



## PUBLIC NOTICE

### REGULAR MEETING of the BOARD of DIRECTORS

Monday, September 17, 2018

4:00 - 6:25 pm

Ingham County Human Resources conference rooms D+E

Health and Human Services Building, 5303 South Cedar Street, Lansing MI

*Please mute your cell phone to avoid interrupting the meeting.*

## AGENDA

1. Call to order
2. Approve minutes of the August 6, 2018 regular meeting
3. Amendments to the agenda
4. Limited public comment                      3 Minutes per person
5. Resolution
6. Update on office roof replacement, mold mitigation, duct cleaning, window opening rehab, and touch up painting
7. Staffing
8. Legal counsel report
  - A. Recoupment of supervisory bonuses
  - B. Request counsel to research language re: marijuana crops on LB property sold?
9. Program status reports
10. Financials
  - A. Receive Accounts Payable as of July 31, 2018
  - B. Receive Statements of Net Assets and Revenue & Expense, July 31, 2018
  - C. Have Plante Moran present 2017 audit results next month?
  - D. Budget adoption by November 1 per bylaws; reschedule October meeting to later in the month?
11. Discussions
  - A. Restructure purchase agreement with Urban Systems for the old Deluxe Inn site  
(Buyer rep available @ 5 pm)
12. Reports
  - A. Executive Director                      See attached
  - B. Board Chairman
13. Limited public comment                      3 Minutes per person
14. Adjournment

# INGHAM COUNTY LAND BANK

## FAST TRACK AUTHORITY

### Minutes of the August 6, 2018 Regular Board Meeting

#### Attendance

---

Members present: Treasurer Schertzing and Commissioners Crenshaw, Grebner, Louney, and Nolan

Members excused: N/A

Others present: Executive Director Jeanna Paluzzi, Tim Perrone, Max Boortz, and Tony Scruby

#### Minutes

---

##### 1. Call to order

Chairman Schertzing called the meeting to order at 4 pm in Health and Human Services Building conference rooms D+E, 5303 S Cedar Street, Lansing.

##### 2. Approved minutes

- A. June 4, 2018 Regular Board meeting
- B. June 26, 2018 Special Board meeting

GREBNER MOVED, SECONDED BY LOUNEY, APPROVAL OF THE MINUTES AS WRITTEN.

MOTION APPROVED UNANIMOUSLY.

##### 3. Amendments to the agenda

Chairman Schertzing moved item 5E to be included in 6.

##### 4. Limited public comment

Chairman Schertzing acknowledged Boortz and Scruby, who were attending the meeting to discuss the purchase offer for 414 Baker. Scruby provided Boortz an easement to property behind the building, since the building was constructed on the 414 Baker lot line. Boortz indicated frustration that Paluzzi was insisting on budget detail and suggested the Land Bank did not understand commercial real estate deals. Schertzing indicated that Paluzzi was protecting Land Bank interests. Schertzing asked Boortz if he would be agreeable to a requirement that the roof be replaced and passed City inspection by December 15. Boortz agreed.

GREBNER MOVED, SECONDED BY CRENSHAW, AUTHORIZING THE SALES OF 414 BAKER FOR \$1000 PLUS CLOSING COSTS WITH THE REQUIREMENT THAT A NEW ROOF PASS CITY INSPECTION BY DECEMBER 15. FURTHER, THE PROPERTY WOULD REVERT TO THE LAND BANK IF THE REQUIREMENT WAS NOT MET.

MOTION APPROVED UNANIMOUSLY.

## 5. Resolutions

### **18-19 Participate in Michigan Land Bank small real estate development alliance**

MOVED BY LOUNEY, SECONDED BY GREBNER, APPROVAL OF RESOLUTION.

Paluzzi provided background on the Michigan Land Bank initiative. Two other county land banks are test driving it this year. We will be in a better position to participate in the second round next year, once our real estate specialist is on Board a bit. Grebner said he always likes to encourage innovation. Schertzing said this is good stuff, and the Congress for New Urbanism and Urban Land Institute has been preaching this. Louney asked if LEAP is engaged with this, and Paluzzi indicated that she will be encouraging their partnership.

MOTION APPROVED UNANIMOUSLY.

### **18-20 Authorize foreclosure services agreement with Treasurer's Office**

MOVED BY GREBNER, SECONDED BY LOUNEY TO APPROVE RESOLUTION AS WRITTEN.

MOTION APPROVED UNANIMOUSLY.

### **18-21 Pay certain vendor invoices online instead of by check**

MOVED BY GREBNER, SECONDED BY CRENSHAW TO APPROVE RESOLUTION AS WRITTEN.

Crenshaw suggested checking onto generating payment from our checking, as opposed to vendor websites, to potential save any vendor fees for online payment. Paluzzi agreed.

MOTION APPROVED UNANIMOUSLY.

### **18-22 Swap 2725 Northwest Ave for 1617 Pattengill Ave**

MOVED BY GREBNER, SECONDED BY LOUNEY TO APPROVE RESOLUTION AS WRITTEN.

MOTION APPROVED UNANIMOUSLY.

## 6. Staff and Executive Director/Board relationships

Paluzzi expressed concerns that since the last Board meeting, the Board decided to halt filling three vacant positions after the selection process was well underway. After significant discussion, the Board affirmed the Executive Director's responsibility to hire, manage, and fire

staff.

