AGENDA

1) Call to Order / Rollcall

2) Approval of LEDC Board Meeting Minutes – Friday, February 15, 2019
   Approval of LEDC Special Board Meeting Minutes – Wednesday, March 12, 2019

3) CB Mining LLC Micro-Loan Application (Action)

4) Resolution to Approve CB Mining LLC MDEQ Grant Application (Action)

5) Update on LEDC Loans

6) Update on Current and Proposed Budgets

7) Project Updates

8) Open Forum for LEDC Board Members

9) Other Business

10) Public Comment

11) Adjournment

The Lansing Economic Development Corporation’s mission is to create quality jobs, diversify the local economy and improve overall quality of life by attracting, expanding and retaining business and industry in the City of Lansing.
Lansing Economic Development Corporation
Board of Director’s Meeting Minutes
Friday, February 15, 2019 - 8:30 AM
M3 Group
221 W Saginaw Street
Lansing, MI 48933

Members Present: Calvin Jones, Thomas Donaldson, Blake Johnson, Shelley Boyd, Kimberly Coleman, Mayor Andy Schor, Andrea Ragan, James Butler III

Members Absent: Fred Schaible

Temp Members Present: None

Staff Present: Karl Dorshimer, Marchelle Smith, Kris Klein, Anum Mughal

Guests: Brian Leffler, Robert E. Baird Company

Eric Helzer, Advance Redevelopment Solutions

Christopher Stralkowski, Ferguson: Development

Jason Hockstok, Continental Real Estate Company

Jennifer Stralkowski, MSHDA

Steven Owen, Foster-Swift

Jim Smeritka, City of Lansing

Janet Michaluk, MI-Department of Environmental Quality

Rhonda Jones, Lansing Board of Water & Light

Call to Order

Chair Jones welcomed everyone and called the LEDC Board of Directors meeting to order at 8:33 a.m. Rollcall was called by Parsons and recorded for public record. Tiffany Dowling, M3 Group, provided the host welcome.

Approval of LEDC Board Meeting Minutes – Friday, January 11, 2019

MOTION: Coleman moved to approve the LEDC meeting minutes from the Friday, January 11, 2019 LEDC Board of Director’s meeting as presented. Motion seconded by Donaldson.

YEAS: Unanimous. Motion carried.

LEDC Financial Statements – Period Ending December 31, 2018

Smith provided an overview of the LEDC Financial Statements for the period ending YE December 31, 2018. She noted that the financials remain strong with no issues to report. Discussion ensued.
MOTION: Johnson moved to receive the LEDC Financials, period ending YE December 31, 2018, as presented and place on file. Motion seconded by Boyd.

YEAS: Unanimous. Motion carried.

Professional Liability/D&O Insurance (Discussion/Update)

Dorshimer provided an update on the LEDC Board of Directors professional liability/D&O insurance, noting that discussion has been ongoing and Steve Owen, Foster-Swift, is here today to provide an update. Owen provided a handout that provided an insurance coverage summary and advised that Peter Dewan, Lyman-Sheets, advised that he continues to work with Underwriters to find the appropriate coverage for this specialized coverage. Owen proposed that a Resolution be presented and approved by the board today to move forward with liability coverage in the amount of $1 million dollars at an approximate cost of $3,850 per year. Owen provided an overview of the insurance coverage summary (presented). He noted that the Professional Liability Coverage would be specifically designed for particular risks and would cover LEDC, LBRA and TIFA. Seeking coverage that would specifically include coverage for the LEDC’s contractual indemnity obligations. Discussion ensued over common ownership (coverage of all three boards under one policy).

MOTION: Donaldson moved to approve the purchase of liability/specific coverage, as presented and placed on file. Motion seconded by Boyd.

YEAS: Unanimous. Motion carried.

Project Updates

Dorshimer provided the following project updates:

Y-Site: This large-scale project continues to move forward however unexpected new site preparation costs have added additional brownfield costs for the developer. Working with the developer on finding additional funding to help offset these extra costs.

The Wing: Due to the inclement weather, discussions have been delayed on this project. Financing has been approved for the commercial portion of the building, but residential is running into some problems. An amendment to the current plan may be forthcoming.

