

TO: THE HONORABLE LANSING MAYOR, VIRG BERNERO
PATRICIA SPITZLEY, LANSING CITY COUNCIL PRESIDENT
ANDREA RAGAN, CHAIR, LANSING ECONOMIC DEVELOPMENT
CORPORATION
STEVE CURRAN, CHAIR LEAP, FOUNDER AND PRESIDENT, HARVEST
CREATIVE

FROM: BOB TREZISE, PRESIDENT AND CEO, LEAP

RE: 2016/2017 MID-YEAR END REVIEW and 2017/2018 BUDGET
REQUEST

The Lansing Economic Area Partnership (LEAP) has evolved into one of the state's top regional economic development agencies. In addition to our outstanding regional programs and services to the three-county area, the City of Lansing and LEAP have created a highly-admired Economic Development model that has taken us all to a new level of regional cooperation; The City and LEAP have an innovative contract for economic development that functions as the City's economic development department. Thus, for \$270,000 of the City's General Fund budget (paid in a contract to the Lansing Economic Development Corporation (LEDC)), plus another \$200,000 from the LEDC, the total contract to LEAP is \$470,000 which provides the City with a wide variety of valuable economic development services. The contract will run from July 1, 2017 – June 30, 2018.

As a result, the City receives high-end expertise and services from 15 different LEAP employees who offer a diverse variety of skills and abilities. This is a tremendous savings for the City's General Fund budget and provides a strong, competitive advantage to both the City and to our region as we all compete nationally and internationally for jobs, investment and revenue for the people and municipalities throughout our City and region. In fact, the LEAP and the City of Lansing contract represents the best, most productive and enduring demonstration of regional cooperation in Michigan.

LEAP is a not-for-profit organization, made up of 80 Board members, including the City of Lansing (Mayor). LEAP is deeply embraced by its Board of Directors/Members, which is a who's who of City and regional private sector CEOs, University/College Presidents, institutional leadership and leaders from all three counties, townships and cities, small and big, across the

entire three county area. As was stated previously, LEAP is a remarkable and leading demonstration of regional cooperation and economic development effectiveness.

Our Board is thankful to Mayor Bernero, the Lansing City Council and to the LEDC Board of Directors and deeply respects the City of Lansing's participation with LEAP, as part of this cooperative model.

Under this contract, together, we have made tremendous, historical progress forward for the people of Lansing.

2017/2018 BUDGET REQUEST:

The LEDC and City Administration is requesting that the City Council consider and approve a \$270,000 contract for economic development services to the LEDC. This is an increase of \$100,000. Over the previous decade, the LEDC has been receiving an annual \$100,000 payment made by the Radisson as part of the Radisson Agreement to pay for economic development services. This agreement with Radisson, and thus the annual \$100,000 payment, has now expired. The LEDC has no incoming revenue/cash flow other than the administrative funds for managing the TIFA and Brownfield programs. These two LEDC funding sources are added to an annual payment made by the City for economic development services, paid via the contract to LEAP for a total of \$470,000.

Respectfully, we suggest to you that this overall financial arrangement is a tremendous value and savings (financial and quality of services) to the City of Lansing. The City of 112,000 people and over 10,000 businesses receives the quality services of 15 employees for a mere \$270,000 cost to its General Fund budget which compares very favorably to all other City department budgets. Additionally, these economic development efforts generate new revenues to the City's General Fund in multiple ways every year that far exceeds the cost to the City of the LEDC contract.

