AGENDA
Committee of the Whole
Monday, October 14, 2019 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers
City Hall 10th Floor

Council Member Wood, Chairperson
Council Member Spadafore, Vice Chairperson

1. Call to Order
2. Roll Call
3. Minutes
   • September 30, 2019
   • October 7, 2019
4. Public Comment on Agenda Items (Up to 3 Minutes)
5. Presentations:
   • Economic Development & Planning Updates including LEAP
6. Discussion/Action:
   A.) Executive Order 2019-07- Adoption of Universal Development Agreement
7. Other
8. Adjourn

The City of Lansing’s Mission is to ensure quality of life by:
I. Promoting a vibrant, safe, healthy and inclusive community that provides opportunity for personal and economic growth for residents, businesses and visitors
II. Securing short and long term financial stability through prudent management of city resources.
III. Providing reliable, efficient and quality services that are responsive to the needs of residents and businesses.
IV. Adopting sustainable practices that protect and enhance our cultural, natural and historical resources.
V. Facilitating regional collaboration and connecting communities
CALL TO ORDER
Council Member Wood called the meeting called to order at 5:30 p.m.

PRESENT
Councilmember Kathie Dunbar- arrived at 5:40 p.m.
Councilmember Jeremy A. Garza
Councilmember Adam Hussain
Council Member Brian T. Jackson
Councilmember Peter Spadafore
Councilmember Patricia Spitzley
Councilmember Jody Washington
Councilmember Carol Wood

OTHERS PRESENT
Sherrie Boak, Council Staff
Eric Brewer, Council Internal Auditor
Jim Smiertka, City Attorney
Nick Tate, Chief Labor Negotiator
Lisa Hagen, Assistant City Attorney/Council Research Assistant
Heather Sumner, Deputy City Attorney
Amanda O’Boyle, Assistant City Attorney
Mary Mullins

MINUTES
MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE MINUTES FROM SEPTEMBER 23, 2019 AS PRESENTED.

Council Member Spadafore stepped away from the meeting at 5:31 p.m.

MOTION CARRIED 6-0.

PUBLIC COMMENT
No public comment.
DISCUSSION/ACTION:

RESOLUTION – FY2020/2021 Budget Priorities

The Committee reviewed Draft 5 beginning on page 1 with no comments from the Committee. Page 2 and Page 3 – no comments from the Committee.

Page 4 – New to draft 5 were additions from the Committee on Ways and Means. Council Member Spitzley informed the Committee that these were additions based on communications from the LPD and OCA on the labor intensive task of FOIA’s and video redactions. Council Member Jackson stated it was also a discussion at Intergovernmental Relations.

Council Member Spadafore returned to the meeting at 5:36 p.m.

Council Member Spadafore added that during that Committee the County representatives and Chief Green were interested because of court cases and the joint interest, even in 50% funding, in the service for the County Prosecutors office. Mr. Smiertka acknowledged that the OCA recently purchased new software to assist with the process.

Council President Wood recommended adding “in working cooperation with Ingham County over the funding”. to the item 10) on page 4 of the document.

Council Member Washington asked the OCA who was currently doing all the redactions; LPD or the City Attorneys. Mr. Smiertka stated it was LPD staff however OCA also redacts on the documents. Council Member Dunbar spoke in support of a FT employee by the City, but confirmed that at IGR the County was also interested in a person and would contribute to the funding. The suggestion could be a City FT and a person to split with the County for Circuit Court cases. The Committee agreed to change 10) to “Hire a full time or part time individual housed in the LPD or OCA who focuses on FOIA redactions in working cooperation with Ingham County over funding.”

Council Member Spitzley clarified that item 11) were suggestions from the Internal Auditor, geared towards making sure all departments and programs worked together and worked efficiently to make it easier for the staff and citizens. Mr. Brewer added these would improve efficiencies, within three core functions, and keep costs go down. Council Member Jackson noted that what was described to him sounded like the new Chief Strategy Officer, and questioned if it was a good idea or would be better to have the CSO work in that area. Council Member Dunbar explained it is a software upgrade that is needed because currently the systems do not “talk to each other”. Council Member Jackson accepted the explanation but noted technology would be expensive and the CSO would like everything together. Council Member Spitzley concluded the discussion by noting in the long term it will benefit and result in savings.

Page 5 and page 6 – no comments from the Committee.

Page 7 (12) Council Member Hussain voiced a concern that “increase street sweeping” was not enough because there is a concern that it need to be more often, but Council is being told the equipment is not dependable. Mr. Tate was asked if the current equipment was non-operational or had failed the quality test, and if the City is now leasing equipment. Mr. Tate acknowledged he did not have the information at this time but attempted to get it before the discussion ended. The Committee discussed changing (12) to state “The need to provide
adequate equipment; leasing or purchase; to increase street sweeping and making sure the employees are using safe equipment.” Mr. Tate provided an update that the current leases end this week, but he was not able to verify if they were going to extend the lease. The Committee agreed to change (12) to “Ensure adequate safe equipment to increase street sweeping, especially areas heavily traversed by bikes.” Council Member Spadafore reminded the Committee that during the budget hearings Mr. Kilpatrick mentioned they were researching different options such as new trucks and front mounted devices for current vehicles.

Page 8 IV e) Council Member Jackson confirmed this was from the Committee on Intergovernmental Relations and he wanted to amend the language to include “and/or general sustainability efforts including but not limited to reducing Lansing’s carbon footprint and align with the Paris-Accord.

Page 8 (14) was agreed to at the last meeting and this document not had the Attachment A which was the report on the parks.

Page 8 IV d) was proposed by Council Member Spadafore and agreed to at the last meeting.

Page 9 included the annual recommendations from the Board of Public Service.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE 2020/2021 BUDGET PRIORITIES. MOTION CARRIED 8-0.

