

LANSING ECONOMIC DEVELOPMENT CORPORATION



2021 ANNUAL REPORT





MAYOR ANDY SCHOR, CITY OF LANSING



Andy Schor, Mayor

The Lansing Economic Development Corporation's mission is to attract and grow businesses to create and retain jobs, redevelop vacant and contaminated properties into great places to live and work, and use public/private partnerships to benefit the citizens of Lansing.

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What is the Lansing Economic Development Corporation?

The LEDC is a nonprofit organization created in 1976 to attract and grow businesses; create and retain jobs; redevelop vacant, underutilized, or contaminated properties; and create public-private partnerships to make Lansing a great place to live and work for everyone. The Lansing Brownfield Redevelopment Authority (LBRA) was created by the City of Lansing in 1997 to use tax increment financing, grants and loans to redevelop contaminated and functionally obsolete properties in the City. The Lansing TIFA and TIFA District were created by the city in 1981 under the Tax Increment Financing Authority Act. The basic function of the TIFA is to invest in regional public assets that facilitate economic development in downtown Lansing.

The LEDC Board of Directors

The Lansing Economic Development Corporation (LEDC) Board of Directors is a diverse and experienced group of professionals who volunteer their time and expertise to oversee, provide guidance, and make decisions that profoundly impact Lansing's economic health and the welfare of its citizens. The LEDC Board of Directors also serves on the Lansing Brownfield Redevelopment Authority (LBRA) and Tax Increment Financing Authority (TIFA) boards. The LEDC coordinates the LBRA and TIFA efforts and contracts with the Lansing Economic Area Partnership (LEAP) to provide, manage, and administer the programs and services offered by these three respective nonprofit entities.



LEDC Board of Directors Monthly Meeting

LEDC Board of Directors



Calvin Jones



Andrea Binoniemi



Kimberly Coleman



Shelley Davis-Boyd



Tom Donaldson



Blake Johnson



Brian McGrain



Michael Mckissic



Tom Muth

All photos courtesy of each LEDC Board Member

STAFF



Karl Dorshimer
Senior VP of Economic Development



Kris Klein
Director of Economic Development



Kambriana Crank
Economic Development Specialist



Mitchell Timmerman
Economic Development Specialist

Why Economic Development Is Good for Lansing:

Attracting and growing businesses strengthens our economy by providing locally produced goods and services. Strong businesses pay taxes supporting vital services such as schools, roads, fire departments, and first responders. Businesses also provide jobs that put money in people's pockets and elevates the quality of life for employees and business owners alike.

The impact of a new business extends beyond the workers they employ; businesses support other local businesses by purchasing goods and services they need to operate, and their workers invest back into the local economy by purchasing the goods and services they need to live. Money changes hands many times as it flows through the local economy and creates overall prosperity enjoyed by all citizens, whether or not they interact directly with the business.

Economic development also fosters the entrepreneurial spirit that resides in our creative and ambitious citizens. By providing access to ideas, investment, and expert advice, new companies can be created to help assure Lansing's economy stays innovative and diverse.

Putting vacant or abandoned buildings and land back into productive use is another major function of economic development. This helps keep businesses located in urban areas where sewer, water, and other services are already present. Urban redevelopment reduces the impact of blight and environmental contamination while also preserving the psychological and physical benefits of green space.

Economic development can also address systemic inequities by expanding economic opportunities for low-income people and communities that are primarily Black, Indigenous and people of color (BIPOC). This includes: increasing successful entrepreneurship and small-business ownership among historically underrepresented populations and partnering with the public and private sectors to increase job training and educational opportunities for previously disenfranchised city residents.

Communities that provide quality jobs and great places to live and work are a magnet for people of all ages and backgrounds. As a result, these places have a sturdy foundation and strong future; building that foundation and planning for that future is the primary goal of the Lansing Economic Development Corporation.

Executive Summary

2021 was a challenging year for Lansing and the Lansing Economic Development Corporation (LEDC). The COVID-19 Pandemic continued to impact Lansing businesses and the LEDC used its full set of tools to help them survive and rebound. The LEDC created and implemented the Lansing CARES program to help award 20 businesses a total of \$350,000 in forgivable loans and provided technical service to 127 businesses including Disaster Planning Training. The LEDC, in partnership with LEAP, assisted with the LEAP Regional Ingham County Sunrise small business grant program. The Sunrise program provided \$4,640,000 in grant funds to 356 businesses in Lansing.

As 2021 was drawing to a close Mayor Schor and the LEDC worked with Lansing City Council, Delta Township, the MEDC and LEAP to approve an Act 425 land sharing agreement and incentive package that convinced General Motors and Ultium Cells to commit to building a 2.5 million square foot facility adjacent to the LDT Plant to manufacture Electric Vehicle Batteries for use in Electric Powered Vehicles. Ultium will invest \$2.5 billion to construct the facility that will be completed in approximately 2 to 3 years. Employment work will ramp up over several years and is expected to generate 1,700 jobs; these jobs will have an average yearly wage of \$46,000. The battery plant will help ensure that the Lansing Delta and Lansing Grand River Assembly Plants will have a bright future as the Auto Industry transitions to producing electric vehicles.



*Michigan Realtors Ribbon Cutting
October, 2021*

Additionally, the LEDC worked with LEAP to provide economic development services to the City of Lansing which included the administration and management of the LEDC as well as the Lansing Tax Increment Finance Authority (TIFA) and Lansing Brownfield Redevelopment Authority (LBRA). Each of these three entities have boards, budgets, programs, monthly meetings and a variety of grants, incentives, and financing options to assist with economic development projects in Lansing.

For example, the Lansing Brownfield Redevelopment Authority successfully managed and administered 32 active brownfield plans that generated \$7 million in revenue in 2021 as well as reimbursed brownfield eligible costs to brownfield projects which totaled more than \$1 billion in private development investment. The LBRA also used its Brownfield Revolving Fund and EPA Assessment Funds to finance \$222,842 in environmental assessment work on 10 projects throughout Lansing, and utilized \$5,918,400 in LBRF funds on 8 brownfield development projects for brownfield related costs. The LBRA also completed the issue and sale of \$40 million in LBRA bonds to finance the brownfield costs associated with the \$250 million Red Cedar project, which is dramatically changing the face of Michigan Ave and will further link Lansing with East Lansing.

Executive Summary Continued

In 2021 the Tax Increment Financing Authority (TIFA) generated \$2.5 million to continue financing Lansing public assets such as the Lansing Center and the City Parking system. The TIFA has provided over \$100 million in funding for public infrastructure that supports and encourages both public and private development. The LEDC also manages the City's Business Façade Improvement and Commercial Corridor Improvement Authorities (CIAs). These two programs work to assist business owners throughout the City of Lansing. In 2021, the Michigan Avenue CIA and Saginaw (SSCIA) CIA continued to meet consistently and the SSCIA established its first public improvement project. In terms of the Façade Improvement program, the LEDC did not receive funds for this calendar year, but they are anticipating an increase in funds and a greater demand for improvements of businesses.

While 2021 was a year for gradual economic improvement as the pandemic continued to run its course, the LEDC did manage to gain local and state incentive approvals for 5 Lansing Development Projects totaling \$11 million in investment. The LEDC also assisted and administered 10 projects that were under construction or completed, these projects totaled over \$1 billion of investment.

The LEDC continues to work closely with the Mayor's office and the LBRA to use economic incentives and financing tools to create mutually beneficial solutions that encourage economic development. The LBRA's Brownfield Plan Policy governs developer requests for incentives and ensures development projects positively impact the City and its citizens. The Policy does so by sharing new tax revenues, promoting private investment in public infrastructure, encouraging sustainability, building density, historic preservation, shorter incentive durations, job creation, landscaping, and quality building materials. The LEDC also helps implement the Universal Development Agreement issued by Mayor Schor on October 1, 2019. This agreement promotes local labor use and further ensures that development in the City of Lansing is transparent, accountable, and beneficial.

Finally, the LEDC is proud of the Capital City Market project for being selected to receive two gold Economic Excellence Awards by the International Economic Development Council. The first award was for best Public/Private Partnership and the other for best Real Estate Reuse (Brownfield). The Capital City Market project joins the previous LEDC top award-winning LEDC projects of the Ottawa Power Station (AF Group), Knapps Centre and The Outfield.