2016/2017 MID-YEAR END SUMMARY OF CITY:

- 1) 2016 was a solid year for development projects in the City of Lansing and the 2017 year is already shaping into a potentially excellent year. LEAP, so far, has assisted 14 development projects in the City of Lansing. These projects attracted \$32,730,000 of private investment and created or retained 258 jobs in Lansing. (see attached worksheet)

- 2) Already in the first quarter of 2017, City Council has approved **four** LEAP development projects with **two** more pending approval totaling an additional \$14 million of investment and 58 new jobs.
- 3) Also, there are four more projects soon to start the approval process and the potential for many more to begin before 2017 is over.
- 4) LEAP received a \$75,000 grant from MEDC and partnered with the MEDC staff to conduct 35 Retention Calls in the region, including the City of Lansing.
- 5) Strengthened the Runway's position as a valuable state-wide resource for fashion startups, entrepreneurs and students. A fashion venture capital firm from New York City was attracted to the Runway and is currently serving as our VC-in-residence. We are also helping this business create a high-tech manufacturing facility in the city. The Runway has also signed six new fashion designers while graduating four. One such graduate has opened a retail location on Michigan Ave near Cooley Stadium. LCC has renewed their lease and has continued to teach their Fashion Studies program at The Runway, hosting numerous fashion shows and events:
 - a. Continued Speaker series which featured a celebrity stylist, a successful fashion startup, and an experienced creative businesswoman.
 - b. Major annual event was held which included a local retail boutique, the awarding of \$900 from LEAP to three Runway Designers.
 - c. LEAP applied for and was a finalist for a \$50,000 SBA grant to support services at the Runway.
 - d. The Runway received a \$3000 grant from LEAP.
- 6) LEAP successfully applied for, received and implemented a \$50,000 MEDC grant to put together an economic development strategy for SW Lansing. LEAP has assisted with revitalization efforts in Southwest Lansing, which targets economic and technical resources to the Pleasant Grove and W. Holmes area.
- 7) LEAP also played a critical role in the City's Invest Health efforts also focusing on redeveloping the intersection of Holmes and Pleasant Grove
- 8) LEAP Successfully implemented an EPA \$500,000 brownfield property assessment grant for the city and region through the Lansing Regional Brownfields Coalition (LRBC). The EPA Grant has awarded \$121,400 to 15 property assessments in the City of Lansing. This includes assessments for 7 of the 2016 development projects in the City of Lansing that totaled \$2,290,000 in private investment. On behalf of the City, LEAP applied for an

additional \$600,000 EPA Grant for assessment and reuse planning to continue this important and popular program.

- 9) LEAP conducted 32 site searches for the region that lead to six site visits by companies in the City of Lansing in 2016 (NorthPoint, Mash Mavericks, Everstream, Stabelt (Italy), Norm (Turkey), W. Self (Seattle), and of the six that visited Lansing, two companies located in the City (Everstream and Mash Mavericks).
- 10) LEAP, with partners from LCC, Spartan Innovation and Lansing's Maker Network, planned and coordinate a Maker Week which was considered one of the top weeks of events and programming for a Maker's Week in the country.
- 11) Diversity Lansing, a LEAP led initiative, continued its mission of celebrating and embracing the core values of a diverse, welcoming and affirming region with the wrap-up of the four-part Executive Leadership Workgroup series in March 2016. To date, over 750 individuals have taken part in Diversity Lansing events and over 235 volunteer hours have been completed by our regional partners.
- 12) Diversity Lansing presented its 2nd Annual Regional Diversity Star Award to Sparrow Health System at the LEAP Board of Directors and Annual Meeting in December 2016. "Sparrow believes that diversity and inclusion, ethics and principles reflect our fundamental belief at Sparrow and we work-hard to reflect the people we are honored to care for and serve," said Dennis Swan, President & CEO of Sparrow. This prestigious regional award was first presented to AF Group at the kick-off of the Diversity Education Series in November 2015.
- 13) 2017 will welcome a new initiative, Diversity Star Events, which allows Diversity Lansing to promote its high-quality programming and events around the state and across the nation. New programming includes trainings for HR professionals and diversity practitioners with a focus on creating, enhancing and implementing core diversity strategies into the workplace along with a one-of-a-kind Diversity Summit planned for the fall of 2017. Diversity Lansing continues to offer its services throughout the Lansing region, helping to build a stronger workforce and vibrant communities.
- 14) Business Accelerator Fund (BAF) for three Lansing businesses (SU2, Strength in Numbers, and Driver on Tap) totaling \$65,555
- 15) Successful financial management of the TIFA, LBRA, LEDC and LDFA authorities including clean audits, management of regular Board meetings, monthly financials, management of TIFs, etc.

