49%</td>
</tr>
<tr>
<td>Portion Captured for LBRA Plan Administration / Local Brownfield Revolving Fund (LBRF)</td>
<td>$59,586 6%</td>
</tr>
<tr>
<td><strong>TOTAL NEW TAXES GENERATED</strong></td>
<td><strong>$1,092,984 100%</strong></td>
</tr>
</tbody>
</table>
2. **Purpose of Brownfield Plan and Past Use of the Property**

The City of Lansing Brownfield Redevelopment Authority (Authority or “LBRA”), duly established by resolution of the City Council of the City of Lansing, pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, MCLA 125.2651 et. seq., as amended (Act 381), is authorized to exercise its powers within the City of Lansing, Michigan. The purpose of this Plan, to be implemented by the LBRA, is to satisfy the requirements for a Brownfield Plan as specified in Act 381.

The Plan will allow the LBRA to use tax increment financing to reimburse *Michigan Realtors®* (the “Developer”) for the costs of eligible activities required to redevelop the eligible property located at 700 N. Washington Avenue in the City of Lansing, Michigan, (the “Property”). Any proposed redevelopment of the Property will only be economically viable with the support and approval of the brownfield redevelopment incentives described herein. The location of the Property is depicted on Figure 1.

The Property is fully defined in the following table and in Attachment A.

<table>
<thead>
<tr>
<th>Eligible Property</th>
<th>Address</th>
<th>Tax ID</th>
<th>Basis of Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>700 N. Washington Avenue</td>
<td>33-01-01-09-453-061</td>
<td>Functionally Obsolete</td>
</tr>
<tr>
<td></td>
<td>724 N. Washington Avenue</td>
<td>33-01-01-09-453-023</td>
<td>Adjacent and Contiguous</td>
</tr>
<tr>
<td></td>
<td>730 N. Washington Avenue</td>
<td>33-01-01-09-453-011</td>
<td>Adjacent and Contiguous</td>
</tr>
<tr>
<td></td>
<td>732 N. Washington Avenue</td>
<td>33-01-01-09-453-001</td>
<td>Adjacent and Contiguous</td>
</tr>
<tr>
<td></td>
<td>0 N. Washington Avenue</td>
<td>33-01-01-09-453-051</td>
<td>Adjacent and Contiguous</td>
</tr>
<tr>
<td></td>
<td>104 E. Madison Street</td>
<td>33-01-01-09-453-111</td>
<td>Adjacent and Contiguous</td>
</tr>
</tbody>
</table>

The Property is located within the boundaries of the City of Lansing and is surrounded by commercial property and thoroughfares. Property layout and boundaries are depicted on Figure 2. The legal descriptions of the Property are included in Attachment A.

The Property consists of a total of 1.46-acres and comprised of six contiguous parcels. One vacant two-story commercial office building totaling approximately 5,186-square feet and built in 1969 exists on the south end of the Property; and one occupied single-story commercial office building totaling approximately 4,898-square feet exists on the west-central portion of the Property. The remainder of the Property is comprised of grass lots and paved parking. The buildings have been used for commercial purposes.

The Property is considered an “eligible property” as defined by Act 381, Section 2 because: (a) the
Property was previously utilized as a commercial property; (b) it is located within the City of Lansing, a qualified local governmental unit under MCL 125.2782(k); and (c) the parcel located at 700 N. Washington Avenue has been determined to be “functionally obsolete” as defined in Section 2(s) of Act 381, and the parcels located at 724, 730, 732, 0 N. Washington Avenue and 104 E. Madison Avenue are adjacent and contiguous to 700 N. Washington Avenue. Refer to Attachment B, Letter of Functional Obsolescence.

3. Brownfield Project Description

The Project includes the demolition of the existing, functionally obsolete building at 700 N. Washington Avenue and demolition of the building (known as 720 N. Washington Avenue) at 724 N. Washington Avenue. The entire 1.46-acre Property will be redeveloped to include a three-story, 19,443-square foot commercial office building with a roof deck and 72 paved parking spaces. When the new building is complete the existing building (720 N. Washington) will be demolished and the remainder of the Project will be completed. The development will be constructed to provide space designed for the Michigan Realtors® headquarters with over 30,000 members statewide.

The new building will provide space designed for hosting programs including workplace and conference space for Michigan Realtors® staff and training/meeting space to host dinners, continuing education seminars, committee meetings, and other events for members, stakeholders, and partners from around the State. The event space and video production facilities will also be used by other organizations, most likely groups from around the state with a need for a presence in Lansing.

The first and second floors will support Michigan Realtors® staff with a high-performance workplace that fuels efficiency, collaboration, and productivity. The third-floor engagement center and roof deck will provide diverse spaces for up to 226 people to learn socialize, network, and work together.

Improved landscaping, sidewalks, and parking will create a more inviting, clean appearance allowing for easier access to the site and to Durant Park. Enhanced lighting onsite will allow for greater safety. The Project includes streetscape improvements with expanded tree lawns and corner bump-outs with decorative paving at the southeast and southwest corners of Washington Avenue and Saginaw Street. Additional landscaping and decorative paving at the southeast corner will provide a transition to the Project site. The plan was developed in cooperation with the Public Service Department to extend streetscape improvements on both sides of Washington Avenue north to Madison Street at the time sanitary sewers are replaced. These improvements will enhance the aesthetics and curb appeal for Saginaw Street and Washington Avenue, create a better connection to Durant Park, and a safer intersection for both pedestrian and vehicles.

Total capital investment is estimated at $9,200,000, not including acquisition. This Project will result in the retention of 30 existing Michigan Realtors® staff with room for projected creation of new jobs. The Project is also projected to create/leverage 25 to 30 temporary construction related jobs.
4. **Developer Eligible Activities**

The Developer will fund the improvements being made to the site including the public infrastructure improvements. Once the development project is complete a portion of the resulting increase in Property taxes will be used to reimburse the Developer for their extraordinary brownfield costs to redevelop the Property. The activities that are intended to be carried out at the Property are considered “eligible activities” as defined by Sec 2 of Act 381 and include asbestos and lead surveys and abatement, (building and site) demolition, site preparation, infrastructure improvements, and preparation of the Brownfield Plan.

The costs of eligible activities included in this Plan can be reimbursed with the new local increment tax revenues generated by the Property redevelopment and captured by the LBRA, subject to any limitations and conditions described in this Plan and the terms of a Reimbursement Agreement between the Developer and the Authority (the “Reimbursement Agreement”).

The total estimated eligible activity costs estimated for Developer reimbursement is $536,276.