Lansing Small Business & Covid-19 Response

Small Businesses are the lifeblood of the Lansing economy. In spring of 2020 the LEDC implemented its Lansing Small Business Recovery Program immediately after the pandemic's seriousness became apparent. The LEDC was the first to provide financial assistance to these small businesses during the start of the pandemic, before even the State or Federal government. Over the last two years the LEDC in partnership with the MEDC and LEAP participated in Small Business Relief Grant and Loan Programs, funded by the MEDC and administered by LEAP. The LEDC allocated \$400,000 of its own funds toward the COVID-19 Rescue Fund, which provided \$5,000 and \$10,000 grants to Lansing small businesses that had not yet received any COVID-19 grant assistance. These programs continued in 2021 and the two year total of assistance provided in loans and grants to small businesses in Lansing was vital in helping to buffer the tremendous negative effect caused by the pandemic. The LEDC created and implemented the Lansing CARES program to help award 20 businesses a total of \$350,000 in forgivable loans and provided technical service to 127 businesses including Disaster Planning Training. The LEDC, in partnership with LEAP, assisted with the LEAP Regional Ingham County Sunrise small business grant program. The Sunrise program provided \$4,640,000 in grant funds to 356 businesses in Lansing. Please see table 1 on the next page for details on these programs, and table 2 on page 7 for a geographic distribution of these programs.



*Middle Village Micro Market Grand Opening
October, 2021*



Wing Heaven Sports Haven

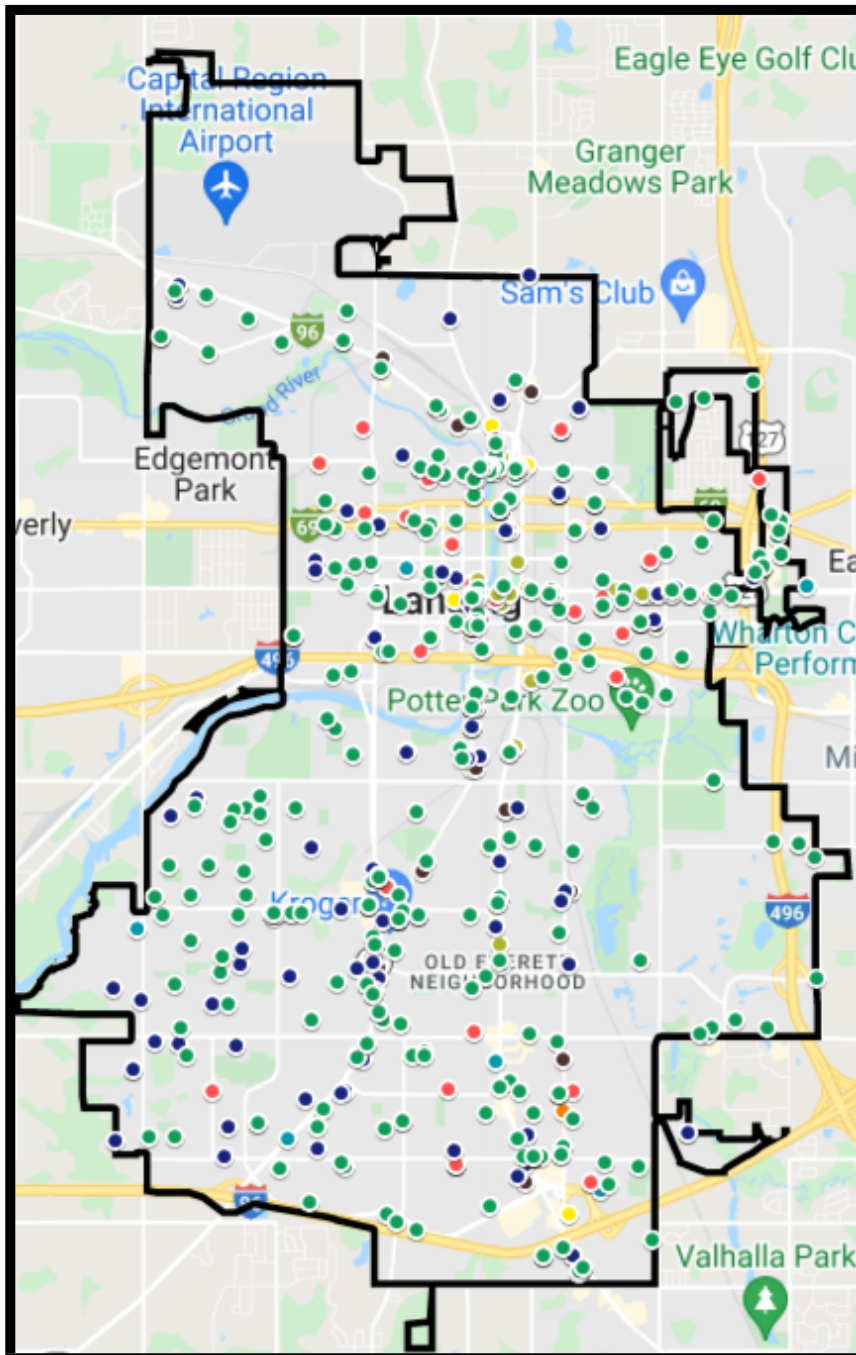
Lansing Small Business & Covid-19 Response

Table 1: Summary of programs

	Program and Funding Summary	Total # of Awards	# of Awards in the City of Lansing	# of Awards in the City of Lansing (women, minority, veteran owner)	\$ to City of Lansing Businesses
Ingham County Sunrise Grant Program Nonprofit and Organizations Fall 2021	Total Funds: \$1.92MM for Ingham County Where the funds came from: Federal American Recovery Plan Act funds from Ingham County to allocated to develop the Ingham County Sunrise Program. Funding Breakdown: Nonprofits: \$10,000 to \$20,000 grants Impact Awards: \$50,000 to \$90,000 grants Incubators: \$150,000 to \$180,000	89	61	Nonprofits/Impact: Not Available Incubators: 2 of 3	\$1,470,000
Ingham County Sunrise Grant Program Businesses Fall 2021	Total Funds: \$7.933MM for Ingham County Where the funds came from: Federal American Recovery Plan Act funds from Ingham County to allocated to develop the Ingham County Sunrise Program. Funding Breakdown: Grants ranging from \$10,000 - \$25,000 in several business categories: Retail, Goods, & Services/Tourism & Hospitality/Childcare/New Businesses/Restaurants/Sole Proprietor	541	295	178	\$3,170,000
City of Lansing CDBG-CV/Lansing CARES Small Business Program April-August 2021	Loans and Technical Assistance funds for the City of Lansing Where the funds came from: Federal CARES Act funds from the City of Lansing allocated to develop a small business finance assistance program. Funding Breakdown: 20 - loans ranging from \$5,000 to \$50,000	20	20	13	\$346,004.20
LEAP Michigan Small Business Survival Grants February 2021	Total Funds: \$3MM for Clinton, Eaton, and Ingham Counties Where the funds came from: Governor Whitmer's office and the MEDC. \$55M of state funds were allocated to fund grants. Funding Breakdown: 194 - \$15,000 grants	194	50	Not Available	\$750,000
LEAP Michigan Small Business Restart Grants September 2020	Total Funds: \$5.27MM for Clinton, Eaton, and Ingham Counties Where the funds came from: Federal CARES Act funds from the state of Michigan through the MEDC. Funding Breakdown: 77 - \$5,000 or \$10,000 grants for nonprofits; 125 - \$20,000 grants for small businesses; at least 200 - \$10,000 grants for microbusinesses	412	140	86	\$1,685,000
LEDC/City of Lansing COVID-19 Rescue Fund Grants May & June 2020	Total Funds: \$400,000 for the City of Lansing Where the funds came from: The Lansing Economic Development Corporation (LEDC) approved the use of \$400,000 of LEDC funds for small business grants. Funding Breakdown: Phase 1: 34-\$10,000 grants / Phase 2: 12-\$5,000 grants	46	46	21	\$400,000
LEAP Michigan Small Business Relief Loans June 2020	Total Funds: \$600,000 for Clinton, Eaton, and Ingham Counties Where the funds came from: Governor Whitmer's office and the MEDC. It allocated \$10M of MEDC funds to grants and loans. Funding Breakdown: 12 - \$50,000 loans	12	4	Not Available	\$200,000
LEAP Michigan Small Business Relief Grants April 2020	Total Funds: \$600,000 for Clinton, Eaton, and Ingham Counties Where the funds came from: Governor Whitmer's office and the MEDC. It allocated \$10M of MEDC funds to grants and loans. Funding Breakdown: 60 - \$10,000 grants	60	22	Not Available	\$220,000

Lansing Small Business & Covid-19 Response

Table 2: Geographic Distribution of programs



- Ingham County Sunrise Grant Program-Nonprofit and Organizations
- Ingham County Sunrise Grant Program-Businesses
- City of Lansing CDBG-CV/Lansing CARES Small Business Program
- LEAP Michigan Small Business Survival Grant
- LEAP Michigan Small Business Restart Grants
- LEDC/City of Lansing COVID-19 Rescue Fund Grants
- LEAP Michigan Small Business Relief Loans
- LEAP Michigan Small Business Relief Grants

Façade Improvement Program

The Façade Improvement Program assists business owners in making improvements to the exterior of their commercial properties. Enhancements can include new siding, architectural features, signage, lighting, awnings, and more. Applicants must provide a dollar-for-dollar match to receive the grant, up to a maximum of \$20,000. Additionally, a façade design grant of up to \$2,000 is also available. The Design Grant provides a set of façade designs for the applicant's building. More information can be found on the Lansing Economic Area Partnership website.