DISCUSSION – Comments to DeWitt Township on Farmland & Open Space Preservation Program Application from Lonier Family Properties LLC

Council President Wood explained to the Committee that a resolution is not needed to respond, but if there are comments they can be sent. Since the City of Lansing is within the proximity as the next municipality it is assumed that is why the Township reached out at this time. She added that the City is not purchasing or part of the change, but if the City has any objections this is where the City can put those in writing. Council Member Jackson voiced his concern that the area does not offer any wind or solar energy, and asked if the City can express a concern that if they go forward with the application, that they consider the options. Council Member Spadafore pointed out that in June Governor Whitmer changed the interpretation of the law, and under “open space” it now allows for solar energy on these parcels, so there would not be a need for the City to specifically speak to it. Council Member Jackson asked for something in writing to encourage the Township to consider wind energy on the parcel. Council President Wood asked the Committee members that also sit on the Tri County Planning Board what their discussion was. Council Members Spitzley and Spadafore noted they did not recall the Board even having the discussion. Council Member Jackson stated he spoke to a member from Clinton who stated to him that the area was “off limits” for this type of energy, and therefore Council Member Jackson stated he wanted something written to state they do not want “limits”. He encouraged the Committee to write a letter stating they do not want limits on allowing wind or solar energy on the property. Council Members suggested that Council Member Jackson draft a letter to the Township for a future Committee of the Whole meeting, and it was noted that the letter from the Township provided 30 days to respond from September 13, 2019. Any Council Member with suggestions or ideas were encouraged to forward those to Council Staff to incorporate into a document for Council Member Jackson to include in a letter.

Other
{Closed Session}
Motion by Council Member Spadafore at 6:18 p.m. to go into closed session to consult with the City Attorney to consider material exempt from discussion or disclosure by state statute. Specifically, to discuss a written legal opinion from the City Attorney provided under attorney-client privilege, and which is also exempt from disclosure under the Freedom of Information Act.
Roll call vote carried 8-0.

{Reconvene}
Council President Wood reconvened the meeting at 7:05 p.m.

ADJOURN
The meeting adjourned at 7:05 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by the Committee on
CALL TO ORDER
Council Member Wood and Commission Member Price called the meeting called to order at 5:30 p.m.

PRESENT
Councilmember Kathie Dunbar
Councilmember Jeremy A. Garza
Councilmember Adam Hussain
Council Member Brian T. Jackson
Councilmember Peter Spadafore
Councilmember Patricia Spitzley - excused
Councilmember Jody Washington - excused
Councilmember Carol Wood
Commission Member Price
Commission Member Lenz
Commission Member Graham
Commission Member Zerkle
Commission Member Mullen
Commission Member Ross
Commission Member Merrill
Commission Member Jester
Commission Member Froh - absent
Commission Member Graves – absent
Commission Member Thomas - absent

OTHERS PRESENT
Sherrie Boak, Council Staff
Denise Griffin, BWL Executive
Eric Brewer, Council Internal Auditor
Jim Smiertka, City Attorney
Dick Peffley, BWL General Manager
Mark Matus, BWL General Counsel
Heather Shawa, BWL Chief Financial Officer
Wesley Lewis, BWL Auditor
DISCUSSION/ACTION:
Lansing Board of Water & Light Annual Financial Audit Reports
Ms. Shawa went through the Baker Tilly audit, the detail of statements of revenues and expenses in the online packet and acknowledged they adopted their GASB ahead of schedule. Council President Wood asked if they had any repeat findings in the audit from year to year, and told there was none. Ms. Shawa was asked how long Baker Tilly had been their auditor and she responded by confirming they were in year 4 of a 5 year contract. Council President Wood then asked for the costs of the recent projects, which appeared over budget, and Mr. Peffley confirmed the actual costs was $33 million with a $28.5 budget.

Commissioner Member Ross referred the Committee to the full document in the packet and the status of the pension funding which is at 112% and overfunded, along with the OPEB after being at 90.4%, and having a change in the third party provider, is up to 131% resulting in overfunded OPEB obligations.

Smart Meters
Council President Wood informed the BWL Commissioners of the concerns with a perceived higher rate and difficulty in understanding the bills. Mr. Peffley distributed a copy of a dashboard, which reflected commodity, the water and electric increases, along with a higher than normal temperature in July. Currently 82% of the electric side is complete and they will visit any property that has concerns and evaluate.

BWL Rates and Bill Tutorial
Mr. Peffley moved into providing an example of a bill, which has a tutorial on the backside, but also encouraged residents to contact the call center for assistance. Commission Member Zerkle asked Mr. Peffley speak to the concerns people have with emissions from the meter. Mr. Peffley confirmed that BWL calls the meter 20secs/day and the meters put out 1 watt of power compared to a cell phone that uses 3 watts. He again, offered to have staff visit a property if someone calls with concern. Council Member Garza informed Mr. Peffley and the Commission that he has heard complaints that the call center is telling residents it will be a $60 fee for an inspection or test on the smart meter. Mr. Peffley stated his staff were updated with new instructions that they will test the meter free of charge. Commission Member Mullen asked Mr. Peffley to outline the benefits to a smart meter. Mr. Peffley stated that in a couple years, the plan will be fully deployed and then he will go to the Commission for a timely use rate, to encourage residents to run items at night such as washers and dishwashers and they get a different rate. Also other benefits are if the power goes out, they provide information on when all services are back up as compared to the assumption an “area” is okay. The smart meters can also be monitored when a resident is not home to determine if there is any usage occurring and should not be, and there is currently a phone app that is being tested. Council Member Garza asked for details on the “opt-out” fee. Mr. Peffley stated it is a onetime fee, depending on if it is electrical, water or both. Mr. Serkaian stated to opt out of electric only it is $115, water only $125, combined $190. The monthly fee for electric is $10, water $20 and combined $25. Those costs were determined after a cost of service study and what the cost is to maintain an accounting service. In the future there will be access on the website to see the
usage and currently the information is collected and send to the cloud, and only accessible by BWL. Council President Wood asked if there are payment plans for someone to opt out and cannot afford the one time fee. Mr. Peffley stated he would speak to his staff about that option. Regarding the difference between opting out vs. skipping", Mr. Peffley explained that if BWL comes to install in the neighborhood the resident can skip now and they will come back. Council Member Dunbar asked if all homes are getting the mechanics for the smart meter, but if skipping or opting out are just not getting the meter. It was confirmed, and that once it is determine to have the meter it will be a one minute install. Council Member Spadafore asked if service can be turned on and off remotely, particularly if there is a fire, and was told, they could do electric meters via their keyboard.