**ELIGIBLE ACTIVITIES**

**NON-ENVIRONMENTAL**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asbestos and Lead Activities</td>
<td>$61,252.00</td>
</tr>
<tr>
<td>Demolition</td>
<td>$77,126.00</td>
</tr>
<tr>
<td>Site Preparation</td>
<td>$97,357.00</td>
</tr>
<tr>
<td>Infrastructure Improvements</td>
<td>$222,257.00</td>
</tr>
<tr>
<td></td>
<td>(Estimated cost for public way improvements is $163,000)</td>
</tr>
<tr>
<td><strong>Total Non-Environmental Costs</strong></td>
<td><strong>$457,992.00</strong></td>
</tr>
<tr>
<td>Contingency (15%)</td>
<td>$68,284.00</td>
</tr>
<tr>
<td>Brownfield Plan Preparation</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Interest (0%, simple)</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total Anticipated TIR Available for Reimbursement</strong></td>
<td><strong>$536,276.00</strong></td>
</tr>
<tr>
<td>State Brownfield Redevelopment Fund</td>
<td>$0.00</td>
</tr>
<tr>
<td>LBRA Plan Administration / LBRF</td>
<td>$59,586.00</td>
</tr>
<tr>
<td><strong>Total Local TIR Capture</strong></td>
<td><strong>$595,862.00</strong></td>
</tr>
</tbody>
</table>

* Asbestos/Lead Surveys, Brownfield Plan preparation are excluded from contingency calculation.

The costs listed above are estimated and may increase or decrease depending on the nature and extent of unknown conditions encountered on the Property.
5. Captured Taxable Value and Tax Increment Revenues

The costs of eligible activities included in, and authorized by, this Plan can be reimbursed with incremental local only tax revenues generated by the Property redevelopment and captured by the LBRA. The LBRA will not be obligated to reimburse the Developer for Eligible Activities completed after December 31, 2022.

The taxable value of the Property according to the city assessor was $476,518 which is the initial taxable value for this Plan. The new projected taxable value for 2021 was estimated at $2,000,000. Estimated taxable values were based on estimates determined by the Project’s development team. The actual taxable value will be determined by the City’s Assessor after the Project is completed.

It is estimated that the LBRA will capture tax increment revenues from 2021 through 2029 to reimburse the Developer and the LBRA for the cost of eligible activities, pay for the LBRA’s administration of the Plan and make deposits into the LBRA’s Local Brownfield Revolving Fund (LBRF). Ninety percent of the new local taxes will be captured by the LBRA. This Plan will pass through 10% of new local taxes captured per year for the duration of the Plan for deposit into the Saginaw Street Corridor Improvement Authority (SSCIA). After the Plan expires, the SSCIA will capture 100% of the new local taxes for the duration of the SSCIA plan.

The captured incremental taxable value and associated tax increment revenue will be determined by the City Assessor. The actual increased taxable value of the land and all future taxable improvements on the Property may vary. Furthermore, the amount of tax increment revenue available under this Plan will be based on the actual millage levied annually by each local taxing jurisdiction on the increase in tax value resulting from the redevelopment project that is eligible and approved for capture.

6. Method of Brownfield Plan Financing

The Developer is ultimately responsible for providing financing for the costs of eligible activities included in this Plan. However, the City will be using the LBRA’s LBRF to finance a portion of the infrastructure improvements (i.e. streetscape). These LBRF funds will be recovered by the LBRA from tax increment revenues.

The inclusion of eligible activities and estimates of cost to be reimbursed in this Plan are intended to authorize the LBRA to fund such reimbursements. Reimbursements under the Reimbursement Agreement shall not exceed the cost of eligible activities and reimbursement limits described in this Plan.

Annually, the LBRA will capture 10% of the available new local taxes for LBRA Plan administration and/or deposits into the LBRF.
7. **Amount of Note or Bonded Indebtedness Incurred**

None.

8. **Duration of the Brownfield Plan**

The duration of this Plan shall not exceed 10 years total tax capture after the first year of tax capture anticipated as 2021.

9. **Estimated Impact on Taxing Jurisdictions**

The table on the following page presents a summary of the new tax revenues generated by the taxing jurisdictions whose millage is subject to capture by the LBRA under this Plan. These are estimations based on the commercial components of the proposed redevelopment.
### Projected Impact to Taxing Jurisdictions

<table>
<thead>
<tr>
<th>Taxing Unit</th>
<th>Current Base Taxes</th>
<th>New Taxes to Saginaw Street Corridor Improvement Authority</th>
<th>New Taxes to Taxing Units*</th>
<th>New Taxes for BRA Admin/ LBRF Deposits and Developer Reimbursement</th>
<th>Total New Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lansing Operating</td>
<td>$9,264</td>
<td>$27,980</td>
<td>$251,820</td>
<td>$279,800</td>
<td></td>
</tr>
<tr>
<td>Ingham County</td>
<td>$1,968</td>
<td>$5,944</td>
<td>$53,499</td>
<td>$59,443</td>
<td></td>
</tr>
<tr>
<td>Ingham County Sum</td>
<td>$3,240</td>
<td>$9,787</td>
<td>$88,085</td>
<td>$97,872</td>
<td></td>
</tr>
<tr>
<td>Airport Authority</td>
<td>$333</td>
<td>$1,006</td>
<td>$9,055</td>
<td>$10,061</td>
<td></td>
</tr>
<tr>
<td>CATA</td>
<td>$1,433</td>
<td>$4,328</td>
<td>$38,952</td>
<td>$43,280</td>
<td></td>
</tr>
<tr>
<td>Potter Park Zoo</td>
<td>$195</td>
<td>$590</td>
<td>$5,311</td>
<td>$5,901</td>
<td></td>
</tr>
<tr>
<td>Lansing Community College</td>
<td>$1,814</td>
<td>$5,480</td>
<td>$49,317</td>
<td>$54,797</td>
<td></td>
</tr>
<tr>
<td>Ingham Inter. School District</td>
<td>$2,243</td>
<td>$6,774</td>
<td>$60,963</td>
<td>$67,736</td>
<td></td>
</tr>
<tr>
<td>Lansing School Sinking Fund</td>
<td>$1,430</td>
<td>$4,318</td>
<td>$38,861</td>
<td>$43,179</td>
<td></td>
</tr>
<tr>
<td>Lansing School District</td>
<td>$8,472</td>
<td>$255,896</td>
<td>$255,896</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Education Tax (6 mills)</td>
<td>$2,859</td>
<td>$86,358</td>
<td>$86,358</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Area District Library</td>
<td>$743</td>
<td>$22,453</td>
<td>$22,453</td>
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<td></td>
</tr>
<tr>
<td>City Debt</td>
<td>$2,192</td>
<td>$66,208</td>
<td>$66,208</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$36,186</strong></td>
<td><strong>$55,115</strong></td>
<td><strong>$442,007</strong></td>
<td><strong>$595,862</strong></td>
<td><strong>$1,092,984</strong></td>
</tr>
</tbody>
</table>

* Increased by investment, but not captured by the LBRA

Additional information related to the impact of tax increment financing on the various taxing jurisdictions is presented in Table 2.

10. **Legal Description & Site Map**

The Property location and boundaries are shown on Figures 1 and 2. The legal description of the Property is provided in Attachment A.

11. **Personal Property**

This Brownfield Plan will capture incremental tax revenues resulting from personal property to the extent they are available.
12. **Displacement of Persons**

No persons will be displaced as a result of this Project.