- 16) Over 20 Start Up businesses impacted from the city.
- 17) LEAP continues to manage and assisted the Michigan Avenue and Saginaw Street Corridor Improvement Authority Boards to create Finance and Development Plans. LEAP staff activities included facilitating board meetings and preparing development plans.
- 18) LEAP is working with developers to plan for the complete redevelopment of the RACER Trust sites.
- 19) LEAP is leading the continued Red Cedar Renaissance project negotiations.
- 20) On behalf of the region and city, LEAP has a targeted growth/attraction program: Accelerating Capital (MSU Cyclotron and FRIB), Food Processing, Auto Suppliers/GM, Insurance companies, Talent Portal initiative. Additionally, LEAP targets foreign investment especially from the country of Italy.
- 21) LEAP represents the city and region at monthly IMCP meetings in Detroit.
- 22) LEAP created a new policy for the city's Place Making grants in partnership with the Arts Council of Greater Lansing and the Mayor's Office. Continued with smaller grants in support of key city arts and culture organizations, created a new \$75,000 Place Making Impact grant/process and the Idea Creation Event. Selected Museum Drive entrance onto Michigan Avenue as the first \$75,000 recipient. The second recipient of the \$75,000 Impact Arts grant has been awarded to SW Lansing.
- 23) With the \$10,000 LEAP Public Art for Communities Grant, the Saginaw Oakland Commercial Association commissioned a local artist for the placement of a permanent sculpture located near the entrance to the City of Lansing from the West between Saginaw and Oakland Highways.
- 24) LEAP continues to audit, close out and/or update job and creation numbers for city economic development projects and update information on web site.
- 25) With the Mayor's Office, LEAP has continued to play a major role in the City Hall property analysis and potential disposal.
- 26) LEAP leads continued efforts to expand the Midwest recreation campus/complex in South Lansing at the Hope Soccer fields.

- 27) The city's EB5 program continues to evolve in preparation for potential projects and investment recruitment.
- 28) LEAP has a separate management contract with the Local Development Finance Authority (LDFA) (Lansing Regional SmartZone) which includes property in the city of Lansing.
- 29) LEAP, with funds from the Lansing Economic Development Corporation (LEDC) reviewed and renewed a loan request by Moebius Technologies.
- 30) Utilizing LBRA monies, granted \$350,000 Revolving Loan Funds to support the Potter Flats and East Town Flats development projects in Lansing.
- 31) \$1000 LEAP Sponsorship Silver Bells in the City
- 32) LEAP sponsored the Fortnight Game Competition held at the Capital City Film Festival \$2500.
- 33) Applied to the International Economic Development Council on behalf of the LEDC and City, who were awarded both a Gold and Silver - Excellence in Economic Development award in 2016 for the Outfield/Stadium redevelopment project
- 34) LEAP led the Under the Bridge Michigan Avenue regional development efforts, securing \$50,000 MEDC grant matching \$57,000 in Patronicity funds raised. The project is underway and expected to be completed this summer.
- 35) LEAP played a critical role in securing MEDC/Patronicity (\$200,000 portion) and city funding of the brand new Beacon soccer field.
- 36) Continued administration of the EPA \$1 million Revolving Loan Fund (RLF).
- 37) LEAP delivered one \$3000 incubator grant to Allen Street Food Center in 2016.
- 38) LEAP is part of a leadership team altering "Keep Learning" mission to a T3 organization, trying to do a better job of connecting business and education, talent to jobs.
- 39) Each quarter, the region and the city is represented by LEAP at the MEDC leadership table called Collaborative Development Council (CDC) roundtable. This table is attended by the top ten regional economic development agencies in the state and MEDC/Governor's Office leadership.