Customer Service Training
Council President Wood stated this was on the agenda because during neighborhood and monthly Ward meetings, Council Members are hearing concerns on BWL customer service. Mr. Peffley acknowledged hearing the complaints at the recent Ward 1 meeting, and confirmed he followed up with Mr. Serkaian and listened to the tape of the call. He spoke in support of the BWL staff. Council President Wood then inquired into the new BWL website and issues Council has heard on the navigation of the site. Mr. Peffley acknowledged it was new and they are open to any suggestions. They are also open to attending any neighborhood meetings to provide an online tutorial.

Climate Action Discussion
Council Member Jackson voiced an interest in where the City and BWL was in the discussion and outlined a list of books he encouraged everyone to listen to, to address not just climate change but carbon emissions. He continued his statement with opposition to the recent natural power plant, but acknowledged there is still an opportunity to work towards local and regional passion to connect to other local municipalities. Mr. Peffley acknowledged Council Member Jackson’s statements and confirmed to the Committee that it is getting harder to get permits for wind farms but they are working hard to meet the goal he promised the Commission to be energy efficient by 2030. Commission Member Price added that BWL hopes to be out of coal by 2025 however, the customers will also need to utilize conservation. Council Member Spadafore supported the efforts to reduce the carbon footprint in the City, noting there are performance audits to see where things are coming from.

Commission Member Zerkle asked Mr. Peffley to speak to what internal assistance the BWL is offering to the striking UAW workers and Mr. Peffley confirmed they are offering the same payment plans to those residents that they offer anyone in distress. Commission Member Zerkle acknowledged the Council for their participation in the recent labor forum.

Council Member Jackson asked the Commission and Council to consider goals for a positive effect.

Commission Member Price introduced Ms. Ekren who is in the middle of integrated planning process that will feed into the strategic plan, which they hope to roll out in January 2020.

Council Member Dunbar referred to a past Committee of the Whole Meeting where the Committee received a letter from DeWitt Township on a parcel they are considering for Farmland Preservation, and asked if the BWL is having ongoing discussions with other communities and how they are able put in solar panels. Mr. Peffley confirmed that they go through a third party since they are not eligible for tax credits, and the closer the parcel is to Lansing it would be cheaper.
Other
Resolution for BWL outside Counsel Addition

Mr. Smiertka clarified that under the Charter, the OCA is responsible for the provision of legal services and Council must approve the request of any outside legal services. Therefore, the OCA has proposed the resolution to hire Hausfeld Law Firm of Washington, DC to represent BWL on recovering damages on freight fuel charges. Mr. Matus added that the firm specializes in this area, and are experts in D.C. with the US District Court and has an opportunity for BWL to recover a significant sum. The surcharge was related to the cost of transporting coal, and the excretion would be that the freight carriers violated the anti-trust charge when they charged BWL.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR OUTSIDE COUNSEL HAUSFELD LAW FIRM TO ASSIST THE BOARD OF WATER AND LIGHT. MOTION CARRIED 6-0.

Commission Member Price acknowledged Council for hosting and confirmed that when they host in the spring the Climate Action will again appear on the agenda for continued discussion.

ADJOURN
The meeting adjourned at 6:30 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by the Committee on
## Design Grant Information

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<tr>
<td>Full Grant</td>
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<td><strong>Total</strong></td>
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### Recipients of Facade Grant Information Provided 9/9/2019

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<tr>
<th>Business Name</th>
<th>Address</th>
<th>Grant Type</th>
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<tr>
<td>Bake N Cakes</td>
<td>6030 S. Martin Luther King Jr Blvd</td>
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<tr>
<td>Biggby Coffee</td>
<td>2002 W. Saginaw Highway</td>
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<td>204 Caesar E Chavez</td>
<td>204 Caesar A. Chavez</td>
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<td>1800 Block S. Washington Avenue</td>
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<td>Wheel House Studio</td>
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<td>REACH Art Studio</td>
<td>1800-1814 S. Washington Avenue</td>
<td>Full Grant</td>
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<td>Piazzano’s</td>
<td>1825 N Grand River Avenue</td>
<td>Full Grant</td>
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<td>The Camera Shop</td>
<td>6006 S. Pennsylvania Avenue</td>
<td>Design Grant</td>
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<td>Lam’s Sweeper Shop</td>
<td>2511 E. Michigan Avenue</td>
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<tr>
<td>Autowash</td>
<td>5401 South Pennsylvania</td>
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<td>909 &amp; 913 West Saginaw</td>
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<td>Soldan’s Pet Supplies</td>
<td>5200 South MLK Jr. Blvd</td>
<td>Micro Grant</td>
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Mayor Andy Schor Signs Executive Order to Update and Improve City of Lansing Universal Development Agreement

(LANSING) – Mayor Andy Schor today signed an Executive Order to update and improve the City of Lansing’s Universal Development Agreement (UDA). The UDA is a tool that the City uses to define and agree on the specific commitments a developer or business is making as a condition for receiving an economic development incentive from the City. The UDA also provides accountability, transparency and a reporting and verification process.

“Growth is a priority for Lansing,” said Mayor Schor. “People want to invest in Lansing but it can sometimes be costly due to necessary urban cleanup and revitalization. The updated UDA allows the City to efficiently discuss economic development tools when needed and appropriate, and sets the expectations of the City in order for those tools to be utilized.”

The newly updated UDA requires developers and businesses to make every effort to hire local labor and Lansing based firms, start and complete development projects on time, pay all required City income and property taxes, meet project performance measures and provide the City with annual project progress reports and a final completion report.