13. **Local Brownfield Revolving Fund**

The City will be using the LBRA’s accelerated reimbursement program to finance a portion of the infrastructure improvements.

The LBRA will capture all available tax increment revenues for deposit to the LBRF as permitted by Act 381.

14. **Other Information**

The LBRA and the Lansing City Council, in accordance with the Act, may amend this Plan in the future in order to fund additional eligible activities associated with the Project described herein.
FIGURES

Figure 1: Property Location Map

Figure 2: Eligible Property Map
FIGURE 1
PROPERTY LOCATION

700 N. WASHINGTON AVENUE
LANSING, MICHIGAN 48906

INGHAM COUNTY
T4N, R2W, SECTION 9

PROJECT NUMBER: 19-2147

ADAPTED FROM MI GEOGRAPHIC DATA LIBRARY DRG
PROPERTY ORIENTATION DIAGRAM

FIGURE 2

700 N. WASHINGTON AVENUE
LANSING, MICHIGAN 48906

PROJECT NUMBER: 19-2147

DIAGRAM CREATED BY: AL
DATE: 11/26/2019
TABLES

Table 1: Brownfield Eligible Activities
Table 2: Tax Increment Revenue Capture Estimates
Table 3: Tax Increment Revenue Reimbursement Allocation Table
### Table 1
Brownfield Eligible Activities
700 N. Washington Avenue
Lansing, MI

<table>
<thead>
<tr>
<th>ELIGIBLE ACTIVITIES</th>
<th>NO. OF UNITS</th>
<th>UNIT TYPE</th>
<th>UNIT RATE</th>
<th>ESTIMATED TOTAL COST</th>
<th>DEQ ACTIVITIES</th>
<th>MSF ACTIVITIES</th>
<th>LOCAL-ONLY ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MSF ELIGIBLE ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asbestos and Lead Activities</td>
<td></td>
<td></td>
<td></td>
<td>$ 61,252</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 61,252</td>
</tr>
<tr>
<td>Demolition</td>
<td></td>
<td></td>
<td></td>
<td>$ 77,126</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 77,126</td>
</tr>
<tr>
<td>Site Preparation</td>
<td></td>
<td></td>
<td></td>
<td>$ 97,357</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 97,357</td>
</tr>
<tr>
<td><strong>Infrastructure Improvements</strong></td>
<td></td>
<td></td>
<td></td>
<td>$ 222,257</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 222,257</td>
</tr>
<tr>
<td><strong>Subtotal Infrastructure Improvement Activities</strong></td>
<td>$ 222,257</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 222,257</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 222,257</td>
</tr>
<tr>
<td><strong>MSF ELIGIBLE ACTIVITIES SUB-TOTAL</strong></td>
<td>$ 457,992</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 457,992</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 457,992</td>
</tr>
<tr>
<td><strong>MSF AND EGLE ELIGIBLE ACTIVITIES SUB-TOTAL</strong></td>
<td>$ 457,992</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 457,992</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 457,992</td>
</tr>
<tr>
<td>Contingency (15%)</td>
<td></td>
<td></td>
<td></td>
<td>$ 68,284</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 68,284</td>
</tr>
<tr>
<td>Brownfield Plan</td>
<td>1</td>
<td>LS</td>
<td></td>
<td>$ 10,000</td>
<td>$ 10,000</td>
<td>$ 10,000</td>
<td></td>
</tr>
<tr>
<td>Interest (0%, simple)</td>
<td></td>
<td></td>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ELIGIBLE COST FOR REIMBURSEMENT</strong></td>
<td>$ 536,276</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 536,276</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 536,276</td>
</tr>
<tr>
<td>State Brownfield Revolving Fund</td>
<td></td>
<td></td>
<td></td>
<td>$ -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BRA Administrative Fees/LBRF</td>
<td></td>
<td></td>
<td></td>
<td>$ 59,586</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td>$ 595,862</td>
<td></td>
<td></td>
<td>0.00%</td>
<td>0.00%</td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>

**NOTES:**
These costs and revenue projections should be considered approximate estimates based on expected conditions and available information. It cannot be guaranteed that the costs and revenue projections will not vary from these estimates. Costs for Asbestos/Lead Surveys and Brownfield Plan are excluded from contingency calculation.
<table>
<thead>
<tr>
<th>Plan Year</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Taxable Value (TVI Increase Rate)</td>
<td>3% per year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>$476,118</td>
<td>$476,118</td>
<td>$476,118</td>
<td>$476,118</td>
<td>$476,118</td>
<td>$476,118</td>
<td>$476,118</td>
<td>$476,118</td>
<td>$476,118</td>
<td>$476,118</td>
</tr>
<tr>
<td>Estimated/Previous Year's Total</td>
<td>$2,080,000</td>
<td>$2,092,000</td>
<td>$2,092,000</td>
<td>$2,092,000</td>
<td>$2,080,000</td>
<td>$2,080,000</td>
<td>$2,080,000</td>
<td>$2,080,000</td>
<td>$2,080,000</td>
<td>$2,080,000</td>
</tr>
<tr>
<td>Estimated/New TV</td>
<td>1,651,982</td>
<td>1,651,982</td>
<td>1,651,982</td>
<td>1,651,982</td>
<td>1,651,982</td>
<td>1,651,982</td>
<td>1,651,982</td>
<td>1,651,982</td>
<td>1,651,982</td>
<td>1,651,982</td>
</tr>
<tr>
<td>Incremental Difference (New TV - Base TV)</td>
<td>$5,800</td>
<td>$5,800</td>
<td>$5,800</td>
<td>$5,800</td>
<td>$5,800</td>
<td>$5,800</td>
<td>$5,800</td>
<td>$5,800</td>
<td>$5,800</td>
<td>$5,800</td>
</tr>
<tr>
<td>Total Incremental Difference</td>
<td>$1,321,982</td>
<td>$1,321,982</td>
<td>$1,321,982</td>
<td>$1,321,982</td>
<td>$1,321,982</td>
<td>$1,321,982</td>
<td>$1,321,982</td>
<td>$1,321,982</td>
<td>$1,321,982</td>
<td>$1,321,982</td>
</tr>
</tbody>
</table>

### Table 2: Tax Increment Revenue Capture Estimates

| Notes: | | | | | | | | | | |
| Local Capture | | | | | | | | | | |
| | | | | | | | | | |
| School Capture | Millage Rate | | | | | | | | | |
| School Operating | 14.890 | | | | | | | | | |
| | | | | | | | | | |
| Lansing | | | | | | | | | |
| | | | | | | | | | |
| Total | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 |
| Local Capture | Millage Rate | | | | | | | | | |
| Lansing Operating | 14.890 | | | | | | | | | |
| | | | | | | | | | |
| Lansing | | | | | | | | | |
| | | | | | | | | | |
| Total | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 |

### Table 2: Tax Increment Revenue Capture Estimates

| Notes: | | | | | | | | | | |
| Non-Capturable Milage | | | | | | | | | | |
| Non-Capturable Local | | | | | | | | | | |
| Lansing Operating | 14.890 | | | | | | | | | |
| | | | | | | | | | |
| Lansing | | | | | | | | | |
| | | | | | | | | | |
| Total | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 | $273,792 |

### Notes:
- Estimated Taxable Value (TVI) increase rate: 3% per year
- Estimated/New TV: Previous year's total + increase
- Incremental difference: New TV - Base TV
- Total incremental difference: Sum of incremental differences for each year
- Local capture breakdown:
  - School Capture
  - Lansing Operating
  - Non-Capturable Milage
  - Lansing Operating

### Additional Information:
- Millage rates for various districts and entities, including Lansing School District and Lansing School Sinking Fund District.
- Estimated tax increases for different years, showing significant increases in certain years.
- Total taxable value (TVI) and estimated tax for various districts.