A Design Committee comprised of local design, building and safety, LEDC Board Members, neighborhood, and business experts reviews and analyzes façade project applications and recommends projects for the Mayor's final approval. After façade projects are successfully completed, Mayor Schor hosts a ribbon-cutting at the business location, and the businesses' story is featured through LEAP's communication channels and the City's social media channels. The City of Lansing did not receive new funds for this fiscal year but was able to approve LeRoy's Bar & Grill as well as 629 N. Butler by using funds from previous years (please see images below). The City of Lansing plans to increase the funds for the façade improvement program next year.



629 N. Butler Before Photo



LeRoy's Before Photo



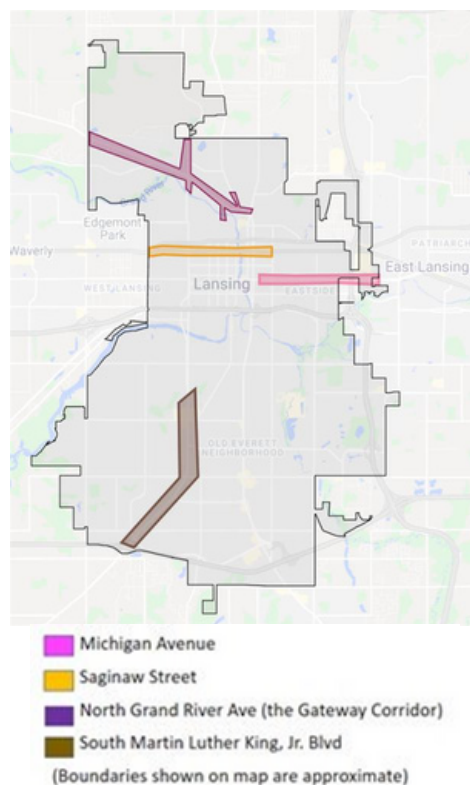
629 N. Butler After Photo (New paint, signage, lighting, and update garage doors.)



LeRoy's After Photo (New signage and trim lighting)

Corridor Improvement Authorities

In 2005, the Michigan Legislature enacted Public Act 280 (which is now called Act 57 of 2018), the Corridor Improvement Authority Act, allowing cities, villages, and townships to create a Corridor Improvement Authority (CIA) to use tax increment financing (TIF) to make capital improvements within an established commercial district. The City has four Corridor Improvement Authorities. In 2009, Saginaw Street and Michigan Avenue Corridor Improvement Authorities were established, and in 2019 both of their Development and TIF plans were approved. Two new corridor improvement authorities were established in 2019 on S Martin Luther King Jr. Boulevard and N Grand River Avenue.



Michigan Avenue Corridor Improvement Authority (MACIA)

"Good health is contagious, Catch some on the East Side"

Since the MACIA Development and TIF plan was approved by the Lansing City Council, MACIA has continued working towards its goals. The CIA spent 2021 vision casting and developing a façade business improvement plan to improve buildings and businesses along Michigan Avenue while still keeping their unique character. This pilot plan will ultimately enhance the sense of belonging and footprint on the corridor and will begin in 2022, if approved. Leading up to the proposal, MACIA board members met regularly and collaborated with businesses owners to get buy-in, held community conversations, and worked alongside other local organizations such as the community foundation. The Michigan Avenue Corridor Improvement Authority spent significant time building relationships and listening to the needs of businesses owners in 2021 and are looking forward to their plan coming to fruition in 2022.

Members

Jonathan Lum, Chair
Joan Nelson, Vice Chair
Elaine Barr, Treasurer
Yvette Collins, Secretary
Joseph Ruth
Scott Gillespie
Andrea McSwain
Laurie Strauss Baumer



MACIA Board Members Monthly Meeting, Jan. 2022

Saginaw Street Corridor Improvement Authority (SSCIA)

The SSCIA Development and TIF Plan was approved by the Lansing City Council at the end of 2019. SSCIA plans to continue to work with the Saginaw St. stakeholders to incorporate new and innovative features like greenery, trees, and public spaces along both the Saginaw and Oakland corridors to support a variety of retail and other businesses along the corridor. In winter of 2021 the SSCIA was able to make their first public improvement to the corridor by adding a bus shelter to the most frequently used stop on the corridor. With the help from the Fall Neighborhood Grant and CATA for donating the shelter, the CIA distributed an RFP for artists in Lansing to include a work of art on the shelter which can be seen outside of Rite-Aid on Saginaw and MLK. In addition to public improvements, the SSCIA received two new applications for interested board members and will have added numbers in 2022.



*First SSCIA Bus Shelter Improvement
Fall, 2021*

Members

Jonathon Lukco, Chair
Jessica Yorko, Vice Chair
Diane Sanborn, Treasurer
Jim Houthoofd, Secretary
Tiffany Dowling



*SSCIA Board Members
Monthly Board Meeting
January, 2022*

North Grand River Avenue CIA Overview

Stakeholders and key players helped set the stage for creating and receiving final approval from City Council in December 2019 to establish the North Grand River CIA. During 2020, the board received several applications and continuously reached out to business owners, residents, and property owners to populate the authority. In 2021, the review process of applications began, and the board is set to be active and consistently meet in 2022.

The North Grand River CIA (the Gateway Corridor) exploratory committees reviewed the City of Lansing Master Plan and the Capital Improvement Program to help establish and align their goals and priorities for the corridor:

- Create a welcoming and inclusive gateway corridor
- Establish a well-connected and accessible corridor
- Streetscape improvements
- Revitalization of empty buildings
- Form new programs for business development and attraction

South Martin Luther King Jr. Blvd CIA Overview

The S.MLK CIA continued to work on understanding the focus areas and needs for the corridor in 2021. Many steps were taken in 2021 to further the process for the creation of their Development and Finance Plan. Lansing was one of ten communities selected to host a community development fellow through the Community Economic Development Association of Lansing (CEDAM). The fellow was brought on and increased the capacity for the S.MLK CIA and facilitated connections with stakeholders along the corridor. The board along with the CEDAM fellow created a community input survey to gather feedback from business owners, and residents throughout the corridor to understand the viewpoints of community stakeholders. The S.MLK CIA will meet on a monthly basis to move toward approval of their Development & Finance Plan. The S.MLK CIA along with the CEDAM fellow will continue to gather input from the community in regards to their needs and challenges. The S.MLK CIA has also welcomed new board members.

Members

Price Dobernick, Chair
Nikki Solden, Vice Chair
Don "Moose" Sober, Treasurer
Alexis Carnegie-Dunham, Secretary
Amanda Defrees
Mike Skory

Southwest Lansing Initiative

The Southwest Lansing Initiative began in 2016 with the Southwest Lansing Action Plan. The plan process, managed by LEAP and the LEDC, outlined community-driven steps to increase investment, support businesses, and create public amenities in the Pleasant Grove and Holmes area. Projects between 2017 and 2020 include the opening of Beacon SW Soccer Field, installation of a KaBOOM Playground, and creation of a walking path around Beacon Park. Also, the construction of a Town Square and façade improvements for several businesses brought significant investment and beautification to the Pleasant Grove Plaza commercial center area.

Momentum around the Southwest Lansing Initiative continued to build in 2021. Achievements included the inauguration of the Southwest Lansing Town Square, an art piece and further stakeholder engagement and planning on the redevelopment of the former Pleasant Grove School at the intersection of Pleasant Grove and Holmes. The property's redevelopment has been a primary focus of the Southwest Lansing Initiative. The proposed project at 2130 W. Holmes is a mixed-use multi-building redevelopment including multifamily residential apartments, offices, and commercial business spaces that will offer community-based services to the surrounding neighborhoods. The proposed project and brownfield request was presented to the LBRA Board in December 2021 and local approvals were provided in early 2022. Additionally, the South Lansing Community Coalition and Southwest Action Group (SWAG) were awarded an Impact Grant through the Ingham County Sunrise Program to support a part-time position for SWAG to focus on organizational capacity building, strengthening local business connections and support, and further implementation and evaluation of the Southwest Lansing Action Plan.

Major LEDC Projects Approved in 2021

Despite the pandemic, the LEDC remains committed to supporting transformative real estate and business development projects, and attracting new investment to the City of Lansing. In 2021 the LEDC gained local and state incentive approvals for five Lansing Development Projects totaling \$11,732,486 in investment. These five projects comprise of: Redevelopment of Clara's Depot Building (\$5,948,214); 629 N. Butler Avenue (\$20,594); Market Place/City Market Pedway (\$5,000,000); Leroy's Bar and Grill (\$28,502); Batter Up (\$130,000); Hooked Book and Wine Bar (\$585,000) and Sweet Encounter Bakery & Cafe (\$20,176).