“Usage of local labor will allow our residents receive the benefit of the development work as a result of the incentives provided, by ensuring that the City collects all the taxes from contractors and sub-contractors. Lansing will be open to growth and development and the updated UDA allows the City to do that, as well as better support residents.”

The City of Lansing offers developers a variety of economic development incentives that are designed to facilitate renovation and revitalization of obsolete structures and environmentally contaminated sites, as well as the expansion of existing businesses and the location of new businesses within the City. Incentives could include shorter term tax abatement and/or longer-term capture of local taxes on the increase of taxable value that result from investment. The City benefits from the use of these incentives through collection of income taxes during and after construction, usage of local labor, generation of economic activity related to the project.

The Mayor’s Executive Order adopting the UDA will now formalize performance expectations and reporting requirements related to the approval of economic development incentives.

###
As Mayor of the City of Lansing, I am charged with the designated responsibility of managing all real property owned by the City. Further, I oversee planning and development within the City of Lansing through the relevant department directors. Since taking office the Administration has robustly pursued an economic development strategy that promotes new investment, the expansion of the City’s tax base, and the creation of new jobs. In order to achieve these goals, the City offers developers a variety of economic development incentives that are designed to facilitate renovation and revitalization of obsolete structures and environmentally contaminated sites, as well as the expansion of existing businesses and the location of new businesses within the City.

Economic development incentives generally do not allocate City funds to developers or businesses, rather they incent reuse, growth, and expansion through means such as shorter term tax abatement and/or longer term capture of local taxes on the increase in taxable value that result from investment. These incentives are offered with the expectation that a development project undertaken with the incentives will directly and indirectly benefit the City. The City benefits from use of these incentives through collection of income taxes during and after construction, usage of local labor, generation of economic activity related to the project, and increases in taxable value of existing real property. It is important to formalize performance expectations and reporting requirements related to the approval of economic development incentives.

To ensure that these benefits are in fact realized, and to improve efficiency in management of real property and development, the City has drafted an updated Universal Development Agreement to be used with any entity receiving economic development incentives. The approval of incentives must be a transparent and public process that produces a clear agreement between the City and any project developer regarding responsibilities and benefits of both the City and a developer. This updated version ensures compliance with state and local
reporting requirements as well as statutory obligations to pay state and local taxes on income and real property. It is also provides expectations to hire local labor for construction, goods, and services during the period of an incentive whenever available and possible. These new expectations are set forth in the revised Universal Development Agreement attached to this Executive Order.

Therefore, pursuant to the direction and mandate given to me by the People of the City of Lansing, as expressed in the City Charter, I hereby issue the following Order:

EXECUTIVE ORDER 2019-07

IT IS HEREBY ORDERED:

I. To achieve the objectives described above, the Lansing Economic Development Corporation (LEDCC) and the City of Lansing or its representatives from the Lansing Economic Area Partnership (LEAP) or any other surrogate shall utilize a Universal Development Agreement (UDA) with any developer receiving economic development incentives from the City.

II. The UDA shall substantially conform to the attached template, Attachment A, including reporting requirements, performance expectations, tax payment requirements, and preferences for local labor.

III. This Executive Order 2019-07 rescinds any prior Executive Order addressing or establishing a Universal Development Agreement or Agreement for Economic Incentives.

This Executive Order, signed on this first day of October, 2019, shall remain in full force and effect until it is rescinded or suspended.

Andy Schor
Mayor
UNIVERSAL DEVELOPMENT AGREEMENT
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VII. ADDITIONAL ITEMS

VIII. SIGNATURES
THIS UNIVERSAL DEVELOPMENT AGREEMENT (“Agreement”) is made by and between the City of Lansing, Michigan, a Michigan municipal corporation (“City”), and [Insert Applicant Name], a [Insert Applicant Corporate Domicile and Type] (“Applicant” and collectively with the City, the “Parties” and each a “Party”).

I. STATEMENT OF PURPOSE

THIS AGREEMENT IS INTENDED FOR USE WITH DEVELOPMENT PROJECTS, USING ECONOMIC INCENTIVES, WHICH DO NOT REQUIRE THE TRANSFER OF CITY-OWNED PROPERTY OR ASSETS. FOR THOSE PROJECTS THAT DO REQUIRE THE TRANSFER OF CITY-OWNED PROPERTY, ASSETS, LIMITED FULL FAITH AND CREDIT, OR OTHER CITY LIABILITIES, A COMPREHENSIVE DEVELOPMENT AGREEMENT (CDA) WILL BE REQUIRED.

Introduction:

The City welcomes new investment and the creation and retention of jobs. To achieve these goals, the City can offer a variety of economic incentives that are designed to facilitate the expansion, retention and attraction of businesses within the City, as well as the rehabilitation and redevelopment of underutilized, vacant or environmentally contaminated properties.

Economic incentives (“Incentives”) typically do not provide City funds directly to developers or businesses, but rather encourage and reward them for undertaking and completing economic development projects (“Projects”). The completion of these Projects generates benefits to the citizens of Lansing including employment opportunities, new tax revenues to pay for City services and schools, the elimination of blight, a healthier environment and better places to live, work and play. Thus, incentives can be thought of as investments made by the City to receive the benefits created by economic development projects.

Universal Development Agreement Purpose:

Economic incentives are conditionally granted by the City based upon specific commitments made by businesses and developers (“Applicants”) during the incentive application and approval process. The purpose of this Agreement is for the Parties to define and agree on the specific commitments an Applicant is making as a condition for receiving an Incentive. Furthermore, it holds Applicants accountable in a clear and consistent way to fulfill their pledges made to receive the Incentive. The Agreement also provides a transparent document where the public can observe the terms under which the Incentive was granted. Finally, the Agreement establishes a reporting and verification process to ensure the Applicant fulfills its obligations to the City and its citizens.
Applicant’s Commitments to the City:

As a condition of receiving economic incentives from the City, Applicants are required to agree to the following Project Commitments:

1. Starting and completing the Project on time
2. Hiring local labor and Lansing based firms
3. Paying all required City Income and Property Taxes
4. Meeting Project performance measures
5. Providing the City with annual Project progress reports and a Project completion report

This Agreement specifies the details of these commitments and clearly establishes the expectations the City has for each Project granted an incentive.