---

**Estimated Taxable Value (TVI) Increase Rate**: 3% per year

**Estimated/New TV**: Previous year's total + increase

**Incremental Difference (New TV - Base TV)**: Yearly increase in tax revenue

**Total Incremental Difference**: Sum of incremental differences for each year

**Local Capture**:
- **School Capture**
  - School Operating: 14.890
  - Lansing Operating: 14.890

**Non-Capturable Milage**:
- **Non-Capturable Local**: Lansing Operating: 14.890
### Table 3: Tax Increment Revenue Reimbursement Allocation Table

<table>
<thead>
<tr>
<th>Year</th>
<th>Local-Only Tax Reimbursement</th>
<th>State Tax Reimbursement</th>
<th>Total Tax Increment Revenue Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$16,786</td>
<td>$49,473</td>
<td>$66,260</td>
</tr>
<tr>
<td>2022</td>
<td>$37,508</td>
<td>$47,928</td>
<td>$85,436</td>
</tr>
<tr>
<td>2023</td>
<td>$58,262</td>
<td>$44,681</td>
<td>$102,943</td>
</tr>
<tr>
<td>2024</td>
<td>$58,262</td>
<td>$44,681</td>
<td>$102,943</td>
</tr>
<tr>
<td>2025</td>
<td>$58,262</td>
<td>$44,681</td>
<td>$102,943</td>
</tr>
<tr>
<td>2026</td>
<td>$58,262</td>
<td>$44,681</td>
<td>$102,943</td>
</tr>
<tr>
<td>2027</td>
<td>$58,262</td>
<td>$44,681</td>
<td>$102,943</td>
</tr>
<tr>
<td>2028</td>
<td>$58,262</td>
<td>$44,681</td>
<td>$102,943</td>
</tr>
<tr>
<td>2029</td>
<td>$58,262</td>
<td>$44,681</td>
<td>$102,943</td>
</tr>
<tr>
<td>2030</td>
<td>$58,262</td>
<td>$44,681</td>
<td>$102,943</td>
</tr>
<tr>
<td>2031</td>
<td>$58,262</td>
<td>$44,681</td>
<td>$102,943</td>
</tr>
<tr>
<td>2032</td>
<td>$58,262</td>
<td>$44,681</td>
<td>$102,943</td>
</tr>
<tr>
<td>2033</td>
<td>$58,262</td>
<td>$44,681</td>
<td>$102,943</td>
</tr>
</tbody>
</table>

**Developer/City Projected Reimbursement**

<table>
<thead>
<tr>
<th>Proportionality</th>
<th>School &amp; Local Taxes</th>
<th>Local-Only Taxes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>0.0%</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Local</td>
<td>100.0%</td>
<td>$159,276</td>
<td>$159,276</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$159,276</td>
<td>$159,276</td>
</tr>
</tbody>
</table>

**Administrative Fees & Loan Funds**

<table>
<thead>
<tr>
<th></th>
<th>State Brownfield Revolving Fund</th>
<th>MD Administration Fees / LBRF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ (0)</td>
<td>$ 54,166</td>
</tr>
</tbody>
</table>

* During the life of the Plan.
Attachment A

Legal Description of the Property
ATTACHMENT A

Legal Description
700 N. Washington Avenue
Lansing, Michigan 48906

700 N. Washington Avenue (Parcel No. 33-01-01-09-453-061) - S 1/2 LOT 2 BLOCK 53 ORIG PLAT

0 N. Washington Avenue (Parcel No. 33-01-01-09-453-051) – N ½ LOT 2 BLOCK 53 ORIG PLAT

724 N. Washington Avenue (Parcel No. 33-01-01-09-453-023) - LOTS 3, 4 & 5 BLOCK 53 ORIG PLAT

730 N. Washington Avenue (Parcel No. 33-01-01-09-453-011) – S 33 FT OF W 81.5 FT LOT 6 BLOCK 53 ORIG PLAT

732 N. Washington Avenue (Parcel No. 33-01-01-09-453-001) – N 33 FT OF W 81.5 FT LOT 6 BLOCK 53 ORIG PLAT

104 E. Madison Street (Parcel No. 33-01-01-453-111) – E 83.5 FT LOT 6 BLOCK 53 ORIG PLAT
Attachment B

Letter of Functional Obsolescence
This building was originally constructed in 1969 as a split entry, single occupant office building. Because of the split entry, there is no access to the building that does not include stairs. There is no ground level entry. There is no elevator. The design as a split entry office building is obsolete.

The heating and cooling systems are currently obsolete. The heating and cooling system is accessed through a port in the ceiling and not easily accessible.

The restrooms are not handicap accessible because of the small size and narrow doorways.

The windows are fixed and do not open. There is no sprinkler system.

For these reasons, I have determined that the building at 700 N. Washington Ave. suffers from functional obsolescence.

Sharon Frischman, MMAO
City Assessor
Attachment C

Renderings
NEW HEADQUARTERS BUILDING
Project Information

PROJECT LOCATION - LANSING, MI.

PROJECT STATISTICS

BUILDING AREA:
- First Floor: 4,855 SF
- Second Floor: 8,778 SF
- Third Floor: 5,810 SF
- Total: 19,443 SF
- Roof Deck: 2,840 SF

SITE AREA AND FACTS
- Site Area: 1.46 acres
- Parking: 72 spaces

BUILDING FACTS:
- New building on property currently owned by Michigan Realtors reaffirms the organization's commitment to Lansing.
- Programs include workplace and conference space for Michigan Realtors staff and training/meeting space to host dinners, continuing education seminars, and other events for members, stakeholders, and partners.
- The building will focus on advancing the credibility of Michigan Realtors as the top advocacy group and a leader in member service through a building that reflects the organization's brand and culture.
- The first and second floors will support Michigan Realtors staff of between 35 and 40 in a high performance workplace that fuels efficiency, collaboration, and productivity.
- The third floor engagement center and roof deck will provide diverse spaces for up to 266 people to learn, socialize, network, and work together.
- The site and roof deck design creates opportunities for staff to work and collaborate outdoors using plants and materials indigenous to Michigan while not increasing impervious surface or storm water discharge.
CONCEPT STREETSCAPE PLAN FOR:

MICHIGAN REALTORS

SCALE: 1"=30' 0' 15' 30'

Designer: J. Faasse
Date: 11/13/19
INDEPENDENT AUDITORS’ COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

December 19, 2019

Board of Directors
Lansing Brownfield Redevelopment Authority
Lansing, Michigan

We have audited the financial statements of the governmental activities and the major fund of the Lansing Brownfield Redevelopment Authority (the “Authority”), a discretely presented component unit of the City of Lansing, Michigan, as of and for the year ended June 30, 2019, and have issued our report thereon dated December 19, 2019. 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 July 15, 2019 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 Authority 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 19, 2019.