Paluzzi also raised concerns that two people in particular have assumed significant responsibilities since a major staff reduction a few years back, but have not received title changes or compensation for those additional responsibilities. Grebner indicated he did not want to hold up recognizing those contributions much longer, and requested an analysis of job functions and recommendation for the appropriate level of compensation.

Grebner further requested a draft resolution to better integrate Land Bank administrative activities into County operations, such as integrating into IT systems, HR support, and Financial Services Support. Grebner also suggested a 1099 option for the Controller.

#### **7. Legal counsel report**

Perrone indicated that neither Bonsall nor VanHalst have submitted the negotiated settlement checks yet.

#### **8. Program status reports**

Paluzzi indicated they would be provided regularly once staff vacancies have been filled.

#### **9. Financials**

Financial reports were received to file.

#### **10. Reports**

##### **A. Executive Director**

Paluzzi reviewed her written report. Crenshaw remarked that it was worded quite emotionally. Paluzzi said she needed to document certain issues that have not been resolved to date.

##### **B. Board Chairman**

Schertzing provided a list of properties sold at the first 2018 auction, identifying both the starting bid and winning bid prices.

#### **11. Limited public comment**

There was no public comment.

Louney mentioned that BWL now has a tree truck; would the Land Bank be interested in leveraging tree service through BWL? Paluzzi said she would check in with staff about the nature of the existing tree service contract.

#### **5. Adjournment**

The meeting adjourned at 6:15 pm.

Respectfully submitted,  
Jeanna M. Paluzzi

09/11/2018

CHECK REGISTER FOR INGHAM COUNTY LAND BANK  
CHECK DATE FROM 07/01/2018 - 07/31/2018

Check Date	Check	Vendor Name	Amount
Bank GEN PNC GENERAL CHECKING			
07/10/2018	16913	AC & E RENTALS, INC	396.00
07/10/2018	16914	ALL STAR SNOW REMOVAL lawn care	6,975.00
07/10/2018	16915	BB CONTRACTING	958.25
07/10/2018	16916	BOARD OF WATER & LIGHT	477.55
07/10/2018	16917	CONSUMERS ENERGY	202.59
07/10/2018	16918	DUST TO DAZZLE CLEANING	545.00
07/10/2018	16919	FELDPASCH CLEANING SERVICES, LLC	245.00
07/10/2018	16920	FRITZY'S LAWN & SNOW lawn care	3,735.00
07/10/2018	16921	INGHAM COUNTY HEALTH DEPARTMENT Garden program Americorps	10,032.00
07/10/2018	16922	HOLDEN ELECTRIC, INC	165.00
07/10/2018	16923	INGHAM COUNTY HOUSING COMMISSION 2 qtrs rental mgt fees	8,291.62
07/10/2018	16924	J & J HARDWOODS, INC. tree service on HHF demolition sites	16,000.00
07/10/2018	16925	KELLEY APPRAISAL COMPANY	200.00
07/10/2018	16926	KWIK CAR WASH	26.97
07/10/2018	16927	LAKE STATE LAWN-LANDSCAPING & SNOW lawn care	3,105.00
07/10/2018	16928	LANSING CITY TREASURER code compliance fines gone to prop taxes	14,121.10
07/10/2018	16929	MANER COSTERISAN	4,350.00
07/10/2018	16930	MCKISSIC CONSTRUCTION lawn care Treasurer	3,260.00
07/10/2018	16931	MICHIGAN FLEET FUELING SOLUTIONS LL	787.95
07/10/2018	16932	MIDWEST POWER EQUIPMENT	533.44
07/10/2018	16933	NORTHWEST INITIATIVE lawn care	4,605.00
07/10/2018	16934	PRECISION PIPING LLC	537.02
07/11/2018	16935	DICK CORTRIGHT Eden Glen furnaces + AC + duct cleaning	9,137.00
07/27/2018	16936	ADT SECURITY SERVICES, INC	173.64
07/27/2018	16937	BOARD OF WATER & LIGHT	410.24
07/27/2018	16938	BOARD OF WATER & LIGHT	180.76
07/27/2018	16939	COHL, STOKER & TOSKEY, P.C.	2,632.15
07/27/2018	16940	CONSUMERS ENERGY	193.30
07/27/2018	16941	DICK CORTRIGHT Eden Glen furnaces + AC + duct cleaning	7,665.00
07/27/2018	16942	DISCOUNT GLASS AND SCREEN	54.00
07/27/2018	16943	EDEN GLEN CONDO ASSOCIATION Net rentals & land contracts = \$2030	4,910.00
07/27/2018	16944	SCHUMACHER'S FOUR SEASONS lawn care	9,075.00
07/27/2018	16945	FRITZY'S LAWN & SNOW lawn care	3,285.00
07/27/2018	16946	GRANGER CONTAINER SERVICE	226.31
07/27/2018	16947	HOLDEN ELECTRIC, INC	3,420.00
07/27/2018	16948	HOME DEPOT CREDIT SERVICES	58.54
07/27/2018	16949	INGHAM COUNTY TREASURER employee health insurance	5,948.18
07/27/2018	16950	KT ELECTRIC	539.75
07/27/2018	16951	JOHN KROHN	71.14
07/27/2018	16952	KWIK REPO INC Treasurer	32,604.00
07/27/2018	16953	MCKISSIC CONSTRUCTION lawn care Treasurer	1,645.00
07/27/2018	16954	PITNEY BOWES PURCHASE POWER postage meter	87.90
07/27/2018	16955	ADRIENNE (TESSA) VANDECAR rental security deposit return	527.24
07/27/2018	16956	VERIZON WIRELESS	150.20
07/27/2018	16957	WE'RE DIFFERENT LAWNS & MORE lawn care	4,980.00
Total of 45 Checks:			167,523.84
Less 0 Void Checks:			0.00
Total of 45 Disbursements:			167,523.84