II. DEFINITIONS

As used in this Agreement, the definitions herein shall be the mutually understood meaning of the following terms:

“Acts” means the acts referenced in the definition of “Incentive.”

“Annual Report” means a required written Project update due to the LEDC by January 31st of each calendar year prior to the Completion of Construction.

“Construction Phase of Project” means the period of time between the Commencement of Project and Completion of Construction.

“Commencement of Project” means the initiation by the Applicant of any material physical improvements made to land or real property within the Project Area after the Effective Date of this Agreement, consistent with the site and building plans approved by the City for the Project.

“Completion of Construction” means the passage of final inspection and/or issuance of a Certificate of Occupancy by the City for the Project, whichever occurs first.

“Effective Date of this Agreement” means the date on which all of the Incentives requested in the Applicant’s application(s) are granted.

“Full-time Equivalent (FTE)” means a combination of full-time and part-time employees that represents all employees as a comparable number of full-time employees.
“Incentive” means a reimbursement from new tax revenue generated from a new development project or a reduction in City taxes levied on new real or personal property, or other financial benefit to Applicant from the City, for a limited number of years as specified in the applicable Incentive agreement, and which may include, but is not limited to, those authorized by the Obsolete Property Rehabilitation Act (Public Act 146 of 2000, as amended), Neighborhood Enterprise Zone Act (Public Act 147 of 1992, as amended), Brownfield Redevelopment Financing Act (Public Act 381 of 1996, as amended), Plant Rehabilitation and Industrial Development Districts (Public Act 198 of 1974, as amended), and the Personal Property Tax Exemption authorized by Public Act 328 of 1998.

“Lansing-based Firm” means a business entity that owns or leases an operationally-staffed office, warehouse, distribution center, wholesale or retail store, or other place of business, located within the corporate limits of the City.

“LEDCC” means the Lansing Economic Development Corporation.

“Local Labor” means employees whose permanent domicile address is within the corporate limits of the City.

“Michigan Labor” means employees whose permanent domicile address is within the state of Michigan.

“Michigan-based Firm” means a business entity that owns or leases an operationally-staffed office, warehouse, distribution center, wholesale or retail store, or other place of business, located within the State of Michigan.

“Project” means the improvement of land or real property through private investment and/or creation or retention of jobs in the City as defined in this Agreement.

“Project Area” means the property parcel(s) upon which the Project will occur.

“Project Completion” means the Project has been completed per this Agreement.

“Project Completion Date” means the date when Project Completion occurs.

“Project Completion Report” means a detailed written report and signed affidavit attesting to the of the Applicants attainment of the Applicants Project Commitments.

“Project Performance Measures” means the qualitative and quantitative measures of a completed Project’s size and scope.

“Regional Labor” means employees whose permanent domicile address is within the Michigan Counties of Clinton, Eaton or Ingham.
“Regional-based Firm” means a business entity that owns or leases an operationally-staffed office, warehouse, distribution center, wholesale or retail store, or other place of business, located within the Michigan Counties of Clinton, Eaton or Ingham.

III. APPLICANT INFORMATION

A. Name of Project: _________________________________________________

B. Address Location of Project: ________________________________________

C. Business Name of Applicant: ________________________________________

D. Name of Applicant’s Parent Company: (if applicable):

E. List Applicant’s Managing Partner:

__________________________________________________________ %

G. List all Federal, State or other incentives and their estimated value that may be part of this Project:

______________________________________________________________________________

______________________________________________________________________________

H. Name of Financial Institution(s) funding the Project (if unavailable upon execution of this Agreement, Applicant agrees to furnish commitment letter(s) from lending institution(s) to the LEDC when available):

______________________________________________________________________________

______________________________________________________________________________

I. The City Treasurer has verified in writing that the Applicant is not delinquent or late on any property taxes owed to the City for all properties in which the Applicant has an ownership interest of greater than 50%.
J. The City Treasurer has verified in writing that the Applicant, if an employer in the City, is in compliance with all required City wage withholding and income reporting requirements for all of its employees.

K. The City Treasurer has verified in writing that the Applicant is not delinquent or late on any corporate or other business income taxes owed to the City. Further, that the Applicant has submitted all applicable City Treasurer forms required for the payment and collection of taxes for Applicant.

L. LEAP has verified that all application fees due have been paid in full by the Applicant.

M. The City Attorney has received a written and signed affidavit from the Applicant and each person that has a 20% or greater ownership interest in the Applicant. The affidavit shall state either: (A) that the person is not currently engaged in litigation with the City, or (B) that the person is currently engaged in litigation with the City and has provided a basic description of the litigation.

IV. PROJECT DETAILS

A. Project Description:

B. Project Area:

The location of the Project is commonly known as [insert address] and legally described as follows:

[Insert all parcel numbers with their respective legal descriptions here]
C. Below is a list of City Incentive(s) requested for Project and number of years requested for each:

___________________________________________________ ________________ Years
___________________________________________________ ________________ Years
___________________________________________________ ________________ Years
___________________________________________________ ________________ Years

D. List all federal, state or other incentives and their estimated value that may be part of the Project:

______________________________________________________________________________
______________________________________________________________________________

E. Name of financial institution(s) funding the Project (if uncertain upon execution of this Agreement, Applicant agrees to furnish commitment letter(s) from financial institution(s) to the LEDC when available):

______________________________________________________________________________
______________________________________________________________________________

F. Estimated total investment in real property improvements for the Project. (Do not include real property purchase prices or soft costs such as architectural, engineering, financing and legal fees and other pre and post-construction expenses): $ _____________________

G. Estimated total investment in personal property to be located in the Project Area. (Do not include personal property that was previously purchased by the Applicant in connection with another location or project within the City of Lansing, provide this information separately): $ _____________________

H. Estimated number of new, permanent full-time equivalent Jobs Created (FTE) upon Project Completion: __________________________

I. Estimated average hourly wage or annual salary of new permanent Jobs created at Project Completion: $ _____________________ average annual wage.