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 29, 2019.
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 Authority’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 Authority is included in Note 1 to the financial statements.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

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. There are no significant estimates for the year ended June 30, 2019.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

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. We did not identify any misstatements during our audit.
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 Authority'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 B 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 Authority, 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 Authority’s auditors.

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 A 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 Lansing Brownfield Redevelopment Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

[Signature]
The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Authority in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Authority. 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 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 Authority.

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 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 Authority.

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 Authority.

GASB 91 ■ Conduit Debt Obligations  
*Effective 12/15/2021 (your FY 2022)*

This standard defines “conduit debt obligations”, where a government issues debt whose proceeds are received and repaid by a third-party obligor without the issuer being primarily liable. The standard requires issuers to disclose conduit debt obligations, but not to record a liability unless it is *more likely than not* that a commitment made by the issuer will require it to support one or more debt payments for a conduit debt obligation. We do not expect this standard to have any significant effect on the Authority.
The following pages contain the written representations that we requested from management.
Rehmann Robson  
2330 East Paris Avenue, SE  
Grand Rapids, Michigan 49546

December 19, 2019

This representation letter is provided in connection with your audit of the financial statements of the governmental activities and the major fund of the Lansing Brownfield Redevelopment Authority (the “Authority”), a discretely presented component unit of the City of Lansing, Michigan as of and for the year ended June 30, 2019, 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 the budgetary comparison of the general fund 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 19, 2019:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 15, 2019, 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 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.

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

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

5. 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 affiliated with or owned by such individuals.

6. 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.
23. 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.

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

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

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

27. 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.

28. There are no:
   a. 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.
   b. 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.
   c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.

29. 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.

30. 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.

31. 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.

**Required Supplementary Information**

32. 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.

Karl Dorshimer, Vice President of Economic Development, LEAP, Inc.
Authorized Signatory on behalf of the Lansing
Brownfield Redevelopment Authority

Jennifer Abood Morris, Vice President of Finance, LEAP, Inc.
Authorized Signatory on behalf of the Lansing
Brownfield Redevelopment Authority

The undersigned are representatives of the City of Lansing, Michigan, which provides accounting services for the Lansing Brownfield Redevelopment Authority, as a component unit of the City of Lansing, Michigan:

Shelbi Frayer, Chief Strategy Officer, City of Lansing, Michigan

Jeff Scharnowske, Accounting Manager, City of Lansing, Michigan
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INDEPENDENT AUDITORS’ REPORT

December 19, 2019

Board of Directors
Lansing Brownfield Redevelopment Authority
Lansing, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Lansing Brownfield Redevelopment Authority (the “Authority”), a discretely presented component unit of the City of Lansing, Michigan, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Independent Auditors’ Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Lansing Brownfield Redevelopment Authority as of June 30, 2019, and the respective changes in financial position thereof and the budgetary comparison of the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2019 on our consideration of the Lansing Brownfield Redevelopment Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority’s internal control over financial reporting and compliance.
The Lansing Brownfield Redevelopment Authority (the “Authority”) was established by the City of Lansing (the “City”) on August 17, 1997, pursuant to Public Act 381 of 1996. The Authority presents this management discussion and analysis of its financial performance as an overview of financial activities for the fiscal year ended June 30, 2019.

Using this Annual Report

The discussion and analysis is intended to serve as an introduction to the Authority’s basic financial statements. The basic financial statements are comprised of the following:

- The statement of net position presents information on all of the Authority’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- The statement of activities presents information showing how the Authority’s net position changed during the most recent fiscal year.
- The governmental fund balance sheet presents information on the Authority’s assets, liabilities and deferred inflows of resources, with the residual reported as fund balance.
- The statement of revenues, expenditures and change in fund balance - budget and actual - general fund presents information showing the comparison of the Authority’s actual revenues and expenditures to what was budgeted.
- The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**Government-wide Financial Statements.** The net position of the Authority is summarized for the purpose of determining the overall fiscal position. As shown in the table below, the Authority’s assets exceeded liabilities by $2.3 million at the end of the fiscal year.

<table>
<thead>
<tr>
<th>Net Position</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current and other assets</td>
<td>$ 4,118,267</td>
<td>$ 4,007,706</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1,345,618</td>
<td>1,317,824</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>500,000</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,845,618</td>
<td>1,317,824</td>
</tr>
<tr>
<td>Total unrestricted net position</td>
<td>$ 2,272,649</td>
<td>$ 2,689,882</td>
</tr>
</tbody>
</table>
LANSING BROWNFIELD REDEVELOPMENT AUTHORITY

Management’s Discussion and Analysis

<table>
<thead>
<tr>
<th>Change in in Net Position</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>$778,932</td>
<td>$76,012</td>
</tr>
<tr>
<td>General revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>3,036,500</td>
<td>2,393,997</td>
</tr>
<tr>
<td>Unrestricted investment earnings</td>
<td>18,311</td>
<td>2,593</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>3,833,743</td>
<td>2,472,602</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redevelopment</td>
<td>4,250,976</td>
<td>1,872,065</td>
</tr>
<tr>
<td><strong>Change in net position</strong></td>
<td>(417,233)</td>
<td>600,537</td>
</tr>
<tr>
<td>Net position, beginning of year</td>
<td>2,689,882</td>
<td>2,089,345</td>
</tr>
<tr>
<td><strong>Net position, end of year</strong></td>
<td>$2,272,649</td>
<td>$2,689,882</td>
</tr>
</tbody>
</table>

When comparing the current fiscal year to the previous fiscal year, net position has decreased by approximately $417,000, as compared to an increase of approximately $600,000 in the prior year. The primary reason for this decrease is disbursements related to the Provident Place project that were funded by a loan from the State of Michigan. Since the loan proceeds are reported in the statement of net position as a liability, there is not a revenue reported to offset the expenditure of the loan funds. The Authority hopes to recoup these costs in the future in the form of increased tax captures related to this property.

Property tax revenues as well as redevelopment expenses increased for the year ended June 30, 2019 due to an increase in amounts captured related to project plans that were initiated during the year, as well as continued capture on previously existing plans. In addition, operating grants and contribution revenue increased this year due to an increase in project draws as compared to previous years.

General Fund Financial Analysis

At the end of the current fiscal year, the Authority’s governmental fund (the general fund) reported an ending fund balance of $2.6 million, an increase of $0.1 million in comparison to the prior year. This reasons for changes in activity for the general fund are substantially the same as discussed for the government-wide financial statements above.