Capital City Project: The grant and loan funding from the LBRA via the MDEQ continues to be pursued by the Developer. MEDC has also approved grant funding for the project.

Open Forum for LEDC Board of Directors
Chair Jones opened the floor to the LEDC Board Members, who provided the following announcements/updates:

Donaldson: Update on the Pablo's Mexican Restaurant loan and noted that City Council will be approving the project plan on Monday, March 11, 2019. He suggested a Special Meeting of the LEDC Board to approve this project on Tuesday, March 12, 2019.

**Action Item:** Parsons to setup a Special LEDC Meeting on Tuesday, March 12, 2019 for the purpose of approving a Resolution for Pablo's Mexican Restaurant. This Action approved by LEDC Board Chair, Calvin Jones.

**Other Business & Public Comment**

Parsons: Advised the LEDC Board members will begin receiving packets through the City of Lansing's online Agenda Center. He noted that this will allow for all members to access LEDC board information at any time and they will receive updates as they are made available.

**Adjournment**

There being no further business, Chair Jones declared the LEDC meeting adjourned at 10:10 a.m.

Signature: Karl Dorshimer, Director of Economic Development
Lansing Economic Area Partnership (LEAP)
Call to Order

Vice-Chair Donaldson welcomed everyone and called the LEDC Special Board of Directors meeting to order at 10:03 a.m. Rollcall was conducted by Parsons and recorded for public record.

Approving Loan Committee Letter for Pablo’s Mexican Restaurant LLC (Action)

Vice-Chair Donaldson provided an overview of the Resolution being presented to approve the LEDC Loan Committee letter for Pablo Mexican Restaurant LLC, he reintroduced Klein, LEAP and Julian Darden, Temporary Board Member, thanking them for their hard work on preparing this information for the LEDC Board’s approval. Vice-Chair Donaldson noted the loan being presented is in the amount of 143,100. Darden noted he felt this was a good loan and supports presenting this to the LEDC Board for approval. Vice-Chair Donaldson asked Parsons to do a rollcall vote on the Resolution being presented. Discussion ensued.

MOTION: Schaible moved to approve the Loan Committee Letter for Pablo’s Mexican Restaurant LLC, as presented and place on file. Motion seconded by Coleman. Motion carried.

YEAS: Four (4)
NAYS: Zero (0)
ABSENT: Four (4)
ABSTAIN: One (1) – Donaldson

Open Forum for LEDC Board of Directors

Vice-Chair Donaldson opened the floor to the LEDC Board Members, who provided the following announcements/updates: None.

Other Business & Public Comment
None.

Adjournment

There being no further business, Vice-Chair Donaldson declared the LEDC meeting adjourned at 10:09 a.m.

Kris Klein, Economic Development Specialist
Lansing Economic Area Partnership (LEAP)
MEMORANDUM

DATE: Friday, April 5, 2019

TO: LEDC Board of Directors

FROM: Kris Klein, Economic Development Specialist - on Behalf of the Lansing Economic Development Corporation Loan Committee

Subject: Request approval of a $25,000 Micro-Loan from the Lansing Economic Development Corporation Business Loan Program for CB Mining, LLC

On Wednesday, March 27, 2019, the Lansing Economic Development Corporation (LEDC) Loan Committee met to review and discuss an application for a $25,000.00 Micro-Loan to CB Mining, LLC, through the LEDC Business Loan Program.

CB Mining will be implementing a technology that utilizes a patent pending hydrometallurgical process that reclaims precious and non-precious metals from circuit boards recovered in the recycling of e-waste. The CB Mining system offers a number of unique advantages which will result in CB Mining becoming a leader in “urban mining”. There are three main advantages.

1. The system is environmentally friendly. CB Mining’s plant will produce almost no solid waste, waste water discharge, or air pollution as a result of the urban mining process.
2. The system is very cost effective to both build and operate.
3. The technology gives CB Mining the ability to recover nearly 100% of the metals contained within circuit boards, enabling them to retain nearly 100% of the intrinsic value of the circuit board. Current methods only achieve 50% retention of the intrinsic value.

CB Mining is looking to bring their recycling operation to scale at a site in the City of Lansing. Jobs created in year one are estimated at 17, 33 in year two, and 74 in year three of operations.

