AGENDA

1) Call to Order

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

3) Assignment of Reimbursement Payments for Plan #74 – 930 West Holmes Rd (Action)

4) LBRA Brownfield Plan Policy (Action)

5) Open Forum for LBRA Board Members

6) Other Business

7) Public Comment

8) Adjournment
Lansing Brownfield Redevelopment Authority  
Board of Director’s Meeting Minutes  
Friday, July 12, 2019 – 8:30 AM  
LEAP Office  
1000 S. Washington Ave. Ste. 201  
Lansing, MI 48910

Members Present: Calvin Jones, Thomas Donaldson, James Butler III, Brian McGrain, Blake Johnson  
Members Absent: Fred Schaible, Kimberly Coleman, Shelley Davis-Boyd (E), Andrea Binoniemi (E)  
Temp Members Present: None  
Staff Present: Karl Dorshimer, Hannah Bryant, Kris Klein  
Guests: Joan Nelson, Jon Lum, James Dow, Judy Kehler, Terri Fitzpatrick, Jessica DeBone, Jim Smiertka

Call to Order

Chair Jones welcomed everyone and called the LBRA Board of Directors meeting to order at 8:35 a.m. Rollcall was called by Klein and recorded for public record.

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

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

YEAS: Unanimous. Motion carried.

Approval for Brownfield Plan #76 – Farnum Building Redevelopment (Action)

Dorshimer introduced Terri Fitzpatrick of Boji Group and Jessica DeBone of PM Environmental. Fitzpatrick provided an overview of Boji Group and the Farnum Building Redevelopment Project. The project includes $20 million investment, an estimated 200 jobs, both new and retained, and is scheduled to be completed by January 2021. DeBone provided an overview of the Brownfield Plan which includes extensive asbestos abatement within the building. Donaldson asked about ownership and taxing impact of tax-exempt tenants. Fitzpatrick shared that the project developer, Allegan Properties, has the same principals as Boji Group and is a taxable entity so tax capture would not be impacted by tax-exempt entities that may be tenants in the building. Butler asked about the staff of Boji Group. Fitzpatrick added that Boji Group has over 30 employees, most of which work out of their downtown offices.

MOTION: Butler moved to approve Brownfield Plan #76 – Farnum Building Redevelopment as presented. Motion seconded by Johnson.
Additional Discussion: Donaldson asked about the Universal Development Agreement and its impact on the LBRA’s consideration of Brownfield Plan #76. Dorshimer clarified that Universal Development Agreements are not typically presented to the LBRA when considering a Brownfield Plan. Dorshimer added that the Development Agreement is close to being final and includes provisions regarding protecting future tax capture generated by the building.

YEAS: Unanimous. Motion carried.

Redevelopment of Former Temple Club Update (Discussion)
Dorshimer provided an update on the Temple Club Project. Michigan Community Capital has purchased the property and is proposing a mixed-use redevelopment. The Developer is seeking funding including Opportunity Zone investments. Dorshimer added that the developers will likely come before the Board to seek approval of a Brownfield Plan to assist with the redevelopment project. McGrain commented on the importance of the location and building and need to further discuss masking of proposed parking structure along Cedar.

LBRA Brownfield Plan Policy (Discussion)
Dorshimer discussed the ongoing revisions to the Brownfield Plan Policy based off previous Board discussion, including consideration of exemptions to the proposed policy. Dorshimer offered a draft scoring system for discussion that would consider salary, investments in public improvements, building height, length of Plan, and others. McGrain suggested that the LBRA encourage historic preservation and downtown housing by adding these priorities to the scoring system. McGrain also suggested limiting the height consideration to downtown. Johnson suggested that the document be revised and formalized for consideration by the Board. Chair Jones suggested that the sub-committee review and recommend to the Board.

Resolution – Bylaw Amendment Re: Officer of Municipality (Discussion)
Dorshimer discussed the bylaw change approved by the Board on May 31, 2019 and that McGrain is now a Board Member. Dorshimer added that Mayor Schor has submitted his resignation from his position on the Board and further action is not required on this item.

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

Other Business
No other business was presented.

Public Comment
Klein thanked the Board for their support on the FY2019 Environmental Protection Agency Assessment Grant proposal by the City of Lansing which was approved for $600,000. Klein added that implementation of the grant will begin in the coming months and the Board will be offered regular updates on its progress.

**Adjournment**

There being no further business, Chair Jones declared the LBRA meeting adjourned at 9:09 a.m.