General Fund Budgetary Highlights

In accordance with State statute, the Authority adopts a budget annually prior to the commencement of the fiscal year. The budget may be amended during the year by formal resolution of the Board of Directors. Accordingly, the budget was amended during the year for Brownfield plan amendments, as well as unexpended multi-year grants not included in the original budget.
Management’s Discussion and Analysis

The primary variance between the final budget and the actual costs was the result of multi-year grants budgeted costs that are to be carried forward and spent in future fiscal years. In addition, the new revolving loan fund expenditures, in the form of loan disbursements was budgeted at the full amount of the funds transferred from undisbursed project reserves that will be expended in future years.

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

Debt Administration

At the end of the current fiscal year, the Authority had total debt outstanding of $500,000. Proceeds from a Michigan Department of Environmental Quality (MDEQ) Revitalization Revolving Loan were received in fiscal 2018-19 for use on the Provident Place project.

<table>
<thead>
<tr>
<th>Outstanding Debt</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan payable</td>
<td>$ 500,000</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Additional information on the Authority’s long-term debt can be found in Note 5 of the financial statements.

Economic Factors

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

Requests for Information

This financial report is designed to provide a general overview of the Lansing Brownfield Redevelopment Authority finances and to show accountability for the money it receives and expends. Additional information on the Authority can be found on the City of Lansing’s website at www.lansingmi.gov. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: 1000 S. Washington Avenue, Lansing, Michigan 48910-3201.
BASIC FINANCIAL STATEMENTS
## Statement of Net Position

**June 30, 2019**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$3,929,091</td>
</tr>
<tr>
<td>Receivables</td>
<td>189,176</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>4,118,267</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>1,345,618</td>
</tr>
<tr>
<td>Long-term debt (due in more than one year)</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>1,845,618</strong></td>
</tr>
</tbody>
</table>

**Net position**

| Unrestricted                | $2,272,649              |

The accompanying notes are an integral part of these financial statements.
# Statement of Activities
For the Year Ended June 30, 2019

<table>
<thead>
<tr>
<th>Functions / Programs</th>
<th>Expenses</th>
<th>Program Revenues</th>
<th>Operating Grants and Contributions</th>
<th>Net (Expense) Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redevelopment</td>
<td>$ 4,250,976</td>
<td>$ 778,932</td>
<td>(3,472,044)</td>
<td></td>
</tr>
<tr>
<td>General revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>3,036,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted investment earnings</td>
<td>18,311</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total general revenues</td>
<td></td>
<td></td>
<td></td>
<td>3,054,811</td>
</tr>
<tr>
<td>Change in net position</td>
<td></td>
<td></td>
<td></td>
<td>(417,233)</td>
</tr>
<tr>
<td>Net position, beginning of year</td>
<td>2,689,882</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position, end of year</td>
<td></td>
<td></td>
<td></td>
<td>$ 2,272,649</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
**Balance Sheet**
Governmental Fund
June 30, 2019

<table>
<thead>
<tr>
<th>General Fund</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$3,929,091</td>
</tr>
<tr>
<td>Loans receivable</td>
<td>189,176</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$4,118,267</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$1,345,618</td>
</tr>
<tr>
<td><strong>Deferred inflows of resources</strong></td>
<td></td>
</tr>
<tr>
<td>Unavailable revenue - loans receivable</td>
<td>189,176</td>
</tr>
<tr>
<td><strong>Fund balance</strong></td>
<td></td>
</tr>
<tr>
<td>Committed - revolving fund B</td>
<td>966,095</td>
</tr>
<tr>
<td>Unassigned</td>
<td>1,617,378</td>
</tr>
<tr>
<td><strong>Total fund balance</strong></td>
<td>$2,583,473</td>
</tr>
<tr>
<td><strong>Total liabilities, deferred inflows of resources, and fund balance</strong></td>
<td>$4,118,267</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Reconciliation
Fund Balance of Governmental Fund to Net Position of Governmental Activities
June 30, 2019

Fund balance - governmental fund $ 2,583,473

Amounts reported for governmental activities in the statement of net position are different because:

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, not included in fund balance.

Deferred loans receivable $ 189,176

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Long-term debt (500,000)

Net position of governmental activities $ 2,272,649

The accompanying notes are an integral part of these financial statements.
## Statement of Revenues, Expenditures and Changes in Fund Balance

**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2019**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$2,638,978</td>
<td>$3,184,636</td>
<td>$3,036,500</td>
<td>$(148,136)</td>
</tr>
<tr>
<td>Grants</td>
<td>1,000,000</td>
<td>2,250,000</td>
<td>755,690</td>
<td>$(1,494,310)</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>18,311</td>
<td>18,311</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>51,030</td>
<td>51,030</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$3,638,978</td>
<td>$5,434,636</td>
<td>$3,861,531</td>
<td>$(1,573,105)</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>106,553</td>
<td>133,436</td>
<td>133,835</td>
<td>399</td>
</tr>
<tr>
<td>Community developments projects</td>
<td>4,498,520</td>
<td>5,301,200</td>
<td>4,117,141</td>
<td>$(1,184,059)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>$4,605,073</td>
<td>$5,434,636</td>
<td>$4,250,976</td>
<td>$(1,183,660)</td>
</tr>
<tr>
<td><strong>Revenues over (under) expenditures</strong></td>
<td>$(966,095)</td>
<td>-</td>
<td>$(389,445)</td>
<td>$(389,445)</td>
</tr>
<tr>
<td><strong>Other financing sources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance of long-term debt</td>
<td>-</td>
<td>-</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>$(966,095)</td>
<td>-</td>
<td>110,555</td>
<td>110,555</td>
</tr>
<tr>
<td><strong>Fund balance, beginning of year</strong></td>
<td>2,472,918</td>
<td>2,472,918</td>
<td>2,472,918</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund balance, end of year</strong></td>
<td>$1,506,823</td>
<td>$2,472,918</td>
<td>$2,583,473</td>
<td>$110,555</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Reconciliation
Net Change in Fund Balance of Governmental Fund
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2019

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net change in fund balance - governmental fund</td>
<td>$110,555</td>
</tr>
<tr>
<td>Amounts reported for governmental activities in the statement of activities are different because:</td>
<td></td>
</tr>
<tr>
<td>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.</td>
<td></td>
</tr>
<tr>
<td>Change in loans receivable</td>
<td>$(27,788)</td>
</tr>
<tr>
<td>Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position.</td>
<td></td>
</tr>
<tr>
<td>Issuance of long-term debt</td>
<td>$(500,000)</td>
</tr>
<tr>
<td>Change in net position of governmental activities</td>
<td>$(417,233)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
This page intentionally left blank.
These financial statements present the activities of the Lansing Brownfield Redevelopment Authority (the “Authority”). The Authority was established August 17, 1997, pursuant to Public Act 381 of 1996. The primary purpose of the Authority is to revitalize environmentally distressed areas in the City of Lansing. The Authority’s activities are primarily funded through tax increment financing.