# Ingham County Land Bank Fast Track Authority

## Statement of Net Assets as of July 31, 2018

<b>Assets</b>		
Cash	\$	848,421.55
Accounts Receivable :		
Land Contract Receivable	\$	527,447.56
Land Contract Interest Receivable	\$	27,501.34
Land Contract Escrow	\$	9,291.11
Notes Receivable		
Specific Tax Receivable	\$	161,726.01
Specific Tax Receivable - Prior Year	\$	13,086.21
Payroll	\$	-
Employer Tax Liability CDBG		
OCOF Receivable		
Ingham County Receivable	\$	415,206.55
Lansing City Receivable - General		
CDBG County Receivable		
CDBG Receivable - Lansing Demo		
CDBG Lansing Rehab Receivable	\$	253,168.45
CDBG City TA Receivable		
NSP 3 Lansing City Receivable		
NSP County Receivable		
NSP 2 Receivable		
HOME Lansing City Receivable		
Michigan Blight Elimination Rec		
HHF MSHDA Receivable	\$	(10,880.50)
MSDHA Ash Street Rec		
Brownfield Receivable - Ingham Cnty		
Due from other funds	\$	32,564.49
Inventory - NSP2		
Inventory	\$	1,941,450.94
Fixed Assets	\$	236,763.70
Land Improvements		
Fixed Assets - Rental	\$	866,800.20
Accumulated Depreciation All Fixed	\$	(272,493.31)
<b>Total Assets</b>	<b>\$</b>	<b>5,050,054.30</b>

<b>Liabilities</b>	
Accounts Payable	\$ 248,265.02
Notes Payable - PNC Bank	\$ 3,227,555.80
Accrued time off payable	\$ 4,749.99
Due to Ingham County	\$ 671,051.42
Due to MSHDA	
Due to City of Lansing	\$ 409,050.38
Due from other funds	\$ 32,564.49
Rental Deposit	\$ 9,676.76
Good Faith Deposits	\$ 10,088.00
Land Contract Escrow	\$ 6,125.35
Deferred Revenue	
Employee Contribution - Health Care	\$ 441.42
Total Liabilities	\$ 4,619,568.63
<b>Retained Earnings</b>	
	\$ (3,040.55)
<b>Total Net Assets</b>	
	\$ 427,445.12

10B2  
Ingham County Land Bank Fast Track Authority

Statement of Revenues and Expenses  
as of July 31, 2018

	2018	2018 YTD	
	Amended Budget	7/31/2018	%
<b>Revenues</b>			
Ingham County allocation	\$ 400,000.00	\$ 700,000.00	175.00%
Property sales	\$ 958,600.00	\$ 595,005.00	62.07%
Interest income	\$ 34,865.00	\$ 39,787.72	114.12%
Brownfield revenue			0.00%
HOME developer fee income	\$ 96,895.00		0.00%
HOME program revenue	\$ 623,814.00		0.00%
Specific tax	\$ 200,000.00		0.00%
CDBG program revenue	\$ 225,000.00	\$ 270,000.00	120.00%
NSP1 program revenue	\$ 4,300.00		0.00%
NSP2 program revenue	\$ 4,300.00	\$ 860.00	20.00%
Hardest Hit blight elimination grant	\$ 798,500.00		0.00%
Rental income	\$ 182,400.00	\$ 84,233.70	46.18%
Late fee revenue	\$ 400.00	\$ 237.85	59.46%
Donation revenue			0.00%
Miscellaneous revenue	\$ 255,520.95	\$ 2,283.00	0.89%
Non-Purchase acquisition of real property	\$ -		0.00%
Neighborhoods in Bloom	\$ 20,000.00	\$ 20,000.00	100.00%
DNR Grant	\$ -		0.00%
Garden Program revenue	\$ 13,000.00	\$ 8,046.21	61.89%
<b>Total Revenue</b>	<b>\$ 3,817,594.95</b>	<b>\$ 1,720,453.48</b>	<b>45.07%</b>
<b>Non-Administrative Expense</b>			
Property acquisitions	\$ -	\$ -	0.00%
Loss on inventory	\$ -	\$ -	0.00%
Depreciation	\$ -	\$ -	0.00%
Cost of projects (renovations, assoc. fees, etc.)	\$ 532,920.00	\$ 436,933.97	81.99%
Current year prop taxes & code compli fees	\$ -	\$ 18,052.11	0.00%
Lawn/Snow/Maintenance	\$ 453,200.00	\$ 184,877.88	40.79%
Brownfield debt	\$ -		0.00%
HOME grant expenses	\$ 629,814.00	\$ 8,078.30	1.28%
CDBG renovation expenses	\$ 225,000.00	\$ 190,966.76	84.87%
NSP1 Lansing City	\$ 10,000.00	\$ 9,484.19	94.84%
NSP2 Expenses	\$ 18,000.00	\$ 11,525.00	64.03%
NSP3 Expenses	\$ -	\$ 120.00	0.00%
Youth Build expenses	\$ -		0.00%
Hardest Hit blight elimination funding	\$ 736,000.00	\$ 189,580.40	25.76%
MI blight elimination grant expenses	\$ -	\$ -	0.00%
Neighborhoods in Bloom	\$ 20,000.00	\$ 14,996.35	74.98%
DNR grant	\$ -	\$ -	0.00%
Demolitions	\$ -	\$ -	0.00%
<b>Total Non-Administrative Expense</b>	<b>\$ 2,624,934.00</b>	<b>\$ 1,064,614.96</b>	<b>40.56%</b>



