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.
Call to Order

Chair Jones welcomed everyone and called the LEDC Board of Directors meeting to order at 9:11 a.m.

Approval of LEDC Board Meeting Minutes – Friday, April 12, 2019

MOTION: Schaible moved to approve the LEDC meeting minutes from the Friday, April 12, 2019 LEDC Board of Director’s meeting, as presented. Motion seconded by Davis-Boyd.

YEAS: Unanimous. Motion carried.

Approval of Application to EGLE: Grant for Allen Place Project (Action)

Dorshimer presented an application from the LEDC to EGLE for a grant to support the Allen Place Project. The Board requested to have Joan Nelson present at the next meeting to give a presentation on the project.

MOTION: Schaible moved to approve the Grant Application to EGLE for the Allen Place Project, as presented. Motion seconded by Butler.

YEAS: Unanimous. Motion carried.

LEDC Financial Statements, Period Ending March 31, 2019 (Motion to Receive)

Sorovigas presented the LEDC Financial Statements. Sorovigas expressed that the Runway Program is no longer operational and the March 31, 2019 statement reflects this. Schaible questioned the negative figures on the income statement under the Rental income category. Sorovigas explained that is the amount that we still need to
receive from those accounts. Lastly, Sorovigas mentioned that earned interest is higher because rates are higher.

**MOTION:** Binoniemi moved to receive the LEDC Financial Statements, as presented. Motion seconded by Donaldson.

**YEAS:** Unanimous. Motion carried.

2019-2020 LEDC & City of Lansing Contract for Economic Development Services (Action)

Dorshimer presented the LEDC and the City of Lansing Contract for Economic Development Services.

**MOTION:** Schaible moved to approve the 2019-2020 LEDC and the City of Lansing Contract, as presented. Motion seconded by Butler.

**YEAS:** Unanimous. Motion carried.

2019-2020 LEDC & City of Lansing Façade Improvement Grant Program Contract

Dorshimer presented the LEDC and the City of Lansing Façade program Contract. Dorshimer expressed that the funds increased for 2019 - 2020 and the program has expanded to include Downtown Lansing.

**MOTION:** Binoniemi moved to approve the 2019-2020 LEDC and City of Lansing Façade Improvement Grant Program Contract, as presented. Motion seconded by Schaible.

**YEAS:** Unanimous. Motion carried.

2019-2020 LEDC & LEAP Contract (Action)

Dorshimer presented the LEDC and LEAP Contract and he expressed that the LEAP Executive Board has already approved the contract.

**MOTION:** Binoniemi moved to approve the 2019 – 2020 LEDC and LEAP Contract, as presented. Motion seconded by Donaldson.

**YEAS:** Unanimous. Motion carried.

Approval FY 2018-2019 LEDC Budget Amendment (Action)

Dorshimer discussed the FY 2018 – 2019 Amendment. Dorshimer noted that there was higher interest earnings totaling $26,000.

**MOTION:** Schaible moved to approve the FY 2018 – 2019 LEDC Budget Amendment, as presented. Motion seconded by Butler.
YEAS: Unanimous. Motion carried.

Approval FY 2019-2020 LEDC Budget (Action)

Dorshimer discussed the FY 2019-2020 LEDC Budget. The Board was pleased to see the additional funds for Marketing & Promotions and Travel & Conferences & Training. Schaible wanted more clarifications on how the budgeted funds will be utilized. Dorshimer explained that these funds could be used for traveling such as a bus tour, LEDC projects marketing and promotions such as signage on LEDC projects, flash drives for opportunity zones investment prospectus, etc. Binoniemi suggested using promotional tools to showcase LEDC projects.

MOTION: Binoniemi moved to approve the FY 2019 – 2020 LEDC Budget, as presented. Motion seconded by Schaible.

YEAS: Unanimous. Motion carried.

Resolution – Bylaw Change for Mayoral Designee (Action)

Dorshimer discussed the bylaw change to allow for representation on the Board by the Director of the Department of Economic Development and Planning for the City of Lansing. The Board expressed that they were pleased to see this resolution.

MOTION: Binoniemi moved to approve a Resolution authorizing a Bylaw change for Mayoral Designee, as presented. Motion seconded by Donaldson.

YEAS: Unanimous. Motion carried.

Project Updates

Dorshimer provided the following project updates:

3600 Dunckle Road – Demolition of the former hotel has taken place and the site is being prepared for development.

Metro Park Place – The former building has been demolition and the building is going up.

LorAnn Oils Redevelopment – The expansion project has been completed.

Midwest Self Storage Development – Interior demolition has occurred along with asbestos abatement and a new roof has been installed.

Provident Place – The interior work is beginning.
735 Hazel Street – Project is currently stalled and is seeking lender financing.