J. Will these new jobs provide fringe benefits, such as medical and dental insurance and retirement contributions? ________________ Estimate the average hourly rate or annual amount attributable to such benefits ______________________. 
K. Estimated number of new, permanent, full-time equivalent Jobs Retained (FTE) upon Project Completion: ____________________

L. Estimated average hourly wage or annual salary of Jobs Retained: $ ___________________ average annual wage.

M. Will these retained jobs provide fringe benefits, such as medical and dental insurance and retirement contributions? _______________ Estimate the average hourly rate or annual amount attributable to such benefits__________________________.

N. Estimated average number of full-time equivalent (FTE) construction jobs onsite during the Construction Phase of Project: ________________

O. Estimated average hourly wage of full-time equivalent (FTE) construction jobs onsite during the Construction Phase of Project (if applicable): $ _____________________ per hr.

P. Will these construction jobs provide fringe benefits, such as medical and dental insurance and retirement contributions? _______________ Estimate the average hourly rate or annual amount attributable to such benefits__________________________.

V. TERMS AND CONDITIONS FOR PROJECT COMPLETION

The Parties acknowledge that the Applicant has made representations contained within its application, and the additions above, with the purpose and intent of City’s reliance thereon, as well as for compliance with the Act, as amended, and the City relies upon these representations in its determination that the Incentive should be approved.

The Applicant and the City desire to enter into this Agreement whereby the Applicant and City specify and agree on the Applicant’s Project Commitments under which the Incentive will be granted. Nothing in this Agreement supersedes or diminishes any rights of the City or the State of Michigan established by federal, state, or local law or regulations.

NOW, THEREFORE, in consideration of the above recitals and premises set forth above, and the mutual covenants, agreements, and promises herein contained and pursuant to all state and federal laws, the Parties agree the City verified fulfillment of the following Applicant Project Commitments will meet the City’s requirements for Project Completion:

**Applicant Project Commitments:**

**A. Commitment to Commencement and Completion of Project Dates:**

Applicant agrees the Commencement of Project shall occur by: ________________

Applicant agrees the Project Completion Date shall be no later than: ________________
B. **Commitment to Hiring Local Labor and Lansing-based Firms:**

The Parties, in order to clarify the intent that projects receiving development incentives from the City employ as much Local Labor as is reasonably possible agree as follows:

1. The Applicant agrees and commits to employing and contracting with as much Local Labor and Lansing-based Firms as commercially practical to complete the Construction Phase of the Project. After Local Labor and Lansing-based Firms have been deemed exhausted, the Applicant agrees and commits to employing and contracting with Regional, and then Michigan, Labor and Firms, with notice to the LEDC at each step, as described below.

2. **Local Labor Preference:**

   a. Applicant agrees that if it deems necessary to not hire Local Labor or Lansing-based Firms for any portion of the Construction Phase of the Project, Applicant must, within 30 business days of Commencement of Project, provide to the LEDC a written statement of that fact and an explanation of why it was necessary.

   b. Applicant agrees that once it has deemed necessary to not use Local Labor or Lansing-based Firms, it will focus next on Regional Labor or Regional-based Firms to complete the Construction Phase of the Project. If Applicant deems necessary to not hire Regional Labor or Regional-based Firms for any portion of the Construction Phase of Project, Applicant must, within 30 business days of Commencement of the Project, provide to the LEDC a written statement of that fact and an explanation of why it was necessary.

   c. Applicant agrees that once it has deemed necessary to not use Regional Labor or Regional-based Firms, it will focus next on Michigan Labor or Michigan-based Firms to complete the Construction Phase of the Project. If Applicant deems necessary to not hire Michigan Labor or Michigan-based Firms for any portion of the Construction Phase of Project, Applicant must, within 30 business days of Commencement of the Project, provide to the LEDC a written statement of that fact and an explanation of why it was necessary.

3. Applicant (if applicable) agrees to post, and to contractually require its agents to post, all initial bid solicitations or request for bids (“Bid Solicitations”) by the Applicant or their agents for a minimum of 15 days (“Posting Period”) on the Builders Exchange of Lansing and Central Michigan (“Builders Exchange”) and to document such Bid Solicitations, unless Applicant deems the use of certain contractors or subcontractors are critical to the success of the Project or portions of the Project. If Applicant bypasses Builders Exchange because it deems the use of a certain contractor or subcontractor as critical to the success of the Project or portions of the Project, Applicant must, within 30 business days of such hiring, provide to the LEDC a written statement of that fact and an explanation of why the use of the contractor or subcontractor was so critical. The Bid Solicitations must be available to all Builders Exchange users.
4. Within 45 business days of the Commencement of Construction and at the close of each quarter of the fiscal year thereafter, the Applicant must provide to the LEDC, a list of all contractors and subcontractors selected to enter into an agreement to perform all or part of the work solicited in the Bid Solicitation (“Selected Bidders List”). The Selected Bidders List must include the following information:

   a. Business Name
   b. Address (number, street, and apt. or suite no.)
   c. City, state, and ZIP code
   d. Telephone Number
   e. Employer ID Number (EIN)
   f. Primary Contact Person (Authorized Representative)
   g. Corresponding Builders Exchange Bid Solicitation Number

5. The Applicant will not be required to participate in the above Bidding Process, if doing so would result in the violation of federal rules, including but not limited to, homeland security or the disclosure of classified information.

6. The City acknowledges and agrees that some information submitted by Applicant is confidential and proprietary. Accordingly, the City agrees to reasonably assert to the extent applicable to the information provided and as allowable by law, that such information reported by Applicant to the City is exempt from disclosure pursuant to, including without limitation Section 13 of, the Michigan Freedom of Information Act, 1976 PA 442, as amended.

C. Commitment to Pay City Income and Property Taxes:

1. Applicant agrees to notify the City Treasurer and City Assessor of any and all ownership or legal structure changes during the term of any incentives approved for the Project.