	2018	2018 YTD	
	Amended Budget	7/31/2018	%
<b>Administrative Expense</b>			
Office Supplies	\$ 19,000.00	\$ 4,385.70	23.08%
Audit Fee	\$ 15,000.00	\$ 16,850.00	112.33%
Communication	\$ 6,500.00	\$ 4,955.87	76.24%
Security	\$ 2,000.00	\$ (626.35)	-31.32%
Membership Fees	\$ 2,000.00	\$ 540.00	27.00%
Rental Expense	\$ 600.00	\$ 400.00	66.67%
Vehicle Expense	\$ 17,500.00	\$ 11,005.87	62.89%
Postage	\$ 1,500.00	\$ 971.45	64.76%
Office Expense (Utilities, Lawn/Snow, etc)	\$ 6,000.00	\$ 7,843.71	130.73%
Media/Public Relations	\$ 15,000.00	\$ 3,267.49	21.78%
Consultants/Legal/Contractual Services	\$ 95,710.00	\$ 43,456.56	45.40%
Computer Software Upgrade/Annual fee	\$ 30,000.00	\$ 21,454.44	71.51%
Travel/Mileage	\$ 3,600.00	\$ 1,310.48	36.40%
Prof.Training/Conferences	\$ 5,000.00	\$ 975.00	19.50%
Payroll Expense (incl. intern)	\$ 346,902.00	\$ 241,377.20	69.58%
Health Insurance and Benefit Expenses	\$ 132,490.00	\$ 47,226.88	35.65%
Building Maintenance	\$ 15,000.00	\$ 536.04	3.57%
Interest Expense	\$ 70,000.00	\$ 50,358.46	71.94%
AmeriCorps	\$ 12,000.00	\$ 10,032.00	83.60%
Equipment Small Purchase	\$ 7,500.00	\$ 20.00	0.27%
Bank Fee	\$ 1,200.00	\$ 318.40	26.53%
Prior Year Expense	\$ -		0.00%
Insurance	\$ 15,000.00	\$ 600.00	4.00%
Garden Program Expense	\$ 10,000.00	\$ 21,685.33	216.85%
Land Contract Default	\$ 75,000.00		0.00%
Community Development Projects	\$ 58,000.00	\$ 6,000.00	10.34%
Lansing Brownfield Expense	\$ -		0.00%
Depreciation	\$ -	\$ 11,838.19	0.00%
Rental Depreciation	\$ 43,350.00	\$ 43,340.03	99.98%
Rental Program Expense	\$ 18,240.00	\$ 27,381.90	150.12%
Turner Street Roof Replacement	\$ 80,000.00	\$ 68,400.00	
<b>Total Administrative Expense</b>	<b>\$ 1,104,092.00</b>	<b>\$ 645,904.65</b>	<b>58.50%</b>
<b>Total Operating Expense</b>	<b>\$ 3,729,026.00</b>	<b>\$ 1,710,519.61</b>	<b>45.87%</b>
<b>Total Net Revenue &amp; Expense, end of period</b>	<b>\$ 88,568.95</b>	<b>\$ 9,933.87</b>	

## 112 Malcolm X Proposal

In completing the due diligence of the property located at 112 Malcolm X drive, the assumed site conditions represented were not an accurate depiction of what is located on the site. This property has had three cycles of development since its addition to the City of Lansing. In working through cost estimates for the site work on Urban System's project, it is apparent this property will need significant work to allow for a new hotel to be built.

Attached to this letter is a breakdown of the estimate totaling \$583,048 Exhibit A. The majority of the cost is in removing rubble and debris from the previous buildings located on the site. Exhibit "B" shows the locations of the foundations in the ground. These are the gray shaded outlines labeled 1-6. There is also an existing retaining wall that was filled over at some point in the properties past. These were all located using ground penetrating radar. The other dashed outlines show where other existing buildings had been located on the property.

There are also two locations with concerns of vapor intrusion that will need to be addressed. These are located on Exhibit "C" labeled SB-2 and SB-6. Due to high concentrations of PCE (tetrachloroethene), The soils in these locations will need to be removed and sent to a class II landfill.