- 40) LEAP continues to use opportunities statewide (new legislation) to push for the development of an Urban Policy and economic development tools for Michigan.
- 41) LEAP authors a portion of the city's Transmittal letter and participates in meetings held with municipal credit rating agencies.
- 42) Held third annual Regional Youth Startup Challenge at the Lansing Center, engaging over 270 students from the area and awarded over \$10,000 in prizes. Included schools from the city.
- 43) Held 5 Minutes Top Pitch competition at the Boys and Girls Club of Lansing, which engaged over 20 Lansing youth to think about entrepreneurship.
- 44) Assisted Blue Owl Coffee with the development of their coffee cart which is now a staple on Washington Ave.
- 45) LEAP contributed \$200 to Demo Camp Lansing, which highlights new tech developments from local entrepreneurs and inventors.
- 46) Moved the Hatching (Monthly pitch competition for startups) from Dublin's in East Lansing to Lansing Brewing company in June and held the remaining 6 events there. Had a total of over 35 entrepreneurs pitch their ideas to a total of 700 attendees during the time frame.
- 47) Collaborated with the Lansing Refugee Development Center to create, "Newcomers: New Ideas" program which focuses on entrepreneurship and small businesses for the refugee population. Engaged 80 students in our inaugural program.
- 48) LEAP partnered with Lansing 5:01, a non-profit organization that's mission is to attract and retain talent in Lansing along with having young professional engage in Lansing after 5p, to put on three events throughout the summer:
 - a. River Front Concert at the City Market, 400 attendees
 - b. Hatching 3rd year anniversary at Lansing Brewing Company, 120 attendees
 - c. Impression 5 Mixer with Grand River Connection, 220 attendees
- 49) Assisted GLADS Tours LLC to start their business.
- 50) Assisted RS Improvements LLC to start their business.

City of Lansing Annual Report 2016

Opportunity Name	Account Name	City/Charter Twp.	MI County	Stage	LEAP Type	Private Investment	FTE Jobs Created (Est.)	FTE Jobs Retained (Est.)
Potter Flats Redevelopment	SC Services	City of Lansing	Ingham	Underway	Retention/Expansion	\$2,450,000	5	0
Fluid Chillers	Fluid Chillers Inc	City of Lansing	Ingham	Underway	Retention/Expansion	\$2,000,000	20	25
East Town Flats Redevelopment	Gillespie Company, LLC	City of Lansing	Ingham	Underway	Retention/Expansion	\$3,893,738	20	0
204 E. Grand River, Old Town	Tom Arnold	City of Lansing	Ingham	Underway	Retention/Expansion	\$1,441,340	15	0
UrbanBeat Redevelopment Liquor License	UrbanBeat	City of Lansing	Ingham	Underway	Retention/Expansion	\$300,000	3	0
Mr. Taco Rehab	Mr. Taco	City of Lansing	Ingham	Underway	Retention/Expansion	\$235,000	2	0
1149 S Washington Ave	Nicholas Pope	City of Lansing	Ingham	Underway	Retention/Expansion	\$303,500	5	5
1141 S. Washington Ave	Nicholas Pope	City of Lansing	Ingham	Underway	Retention/Expansion	\$415,000	1	0
M3 Redevelopment/Expansion	M3 Group	City of Lansing	Ingham	Underway	Retention/Expansion	\$871,500	5	25
Communications Company	Everstream (formerly Comlink)	City of Lansing	Ingham	Underway	Attraction	\$300,000	5	30
Heritage Flooring Expansion	Heritage Flooring Expansion	City of Lansing	Ingham	Underway	Retention/Expansion	\$70,000	5	2
East Oakland Renovation	East Oakland Renovation	City of Lansing	Ingham	Underway	Retention/Expansion	\$300,000	10	20
Hope Sports Complex	City of Lansing	City of Lansing	Ingham	Under Approval	Retention/Expansion	\$20,000,000	30	0
2305 N High St Expansion	Metro Development Corporation	City of Lansing	Ingham	Prospect	Retention/Expansion	\$150,000	17	8
Totals						\$32,730,078	143	115