2. Applicant recognizes that all employees, contractors and sub-contractors related to this Project are required to pay all City individual income taxes. Applicant further recognizes that all contractors and sub-contractors are required to report annually to the City Treasurer all gross individual income taxes paid and current residential addresses of all employees. The Applicant is not required to withhold, pay or be responsible for City Income Tax for or on behalf of the general contractor(s)/construction manager(s) or any subcontractors working on the Project. The Applicant agrees to allow and facilitate the display, in a prominent place for everyone at the Project site to see, of an informational poster containing details about the obligation to pay, and steps for paying, City Income Tax. The Applicant’s agreement with its general contractor(s)/construction manager(s) shall require the general contractor(s)/construction manager(s) to include in subcontractor agreements language notifying subcontractors of their individual and corporate obligation to comply with all City Income Tax requirements, including: the obligation to make
quarterly estimated tax payments if withholding is not being done, and to quarterly provide to the City Treasurer a list of all employees active on the Project. All such information collected for purposes of City Income Tax requirements are confidential per the Uniform City Income Tax Act of Michigan.

3. Applicant agrees that if property taxes applicable to the personal property owned by the Applicant that is identified with the Project are not paid within the time permitted by law for payment without penalty during the life of the Incentive being granted by this Agreement, the City may exercise any and all remedies available to it under law, including the commencement of litigation to recover the amount of tax and interest thereon.

4. Applicant agrees that if any property tax applicable to the real property owned by the Applicant that is identified with the Project is not paid within the time permitted by law for payment without penalty during the life of the Incentive being granted by this Agreement, the City may exercise any and all remedies available to it under law, including the commencement of litigation to recover the amount of tax and interest thereon.

D. Commitment to Project Performance Measures:

The Applicant and the City agree the Applicant must meet all the following “Project Performance Measures”:

1. A minimum of $_______________ in private investment shall be expended on improvements to the Project’s real property.

2. A minimum of $_______________ in private investment shall be expended to purchase and locate personal property for the Project.

3. The Project shall create _____ new, permanent full-time equivalent jobs.

4. The Project shall retain _____ permanent full-time equivalent jobs.

5. Other Project-Specific Performance Measures as agreed upon by the Parties in this Agreement: __________________________________________________

(Attach more pages if necessary)
E. Commitment to Reporting Requirements:

Prior to Project Completion the Applicant shall file an Annual Report with the LEDC on the Applicant’s progress toward fulfilling their Applicant Project Commitments: Reports shall be submitted in compliance with all LEDC reporting requirements. Applicant understands and agrees that the information submitted to the LEDC will be available for public viewing, unless prior approval is requested and granted for specific confidential business information that is not subject to disclosure under the Freedom of Information Act (Public Act 442 of 1976, being MCL 15.231 et. seq., as amended). The Applicant shall file an Annual Report, Exhibit A, to the LEDC by no later than January 31st of each year for the term of this Agreement or upon Project Completion, whichever occurs first.

No later than sixty (60) days after the Project Completion Date, the Applicant shall provide in writing to the LEDC a Project Completion Report that includes a detailed written documentation and a signed affidavit attesting to the Applicant’s fulfillment of the Applicant Project Commitments Exhibit B. Within 60 days of receiving the Project Completion Report, or 90 days after the end of the Project Completion Date, the LEDC shall review all submitted documents for completeness and forward to the City Administration.

Within 60 days after receiving the Project Completion Report and supporting documents the City Administration shall review and determine if the Applicant has met all Terms and Conditions of Project Completion. Upon determining the Applicant Project Commitments were fulfilled, the City’s Chief Executive Officer shall notify the Applicant in writing that Project Completion has been achieved per this Agreement.

If the City Administration finds the Applicant Project Commitments have not been met per this Agreement, the Applicant will be notified in writing and given a thirty (30) day extension to provide additional documentation to the City. Within 60 days after the end of the extension period, the City Administration shall make its final review and determine if the Applicant Project Commitments were fulfilled. Upon determining the Applicant Project Commitments were fulfilled, the City’s Chief Executive Officer shall notify the Applicant in writing that Project Completion has been achieved per this Agreement. If the City Administration determines the Applicant has not fulfilled the Applicant Project Commitments per this Agreement, the Applicant will be considered in default of the Agreement.
VI  BREACH OF AGREEMENT BY APPLICANT

Failure of performance or non-compliance with this Agreement and to the, Terms and Conditions for Project Completion, shall constitute a breach of this Agreement by Applicant and, in addition to other available remedies available to the City under this Agreement and under law and regulation, shall subject the Applicant to incentive revocation and/or the suspension of the incentive. Further, such failure and non-compliance shall be considered as relevant information in consideration of the approval of all future incentive applications to the LEDC, LBRA, or City by the Applicant or any person or entity with (25%) or more ownership in the Project.

A.  Default by Applicant

If Applicant shall fail to perform any of its obligations under this Agreement, including any of the Terms and Conditions for Project Completion, the City shall provide written notice of such failure to perform and serve Applicant in person, or by certified mail with return receipt, of a Notice of Default specifying the performance failures. After service of the notice, the Applicant shall have a cure period of: ten (10) business days from the service of such notice to cure any monetary failure; and thirty (30) days to cure any non-monetary failure. If any failure to perform shall not have been cured by the expiration of the applicable cure period, then a “Default” by Applicant shall be deemed to have occurred and declared and the City may terminate this Agreement and shall have all rights and remedies at law, including Incentive Revocation.

B.  Default Procedures, Remedies

City shall have all the rights and remedies available at law, in equity or in this Agreement to enforce the rights and obligations under this Agreement. All remedies shall be cumulative, and none will be exclusive of any other. The exercise of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same Default or breach or of any of its remedies for any other Default or breach by the other party. No waiver made by with respect to the performance, or manner or time thereof, or any obligation under the Agreement shall be considered a waiver of any rights with respect to the particular obligation or condition beyond those expressly waived in writing and to the extent thereof, or a waiver in any respect in regard to any other rights of the City.