One of the biggest challenges this site presents is the fact it is almost entirely fill. This creates more uncertainty in what types of debris will be uncovered once work begins on the new foundations and parking. The uncertainty creates opportunity for more incurred cost of material removal during remediation. The materials dumped on this site decades ago could have any number of contaminants in it. While Urban Systems feels the numbers provided in Exhibit "A" are comprehensive, not all contingencies can be planned for.

Understanding the challenges presented from the debris in the fill, the foundations from 6 previous buildings and retaining wall, and the environmental concerns with PCE. Urban Systems will not be able to move forward with the purchase of the property under the current terms. Our hope is to come to a solution with the Land Bank and County that allows for these issues to be addressed to allow for a new use on this property. We feel the redevelopment of this property is one of the keys to connecting the existing walkable blocks on Washington Corridor REO town and Kalamazoo to Michigan.

To understand the project, the proposed preliminary site plan is provided as Exhibit "D", This shows the location of where the new hotel would be located on the site. To achieve this vision Eric Helzer led a discussion with the Urban System's team to provide a couple proposals for discussion to allow this project to come to fruition. These are outlined below. Proposal 1 is the preferred model of Urban Systems. The strengths and weaknesses of each idea is discussed from Urban Systems viewpoint in the following proposals, of which there are 3.

Proposal 1 Urban Systems has an understanding with the hotel partner to deliver the property "Pad ready" for construction of the new building for \$700,000. Included in Exhibit "E" is a spreadsheet breakdown of this project.

Proposal 2 There is an option to apply for State capture of the property taxes. The current brownfield plan is at the county level only on this property. There are a few big concerns to going this route. First is the timing. It could take upwards of 6 months for the approval, and the outcome is uncertain. This option really isn't viable for the Urban Systems in order to keep the project moving forward in its current form. We can have a discussion regarding this at the meeting.

Proposal 3 In reviewing the documents the landbank decides to hold the property for now. Urban Systems would request the deposit be returned upon cancellation of the sale. Should the Landbank or another party be interested in obtaining all of the due diligence completed by Urban Systems, the company agrees to release all documents for actual cost of due diligence plus 9%, the amount to be registered with the Landbank upon a mutual release of the documents.

These three proposals are for discussion only at this point. Should the Landbank Board find one of these ideas an acceptable direction to go, CBRE will draft an amendment to the Purchase agreement. This amendment will become part of the binding agreement between the parties. We look forward to meeting in person at the next board meeting for discussion of the future of this property.

REO Gateway Pad Ready Redevelopment Estimate - Balance of Work To Complete  
(estimated as of August 22, 2018)

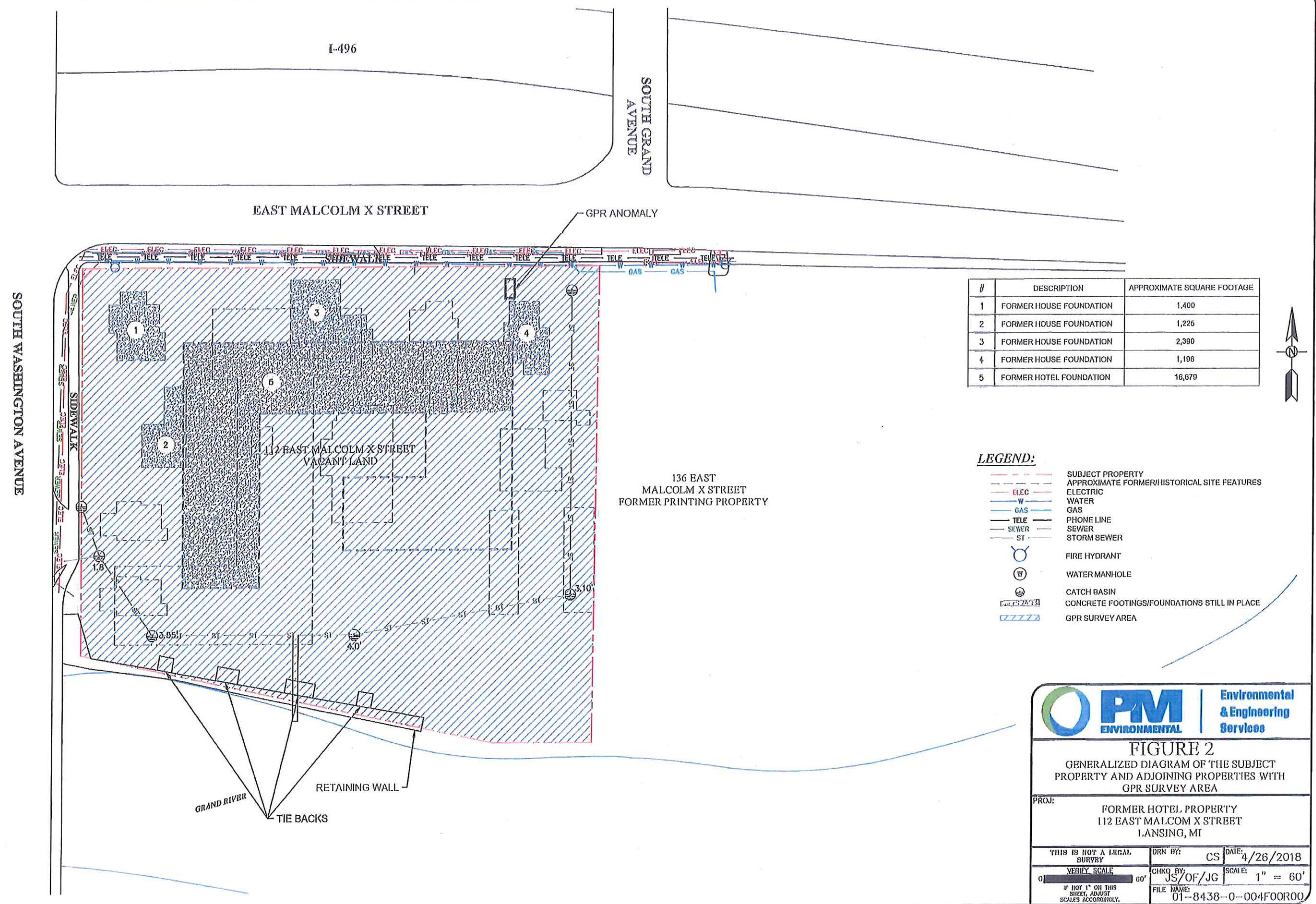
Exhibit "A"