Red Cedar Development – The Brownfield Plan and Comprehensive Development Agreement has been approved by the City. The Developer is currently seeking MEDC incentive approvals.

Capital City Market – The demolition has occurred, and the site prep is underway.

Farnum Building – Currently drafting a Brownfield Plan and expecting this plan to be presented at the next LBRA Board meeting.

Oliver Towers – Project to be completed by the end of 2019.

Open Forum for LEDC Board of Directors

Chair Jones opened the floor to the LEDC Board Members, who provided the following announcements/updates:

Jones expressed the need to create a subcommittee board to review the bylaws. Schaible suggested creating a shared drive to create more effective communication between the members. Another suggestion was to utilize Trello as another program for communication.

Other Business

Donaldson shared information about the Match on Main program which could compliment the Façade program. The MEDC Match on Main grant are for interior updates, for up to $25,000 match.

Public Comment

None was provided.

Adjournment

There being no further business, Chair Jones declared the LEDC meeting adjourned at 9:50 a.m.

Karl Dorschimer, Director of Economic Development
Lansing Economic Area Partnership (LEAP)
**First Amendment to the Commercial Term Note**

This First Amendment (“First Amendment”) to the original Commercial Term Note dated June 26, 2012 (“Note”) is made and entered into this day of July, 2019 between the Economic Development Corporation of the City of Lansing (the “EDC”) and Lowertown Lofts Limited Dividend Housing Association Limited Partnership, a Michigan Limited Partnership (“Borrower”), collectively referred to as “Parties.”

WHEREAS, under the “Payments” section of the Note, the Note was to be payable in eighty-four (84) payments of principal and interest beginning July 26, 2012 and that each payment amount was $569.73, except that the final payment which was to be a balloon payment equal to the entire unpaid balance of principal and accrued interest; and

WHEREAS, per the terms of the Note, the final balloon payment on the Note was to be due and payable in full on June 26, 2019, which represents the eighty-fourth (84) payment; and

WHEREAS, the Borrower submitted a payment of $569.73 on June 26, 2019, that was not equal to the full amount due of $48,572.09; and

WHEREAS, under the “Default” section of the Note, item (a), “nonpayment when due,” constitutes an “Event of Default”; and

WHEREAS, as prescribed under the “Notice, Opportunity to Cure, and Remedies on Default” section of the Note, the EDC provided prompt notice of default to the Borrower on June 27, 2019; and

WHEREAS, the Borrower is seeking “an opportunity of at least ten (10) days to cure the default,” in the form of an extension of the time for payment as indicated under the “Waivers” section of the Note in order to secure additional financing to pay off the balance of the Note in full to the EDC; and

WHEREAS, under the “Miscellaneous” section of the Note, the terms and conditions of the Note may be amended or modified “in a writing signed by an officer of the EDC expressly stating that the writing constitutes an amendment, waiver, or modification of the terms of this Note”; and

WHEREAS, the EDC and the Borrower, in recognition of the reasonable expectation of full repayment of the Note by the Borrower, wish to mutually amend certain terms of the Note in order to cure the current Event of Default by extending the number of monthly payments of $569.73 and the due date of the recalculated final balloon payment.

NOW THEREFORE the EDC and Borrower agree as follows:

1. **Extension of “Payments”**. The number of Payments on the Note shall now be eighty-seven (87) payments of principal and interest beginning on the original Note date of July 26, 2012 and that each payment amount is $569.73, except for the final payment which will be a balloon payment equal to the entire unpaid balance of principal and accrued interest on the new Due Date.
2. **Extension of “Due Date” on Note.** The new Due Date on the Note, to be paid in full by the Borrower shall now be September 26, 2019.

3. **Amending Terms of the Note and Cure Default.** This writing constitutes an amendment of certain terms of the Note in order to provide the Borrower an opportunity to cure the current Event of Default due to nonpayment of the final balloon payment in full which was due on June 26, 2019.

4. **No Other Changes.** Except as otherwise expressly provided in this First Amendment, all of the other terms and conditions of the Note remain unchanged and in full force and effect.

5. **Defined Terms.** Capitalized terms not otherwise defined in this First Amendment, have the meanings ascribed to them in the Note.

6. **Counter Part Signatures.** This First Amendment may be signed electronically or in counterparts and each electronic signature and/or counterpart shall be enforceable as though it is an originally signed signature page to this First Amendment.

IN WITNESS WHEREOF, the Parties hereto have caused this First Amendment to the Note, to be duly executed by:

Dated: ____________, 2019

BORROWER:
LOWERTOWN LOFTS LIMITED
DIVIDEND HOUSING ASSOCIATION LIMITED
PARTNERSHIP

BY: ___________________________
Terry N. Terry, President

Dated ____________, 2019

ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING:

BY: ___________________________
Calvin L. Jones, Chair