AGENDA

1) Call to Order / Rollcall

2) Approval of LEDC Board Meeting Minutes – Friday, May 31, 2019

3) LEDC Micro Loan Application from CB Mining (Action)

4) Project Updates

5) Open Forum for LEDC Board Members

6) Other Business

7) Public Comment

8) 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.
Call to Order

Chair Jones welcomed everyone and called the LEDC Board of Directors meeting to order at 9:09 a.m.

Approval of LEDC Board Meeting Minutes – Friday, May 31, 2019

MOTION: Donaldson moved to approve the LEDC meeting minutes from the Friday, May 31, 2019 LEDC Board of Director’s meeting, as presented. Motion seconded by McGrain.

YEAS: Unanimous. Motion carried.

Allen Place Development Presentation Re: EGLE Grant (Discussion)

Dorshimer introduced Joan Nelson of Allen Neighborhood Center (ANC) to present on the Allen Place Project. Nelson offered an overview of ANC’s history and services. Nelson presented on the proposed Allen Place mixed-use development. Dow discussed how the development will be financed including New Market Tax Credits, a grant from the Department of Environment, Great Lakes and Energy (EGLE), a Community Revitalization Program (CRP) Grant from the Michigan Economic Development Corporation (MEDC), and philanthropic funding, but that proposals to Michigan State Housing Development Authority (MSHDA) tax-credit proposals were denied. Dow added that substantial completion of the project, including the housing units, is scheduled to be completed Quarter 4 of 2020. Jones asked if Michigan State University (MSU) has been engaged on the project. Nelson discussed ANC’s collaboration with MSU and Ingham Intermediate School District (ISD) via agriculture, food systems, and culinary events. Lum discussed ongoing efforts to collaborate with the Ingham ISD, Lansing School District (LSD), and Lansing Community College (LCC) on the new
commercial food space as part of the development. Jones asked why the MSHDA tax-credit proposals were denied. Dow explained the new points system and how it made it difficult to pencil out with the mix of housing. Butler asked if an additional proposal will be submitted to MSHDA. Dow confirmed that they plan to submit again this month. Donaldson inquired how much total investment is planned on the project. Dow explained that the project investment is estimated to be between $10 million and $15 million.

Approval of First Amendment to the Lowertown Lofts Commercial Term Note (Action)

Klein discussed the first Amendment to the Lowertown Lofts Commercial Term Note (Note) including the original Note date of June 26, 2012 and original loan amount of $82,500. Klein explained that a final balloon payment was due on June 26, 2019, but that Lowertown Lofts has requested an extension of three months to the length of the Note in order to seek additional financing to pay the approximately $50,000 balance on the Note. Klein added that Lowertown Lofts has been notified that the Note is in an Event of Default as the full final payment was not made on June 26, 2019, but an amendment to extend the term would cure the Default.

MOTION: Johnson moved to approve the First Amendment to the Lowertown Lofts Commercial Term Note, as presented. Motion seconded by Donaldson.

YEAS: Unanimous. Motion carried.

Resolution – Bylaw Amendment Re: Officer of Municipality (Discussion)

No further Action is required on this item.

Update on Façade Improvement Program

Bryant presented on the 2018-2019 City of Lansing Façade Improvement Program including the projects that have been completed, in process, and close to commencing construction. Bryant also introduced the opening of the 2019-2020 Façade Improvement Program. McGrain commented on the increased budget and the inclusion of all City of Lansing corridors, including downtown businesses, in the 2019-2020 program.

Project Updates

Dorshimer provided the following project updates:

Project Name: Volaris Lansing – 3600 Dunckel Brownfield Redevelopment
Site is prepped and prepared for development. Construction will begin soon on the $52 million 286-unit market rate multifamily apartment community comprised of four 4-story buildings. The project is scheduled to be completed by June 30, 2021.

Project Name: Metro Park Place – (Former YMCA Site)

Second Floor of the project is being constructed. The $25 million project will build a four-story building with 145 loft apartment units and 6,925 sf of commercial and retail space. The development should be completed by March 2020.

Project Name: Former EDS Site – Midwest Self Storage Development

Developer: 930 W Holmes, LLC (Midwest Self Storage)

Interior demolition has occurred along with asbestos abatement and a new roof has been installed. Klein added that the developer has a purchase agreement with a prospective buyer who intends to purchase the completed project and operate under their own self-storage brand. Jones asked for the prospective purchaser to present to the Board at a future Board meeting.

Project Name: Provident Place

2200 East Michigan (Scott Gillespie) – the new mixed-use building is well underway. The framing is completed, and interior work is beginning. The $7 million mixed-use development includes the construction of a 4-story building including 6,000 to 9,500 square feet of office/retail space on the first floor and between 33 and 37 residential units above. The new structure will also include underground parking. The project will be completed later this year.

Project Name: 735 Hazel Street (formerly the Wing)

The Developer has sold the property.

Project Name: Red Cedar Redevelopment Project

The Developer is now going through the approvals process for state incentives from the MEDC. If the state incentives are approved the first phase of the project will begin this fall.