Activity	112 E. Main St. (Land Bank Parcel) Estimated Cost
Project Management - Preliminary Site Construction: Pad Ready Services (Site and Building Prep Development Coordination)	\$76,050
Environmental Consulting Services: Predemolition Survey (Former Printer Parcel) Soil Mitigation, Plan Prep and Evaluation, Construction Residuals Characterization, and Reporting	\$25,000
Civil Engineering Services	\$3,000
Surveying Services	\$2,000
Geotechnical Services	\$7,500
Legal Services	\$9,000
Building Demolition and Removal (includes Foundations and Concrete Slab)	
Building 6	\$0
Site Demolition	
Buried and Subsurface Debris Removal	
GPR Anomaly A	\$0
GPR Anomaly B	\$0
Building Foundations and Concrete Slab Removal	
Building 1	\$27,300
Building 2	\$23,888
Building 3	\$46,605
Building 4	\$23,322
Building 5	\$180,689
Retaining Wall and Foundation Removal	\$6,825
Clearing and Grubbing Remaining Trees and Shrubs	\$20,000
Environmental Soil Mitigation Areas	
SB-2	\$17,333
SB-6	\$17,333
Engineered Backfill and Compaction w/ Imported Sand	
Building 1	\$7,887
Building 2	\$6,901
Building 3	\$13,464
Building 4	\$6,737
Building 5	\$52,199
Building 6	\$0
Environmental Soil Mitigation Areas	
SB-2	\$5,007
SB-6	\$5,007
Buried and Subsurface Debris Removal	
GPR Anomaly A	
GPR Anomaly B	
<b>TOTAL ESTIMATED COST</b>	<b>\$583,048</b>

Assumptions:

- Existing Concrete Curb, Gutter and Approaches to parcels remain.
- Southeast portion of former hotel building and pool foundations and concrete pads were removed by Land Bank during building demolition as was determined from Geophysical Survey Investigation.
- All former parking lot asphalt pads and concrete walks were removed by Land Bank during building demolition as was determined from Geophysical Survey Investigation.
- Former residential home foundations identified from Geophysical Survey Investigation include basements.
- Other than former residential home foundations and basements identified from Geophysical Survey Investigation, all other former home foundations and basements were removed.
- Identified Underground Storage Tank (UST) from Geophysical Survey Investigation will be removed by the Land Bank at its cost utilizing remaining Bond proceeds.
- Existing underground storm drainage systems remain.
- Future structure(s) will require some type of pile foundation system requiring no export of existing soils, which are contaminated.
- Any soils removed during new structure construction must be transported and disposed to an off-site licensed Class II landfill.