Table 3: Private Investment for Approved Projects over a 4 year period

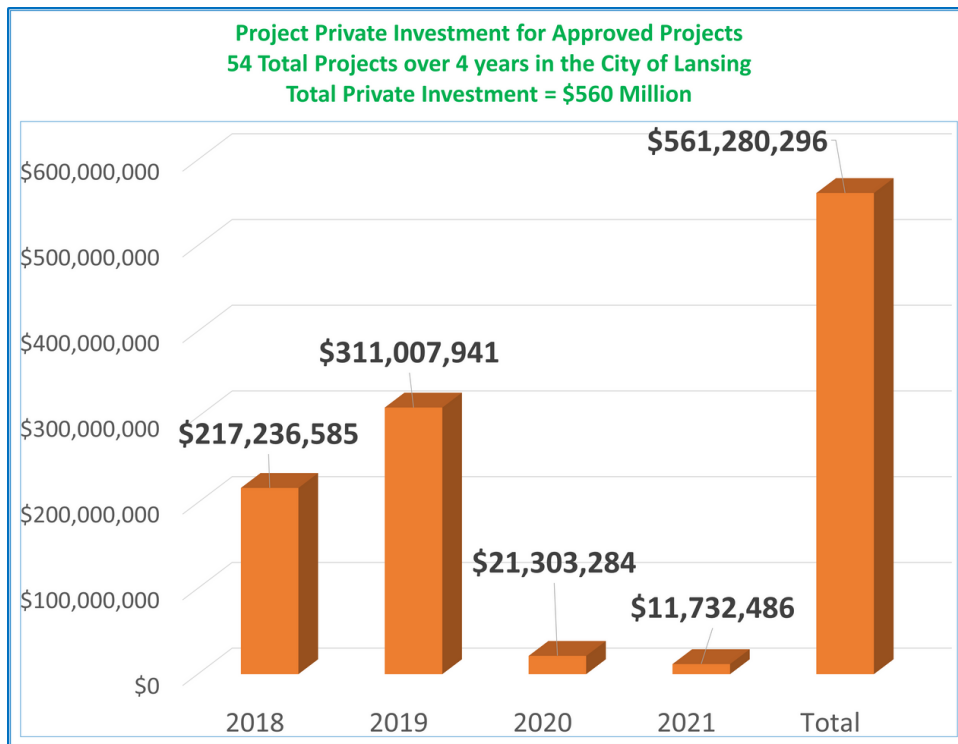
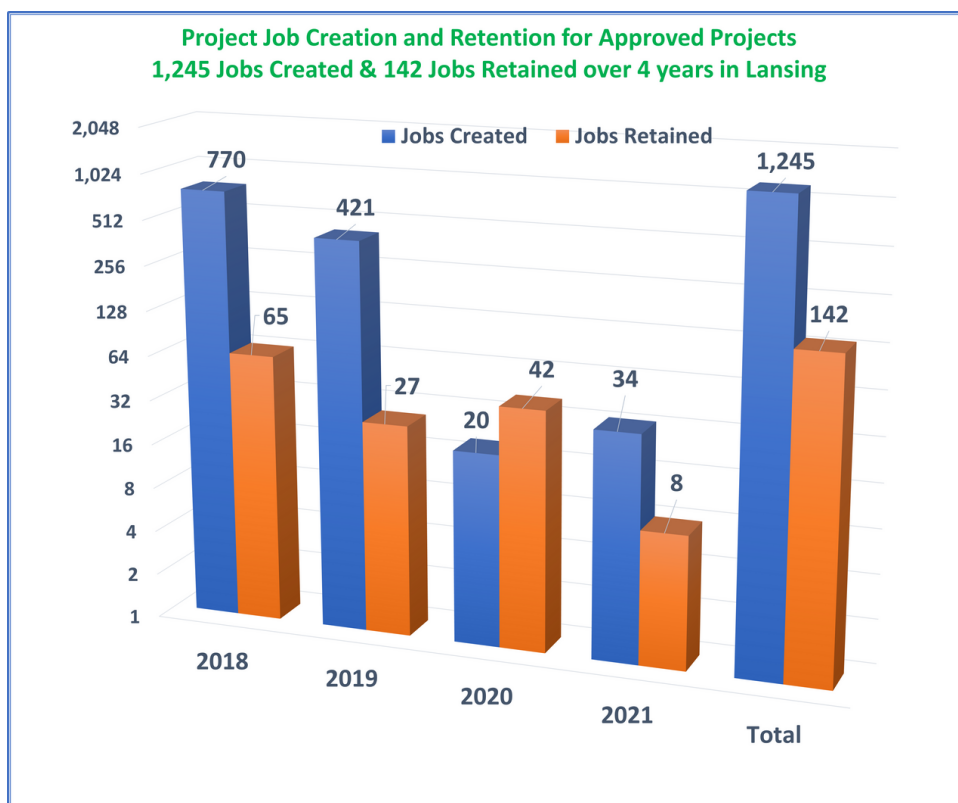
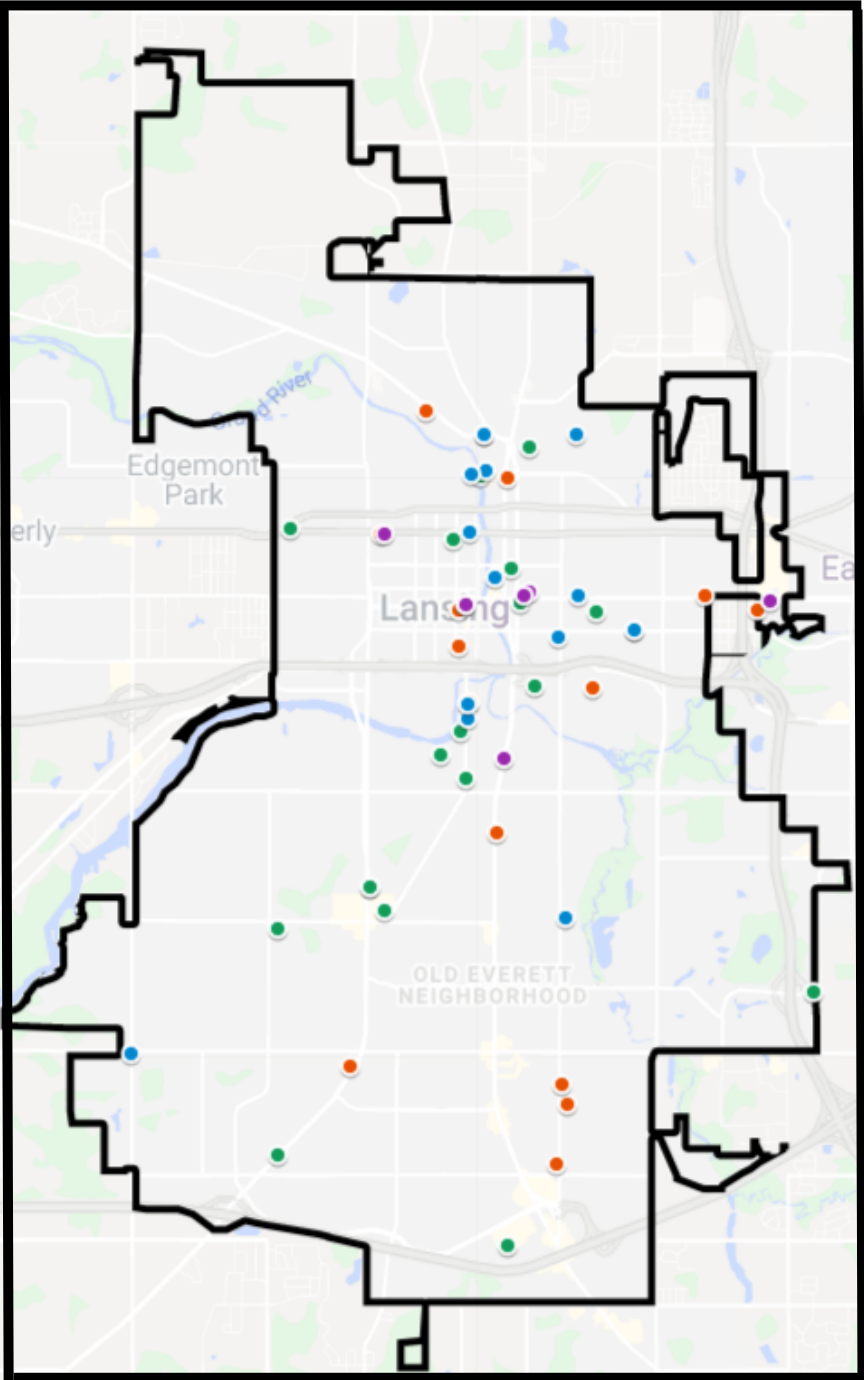