CB Mining is requesting a LEDC Micro-Loan to be used as 25% match for a Michigan Department of Environmental Quality (MDEQ) Recycling Infrastructure or Recycling Grant proposal. CB Mining is also requesting the LEDC be the applicant for a MDEQ Recycling Infrastructure Grant proposal.

Total project investment is estimated to be $1,161,000 ($661,000 contribution by the applicant, $400,000 traditional loan, $25,000 LEDC microloan, and $75,000 MDEQ Grant). After discussing the project, loan application, and business plan the Loan Committee recommends approval of the loan application by the LEDC Board of Directors at their Friday, April 12, 2019 meeting.

Appended are the loan terms recommended by the LEDC Loan Committee.
Circuit Board Mining LLC  
LEDC Micro Loan Term Sheet

Project:  
Circuit Board Mining LLC

Location:  
111 W. Mount Hope Ave. Ste. 115-117 Lansing, MI 48910

Applicant:  
Brandon Metzger, co-owner

Program:  
Lansing Economic Development Corporation Business Loan Program

Project Description:
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Level of Investment:  
The total project cost is estimated to be $1,161,000 ($661,000 contribution by the applicant, $400,000 traditional loan, $25,000 LEDC microloan, and $75,000 MDEQ Grant)

Terms of the Loan:

- Term:  
  2 years (24 months)
- Loan Amount:  
  $25,000
- Interest Rate:  
  Prime + 1 at closing (6.5% as of 3/27/2019)
- Payments:  
  Monthly
  - 23 monthly Principal & Interest payments: $1,113.66 (est.)
  - Final Payment of unpaid balance of principal, accrued interest, and any outstanding fees and penalties.
- Fees (due at closing):  
  $250.00 Loan Application Fee (paid to Lender- LEDC)
  $500.00 Document Fee (certified check to Foster, Swift, Collins & Smith)
- Loan Structure:  
  Secondary to senior lender
- Security:  
  Personal guaranty from Brandon Metzger
- Collateral:  
  None
- Additional Terms:  
  Closing and disbursement of the loan is contingent on the following:
  - Signed Lease for 111 W. Mount Hope Ave. Ste. 115-117 (min. 2 yrs.)
  - Letter of Commitment from the Primary Lender for the Project
  - Approved MDEQ Recycling Infrastructure or Recycling Market Development Grant ($75,000 award)
  - Building Safety and Site Plan approvals from the City of Lansing
DetroitAg LLC

Presented by: Brandon Metzger

We strive to change the e-waste status quo by developing, testing and manufacturing environmentally safe and friendly methods of capturing precious and non-precious metals from circuit boards.

Mission

In 2014, 11.7 million tons of E-Waste was generated in the US. Only 30% of this was recycled and 80% of that was sent to Asia.

Problem

Current methods rely on smelting the boards. This creates tremendous pollutants and cannot be done in the US at scale and profitable under EPA regulations.

WHY?

Solution

We have developed a scalable solution capable of processing tens of thousands of pounds per day. Our system is closed loop, producing ZERO solid waste, water discharge or air pollution.

11.7 Tons of E-Waste
Team

Behrouz Kawarizadeh
Owner and founder of Columbus Micro Systems for the last 31 yrs. IP developer and will continue to fulfil this role.

Brandon Metzger
Entrepreneur for the last 19 years, successfully starting and running companies during this time. Responsible for business model development and execution.

Basil Solaiman
Entrepreneur for the last 30 years. Will be handling inventory procurement, vendor relations and contract.

Go-to-Market & Strategy

- Objective is to complete a plant capable of processing 3200 lbs/day. Within one year we expect to scale to 6400 lbs/day via improvements in efficiencies. From there, scale to 16,000 lbs/day within 4 years.
- Identified all equipment and suppliers.
- Identified all needed employees
- Identified local suppliers for circuit boards
- Obtained letters of intent to purchase our end product
- Upon reaching the 6400 lbs/day volume we will add our own refinery enabling us to go from boards to pure metal bars. Increasing our profit margin per pound.