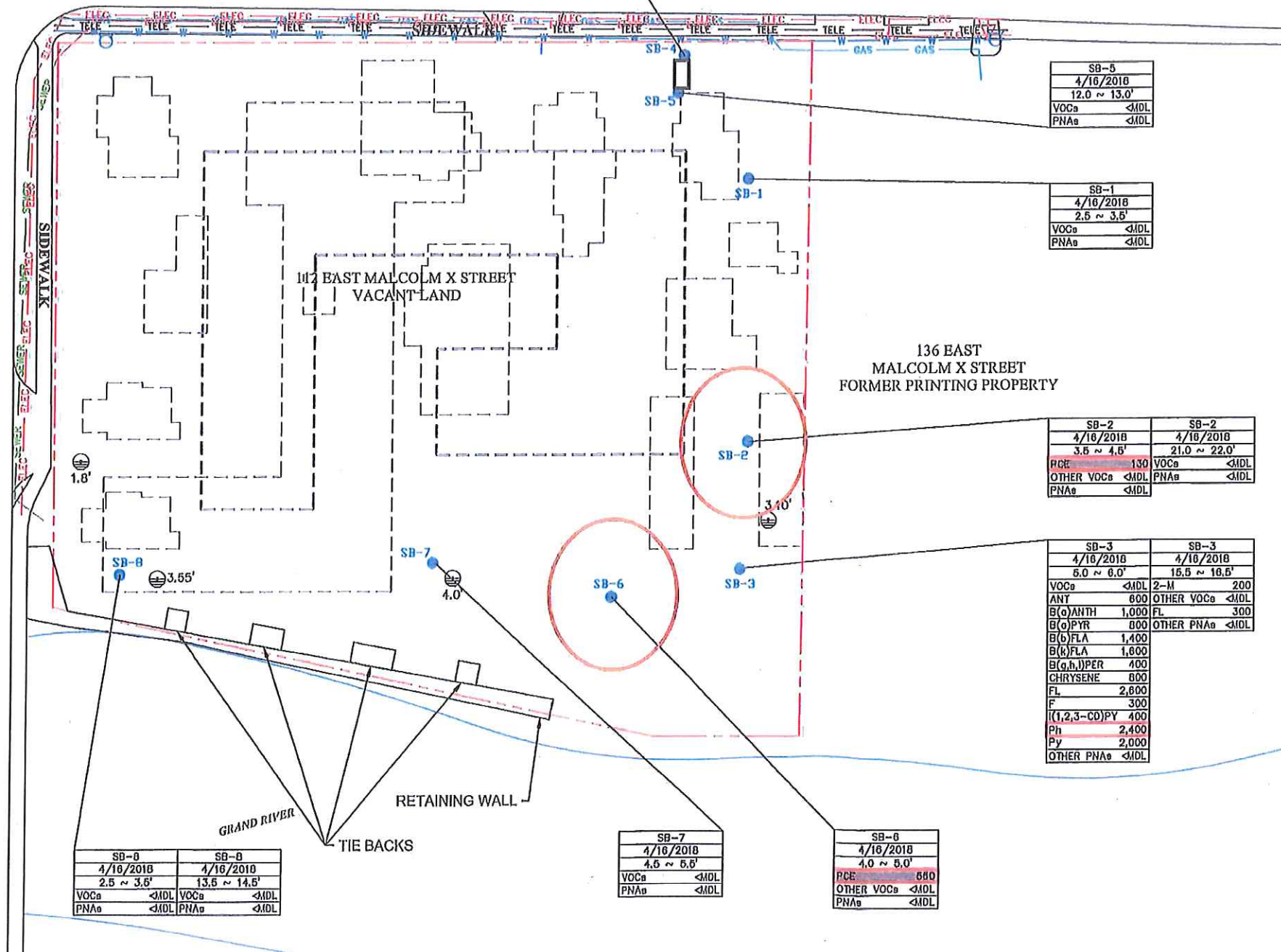
DRAFT

I-496

SOUTH GRAND  
AVENUE

EAST MALCOLM X STREET

SOUTH WASHINGTON AVENUE



## LEGEND:

- SUBJECT PROPERTY
- APPROXIMATE FORMER/HISTORICAL SITE FEATURES
- ELEC
- W
- GAS
- TELE
- SEWER

- FIRE HYDRANT
- WATER MANHOLE
- CATCH BASIN
- SOIL BORING

- ANT ANTHRACENE
- B(a)ANTH BENZO(a)ANTHRACENE
- B(a)PYR BENZO(a)PYRENE
- B(b)FLA BENZO(b)FLUORANTHENE
- B(g,h,i)PER BENZO(g,h,i)PERYLENE
- B(k)FLA BENZO(k)FLUORANTHENE
- F FLUORENE
- FL FLUORANTHENE
- I(1,2,3-CD)PY INDENO(1,2,3-CD)PYRENE
- 2-M 2-METHYLNAPHTHALENE
- Ph PHENANTHRENE
- Py PYRENE
- PCE TETRACHLOROETHENE
- VOCs VOLATILE ORGANIC COMPOUNDS
- PNA POLYNUCLEAR AROMATIC COMPOUNDS
- MDL METHOD DETECTION LIMIT
- UNITs µg/kg (UNLESS NOTED)
- VALUE EXCEEDS APPLICABLE CRITERIA

NOTES: REFER TO TABLES FOR SPECIFIC COMPOUNDS ANALYZED

SOIL CONCENTRATIONS REPRESENTATIVE OF POTENTIAL RESIDUAL LNAPL SATURATION



**FIGURE 3**  
SOIL BORING LOCATION MAP WITH SOIL ANALYTICAL RESULTS

PROJ: VACANT PROPERTY 112 EAST MALCOLM X STREET LANSING, MI			
THIS IS NOT A LEGAL SURVEY	DRN BY: CS	DATE: 4/26/2018	
VERIFY SCALE: 60'	CHKD BY: JS/OF/JG	SCALE: 1" = 60'	
IF NOT 1" ON THIS SHEET, ADJUST SCALES ACCORDINGLY.			
FILE NAME: 01-843B-0-004FOOR00			





## REO GATEWAY

Exhibit "E"

### Urban Systems / Land Bank Deal Structure

#### Initial Deal Structure

Potential Sales Price to Hotel Developer	700,000
Less: Original Purchase Price	(450,000)
Less: Pre-Development Costs	(100,000)
Less: Assumed Cleanup cost	(50,000)
<b>Equals: Estimated Net Profit to Urban Systems</b>	<b>100,000</b>