[Karl Dorshimer, Director of Economic Development]
Lansing Economic Area Partnership (LEAP)
At a meeting of the Board of Directors of the Lansing Brownfield Redevelopment Authority (LBRA) City of Lansing, Michigan, held on the 2nd day of August 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 seconded by:

Member:

WHEREAS, the Lansing Brownfield Redevelopment Authority (the “LBRA”) and City of Lansing (the “City”) both adopted the Brownfield Plan #74 on September 7, 2018, and November 5, 2018, respectively (“Plan #74”), for 930 W Holmes, LLC, a Michigan limited liability company (the “Developer”), for a brownfield redevelopment project (the “Project”) located at 930 W. Holmes Road, Lansing, Michigan; and

WHEREAS, in connection with the Project and Plan #74, the LBRA, City and the Developer entered into a Reimbursement Agreement, Development Agreement and Accelerated Reimbursement Agreement; and

WHEREAS, the Reimbursement Agreement, dated as of December 4, 2018, a copy of which is attached hereto as Exhibit A (the “Reimbursement Agreement”), approved the reimbursement of Eligible Costs as provided in Plan #74 to reimburse the Developer for Eligible Activities utilizing Tax Increment Revenues (as such capitalized terms are defined in the Reimbursement Agreement and Plan #74); and

WHEREAS, the Developer and Third Space Storage, LLC, a Missouri limited liability company (the “Purchaser”) have entered into a Purchase and Sale Agreement whereby the Developer intends to sell the Project and all of its rights and interests in Tax Increment Revenues to the Purchaser; and

WHEREAS, the Developer has provided notice of assignment to the LBRA, attached hereto as Exhibit B, and has requested the LBRA approve the assignment and transfer to the Purchaser all of the Developer’s rights and interests in and to be paid Tax Increment Revenues, that are otherwise payable to the Developer under the Reimbursement Agreement;
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LANSING BROWNFIELD REDEVELOPMENT AUTHORITY, AS FOLLOWS:

The Lansing Brownfield Redevelopment Authority (the “LBRA”) approves the request by 930 W Holmes, LLC to assign future reimbursement payments associated with LBRA Brownfield Plan #74 to Third Space Storage, LLC conditional upon the Developer agreeing, to the satisfaction of the LBRA staff and attorney, in writing with the LBRA and City, to retain and perform all of the duties, obligations, and commitments set forth in the Development Agreement, Reimbursement Agreement, Brownfield Plan #74, Accelerated Reimbursement Agreement and any related agreements entered into between the Developer and the LBRA or City of Lansing.

The LBRA Board also directs the LBRA staff and attorney to negotiate and finalize the necessary documents to approve the requested assignment of reimbursement payments and have these documents executed by the LBRA Board Chair and appropriate parties.

YEAS:

NAYS:

ABSTENTIONS:

ABSENT:
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 2nd day of August 2019, 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
July 26, 2019

VIA EMAIL

Lansing Brownfield Redevelopment Authority
1000 South Washington Avenue, Suite 201
Lansing, MI 48910
Attn: Karl Dorshimer

Re: Lansing Brownfield Plan #74 – Midwest Self Storage Development – 930 W. Holmes Road Building Redevelopment – Reimbursement Agreement dated December 4, 2018 (“Agreement”) - Assignment of Future Reimbursement Revenue

Dear Mr. Dorshimer,

As you may know, 930 W. HOLMES, LLC, the named Developer under the Agreement, has entered into that certain Purchase and Sale Agreement and Escrow Instructions effective as of April 19, 2019, as amended by First Amendment to Purchase and Sale Agreement and Escrow Instructions dated as of June 3, 2019, and Second Amendment to Purchase and Sale Agreement and Escrow Instructions dated as of June 6, 2019, and Third Amendment to Purchase and Sale Agreement and Escrow Instructions dated as of June 18, 2019, and Fourth Amendment to Purchase and Sale Agreement and Escrow Instructions dated as of July 18, 2019 (collectively, “Contract”) to sell certain property to Third Space Storage, LLC (“Buyer”) located at 930 W. Holmes Road in Lansing, Michigan (the “Property”) and which is the subject of the redevelopment plan set forth in the Lansing Brownfield Redevelopment Authority (“LBRA”) Brownfield Plan #74 (“Plan”). In connection with the sale of the Property under the Contract, the Developer is to assign the Future Reimbursement Revenue, as described under the Agreement, and as authorized under the Plan, to the Buyer. Pursuant to Section 6 of the Agreement, the Developer hereby gives notice that it intends to assign the Future Reimbursement Revenue to the Buyer conditioned upon the sale of the Property to Buyer. The Assignment will not be effective unless and until the Buyer acquires the Property under the Contract.

Please note that the assignment relates solely to the assignment of Future Reimbursement Revenue under the Reimbursement Agreement and does not include any of the Developer’s duties, obligations, and commitments set forth in the Reimbursement Agreement, the Plan, and any related development agreements entered into between the Developer and the LBRA in connection with the redevelopment of the Property.

Please acknowledge LBRA’s approval of this assignment pursuant to Section 6 of the Agreement conditioned upon the Buyer’s acquisition of the Property under the Contract.
July 26, 2019

Sincerely,

[Signature]

Robert McCormack, COO, 930 W. HOLMES, LLC
The Lansing Brownfield Redevelopment Authority will give prompt consideration for approval to Brownfield Plans submitted to the LBRA that adhere to the following parameters:

1) A minimum of 10% of yearly new incremental taxes flowing through to all taxing units.