Financials

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Currently in the final stage of negotiating letters of intent for 100,000 lbs/month of circuit boards with a single aggregator in Ohio. There are another 8 e-waste recyclers in Michigan that we could purchase daily volume from. (Our Supply)

We have letters of intent to purchase our sludge and electrical components. (Our point of Revenue)

We are currently negotiating the purchase of our building.

Have identified all suppliers for our equipment as well as the needed personnel for operating the plant.

Our team is looking to raise $1.2M in a combination of debt and equity to complete a plant capable of executing on our business model.
THE LANSING ECONOMIC DEVELOPMENT CORPORATION

A Resolution Authorizing Application for Grant Funds by the Lansing Economic Development Corporation to the Michigan Department of Environmental Quality

At a special meeting of the Board of Directors of the Lansing Economic Development Corporation (LEDC) Lansing, Michigan, held on the 12th day of April 2019, at 8:30 a.m., pursuant to notice duly given:

PRESENT: Members:

ABSENT: Members:

The following preamble and resolution was offered by;

Member: , and supported by;

Member:

WHEREAS, millions of tons of e-waste is generated in the United States every year; and

WHEREAS, only a portion of the e-waste produced each year is collected to be recycled and most of the collected e-waste is shipped overseas to be processed and refined; and

WHEREAS, current methods utilized in the e-waste recycling industry, including smelting, are harmful to the environment and only recover 50% of the intrinsic value of the e-waste; and

WHEREAS, CB Mining is a start-up e-waste processor looking to implement a technology that utilizes a patent pending hydrometallurgical process to reclaim nearly 100% of the intrinsic value of precious and non-precious metals from circuit boards recovered in the recycling of e-waste; and

WHEREAS, the system developed by CB Mining is environmentally friendly and the process will produce almost no solid waste, waste water discharge, or air pollution; and

WHEREAS, CB Mining is looking to bring their recycling operation to scale at a site in the City of Lansing and anticipates the creation of up to 74 new jobs within three years; and

WHEREAS, CB Mining has applied to the LEDC for a $25,000 Micro-Loan to assist with equipment purchases to start their e-waste recycling operation in the City of Lansing; and

WHEREAS, the Michigan Department of Environmental Quality (MDEQ) is now soliciting applications for Recycling Grants including the Recycling Infrastructure Grant, due May 1, 2019, and the Recycling Market Development Grant, due June 6, 2019, to support
recycling initiatives and recycling equipment purchases in the State of Michigan; and

WHEREAS, both the MDEQ the Recycling Infrastructure Grant and the Recycling Market Development Grant requires a 25% local match and, if approved, CB Mining would use the LEDC Micro-Loan as match for one of the grants, whichever is awarded and accepted; and

WHEREAS, the MDEQ Recycling Infrastructure Grant requires a public or non-profit entity to be the applicant and CB Mining is requesting the LEDC be the applicant for a MDEQ Recycling Infrastructure Grant proposal; and

WHEREAS, the LEDC desires to work with CB Mining to submit applications for the MDEQ Recycling Infrastructure Grant and the MDEQ Recycling Market Development Grant for the benefit of expanding our local e-waste recycling capacity, promoting environmentally-friendly e-waste processing, and to support the creation of local jobs.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LANSING ECONOMIC DEVELOPMENT CORPORATION, AS FOLLOWS:

1. The Lansing Economic Development Corporation, hereby, directs the LEDC authorized representative to develop, submit, and implement a 2019 MDEQ Recycling Infrastructure Grant on behalf of the LEDC for the purpose of seeking funding for equipment essential to CB Mining’s e-waste processing operation in the City of Lansing.

2. Furthermore, if either the LEDC or CB Mining is successful in being awarded MDEQ grant funds, the LEDC micro-loan funds as approved by the LEDC, shall be used as the required grant matching funds.

YEAS:

NAYS:

ABSTENTIONS:

ABSENT:

RESOLUTION DECLARED ADOPTED.
I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a
meeting of the Lansing Economic Development Corporation held on the 12\textsuperscript{th} day of April
2019, and said resolution is on file in the office of the Economic Development Corporation
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.

\[\text{Calvin L. Jones, Chair} \]
\[\text{Friday, April 12\textsuperscript{th}, 2019}\]