The Authority is a component unit of the City of Lansing, Michigan (the “City”) because the City appoints the Authority’s Board of Directors, it has the ability to significantly influence the Authority’s operations, and it is financially accountable for the Authority as defined under GASB Statement No. 61, The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34. Accordingly, the Authority is presented as a discrete component unit in the City’s financial statements and is an integral part of that reporting entity.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Authority.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable activities with a specific function or identifiable activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function or identifiable activity and 2) grants and contributions that are restricted to meeting the operational requirement of a particular function or identifiable activity. Property taxes not properly included among program revenues are reportable instead as general revenues.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial information is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial information is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within three months of the end of the current fiscal period or one-year for expenditure-driven grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.
The Authority reports a single major governmental fund - the general fund. The general fund is the Authority’s primary operating fund. It accounts for all financial resources of the Authority, except those accounted for and reported in another fund, if any.

**Assets, Liabilities, Deferred Inflows of Resources, and Equity**

**Cash and Cash Equivalents**

The Authority’s cash and cash equivalents are held in money market accounts with a local bank.

**Brownfield Loans**

The Authority is party to loan agreements which amount to funds advanced to local corporations 1) under the Brownfield Cleanup Revolving Loan Fund program of the U.S. Environmental Protection Agency and 2) under the Brownfield Local Sight Remediation Revolving Loan Fund (LSRLF). The LSRLF consists of certain local tax captures.

**Accounts Payable**

The Authority’s accounts payable primarily relate to tax captures due to developers.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting, from loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Fund Balances**

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance, if any, is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. A formal resolution of the Board of Directors is required to establish, modify, or rescind a fund balance commitment. The Authority reports assigned fund balance for amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The Authority currently has no assigned fund balance, as the Board of Directors has not yet given the authority for the making of such assignments. Unassigned fund balance is the residual classification for the general fund.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government’s policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance.
LANSING BROWNFIELD REDEVELOPMENT AUTHORITY

Notes to Financial Statements

Use of Estimates

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

2. BUDGETARY INFORMATION

The Authority has established the following procedures for determining the budgetary data presented in the accompanying financial statements:

- The secretary of the Authority's Board of Directors submits to the City Council of the City of Lansing a proposed operating budget for the fiscal year commencing the following July 1st. The budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to July 1st, the budget is legally adopted by City Council resolution, pursuant to the Uniform Budgeting and Accounting Act (P.A. 621). This act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or to allow expenditures in excess of original estimates. Expenditures shall not be made or incurred unless authorized in the budget and shall not exceed the amount appropriated.
- Formal budgetary integration is employed as a management control device during the year for the funds.
- Budgets are adopted on a basis consistent with generally accepted accounting principles.
- Expenditures may not exceed budget at the activity level.

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended June 30, 2019, the Authority incurred expenditures in the general fund, which were in excess of the amounts appropriated, as follows:

<table>
<thead>
<tr>
<th>Total Appropriations</th>
<th>Amount of Expenditures</th>
<th>Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>$ 133,436</td>
<td>$ 133,835</td>
</tr>
</tbody>
</table>

3. DEPOSITS

Following is a reconciliation of deposit balances as of June 30, 2019:

**Statement of net position**

- Cash and cash equivalents $ 3,929,091

**Deposits**

- Checking/savings accounts $ 3,929,091

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned. State law does not require and the Authority does not have a policy for deposit custodial credit risk. As of year-end, $4,472,278 of the Authority’s bank balance of $4,722,278 was exposed to custodial credit risk because it was uninsured and uncollateralized.
The Authority’s investment policy does not specifically address this risk, although the Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Authority evaluates each financial institution with which it deposits Authority funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

State statutes authorize the Authority to invest in:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers’ acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

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

### 4. RECEIVABLES

Receivables of governmental activities are comprised of loans receivable which consist of amounts funded by the U.S. Environmental Protection Agency (EPA) revolving loan funds, consisted of the following at June 30, 2019:

EPA Brownfield Revolving Loan Fund loan receivable from Sam Eyde Management, Inc. for cleanup related to the property located at 4000 N. Grand River Avenue in the City. Interest is accreted at 3.0% per annum. All unpaid principal and accreted interest is due in full on March 12, 2026. $175,676

EPA Brownfield Revolving Loan Fund loan receivable from the City of Lansing Economic Development Corporation. Interest is stated at 0%. Repayment is due in annual installments of $4,500 through January 1, 2022. $13,500

$189,176

Of the above loans, $160,744 is not expected to be collected within one year.
The Authority is also party to loan agreements, some funded by EPA revolving loan funds and others funded by local tax captures, in which the associated loans are expected to be repaid by future collections of tax increment revenues related to the properties being cleaned up. The liability of the local corporations is limited to any shortfalls in future collection of tax increment revenues. Because the balances that may eventually be collected from outside parties is not reasonably estimable due to the uncertainty of future tax captures, no balance is reported in either the government-wide or fund financial statements. The outstanding balance of such loans at June 30, 2019 consisted of the following:

Locally funded Brownfield Revolving Loan Fund loan to Michigan Avenue Investors, LLC for cleanup related to a former gas station. Interest is accreted at 2.0% per annum.  
$9,412

EPA Brownfield Revolving Loan Fund loan to Brownfield Development Specialists, LLC for cleanup related to the “Dard Building” in the City. Interest is stated at 0%.  
248,890

EPA Brownfield Revolving Loan Fund loan to Y Site, LLC for cleanup related to the former YMCA building. Interest is accreted at 3.0% per annum.  
507,629

Locally funded Brownfield Revolving Loan Fund loan to the High Grade Material Company for demolition and cleanup related to a single parcel of property in the City. Interest is accreted at 5.0% per annum.  
53,880

EPA Brownfield Revolving Loan Fund loan to the City of Lansing Economic Development Corporation related to property formerly owned by the City of Lansing Board of Water and Light. Interest is stated at 0%.  
409,096

Locally funded Brownfield Revolving Loan Fund loan receivable to the City for cleanup related to a single parcel to be converted into a City parking lot. Interest is stated at 0%.  
50,718

Locally funded Brownfield Revolving Loan Fund loan receivable to the City for cleanup related to a redevelopment of the former Potter Mill property. Interest is stated at 0%.  
196,599

Locally funded Brownfield Revolving Loan Fund loan receivable to the City for cleanup related to redevelopment of the south side of the 2000 block of East Michigan Avenue. Interest is stated at 3%.  
105,645

Locally funded Brownfield Revolving Loan Fund loan receivable to Motion Properties, Inc. for cleanup related to redevelopment of the Company’s property. Interest is stated at 3%.  
32,173

Locally funded Brownfield Revolving Loan Fund loan receivable to 515 Ionia, LLC for cleanup related to redevelopment of the Company’s property. Interest is stated at 3%.  
177,141
5. LONG-TERM DEBT

The following is a summary of debt transactions of the Authority for the year ended June 30, 2019:

<table>
<thead>
<tr>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Deductions</th>
<th>Ending Balance</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct borrowings and direct placements</td>
<td>$500,000</td>
<td>$500,000</td>
<td>$500,000</td>
<td>-</td>
</tr>
</tbody>
</table>