#### Revised Deal Structure

Potential Sales Price to Hotel Developer	700,000
Less: Environmental Cleanup Costs	(583,000)
Less: Urban Systems Costs Incurred to Date (not Inc. EMD)	(80,000)
Less: Urban Systems Additional Costs to Complete Transaction	(70,000)
Plus: Brownfield Plan Balance Remaining	250,000
Less: 5% Cleanup Overhead & Management Fee	(29,150)
<b>Equals: Estimated Net Profit</b>	<b>187,850</b>
<b>50% to Land Bank</b>	<b>93,925</b>
<b>50% to Urban Systems</b>	<b>93,925</b>

All numbers are estimates





## Executive Director's Report

August 6 – September 13, 2018

### IMPORTANT DATES

October 23-24	Michigan Assn of Land Banks Leadership Summit	Frankenmuth
November 1	Deadline for 2019 budget adoption, per bylaws	

### RELATIONSHIPS

#### Funders

- HOME grant: Both new construction projects are underway. Finalizing the addition of a bathroom in the attic of the rehab. Had a progress meeting with Lansing Development Office staff.
- Hardest Hit Funds grant: Last round (Round 20) of demolitions started. Once Round 20 is completed, we have expended the last of the \$6M US Treasury grant.
- Upon sale of a property, local jurisdictions split property tax revenue 50/50 with the Land Bank for a five year period. It's referred to as specific tax or the 5/50 split. Deputy Treasurer Alan Fox has not been able to locate any paper trail that indicates that previous staff contacted local jurisdictions regarding payments owed to the Land Bank over the last three years. We are in the process of rectifying that.

#### Housing organizations

- Nothing new to report this month.

#### Economic development

- City of Lansing Planning has created a two-page profile for both the Pleasant Grove School and bottling plant properties. The profiles are part of the MEDC Redevelopment Ready Communities program and will be useful for promoting the properties once they are listed.

#### Neighborhoods and towns

- Nothing new to report this month.

#### Eden Glen Condo Assn

- The Board has prioritized capital improvements: first, front and back porch repairs by health and safety issue, then privacy fences. Porch repairs at one of our CDBG condos is at the top of the list.

### PROGRAMS

#### Treasurer's annual tax foreclosure auction process

- Wrapped up auction process tasks, such as evictions and auction sign removals.
- Treasurer's Office is up to date on reimbursements for auction services.

## Demolitions

- See comment above regarding the last round of Hardest Hit Fund-funded demolitions of prior year tax foreclosed properties.
- City of Lansing Development Office is open to considering a proposal to use CDBG funds for demolition of 2018 tax foreclosures coming our way in December.
- Treasurer is considering funding demolitions of foreclosures outside the City of Lansing.

## Sales pipelines

- 734 Princeton is sold. Another CDBG project off our priority list.

### EDEN GLEN CONDOS

- Only two CDBG-funded rehabbed condos left. The City wants them sold or converted to rentals by October 12. Both have offers.

### 112 MALCOLM X/OLD DELUXE INN SITE

- On today's meeting agenda.

### 1141 N PINE/SCHOOL FOR THE BLIND SUPERINTENDENT'S HOUSE

- Continuing to market property.
- Lansing City Council's Planning and Development Committee considered MMRS's petition for a rezoning hearing rescinded, as it no longer had a property interest. The MMRS purchase agreement expired July 31.

### 414 BAKER

- Hired Bippus to broker sale.
- Closing Friday, September 14.

## Garden program

- Provided the City with a plan to address grass/weed and storage issues by Friday, August 18.
- Program manager provided me with language for the addendum necessary to modify garden program agreement for BWL hydrant service. All five gardeners have signed the paperwork. All gardeners have paid us for hydrant manufacture and delivery, so the order has been placed.

## Property maintenance

- There has been no action to reverse code compliance fines from last year and earlier this year, so I am paying them off to avoid further fees.

## Flood hazard mitigation

- FEMA issued a Notice of Funding Availability for floodplain property acquisition and demolition. We will be meeting with Lansing floodplain manager Ronda Oberlin next week to advance our discussions.

# ADMINISTRATION

## Accounting

- Close to resolving issues with land contract payment histories. Maner has verified payments to date against amortization schedules. Current year payments are being proofed so that

corrected statements can go out to buyers. Met with Clark Hill about legal support to resolve arrearages.

- Upon receipt of the new annual County \$300K appropriation for Land Bank debt retirement, split the payment between the two lines of credit.

### Staffing

- Roxanne and I conducted second interviews for the Controller and Real Estate Specialist. Made offers. Consulted County HR re background check protocols and followed them.
- Hired the Controller, who started part-time August 29.
- Hired the Real Estate Specialist, who starts September 17.
- Set up new hire checklists for all the onboarding docs, email, keys, etc.
  - Per County IT replacement schedule, had two new computers installed.
  - Updated ePropertyPlus subscription with staffing changes.
  - Updated ADT security.

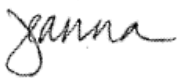
### LB office + pole barn

- Roof work complete. Mold mitigation complete. Ceilings back in place. Ducts cleaned. Items left are a couple of window opening repairs and touch-up painting. Moved a few offices around.
- Cleaning out the pole barn.

### Communications + outreach

- Website update in process. Next phase is property listings and associated tools.

Respectfully submitted,



Jeanna M. Paluzzi  
Executive Director