Table 4: Job Creation and Retention for Approved Projects over a 4 year period



Major LEDC Projects Approved in 2021 and Previous Projects since 2018

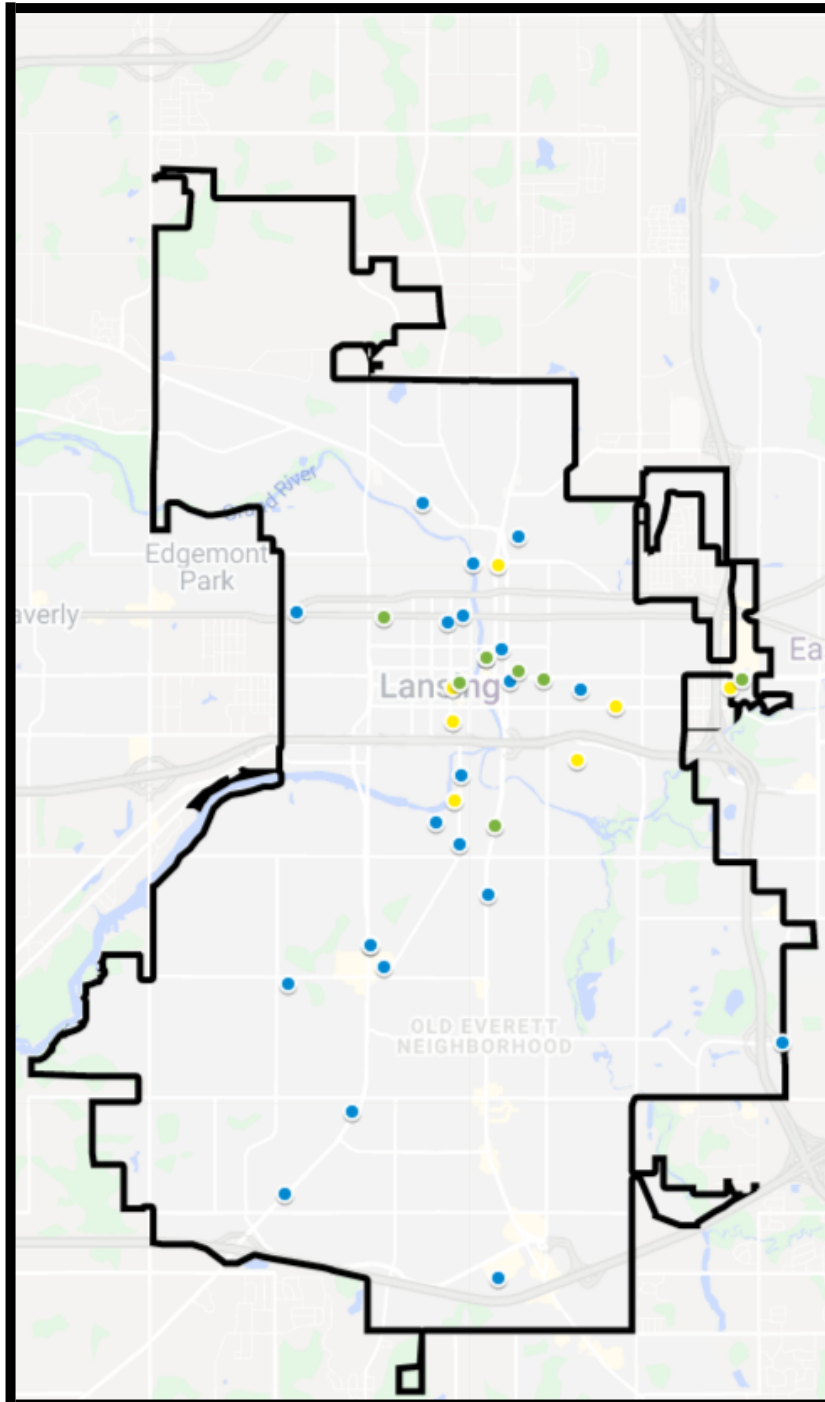
Table 5: Major LEDC Projects Approved in 2021



- 2018
- 2019
- 2020
- 2021

Major LEDC Project Status Map

Table 6: Major LEDC Projects Status

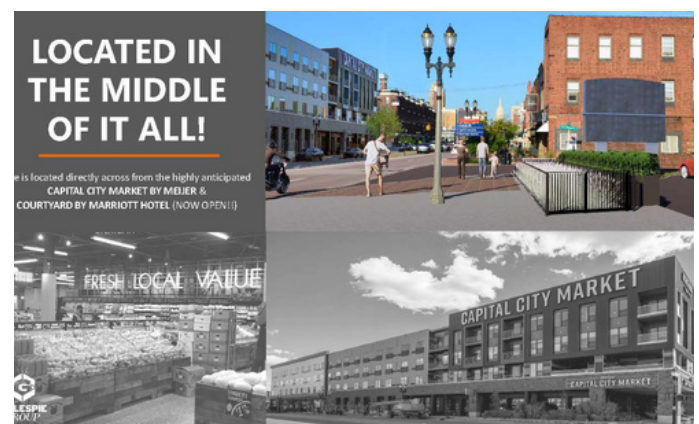
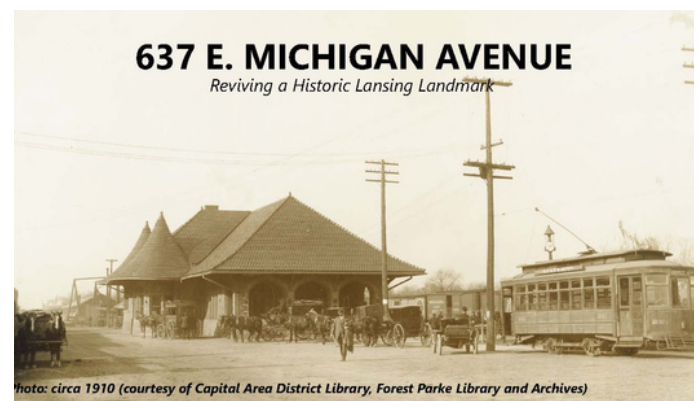


- Completed
- Approved
- Underway

Major LEDC Projects Approved in 2021

Clara's Redevelopment:

In 2020 the Gillespie Group completed the \$41.5 million Capital City Market project at the corner of Larch and East Michigan Avenue in Lansing. This award-winning project was made possible by brownfield financing from The Lansing Brownfield Redevelopment Authority, with additional grants from the MEDC and EGLE. The Capital City Market mixed-use project contains a hotel, apartments, and a Meijer grocery store. Because of the great success of the project, the Gillespie Group was able to leverage the private investment into another great redevelopment project. The historic Union Depot building located at 637 East Michigan has been vacant for several years. With the help of the City and LBRA the Gillespie Group will renovate the building to maximize its usable space and turn the property into a multi-tenant destination, with up to three users. A letter of intent has been executed with Starbucks, who would occupy approximately half of the building. A drive-thru configuration will be added on the west side of the building to accommodate Starbucks as an anchor tenant. Outdoor patio space will be offered and improvements within the existing parking area will take place to create a more walkable environment. A public parklet along Michigan Avenue with greenery, and shade features will be added to allow the public a place to stop, rest, and enjoy the surrounding area. The overall investment will go towards maintaining a landmark within the City.



Major LEDC Projects Approved in 2021

Market Place City Market Pedway:

In 2021 the LEDC was again able to use the power of private development investment to fund public improvements. The Market Place development on the site of the former Lansing City market has enabled the City and its citizens to enjoy two public assets funded by the private investment. When the original Lansing City Market was sold, the proceeds were used to build the existing nearby new City Market. The remaining portion of the old City Market site was developed into the privately funded \$12 million Market Place development. The Market Place development being privately owned pays property taxes and this increase in property taxes is now being used to finance \$5 million worth of improvements to the City owned Pedway that provides pedestrian access across the Grand River to the downtown. This same flow of property taxes from the private investment in the Market Place is being used as a loan to the Lansing Shuffle Social Club to transform the new City Market into a vibrant restaurant and activity center. Finally, the same pool of funds from the Lansing Brownfield Redevelopment Authority was also used to pay for part of the new Rotary Park between the new City Market and the Grand River. These improvements will make the riverfront a focal point of activity and commerce providing a great place for Lansing residents, downtown workers, and visitors a great place to live, work and play.