VII  ADDITIONAL ITEMS

A.  City’s Rights

Nothing in this Agreement shall supersede the City’s ability to request the State Tax Commission to revoke the Incentive as otherwise provided, or as may hereafter be provided, under the Acts, as amended. Nothing in this Agreement supersedes or diminishes any rights of the City or the State of Michigan established by federal, state, or local law or regulations.
B. **Governing Law**

This Agreement shall be construed in accordance with Michigan law. All actions arising from this Agreement shall be brought in a state court of competent jurisdiction in Ingham County, Michigan, or in the federal courts in the Western District of Michigan, Southern Division.

C. **Ambiguity**

This Agreement and all its terms and conditions shall be considered as if drafted by both Parties.

D. **Assignability**

The Developer shall have the right with the City’s written approval, including fulfillment of any conditions contained in such approval, to assign or transfer this Agreement with all of their rights, title and interests therein to any person, firm or corporation at any time during the term of this Agreement. Developer shall provide the City with written notice of any intent to assign, or transfer all or a portion of the Project, at least 30 days in advance of such proposed action. Developer may free itself from further obligations relating to the assigned interest, if approved by City, provided that the permitted assignee expressly assumes the obligations under this Agreement as provided herein.

E. **Notices**

All notices and other communications required or permitted under this Agreement must be in writing, shall be addressed to the Party to be notified at the address set forth below or at such other address as each Party may designate for itself from time to time by notice hereunder, and shall be deemed to have been given, delivered or served upon the earliest of: (i) 5 business days after deposit in the U.S. Mail, for delivery by certified or registered mail, with proper postage prepaid and return receipt requested, or (ii) 1 business day after deposit with a nationally recognized overnight delivery carrier for next day delivery, or (iii) on the date of personal delivery.

If to Developer: [insert info]

With a copy to: [insert info]

If to the City: [insert info]

With a copy to: [insert info]
F. **Right in Third Parties**

This Agreement is not intended nor shall it create any rights, expectations or benefit to any third party, including but not limited to, any creditor of the Parties.

G. **Severability**

The invalidity of any portion of this Agreement shall not affect the validity of the remainder thereof.

H. **Subsequent Waivers**

One or more waivers of any provision, covenant, or condition of this Agreement shall not be construed as a waiver of a subsequent breach of the same provision, covenant, or condition, or as a waiver of a subsequent breach of other provisions, covenants, or conditions. The consent or approval to or for any act shall not be deemed to render unnecessary the consent or approval to or for any subsequent similar act.

I. **Termination**

Unless terminated earlier pursuant to the terms and conditions of this Agreement, this Agreement shall terminate on: ________________________________.

J. **Covenant to Abide by Law**

In the performance of all Project activities, Applicant agrees to abide by federal, state, and local law and regulation.

K. **Amendments and Modification**

The term and conditions of this Agreement cannot be waived, modified or amended unless agreed and executed in writing by both Parties.

L. **Entire Agreement**

This Agreement contains the entire Agreement between the Parties and any representations, oral or written, which occurred between the Parties prior to the date of execution of this Agreement and which are not contained in this Agreement are not binding on either Party.

M. **Delays, Extensions and City Approval**

In the event of an unavoidable delay ("Enforced Delay") in the performance by the Developer of its obligations under this Agreement due to unforeseeable causes beyond its control and without fault or negligence, including, but not restricted to, acts of God or acts of war or terrorism; legislative regulatory acts of the federal, state, county, city or local government that directly impact the Project; acts of the judiciary not resulting from the Developer’s breach of this
Agreement or fault of the Developer, including injunctions, temporary restraining orders and decrees; fires; floods; epidemics; unanticipated and reasonably unforeseen environmental contamination not discoverable by the exercise of reasonable Developer due diligence; strikes; lock-outs, labor trouble; inability to procure materials; failure of power; riots, insurrection, war, acts of gross negligence of the City or its agents or other reason of like nature not the fault of the Developer, the time for performance of such obligations shall be extended for the period of the Enforced Delay. Provided, however, in order to claim any such time extension or period of Enforced Delay, Developer shall notify City of such claim no later than ten days from the occurrence of any such unforeseeable cause arising under this Section VII (M).

With respect to any matters that are within the discretion or approval of the City, the City shall: (i) act reasonably in all dealings with the Developer, (ii) not unreasonably withhold, condition, or delay any approvals within its discretion, and (iii) act reasonably to assist the Developer in completion of the Project.

N. Cooperation

The Parties shall take such further actions and deliver and execute such additional documents as are reasonably necessary to effectuate the terms and intent of this Agreement. The Parties shall work cooperatively to obtain any and all permits, approvals, waivers, certificates of occupancy, rental licenses, liquor licenses, and any other approval required to effectuate the Parties’ intent contemplated under the terms of this Agreement.

O. Prior Activities

This Agreement shall not govern the activities of the Developer prior to the Effective Date of this Agreement.

P. Authority

The City and the Developer each warrant and represent to the other that this Agreement and the terms and conditions thereof have been duly authorized and approved by, in the case of the City, its City Council and all other authorities whose approval may be required as a precaution to the effectiveness hereof, and as to the Developer, by the members or managers thereof, as applicable. The Parties agree to provide such opinions of counsel as to the due authorization and binding effect of this Agreement as the other Party shall reasonably request.

Q. Survival

The terms, conditions, promises, representations, obligations, and covenants set forth in Section V (C) shall survive Project Completion and the terms, conditions, promises, representations, obligations, and covenants set forth in Sections VI and VII shall survive any termination of this Agreement.
IN WITNESS WHEREOF, the undersigned Parties hereto execute this Agreement as of the day and year first above written.

WITNESSES:

________________________________
________________________________

APPLICANT NAME:

By: ________________________________
Its: ________________________________

CITY OF LANSING:

By: ________________________________
   Andy Schor
Its: Mayor

Approved as to form:

I hereby certify that funds are available in Account No.:__________________________

________________________________
James D. Smiertka
City Attorney

________________________________
City Controller