2) A minimum of 5% of captured yearly local taxes going to LBRA Brownfield Administration.

3) A minimum of 5% of captured yearly local taxes going to LBRA Local Brownfield Revolving Fund.

4) A maximum of 3% simple interest on Developer Eligible Activities.

5) A stated not to exceed amount (life of plan cap) for the reimbursement of Developer Eligible Activities with local taxes.

6) A stated not to exceed amount (life of plan cap) for the reimbursement of Developer Eligible Activities with state taxes (if state taxes are captured).

7) A ratio of total state (if captured) to total local captured taxes requested to reimburse the Developer that is at least equal to the ratio of all annual captured state to local taxes.

For example, if the annual brownfield capture is 20 mils state and 30 mils local, the ratio is 20/30 = .66

Thus, for this example, in the plan for every 1 dollar of local capture there should be at least 66 cents of state capture reimbursed to the Developer.

If the plan had $1,000,000 of local capture going to the Developer it should have at least $666,667 of state tax capture going to the Developer.
Note: Developers may reserve the option to forgo state tax capture by indicating the possibility of this occurring in the original plan presented to the LBRA and City for approval. With this option the above policies still apply.

8) Language in the plan stating that if the state approves a 381 Workplan with less state tax capture than what was in the plan approved by the City, the not to exceed amount of local capture in the plan will automatically be adjusted by the LBRA to maintain the current state to local capture ratio.

**Exemptions to the above requirements:**

Applicants may request to be exempted from one or more of the above requirements with the approval of the LBRA Board. A request for exemption must be presented to the LBRA Board for their consideration at least one month prior to the final approval of the brownfield plan by the LBRA Board.

The LBRA will apply the follow criteria when evaluating an Applicant’s request for exemption:

<table>
<thead>
<tr>
<th>Item</th>
<th>Point Scale</th>
<th>Project Score</th>
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<tbody>
<tr>
<td>Amount of private investment pledged</td>
<td>&gt;= $100,000,000 = 20 points</td>
<td>20</td>
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<tr>
<td></td>
<td>$50,000,000 to $99,999,999 = 15 points</td>
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<td>$25,000,000 to $49,999,999 = 10 points</td>
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<td></td>
<td>&lt; $25,000,000 = 5 points</td>
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<td>Ratio of private investment pledged to</td>
<td>&gt;= 10 to 1 = 20 points</td>
<td>20</td>
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<td>5 to 1, to, 9 to 1 = 15 points</td>
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<td>requested public investment (20 points maximum)</td>
<td>1 to 1, to, 4 to 1 = 10 points &lt; 1 to 1 = 5 points</td>
<td>0</td>
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<td>Number of pledged jobs created that are new to the City (20 points maximum)</td>
<td>&gt;= 500 = 20 points 100 to 499 = 15 points 50 to 99 = 10 points &lt; 50 = 5 points 0 = 0 points</td>
<td>20</td>
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<td>Average wage rate of new pledged jobs created that are new to the City (20 points maximum)</td>
<td>&gt;= $75,000/yr = 20 points 50,000 to 74,999 = 15 points 30,000 to 49,999 = 10 points &lt; 30,000 = 5 points No new Jobs = 0 points</td>
<td>20</td>
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<td>Percent of total pledged private project investment going to public improvements (20 points maximum)</td>
<td>&gt;= 20% = 20 points 10% to 19.9% = 15 points 5% to 9.9% = 10 points &lt; 5% = 5 points 0% = 0 points</td>
<td>20</td>
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<td>Height of Building (20 points maximum)</td>
<td>&gt;= 20 stories Downtown = 20 points 10 to 19 stories Downtown = 15 points 5 to 9 stories Not Downtown = 20 points 3 to 4 stories Not Downtown = 5 points</td>
<td>20</td>
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<td>Length of Brownfield Plan</td>
<td>&lt;= 10 years = 20 points 11 to 15 years = 15 points</td>
<td>20</td>
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<td>(20 points maximum)</td>
<td>16 to 20 years = 10 points</td>
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<td>&gt; 20 stories = 5 points</td>
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<td>Project reuses a Historic Building (20 points maximum)</td>
<td>Project Nat. Registered Property = 20</td>
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<td>Project Meets Fed Standards = 15</td>
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<td>Project in Local Historic District = 10</td>
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<td>Project reuses Historic Building = 5</td>
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<td>Project Provides a High Priority and Quality Product (20 points maximum)</td>
<td>Downtown Housing Units = 20</td>
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<td>Downtown Hotel = 20</td>
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<td>LEED Certified Building = 20</td>
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<td>Owner Occupied Housing = 20</td>
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<td>High Quality Exterior Materials = 20</td>
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<td>Other Factors Important to the LBRA and City (20 points maximum)</td>
<td>Maximum of 20 Points</td>
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<td>Total of All Points</td>
<td>Maximum Points Possible = 200</td>
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