Market Place City City Market Pedway: LBRA RLF funds are financing Pedway improvements

Major LEDC Projects Approved in 2021

Sweet Encounter Bakery & Cafe:

Sweet Encounter Bakery is a Lansing-based culinary academy providing a variety of products and services including baked goods, cooking classes and subscription boxes. The LEDC approved a micro-loan in September 2021 to support kitchen equipment, software equipment, materials, supplies, marketing and branding resources, as well as operational fees and expenses. Previously operating out of rented commercial kitchen space, Sweet Encounter Bakery & Cafe opened a brick-and-mortar location in downtown Lansing inside the Knapp's Building at 300 S. Washington Square in February 2022. This has allowed the business to consolidate operations and provide a retail storefront.



*Sweet Encounter Grand Opening
February, 2022*

Hooked:

In fall 2021, the LEDC assisted with the application and approvals process for a Redevelopment Area Liquor License at the future location of Hooked in the newly constructed Red Cedar Development along E. Michigan Ave. The Hooked concept is a traditional bookstore with a café and wine bar that will feature community-oriented events and opportunities such as book clubs, author meet and greets, guided tastings, book/coffee/wine-of-the-month clubs and much more. Hooked is planning to open for business in early 2022. *Photos provided by Hooked's social media.*



Batter Up Bistro:

Batter Up Bistro serves breakfast and lunch made with fresh, organic ingredients along with in-house baked artisan breads. Batter Up Bistro put a pause on serving during the pandemic and is scheduled for a soft-reopening in the spring of 2022. The LEDC assisted with the application and approvals process for a Development District Liquor License which will add more options for their customers to enjoy for their relaunch and future expansion.

Major LEDC Projects Completed or Under Construction in 2021

The LEDC is involved with economic development projects that start out as an idea and based on a plan, idea or strategy--with help from LEDC staff--become a solid prospect that flourishes into an economic development project. By working with our local and state partners, the LEDC staff identifies potential financial tools or incentives that can help the project overcome economic obstacles. LEDC staff then assist prospects through the approval process and set them up to start their ventures. Once the economic project starts, the LEDC monitors it's progress and continues to assist as opportunities arise. Upon project completion the LEDC audits the projects to ensure that commitments and promises made to the City have been met and the project is a success both for the private and public stakeholders. The partnership between the City, the LEDC, and the business or developer does not end there. For example: for brownfield projects the review and financial assistance can continue for up to 30 years. Often one successful project will lead to another over the years by providing a catalyst for more project leads and prospects that in turn create more economic development projects. This creates multiplier effect that leads to a more prosperous community that is a better place to live and work.

During 2021, the LEDC managed and administered 10 projects under construction or completed totaling over \$1 billion of investment:

- Red Cedar: \$250,000,000
- Temple Lofts: \$10,000,000
- Volaris Lansing: \$52,000,000
- McLaren Hospital: \$602,000,000
- The Louie: \$20,000,000
- Holmes St. School: \$2,800,000
- Capital City Market: \$41,500,000
- Metro Place Apartments: \$25,000,000
- Capital View Apartments: \$14,700,000
- Lake Trust 500 Block: \$32,000,000
- Allen Place: \$10,000,000
- Michigan Realtors HQ: \$9,000,000

Red Cedar Development:

Located at 203 S. Clippert St, the final stage of this project has broken ground for the large, vibrant mixed-use village along E. Michigan Ave. A mixed-use development by Continental/Ferguson LLC, the Red Cedar project is an approximate 35.5-acre development. The project will include 792 beds of student housing, 181 market-rate apartments, two hotels, and a senior housing development with independent assisted living, and memory care living options. Plans also call for several restaurants, a 40,000 plus square foot retail and commercial space, and a public park with a recently dedicated Sue and Jack Davis amphitheater complete with a connection to the Lansing River Trail and MSU.

Major LEDC Projects Completed or Under Construction in 2021

Red Cedar Development (continued):

A 20-acre park with trails and water features will clean millions of gallons of rainwater runoff currently running into the Red Cedar and Grand rivers, resulting in a cleaner riverfront for the public to walk along, wade in, fish, canoe, and kayak for years to come. The Red Cedar project is a mixed-use development that will connect the Lansing State Capitol to Michigan State University and adjacent communities along the Michigan Avenue corridor. Long viewed as an important yet under-realized corridor of possibility, this project will serve as a powerful catalyst for new multi-generational housing, vibrant activity, wide-ranging economic impacts, and regional pride. The project will include two hotels, market-rate housing, senior living, student housing, and public amenities. This \$260 million dollar mixed-use development will be a catalyst for the City of Lansing, the Michigan Avenue corridor, and the region. What is currently viewed as fragmented, with several blighted pockets of development, can evolve into an indispensable zone of activity that creates jobs, enhances the economy, and improves the community's sense of place.



Red Cedar Under Construction



Red Cedar Under Construction

The LBRA issued \$41 million in bonds that were sold to finance the eligible public infrastructure improvements needed to accommodate the new development. These bonds are paid back over time from the increase in property taxes that the developer will pay on the new privately-owned development. The bonds were structured so there is no risk to the LBRA or City to make any bond payments if a shortfall in new property taxes occurs in any future year. In the event of a shortfall, the developer or development owners are responsible for making bond payments.

McLaren Greater Lansing Hospital:

The new McLaren hospital is open at Forest and Collins roads as of March 6. This state of the art \$600-million facility has been under construction since 2018 and will house an expanded emergency department, intensive care unit, heart institute and orthopedic and sports medicine units.



McLaren's New Hospital in Lansing Finally Opens!

The LEDC working with LEAP and the City has assisted McLaren every step of the way. The Lansing Brownfield Redevelopment Authority (LBRA) has worked closely with McLaren, MSU, the MSU Foundation and the City of Lansing to design a streetscape plan for the entire Collins Road Corridor.

Major LEDC Projects Completed or Under Construction in 2021

Volaris Lansing:

In 2021 the \$52 million Volaris Lansing apartment complex opened in Lansing. The 289 unit, 4-story multi building development was constructed on the site of the long vacant and blighted Harley Hotel near the intersection of Collins and Dunkel road. The complex is designed meet the housing needs of new medical professionals who will come to Lansing for jobs at McLaren Greater Lansing's new hospital. The project includes garage parking, an outdoor pool, courtyards, grilling stations, an enclosed outdoor dog park, a clubhouse and a leasing office.

The project was made possible with the use of brownfield redevelopment financing from the Lansing Brownfield Redevelopment Authority (LBRA) and City of Lansing. This useful incentive tool will capture the increase in property taxes paid by the Developer on the new apartments and reimburse the Developer for their brownfield costs incurred demolishing and cleaning up the contaminated site.

The LBRA was also able to include \$500,000 of public infrastructure improvements in the brownfield plan for the Collins and Dunkel intersection. These improvements will be paid for by the Developer as a part of the brownfield plan.

COLLINS ROAD CORRIDOR STUDY



CONCEPTUAL RENDERING
Looking East on Dunkel Rd.



CONCEPTUAL RENDERING
Looking Northeast from Above



Major LEDC Projects Completed or Under Construction in 2021

City View (Former Lake Trust):

After commencing construction in Fall 2021, the rehabilitation of the former Lake Trust Headquarters and construction of a new building on the 500 Block of S. Capitol is now well underway. This redevelopment project will collectively offer 172 new multi-family residential units and 18,000 SF of new office/commercial space in Downtown Lansing and make a stronger connection with REO Town along the S. Washington Corridor. Completion of City View is expected in spring 2023.



City View While Under Construction

Allen Place:

There was huge progress in 2021 on the Allen Place project in Lansing's Eastside neighborhood.

The 21 units of age-friendly, mixed-income housing were opened to new residents and the on-site integrative services and programming which include an Accelerator Kitchen, Prep and Pack Kitchen, Ingham Community Health Center Clinic, and ELFCO Consignment Grocery neared completion. All these services, programs and more are expected to become fully operational in 2022.

To assist with the development's considerable redevelopment and environmental remediation costs, the LEDC helped secure an Obsolete Properties Rehabilitation Act (OPRA) tax abatement, a \$850,000 grant through the Michigan Department of Environment, Great Lakes, and Energy (EGLE), and a City of Lansing Façade Improvement Program matching grant award.



Major LEDC Projects Completed or Under Construction in 2021

Temple Lofts:

The \$10.5 million redevelopment of one of Old Town's most storied buildings includes the construction of 31 market-rate apartments, 3,000 square feet of first-floor office space, and nearly 1,000 square feet of first-floor commercial space. Through a partnership with the nonprofit organization Michigan Community Capital (MCC), this long-vacant and functionally obsolete property, which has bested several developers in the past, is finally being revitalized. With a two-story parking garage constructed next to the building, this project will shine a light on this iconic building and key gateway between Old Town and the Northtown neighborhood, paving the path for further redevelopment along E. Cesar Chavez Ave. This project was made possible with the support of a Brownfield Plan and an Accelerated Reimbursement Loan approved by the LBRA. The project received MEDC and Michigan Strategic Fund (MSF) approvals in 2020 for equity investment under the Community Revitalization Program (MCRP). Interior buildout is nearing completion as well as the exterior improvements and parking infrastructure, bringing the project close to welcoming new residents and businesses by mid-2022.