Project Name: Capital City Market

Site preparation almost completed. The construction of the $41.5 million mixed-use development with Hotel, Urban Market and Apartments will begin any day.

Project Name: Redevelopment of former Lake Trust building and 500 block.

The LBRA is still awaiting the Brownfield Plan from Urban Systems.
Project Name: Oliver Towers Redevelopment Project

The Project is well underway. The $14.7 million 8 story building will house 96 apartments and 1,300 sf of retail space downtown. This project is scheduled to be completed by the end of this year (2019).

Project Name: 517 Coffee Co.

517 Coffee has submitted their building plans to the City of Lansing for review. Owners are hopeful that they will open in the coming months.

Project Name: CB Mining

CB Mining – CB Mining is continuing to finalize their financing but has been asked by their bank to provide additional collateral for the loan. CB Mining may request an additional micro-loan from the LEDC Board to assist with cash collateral.

Project Name: Sleepwalker Spirits and Ale

Interior work is nearly complete, and they are running test batches of both food and beer in preparation of opening.

Open Forum for LEDC Board of Directors

Chair Jones opened the floor to LBRA Board Members, no comments were provided.

Other Business

No other Business was presented.

Public Comment

None was provided.

Adjournment

There being no further business, Chair Jones declared the LEDC meeting adjourned at 10:00 a.m.

Kārl Dorshimer, Director of Economic Development
Lansing Economic Area Partnership (LEAP)
DATE: Friday, July 26, 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 $50,000 Micro-Loan from the Lansing Economic Development Corporation Business Loan Program for CB Mining, LLC

On Thursday, July 25, 2019, the Lansing Economic Development Corporation (LEDC) Loan Committee met to review and discuss an application for a $50,000.00 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 $50,000 loan from the LEDC to be used as cash collateral for their loan with Capitol National Bank (CNB) and the Small Business Administration (SBA). LEDC loan proceeds to CB Mining are to be held in an account with CNB until all other collateral reaches 100% of the remaining principal loan balance ($450,000), which is estimated to occur within three years.

The Lansing Economic Development Corporation (LEDC) Business Financing Assistance Program (BFAP) is intended to stimulate business development and create positive economic benefits in the City of Lansing. Benefits of this project include:

- Creation of jobs and positive impact on Lansing employment: This project is estimated to create a significant number of new jobs in the City of Lansing, up to 74 new jobs within three years of operations.
- **Leverage and attraction of private investment and personal equity funds into the project:** Total project investment is estimated to be $1,000,000, which includes a substantial $500,000 equity contribution by the applicant and a $500,000 Small Business Administration-backed loan via Capitol National Bank.

- **Creation and acceleration of businesses with high economic growth potential:** As the use of electronics and computers increases the world is generating e-waste at a growing rate, creating a need to process more e-waste using more efficiently methods. CB Mining’s recycling process is able to access this growth potential and scale up to meet demand while providing superior rates of metal recovery. CB Mining’s goal is to scale their operations from 3,200 lbs/day to 16,000 lbs/day of processing in a few short years while also expanding its operations with additional refining capabilities.

- **Diversification of the Lansing economy:** CB Mining’s process is an innovative take on e-waste recycling and would be the first of its kind. It could promote additional investments in new and efficient recycling process. Also, the by-products of the operation, including fiberglass, could support or create additional industries around its reuse.

After discussing the project, loan application, and business plan the Loan Committee unanimously recommended approval of the loan application by the LEDC Board of Directors at their Friday, August 2, 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 $1,000,000 ($500,000 contribution by the applicant, $500,000 SBA-backed loan via Capitol National Bank)

**Terms of the Loan:**
Borrower:  Circuit Board Mining, LLC
Term:  10 years (9.75-year amortization, 36-month balloon)
Loan Amount:  $50,000
Interest Rate:  Prime + 2 at closing (7.5% as of 7/17/2019)
Payments:  Monthly
  - 3 months interest only payments, followed by:
  - 32 months Principal & Interest payments: $603.75 (est.), followed by:
  - Final Balloon Payment of unpaid balance of principal, accrued interest, and any outstanding fees and penalties.

Fees (due at closing):
- $500.00 Loan Application Fee (paid to Lender- LEDC)
- $500.00 Document Fee (certified check to Foster, Swift, Collins & Smith)

Loan Structure:
Secondary to Capitol National Bank and Small Business Administration

Security:
Personal guarantees from Brandon Metzger and Behrouz Kawarizadeh

Collateral:
None (All Collateral to CNB and SBA-backed Loan)

Additional Terms:
Closing and disbursement of the loan is contingent on the following:
- Signed Lease for 111 W. Mt Hope Ave. Ste. 115-117 (min. 3 yrs. w/ext.)
- Letter of Commitment from the Primary Lender for the Project, including SBA Approval
- Building Safety and Site Plan approvals from the City of Lansing
- Applicant agrees to forgo $25,000 LEDC Loan approved on 4/12/2019