Direct borrowings and direct placements
$500,000 Revitalization Revolving Loan, payable in annual installments of $48,913 beginning in December 2022 and through December 2032, including interest at 1.5% per annum. No interest accrues before the date of the first payment. $500,000

Annual debt service requirements to maturity for the Authority’s direct borrowing and direct placements are as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$</td>
<td>- $</td>
<td>$</td>
</tr>
<tr>
<td>2021</td>
<td>$</td>
<td>- $</td>
<td>$</td>
</tr>
<tr>
<td>2022</td>
<td>$</td>
<td>- $</td>
<td>$</td>
</tr>
<tr>
<td>2023</td>
<td>$48,913</td>
<td>- $</td>
<td>$48,913</td>
</tr>
<tr>
<td>2024</td>
<td>$42,147</td>
<td>$6,766</td>
<td>$48,913</td>
</tr>
<tr>
<td>2025-2029</td>
<td>$220,409</td>
<td>$24,156</td>
<td>$244,565</td>
</tr>
<tr>
<td>2030-2033</td>
<td>$188,531</td>
<td>$7,123</td>
<td>$195,654</td>
</tr>
</tbody>
</table>

$500,000 $38,045 $538,045

6. NONCANCELABLE LEASE AND SUBLEASE

The Authority is party to an operating lease with the City for an open air parking lot, which is owned by the City. The initial lease term is for 70 years with early termination and renewal options connected to an associated sublease. Annual rent per the lease agreement is to be $1, or any amounts actually received by the Authority pursuant to the sublease executed and agreed upon in connection with the lease agreement.

In addition, the Authority is party to a related sublease with Outfield Partners, LLC, a Michigan limited liability company (the "Subtenant"), for the same open air parking lot. The initial lease term is for 20 years with 7 renewal options for a period of 10 years each. Annual rent per the lease agreement is $15,000 and continues for the remainder of the initial lease term.
LANSING BROWNFIELD REDEVELOPMENT AUTHORITY

Notes to Financial Statements

Because the rents to be received under the sublease and paid under the lease are substantially identical, the Authority has determined that the substance of the transaction is that the City is leasing its parking lot to the Subtenant. The Authority will not record rental revenue or expense related to this arrangement. The minimum payments due under the lease and to be collected under the sublease are as follows at June 30, 2019:

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$15,000</td>
</tr>
<tr>
<td>2021</td>
<td>15,000</td>
</tr>
<tr>
<td>2022</td>
<td>15,000</td>
</tr>
<tr>
<td>2023</td>
<td>15,000</td>
</tr>
<tr>
<td>2024</td>
<td>15,000</td>
</tr>
<tr>
<td>2025-2029</td>
<td>75,000</td>
</tr>
<tr>
<td>2030-2034</td>
<td>75,000</td>
</tr>
<tr>
<td>2035</td>
<td>15,000</td>
</tr>
</tbody>
</table>

$240,000

7. PROPERTY TAXES

Property tax revenue is derived pursuant to a tax increment financing agreement between the Authority and various applicable taxing districts. Real and personal property taxes are levied and attach as an enforceable lien on properties located within the boundaries of the tax increment financing district. The City of Lansing bills and collects the taxes on behalf of the Authority. Delinquent taxes on ad valorem real property are purchased by Ingham County. Property tax revenue is recognized when levied in the government-wide financial statements and in the fund financial statements to the extent that it results in current receivables.

8. RELATED PARTY TRANSACTIONS

The Economic Development Corporation of the City of Lansing (the “Corporation”) provides administrative services to the Authority. Administrative services, consisting of operating costs and reimbursement of project expenses, charged to the Authority by the Corporation totaled $133,835 for the year ended June 30, 2019.

9. TAX ABATEMENTS

The Authority provides tax abatements under the following program:

- The Authority encourages environmental cleanup and economic development through its Brownfield Redevelopment Plan under Public Act 318. A developer performs redevelopment and cleanup activities at a site that is obsolete or blighted. The increased tax revenues resulting from the increase in taxable value are captured by the City and used to repay the developer for qualifying expenses. There is no provision for recovery of abated taxes because the developer is only paid for eligible expenses on a reimbursement-basis. Property taxes abated by the Authority under this program for fiscal year 2019, through direct reimbursement to developers from current tax captures amounted to $1,767,431.
In addition, there are reserve liabilities reported in the financial statements as a component of accounts payable that represent tax captures set aside for future developer reimbursements. Property taxes abated by the Authority under this program for fiscal year 2019, amounted to $444,573.
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INTERNAL CONTROL AND COMPLIANCE
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 19, 2019

Board of Directors
Lansing Brownfield Redevelopment Authority
Lansing, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Lansing Brownfield Redevelopment Authority (the “Authority”), a discretely presented component unit of the City of Lansing, Michigan, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated December 19, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’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 Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

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 Authority’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.
Resolution to Encourage Ingham County Brownfield Redevelopment Projects to Incorporate Electric Vehicle Charging Stations

At a regular meeting of the Ingham County Brownfield Redevelopment Authority (ICBRA) held at the office of the Lansing Economic Area Partnership, 1000 S. Washington Ave. Suite 201, Lansing, MI 48910, on January 10, 2020 at 7:53am, pursuant to notice duly given:

Members Present: Mark Polsdorfer, Angelica Kim, Alec Findlay, Thomas Muth, Becky Brimley, Eric Walcott (non-voting), Kyle Bowman

Members Absent: Mark Brown, Aaron Davis, Josh Church

The following resolution, introduced by Member Polsdorfer, was offered by:

Member: Brimley, and supported by:

Member: Findlay

WHEREAS, Ingham County Brownfield Redevelopment Authority has discussed and analyzed in depth electric vehicle charging stations, specifically in relation to economic development and brownfield redevelopment; and

WHEREAS, electric vehicle charging stations can help promote the initiatives of Michigan’s automobile manufacturers to support adoption of electric vehicles by increasing the number of locations where drivers may charge their vehicles; and

WHEREAS, electric vehicle charging stations will help promote the county as a progressive and attractive region to potential employers and employees who value cleaner technologies; and

WHEREAS, the cost to install charging stations is significantly less if done during construction, rather than afterward, especially to install the underlying infrastructure required; and

WHEREAS, this initiative will help curb the emission of greenhouse gases.

NOW, THEREFORE BE IT RESOLVED, that Ingham County encourages applicants for Ingham County Brownfield Redevelopment Projects to incorporate electric vehicle charging stations at locations being cleaned up and redeveloped for productive future use.
YEAS: 6 (six)
NAYS: 0 (zero)
ABSENT: 3 (three)

RESOLUTION DECLARED ADOPTED

CERTIFICATION

State of Michigan )
 ) ss
County of Ingham )

The undersigned Chair of the Ingham County Brownfield Redevelopment Authority Board hereby certifies this to be a true and complete copy of this resolution, duly adopted at a regular meeting of said Board held on the 10th day of January 2020.

ICBRA Board Chair