Michigan Realtors:

In 2021, the Michigan Realtors® welcomed employees and visitors to their new building on the highly visible gateway property at N. Washington and West Saginaw, within the corridor improvement authority district for Saginaw Street. The over \$9M development provides space designed for hosting programs including workplace and conference space for Michigan Realtors® staff and training/meeting space to host dinners, continuing education seminars, committee meetings, and other events for members, stakeholders, and partners from around the State.

The City, LEDC/LBRA, and Michigan Realtors® worked together to design and construct the improved landscaping, sidewalks, and parking around the site to create a more inviting, clean appearance allowing for easier and safer access to the property and to Durant Park for both pedestrians and vehicles. The LEDC looks forward to this new development bringing visitors to downtown Lansing to socialize, network, and work together.



Temple Lofts Under Construction



Temple Lofts Under Construction

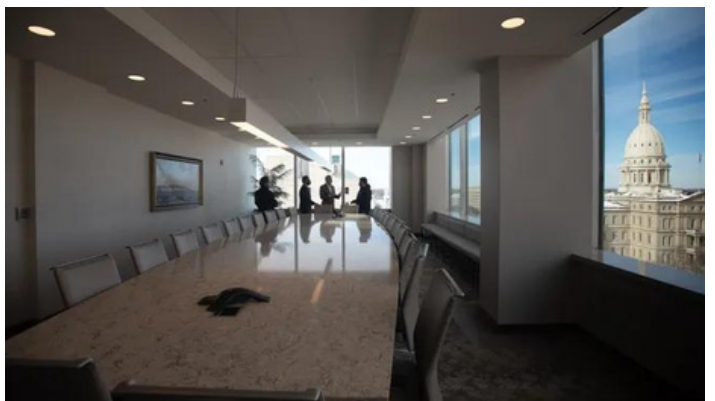


Michigan Realtors February 2022 taken by Mitch Timmerman, EDS

Major LEDC Projects Completed or Under Construction in 2021

The Louie:

2021 saw the opening of The Louie a 95,000 square foot office building downtown and across the street from the Capitol Building. Previously known as the Farnum Building, it was the home of the Michigan State Senate offices. However, the Senate moved to the Capital View building in 2017. The Farnum building was put up for sale and purchased by the Boji Group in 2018. With the help of the Lansing Brownfield Redevelopment Authority and the City of Lansing the building has been completely renovated and modernized into a Class A office building. This \$20 million project also put the building back on the tax rolls generating property taxes. The brownfield plan allows for 10% of these taxes to be captured by Lansing Tax Increment Finance Authority (TIFA) which financing public facilities to support downtown Lansing such as the City's Parking ramps and the Lansing Center. After the Developer is reimbursed for their eligible brownfield costs 100% of the new taxes will be captured by the TIFA allowing more public investments in Lansing.



2022 Outlook: Changes, Challenges and Opportunities

Changes:

2022 brings big changes, challenges and opportunities for the LEDC. The LEDC Board of Directors and Mayor Schor have made the decision to not renew the contract between the LEDC and LEAP beginning July 1, 2022. Instead the LEDC will hire its own staff to fulfill its duties to the City, Brownfield Redevelopment Authority and Tax Increment Financing Authority. Having its own staff is not new to the LEDC and in fact was the norm for the LEDC for 36 years from its creation in 1976 until 2012 when the annual contract with LEAP started. The change will allow the LEDC to better accomplish its mission to attract and grow businesses; create and retain jobs; redevelop vacant, underutilized, or contaminated properties; and create public/private partnerships to make Lansing a great place for everyone.

2022 New and Improved Programs:

Lansing Equitable Economic Development (LEED):

The need and demand for equitable development has never been greater, and the LEDC along with city of Lansing and LEAP are creating programs to fill it. By using key findings from the Mayor's Racial Justice Equity Alliance (MRJEA) report and LEAP's expertise through its department of equitable economic planning (DEEP), the LEDC has proposed to use \$4.5 million of the city's ARPA funds to support an initiative that will push Lansing forward to a place of shared prosperity and economic resilience. These funds will be used to support BIPOC entrepreneurs, reduce ALICE households in city, workforce development, and strengthen corridors.

Façade Program:

For the 2022/2023 fiscal year, the City of Lansing has increased the funds for the Façade Improvement program to \$300,000. The LEDC anticipates their efforts to continue to impact businesses in the City of Lansing in an impactful way.

The Corridor Improvement Authorities are expected to receive additional funding, roughly \$100,000 in funding is expected for each CIA. This will assist the CIA's in the productivity of public improvement projects.

2022 Projects Opportunities:

2022 has the potential to be a big year for the LEDC and City. At the end of 2021, the LEDC had 21 projects in the Prospect State representing over \$3 billion in potential investment and the creation or retention of more than 2,500 jobs. These potential projects range in size and type including local manufacturers expanding, brownfield redevelopment projects, placemaking, commercial, retail, mixed use and entertainment venues.

Opportunities:

224 Washington Ave:

The RBM Properties team, with over 40 years of combined experience in the entertainment industry, is investing nearly \$1M in renovating the building at 224 S. Washington Sq. and transforming the space into a live music venue that will have a capacity of approximately 600 people for general admission and 250 people for tabled events. The new music venue will help fill the gap that was created with the recent closing of several local live venues and create a home base for local artists as well as become a destination for artists traveling throughout the state. The venue will host a wide range of music and entertainment genres from jazz to bluegrass, and everything in between. The space will operate year-round and be available to rent for private functions and events. The first events are anticipated for late 2022. The LEDC Board supported the project through approval of a business finance assistance program loan in early 2022 and the LEDC continues working with the developer on their application for an Obsolete Property Rehabilitation Act Certificate and Class C Development District Liquor License.

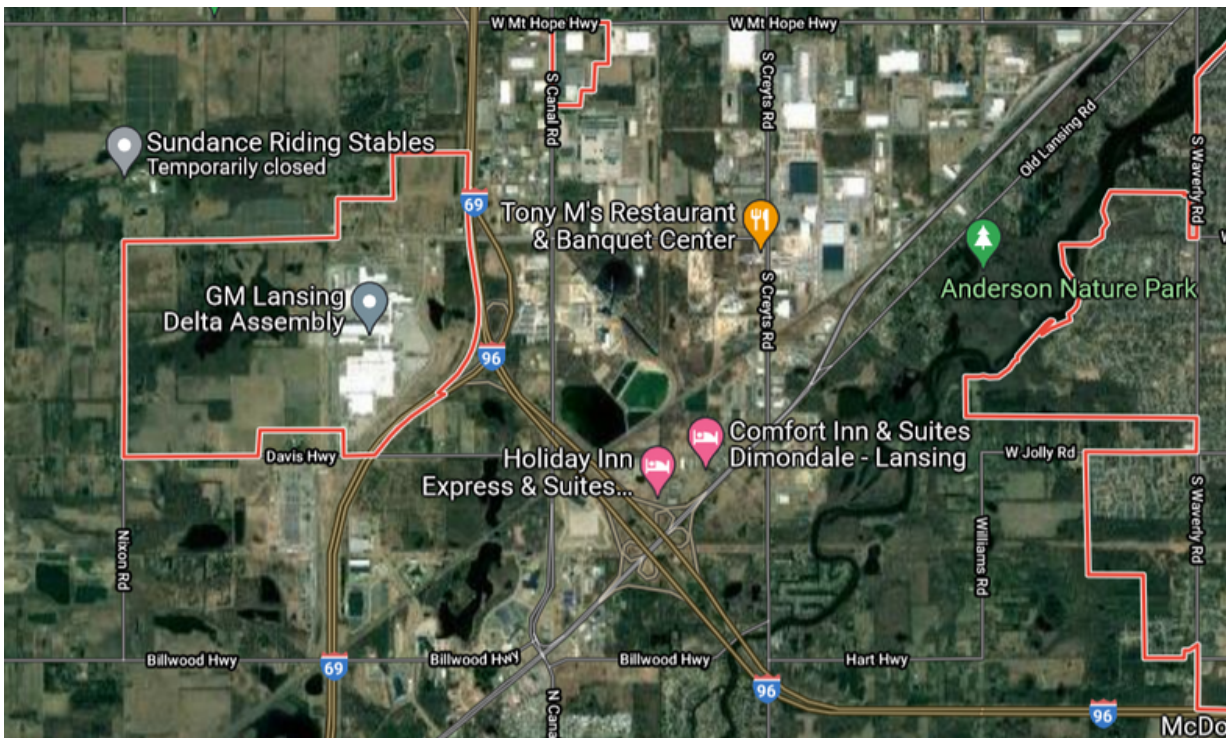
Lansing Shuffle Food Hall & Social Club:

Coming soon to the Lansing Riverfront at the site of the former Lansing City Market, the \$3 million Lansing Shuffle project will bring new life and vibrancy to downtown Lansing. Construction is currently underway, and the opening is expected by late summer 2022. Lansing Shuffle will include a variety of food and drink options from local food entrepreneurs, full-sized shuffleboard courts, and community event space. Lansing Shuffle has already announced the first three restaurant partners planning to open in the space, including Yeti Kitchen, Osteria Vegana, and Browndog with more on the way. This project will serve as a hub for delicious food and unique entertainment and continue the momentum of riverfront activation, adding to the flourishing lifestyle amenities in downtown Lansing. The project includes a full renovation of the Lansing City Market building and upgrades to the patio. The reactivation of this vacant riverfront space will make Rotary Park and the Lansing Riverfront a regional center for recreation and economic vitality. For more information visit lansingshuffle.com



GM-LG-Ultium Plant:

In the late 1990s, GM working with the City and LEDC and Lansing Brownfield Redevelopment Authority (LBRA) built the Lansing Grand River LGR Assembly Plant in downtown Lansing. After the success of the LGR Plant, GM wanted to build a second assembly plant. GM eventually focused on land west of I-96 in southern Delta Township near the intersection of Millett Hwy and Guinea Rd. The amount of land was not only large enough to site an assembly plant but also has extra space for future expansion. GM then approached the City, LEDC and Delta Township and asked that they cooperate to help GM to build another assembly plant on the identified land. To do this the City and Delta Township entered into a 25-year intergovernmental agreement to provide sewer, water, electric and road infrastructure and other services to support the development. It also directed how fees and taxes would be collected and shared between the City and the Township. The end result was a great example of intergovernmental cooperation and a public private partnership to share the costs and benefits of economic development. The Lansing Delta Township Assembly Plant (LDT) a 3.6 million square foot plant was built at a cost of more than \$1 billion and started production in 2006. Since then, more than 3 million GM vehicles have been built there. Today the plant builds Buick Enclaves and Chevrolet Traverses and employs an average of a couple thousand workers with recent annual payroll over \$200 million.



Opportunities:

Now 21 years later in late 2021, GM in partnership with Ultium Cells LLC, and LG Energy brought another great opportunity to the City and Township. GM and Ultium plan on building a 2.5 million square foot facility adjacent to the LDT Plant to manufacture Electric Vehicle Batteries for use in Electric Powered Vehicles. Ultium will invest \$2.5 billion to construct the facility that will be completed in 2 to 3 years. Employment work will ramp up over several years and is expected to generate 1700 jobs at an average yearly wage of \$46,000. The identified project area is west of the LDT Plant but still within the existing 425 area. The Michigan Economic Development Corporation (MEDC) has created an 18 year tax-free Renaissance Zone on new Battery Plant site. This Renaissance Zone does not include the LTD Plant, only the new Battery Plant.

A conservative estimate of the of the City's share of property taxes exempted over the 18-year life of the Renaissance Zone is estimated to be \$14 million. Over the same period of time the expected combined net share of revenue from both the LDT Plant and new Ultium Plant to the City will be more than \$100 million. This represents a 7 fold return on investment to the City from extending the 425 agreement and approving the incentives on the Battery Plant.



Rendering of Ultium Plant, from GM's website

Neogen-LBRA Expansion:

The LEDC and LBRA has been partnered with NEOGEN for over 20 years to help them grow and thrive in Lansing. They were a pioneer in the purchase and redevelopment of old vacant and underutilized buildings and have become a model of successful urban and brownfield redevelopment. NEOGEN, a Lansing based home grown company that started with couple dozen initial workers, currently employs over 600 employees in Lansing. Now as a result of this great public-private partnership, NEOGEN wants to continue to grow in Lansing. They are currently in the process of planning a consolidation and expansion of their manufacturing operations, R&D and headquarters. The result of this expansion will create a world class manufacturing operation which will emphasize and showcase high tech manufacturing and R&D operations. This project will include both retaining current employment levels along with continued employment growth. The LEDC and LBRA look forward to partnering with the City, MEDC and LEAP to make sure this current planned expansion project and those in the future occur in the City of Lansing.

Opportunities:

Partnership with DeWitt Township for Future Emergent Expansion:

Emergent BioSolutions currently operates in Lansing on a 12-acre campus on N. MLK in North Lansing. They currently employ 320 people in Lansing. The LEDC and City have partnered with Emergent over the last 20 years to help them grow and thrive in the City with multiple expansion and redevelopment projects. Emergent produces vaccines for Anthrax, Smallpox, Opioid Overdose, and Covid-19.

The company is evaluating locations to decide where to locate its' next major expansion project. They have identified a 33-acre parcel in Dewitt Township that is adjacent to their current 12-acre campus in Lansing. This parcel is a strong contender for the project and Emergent has asked the City and Township to work together to win this project for the region.

In 2021, the City and Township working with the LEDC, LBRA and LEAP negotiated and approved an Act 425 Agreement that transferred a 33-acre site from the DeWitt Township into the City of Lansing. As a result, the City and LBRA can now offer brownfield benefits to any proposed new development on that site. It will also allow the LBRA to reimburse the City and LBWL for any necessary public infrastructure extensions (sanitary sewer, electric and water). Thus, the City, Township and LBRA have taken a large proactive step in preparing the site more attractive for development that creates good jobs and new tax revenues both the City and Township can enjoy.

The Ovation Center:

In February 2022, Mayor Andy Schor announced The Ovation, a \$21 million mixed-use development in Downtown Lansing that will house a public performing arts center with a seating capacity for approximately 2,000 as well as commercial space, residential units, and the new home of Lansing's Public Media Center. This exciting project on the 500 block of South Washington will be adjacent to the City View development and further activate the Mid-Town area and strengthen the connection between Downtown and REO Town. The Ovation's flexible space design will be suitable for a variety of event types and sizes. The proposed project would have a considerable economic impact by attracting visitors to downtown Lansing, supporting local businesses, and driving further real estate and business investment.



The Ovation Center Proposed Improvement

Opportunities:

2130 West Holmes:

The Pleasant Grove & Holmes Mixed Use Development Project is a proposed new construction development that will revitalize a long-vacant, contaminated, and obsolete parcel on a strategic corner in Southwest Lansing. This estimated \$13.8M, 2-building mixed-use development project will bring new residents, employment, and services to the area. The property's redevelopment has been a primary focus of the Southwest Lansing Initiative, first included as a key milestone of the community-driven Southwest Lansing Action Plan and then featured in subsequent visioning sessions, funding requests, studies, and development efforts. Collaboration with residents, business owners and other stakeholders has been the primary driver for the project and helped identify the resources and programming that would best serve the community including healthcare, financial empowerment, education, trades, and legal services. Site preparation is set to begin in Fall 2022 with completion estimated for Summer 2024.



2130 W. Holmes Proposed Improvement



2130 W. Holmes Proposed Improvement

Stadium North Project:

The proposed Stadium North Lofts is a senior and multi-family housing development featuring two 4-story apartment complexes with approximately 143 units. The estimated \$33M project will provide new housing options for fixed and limited income households in downtown and create urban density along the Cedar and Larch corridor. The LEDC is currently working with the developer and the Michigan Department of Environment, Great Lakes, and Energy (EGLE) to secure a Brownfield Redevelopment Program Grant to help defray the significant environmental cleanup and site preparation costs needed on the site.



Stadium North Proposed Improvement

Looking Forward

Summary:

Overall, in 2021 the LEDC continued to provide invaluable services and programs to the businesses and residents of Lansing. This includes: our efforts with grant and loan programs to help small businesses bounce back from the Covid-19 Pandemic; assisting local manufacturers such as NEOGEN, Emergent and GM-Ultium with their expansion plans; using our brownfield program to finance the reuse and redevelopment of vacant, obsolete, and contaminated properties, managing four Corridor Improvement Authorities and the Façade Improvement program, and finally winning two gold Economic Excellence Awards from the International Economic Development Council for the BLOCK600 brownfield project.

Conclusion:

2021 was another good year despite the lingering effects of the pandemic. 2022 brings both new challenges and opportunities for the LEDC. One thing is for certain: the LEDC has always risen to the occasion and succeeded because of its great board leadership and talented staff. Likewise in 2022, the LEDC will persevere and make the most of every opportunity to keep Lansing a great place to live and work for everyone.



The Award-Winning BLOCK600 Project in Lansing

LANSING ECONOMIC DEVELOPMENT CORPORATION

2021 ANNUAL REPORT



For more information about our programs and services please contact Karl Dorshimer at karl@purelansing.com



Andy Schor, Mayor

